

LOUISIANA BOARD OF REGENTS

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
MANAGEMENT LETTER  
ISSUED APRIL 19, 2021

**LOUISIANA LEGISLATIVE AUDITOR  
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# Louisiana Legislative Auditor



Louisiana Board of Regents

April 2021

Audit Control # 80200135

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## Introduction

As a part of the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2020, we performed procedures at the Louisiana Board of Regents (BOR) to evaluate the effectiveness of BOR's internal controls over financial reporting and compliance and determine whether BOR complied with applicable laws and regulations. In addition, we determined whether management has taken actions to correct the findings reported in the prior year.

## Results of Our Procedures

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### Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the BOR management letter dated April 29, 2020. We determined that management has resolved the prior-year findings related to Weakness in Controls over Payroll and Weaknesses in Controls over LaCarte Card and CBA Purchases.

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### Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2020, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on BOR's major federal program, the Research and Development Cluster.

Those tests included evaluating the effectiveness of BOR's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether BOR complied with applicable program requirements.

Based on the results of these procedures, we did not report any findings.

In addition, we performed procedures on information submitted by BOR to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA), as it relates to the Federal Family Loan program as required by Uniform Guidance.

BOR's information submitted for the preparation of the state's SEFA is materially correct.

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## Other Procedures

In addition to the Single Audit procedures noted above, we performed certain procedures that included obtaining, documenting, and reviewing BOR's internal control and compliance with related laws and regulations over payroll and LaCarte card and CBA purchases.

Based on the results of these procedures performed, we did not report any findings.

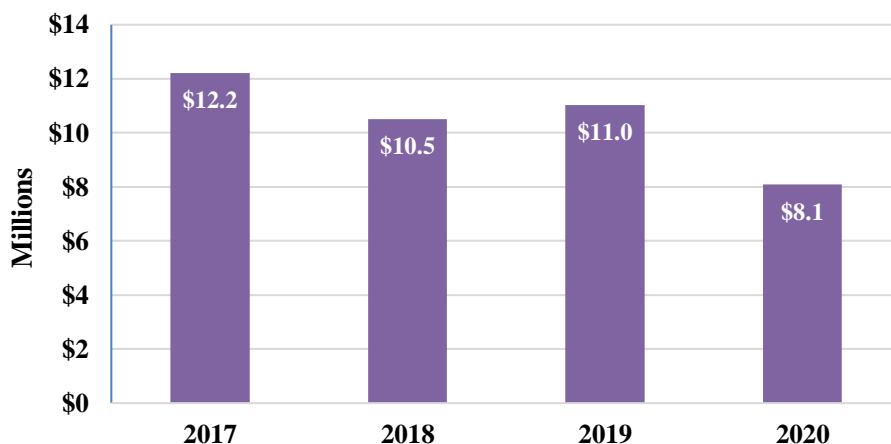
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## Trend Analysis

We compared the most current and prior-year financial activity using BOR's Annual Fiscal Reports and/or system-generated reports and obtained explanations from BOR's management for any significant variances.

We also prepared an analysis of Research & Development (R&D) expenditures from Fiscal Year (FY) 17 through FY20 (Note: Effective August 1, 2016, the Louisiana Universities Marine Consortium and the Louisiana Office of Student Financial Assistance were consolidated with BOR.). As shown below, the R&D expenditures were fairly stable from FY17 to FY19; however, in FY20, R&D spending decreased by approximately \$2.9 million (26.4%). Per BOR's management, the large decrease in spending was attributable to a reduction in R&D activities due to the COVID-19 pandemic.

**Exhibit 1**  
**R&D Expenditures by Fiscal Year**



Source: Fiscal Years 2017-2020 Schedule of Expenditures of Federal Awards

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink that reads "Thomas H. Cole". The signature is written in a cursive style with a large, stylized initial 'T'.

Thomas H. Cole, CPA, CGMA  
Temporary Legislative Auditor

DPT:EBT:BQD:EFS:aa

BOR 2020



## APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Louisiana Board of Regents (BOR) for the period from July 1, 2019, through June 30, 2020, to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2020.

- We evaluated BOR's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to BOR.
- We performed procedures on the Research and Development Cluster for the year ended June 30, 2020, as a part of the 2020 Single Audit.
- We performed procedures on information for the preparation of the state's Schedule of Expenditures of Federal Awards as it relates to the Federal Family Loan program for the year ended June 30, 2020, as a part of the 2020 Single Audit.
- We compared the most current and prior-year financial activity using BOR's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from BOR's management for significant variances.

In addition, we performed procedures that included obtaining, documenting, and reviewing BOR's internal control and compliance with related laws and regulations over payroll and LaCarte card and CBA purchases. The scope of these procedures was significantly less than an audit conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The purpose of this report is solely to describe the scope of our work at BOR, and not to provide an opinion on the effectiveness of BOR's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review BOR's Annual Fiscal Report, and accordingly, we do not express an opinion on that report. BOR's accounts are an integral part of the state of Louisiana's Comprehensive Annual Financial Report, upon which the Louisiana Legislative Auditor expresses opinions.