

NORTHEAST DELTA HUMAN SERVICES AUTHORITY

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Procedural Report
Issued July 9, 2025**

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Northeast Delta Human Services Authority



July 2025

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Introduction

The primary purpose of our procedures at the Northeast Delta Human Services Authority (NEDHSA) was to evaluate certain controls NEDHSA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds.

Results of Our Procedures

We evaluated NEDHSA's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of NEDHSA's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to cash, purchasing card expenses, revenue billings, Office of Debt Recovery collections agreement, and payroll and personnel.

Cash

NEDHSA maintains five local bank accounts for its clinics located in Bastrop, Columbia, Winnsboro, Monroe, Tallulah, and Ruston; and another local bank account for Lincoln and Union Parish police jury funds restricted for the use in those parishes. The cash balance at June 30, 2024, per the NEDHSA's Annual Fiscal Report, was \$721,739. We obtained an understanding of NEDHSA's controls over the bank accounts, evaluated the segregation of duties, and reviewed bank reconciliations and monthly remittances of collections to the State Treasury, for the months of August 2023, January 2024, and July 2024. Based on the results of our procedures, NEDHSA had adequate controls in place to ensure appropriate segregation of employees' duties, bank reconciliations are prepared and reviewed timely, and collections are remitted timely.

Purchasing Card Expenses

NEDHSA participates in the state of Louisiana's LaCarte purchasing card program for general office supplies and administrative expenses. We obtained an understanding of NEDHSA's controls over access to and use of these cards.

We analyzed LaCarte card transaction listings for the period July 1, 2023, through March 6, 2025, and reviewed selected transactions. Based on the results of our procedures, NEDHSA had adequate controls to ensure that purchases were approved and made for proper business purposes; sufficient documentation was maintained to support purchases; and purchases were properly reconciled to invoices and receipts.

Revenue Billings

NEDHSA uses the CT One electronic health record system to bill for services provided to its clients and to maintain medical records for services rendered and billing amounts owed. We obtained an understanding of NEDHSA's controls over revenue billings. We also performed procedures to determine whether information technology access to the CT One system was granted appropriately for a business need, monitored throughout the year, and removed timely. We reviewed system reports of charges billed, payments, and adjustments made to clients' accounts for the two fiscal years ending June 30, 2025, as of March 27, 2025. We selected and examined supporting documentation for charges to eighteen clients. Based on the results of our procedures, NEDHSA is billing timely and at the allowable cost for services provided to clients. In addition, NEDHSA had adequate controls in place to ensure access to the CT One system was granted appropriately for a business need, monitored throughout the year, and removed timely.

Office of Debt Recovery Collections Agreement

NEDHSA has a contract in place with Office of Debt Recovery (ODR) for the collection of outstanding debt. We reviewed NEDHSA's submissions of outstanding debt to ODR between July 2023 and March 2025. Based on the results of our procedures, NEDHSA has adequate controls in place to ensure the timely submission of delinquent account balances owed to ODR.

Payroll and Personnel

Salaries and related benefits comprise approximately 64% and 67% of NEDHSA's expenses in fiscal years 2024 and 2025, respectively. We obtained an understanding of NEDHSA's controls over the time and attendance function and reviewed selected employee pay rate change authorizations. We also performed procedures to determine whether information technology access to the LaGov financial system was timely removed for terminated employees. Based on the results of our procedures,

NEDHSA had adequate controls in place to ensure timely review and approval of employee time statements and leave requests, employees were paid the amounts authorized, leave taken was properly accounted for, and timely removal of terminated employee's access.

Trend Analysis

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

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KVL:EBT:BH:BQD:ch

NEDHSA2025

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Northeast Delta Human Services Authority (NEDHSA) for the period from July 1, 2023, through June 30, 2025. Our objective was to evaluate certain controls NEDHSA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review the NEDHSA's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. NEDHSA's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated NEDHSA'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 NEDHSA.
- Based on the documentation of NEDHSA's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures relating to cash, purchasing card expenses, revenue billings, Office of Debt Recovery collections agreement, and payroll and personnel.
- We compared the most current and prior-year financial activity using NEDHSA's Annual Fiscal Reports and system-generated reports to identify trends and obtained explanations from NEDHSA's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at NEDHSA, and not to provide an opinion on the effectiveness of NEDHSA'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 purpose.