

LEGISLATIVE AUDITOR

LOUISIANA SYSTEMIC INITIATIVES

PROGRAM COUNCIL

STATE OF LOUISIANA

Management Letter, Dated February 19, 1997

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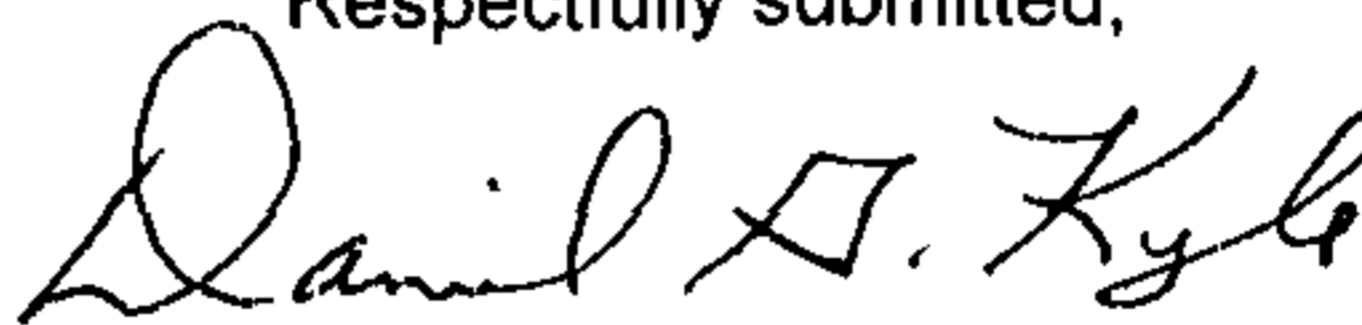
Management attributes the noncompliance to installation delays with the equipment and staff shortages. Failure to update the movable property records and tag the items on a timely basis increases the risk of loss arising from unauthorized use and subjects the council to noncompliance with state laws and regulations.

The Louisiana Systemic Initiatives Program Council should ensure that all property is tagged and that the required information is transmitted to LPAA timely. In a letter dated February 3, 1997, Dr. Kerry Davidson, Project Director, concurred with the finding and recommendation and outlined steps for corrective action.

The recommendation in this report represents, in our judgment, that most likely to bring about beneficial improvement to the operations of the program. The nature of the recommendation, its implementation costs, and its potential impact on operations of the program should be considered in reaching decisions on courses of action. The finding relating to the council's compliance with applicable laws and regulations should be addressed immediately by management.

By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

TSS:BJJ:dl

[LSIP]

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Systemic Initiatives Program
State of Louisiana
Baton Rouge, Louisiana

April 30, 1997



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Legislative Auditor

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February 19, 1997

**LOUISIANA SYSTEMIC INITIATIVES
PROGRAM COUNCIL
STATE OF LOUISIANA
Baton Rouge, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ending June 30, 1997, we conducted certain procedures at the Louisiana Systemic Initiatives Program Council. Our procedures included (1) a review of the council's internal control structure; (2) tests of financial transactions for the years ending June 30, 1997, and June 30, 1996; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ending June 30, 1997, and June 30, 1996.

The Annual Fiscal Reports of the Louisiana Systemic Initiatives Program Council are not within the scope of our work, and, accordingly, we offer no form of assurance on those reports. The council's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Our procedures included interviews with management personnel and selected council personnel. We also evaluated selected documents, files, reports, systems, procedures, and policies as we considered necessary. After analyzing the data, we developed a recommendation for improvement. We then discussed our finding and recommendation with appropriate management personnel before submitting this written report.

Based upon the application of the procedures referred to previously, all significant findings are included in this report for management's consideration.

Movable Property Noncompliance

The Louisiana Systemic Initiatives Program Council did not comply with state movable property regulations. Louisiana Administrative Code 34:VII.307 requires that all acquisitions of qualified movable property items be tagged and all pertinent inventory information be sent to the Louisiana Property Assistance Agency (LPAA) within 45 days after receipt of the property. In our test of 28 acquisitions, we found that 21 items (75 percent) totaling \$19,467 were tagged and reported to LPAA anywhere from 49 to 98 days after receipt of the property. In addition, we found that two items acquired in fiscal years 1993 and 1995 were not reported to LPAA until April 1996. The 1993 item did not have a tag affixed to the property.

LOUISIANA SYSTEMIC INITIATIVES PROGRAM
STATE OF LOUISIANA
Baton Rouge, Louisiana

Management Letter
Dated February 19, 1997

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

April 30, 1997