

**LOUISIANA SCHOOL FOR THE VISUALLY IMPAIRED
BOARD OF ELEMENTARY AND SECONDARY EDUCATION
STATE OF LOUISIANA
Baton Rouge, Louisiana**

**Management Letter
Dated February 26, 1987**

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 15, 1987

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STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana School for the Visually Impaired
Board of Elementary and Secondary Education
State of Louisiana
Baton Rouge, Louisiana

Management Letter
Dated February 28, 1997



Financial and Compliance Audit Division

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February 26, 1987

**LOUISIANA SCHOOL FOR THE VISUALLY IMPAIRED
BOARD OF ELEMENTARY AND SECONDARY EDUCATION
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, 1987, we conducted certain procedures at the Louisiana School for the Visually Impaired. Our procedures included (1) a review of the school's internal control structure; (2) tests of financial transactions for the years ending June 30, 1987, and June 30, 1986; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ending June 30, 1987, and June 30, 1986.

The June 30, 1987, Annual Fiscal Report of the Louisiana School for the Visually Impaired was not audited or reviewed by us, and, accordingly, we do not express an opinion or any other form of assurance on that report upon its issuance. The school'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 school personnel. We also evaluated selected documents, files, reports, systems, procedures, and policies as we considered necessary. After analyzing the data, we developed recommendations for improvement. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

Based upon the application of the procedures referred to previously, we noted that as a material weakness, the size of the school's operation and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial. All other significant findings are included in this report for management's consideration.

**Noncompliance With Movable
Property Regulations**

The Louisiana School for the Visually Impaired (LSVI) did not maintain adequate controls over movable property and did not comply with the state's movable property laws and regulations. Louisiana Administrative Code (LAC) 24:181007 requires that all acquisitions of qualified property be tagged and all pertinent inventory information be sent to the Louisiana Property Assistance Agency (LPAAG) within 45 days after receipt of

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property. In addition, an adequate system of controls would provide the school with the ability to locate items at all times and would ensure that all property is appropriately identified (tagged).

Our review disclosed the following:

- Eight of 12 items totaling \$5,523 acquired during the 1997 fiscal year were not tagged or added to the inventory system although 68 to 132 days had elapsed since the equipment was received. The remaining 4 items valued at \$8,250 were also untagged and unreported. However, only 42 days had elapsed at the date of our examination.
- Seventeen of 38 items totaling \$79,558 acquired during the 1996 fiscal year were not tagged or added to the property inventory until 48 to 269 days after they were received. An additional 15 items totaling \$10,778 remained untagged and unrecorded at the date of our examination although 174 to 256 days had elapsed since they were received.
- Of 24 items selected for physical examination, one item costing \$1,533 could not be located and one item costing \$900, although located, did not have the inventory tag attached.

These conditions occurred because of a shortage of staff to perform the required duties of property manager. Failure to maintain an accurate receivable property inventory increases the risk of loss arising from unauthorized use and subjects the school to noncompliance with state laws and regulations.

LSPV should ensure that all property is in its proper location, tagged, and the required information is transmitted timely to LFAA. In a letter dated January 15, 1997, Dr. Richard N. Day, Superintendent, concurred with the finding. He stated that the position of purchasing agent has been vacant for over a year causing a backlog of work in the business office. Once this position is filled and the personnel properly trained, he believes the school will come into compliance with all property control regulations.

The recommendations in this report represent, in our judgment, one most likely to bring about beneficial improvements to the operations of the school. The nature of the recommendation, its implementation cost, and its potential impact on the operations of the school should be considered in reaching decisions or courses of action. The finding relating to the school's compliance with applicable laws and regulations should be addressed immediately by management.

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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

BTQ:MWD:d

LPH