

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Northwest Louisiana Developmental Center
Office for Citizens With
Developmental Disabilities
Department of Health and Hospitals
State of Louisiana
Bossier City, Louisiana

April 8, 1988



Financial and Compliance Audit Division

*Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor*

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**NORTHWEST LOUISIANA DEVELOPMENTAL CENTER
OFFICE FOR CITIZENS WITH
DEVELOPMENTAL DISABILITIES
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Bossier City, Louisiana**

**Management Letter
Dated February 26, 1998**

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 and Shreveport offices of the Legislative Auditor and at the office of the parish clerk of court.

April 8, 1998



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February 26, 1998

**NORTHWEST LOUISIANA DEVELOPMENTAL CENTER
OFFICE FOR CITIZENS WITH
DEVELOPMENTAL DISABILITIES
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Bossier City, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ended June 30, 1996, we conducted certain procedures at Northwest Louisiana Developmental Center. Our procedures included (1) a review of the center's internal control; (2) tests of financial transactions for the years ending June 30, 1995, and June 30, 1997; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ended June 30, 1995, and June 30, 1997.

The Annual Fiscal Reports of Northwest Louisiana Developmental Center were not audited or reviewed by us, and, accordingly, we do not express an opinion or any other form of assurance on these reports. The center'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 center personnel. We also evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary. After analyzing the data, we developed recommendations for improvements. We discussed our findings and recommendations with appropriate management personnel before submitting this written report.

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

Inadequate Controls Over Access to GIS

Northwest Louisiana Developmental Center does not have adequate internal control procedures over access to the Integrated Statewide Information Systems (ISIS), including the Advanced Government Purchasing System (AGPS). Good internal controls should provide for adequate segregation of duties so that no one employee would be in a position to both initiate and conceal errors or fraud. Also, good internal controls should restrict access to only those functions necessary to complete the employee's assigned tasks without creating incompatible duties.

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STATE OF LOUISIANA

Management Letter, Dated February 28, 1998

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In our test of access controls, we identified three employees with incompatible access. These employees could enter new vendors, enter requisitions/purchase orders, enter invoices, and approve payments. The assignment of incompatible user access created inadequate segregation of duties and increases the risk that errors or fraud could occur and not be detected timely.

Northwest Louisiana Developmental Center management should carefully monitor access to ACP/S to ensure access is restricted only to those functions necessary to complete the employee's assigned tasks without creating an inadequate segregation of duties. In a letter dated February 10, 1998, Mr. William A. Mullinix, Regional Administrator, stated that he concurred with the finding and that recommended corrective action has been implemented.

The recommendations in this report represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the center. The varying nature of the recommendations, their implementation costs, and their potential impact on operations of the center should be considered in reaching decisions on courses of action.

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

Respectfully submitted,



Daniel O. Kyle, CPA, CFE
Legislative Auditor

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