

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Office of Public Health
Department of Health and Hospitals
State of Louisiana
New Orleans, Louisiana

January 19, 2000



Financial and Compliance Audit Division

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

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**OFFICE OF PUBLIC HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
New Orleans, Louisiana**

**Management Letter
Dated December 8, 1999**

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 New Orleans offices of the Legislative Auditor.

January 19, 2000



DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

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December 8, 1999

**OFFICE OF PUBLIC HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
New Orleans, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ended June 30, 1999, we conducted certain procedures at the Office of Public Health, Department of Health and Hospitals. Our procedures included (1) a review of the office's internal controls; (2) tests of financial transactions; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities.

The June 30, 1999, Annual Fiscal Report of the Office of Public Health was not audited or reviewed by us, and, accordingly, we do not express an opinion or any other form of assurance on that report. The office'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 office 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 an improvement. We then discussed our finding and recommendation 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.

**Reconciliation of Food Instruments
Not Performed Within Required Time**

The Office of Public Health (OPH) has not been able to perform a reconciliation of each food instrument issued with food instruments redeemed for the Special Supplemental Food Program for Women, Infants, and Children (CFDA 10.557, WIC) within the required time period. The Code of Federal Regulations [7CFR 246.12(n)] requires the state agency to identify disposition of all food instruments by performing a reconciliation of each food instrument issued with food instruments redeemed within 150 days of the first valid date for participant use.

LEGISLATIVE AUDITOR

OFFICE OF PUBLIC HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Management Letter, Dated December 8, 1999

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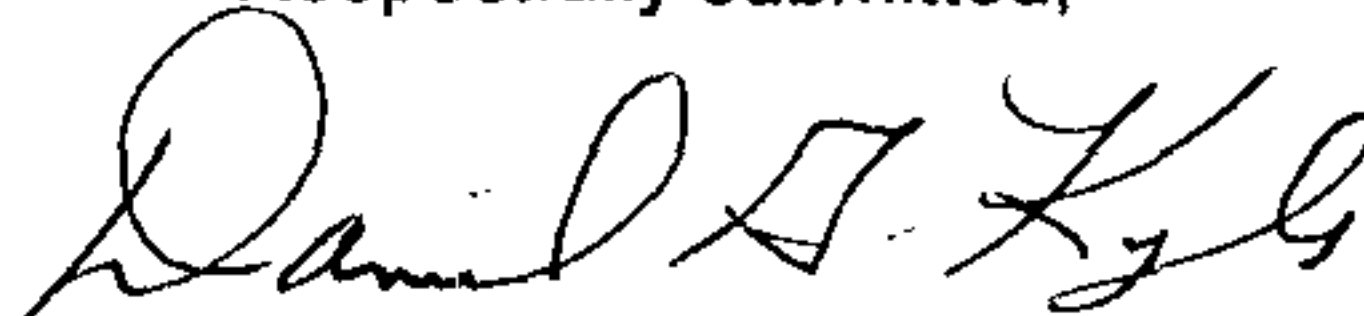
Because of a problem with the loading of automated data from the food instruments issue sites (parish health units and contract agencies) to the mainframe computer, there are 121,287 unmatched food instruments at June 30, 1999, totaling \$5,161,572. Included in the 121,287 records are 4,074 food instruments totaling \$151,961 that were not reconciled within 150 days of the first valid date for participant use. By not identifying the disposition of food instruments within 150 days of the instrument's validation date, lost, stolen, or expired instruments could be cashed and not detected in a timely manner. Also, the Code of Federal Regulations [7CFR 246.23(a)(4)] states that the Food Nutrition Service of the U.S. Department of Agriculture could issue a claim against OPH for its unreconciled instruments.

OPH should work with the food instruments issue sites to ensure that the required data from the issue sites are uploaded timely to the mainframe computer. Until this problem is resolved, the reconciliation of food instruments issued with food instruments redeemed cannot be completed within the required time. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 1).

The recommendation in this report represents, in our judgment, that most likely to bring about beneficial improvements to the operations of the office. The varying nature of the recommendation, its implementation costs, and its potential impact on operations of the office should be considered in reaching a decision on a course of action.

This report is intended for the information and use of the office and its 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

YEA:RCL:AJR:ss

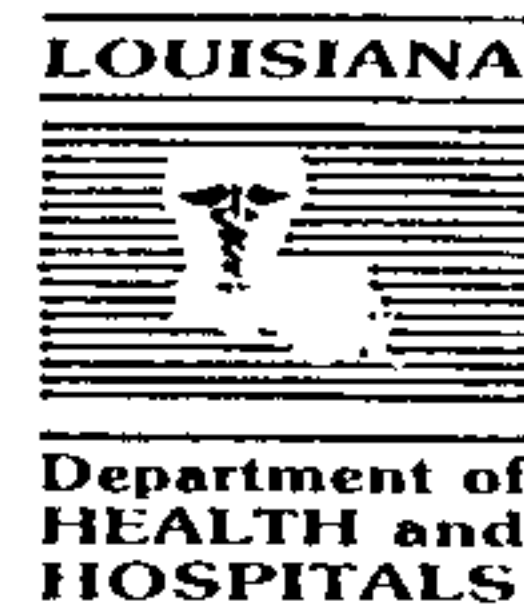
[OPH99]

Appendix A

Management's Corrective Action Plan and Response to the Finding and Recommendation



STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



M. J. "Mike" Foster, Jr.
GOVERNOR

David W. Hood
SECRETARY

September 27, 1999

Dr. Dan Kyle, CPA, CFE
Legislative Auditor
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Baton Rouge, Louisiana 70804-9397

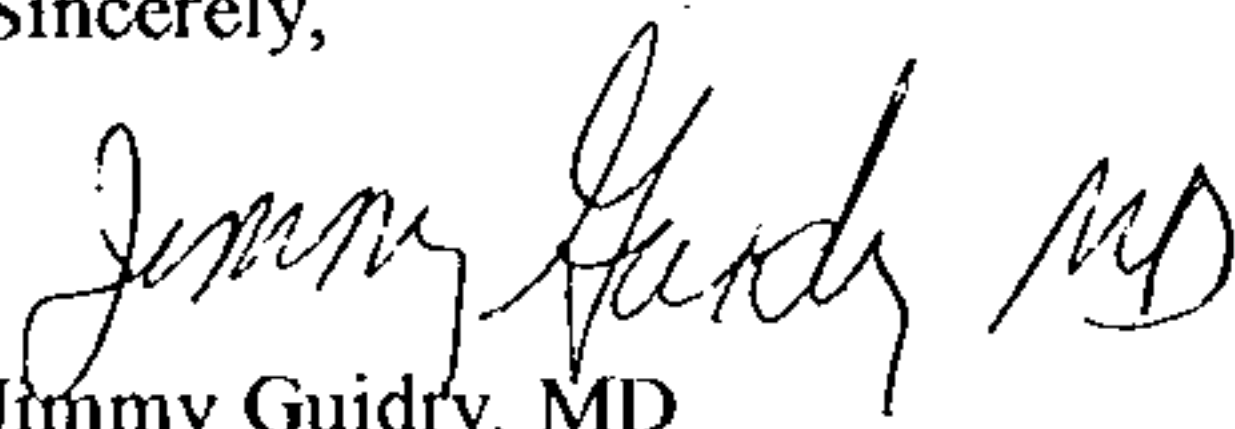
Dear Dr. Kyle:

This is the Office of Public Health's (OPH) response to the finding Reconciliation of Food Instruments Not Performed Within Required Time.

I concur. The Office of Public Health's Division of Health Information is in the process of redesigning the process of uploading data from the clinic sites to the mainframe. They are currently in the process of installing the necessary software throughout all clinics in the state. The new system involves the Remote Access Service (RAS) that comes bundled with Windows NT. It is anticipated that RAS will be installed statewide by October 1, 1999. Currently, 90 of 127 sites have this software installed. As a back-up to this system, as an immediate fix, OPH is prepared to mail diskettes to each clinic, have the clinics back-up their data onto the diskette and mail the diskette to Central Office where staff will upload directly to the mainframe. Should RAS not work, OPH is developing a plan that would install a different software at each site that would allow Central Office staff to dial into each clinic and initiate any needed uploads.

The contact person responsible for this finding is Henry K. Klimek, WIC Manager. He may be reached at (504) 568-5065.

Sincerely,


Jimmy Guidry, MD
Assistant Secretary

JG:HMK: any