

STATE OF LOUISIANA

**Louisiana Universities Marine Consortium
for Research and Education
Department of Education
State of Louisiana
Chauvin, Louisiana**

May 12, 2004



LEGISLATIVE AUDITOR

LEGISLATIVE AUDIT ADVISORY COUNCIL

MEMBERS

**Representative Edwin R. Murray, Chairman
Senator J. "Tom" Schedler, Vice Chairman**

**Senator Robert J. Barham
Senator Joe McPherson
Senator Willie L. Mount
Senator Ben W. Nevers, Sr.
Representative Rick Farrar
Representative Cedric Richmond
Representative T. Taylor Townsend
Representative Warren J. Triche, Jr.**

LEGISLATIVE AUDITOR

Steve J. Theriot, CPA

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Four copies of this public document were produced at an approximate cost of \$8.04. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.state.la.us. When contacting the office, you may refer to Agency ID No. 8835 or Report ID No. 04900350 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.

**LOUISIANA UNIVERSITIES MARINE CONSORTIUM
FOR RESEARCH AND EDUCATION
DEPARTMENT OF EDUCATION
STATE OF LOUISIANA
Chauvin, Louisiana**

Report Dated March 26, 2004

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 and at the office of the parish clerk of court.

May 12, 2004



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

March 26, 2004

**EXECUTIVE BOARD OF THE LOUISIANA
UNIVERSITIES MARINE CONSORTIUM
FOR RESEARCH AND EDUCATION
DEPARTMENT OF EDUCATION
STATE OF LOUISIANA
Chauvin, Louisiana**

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at the Louisiana Universities Marine Consortium for Research and Education (LUMCON), a marine research and education facility within Louisiana state government. Our procedures included (1) a review of LUMCON's internal control; (2) tests of financial transactions for the period from July 1, 2002, through March 26, 2004; (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the period from July 1, 2002, through March 26, 2004; and (4) a review of compliance with prior year report recommendations. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and selected departmental personnel and evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary. After analyzing the data and based on the application of the procedures referred to previously, we noted that the size of LUMCON'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. In addition, we developed a recommendation for improvement. We then discussed our finding and recommendation with appropriate management personnel before submitting this report.

The Annual Fiscal Reports of LUMCON are not audited or reviewed by us, and, accordingly, we do not express an opinion on these reports. LUMCON's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

In our prior report on LUMCON, dated March 25, 2002, we reported a finding relating to noncompliance with bank account regulations, which has been resolved by management.

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

**Failure to Submit a Document Retention
Schedule to State Archives**

LUMCON failed to submit a document retention schedule to State Archives as required by state law. Louisiana Revised Statute 44:411(A)(1) requires the head of every agency to submit to the state archivist record retention schedules proposing the length of time

LEGISLATIVE AUDITOR

**EXECUTIVE BOARD OF THE LOUISIANA
UNIVERSITIES MARINE CONSORTIUM
FOR RESEARCH AND EDUCATION
DEPARTMENT OF EDUCATION
STATE OF LOUISIANA**

Report Dated March 26, 2004

Page 2

each state record series warrants retention for administrative, legal, or fiscal purposes after it has been created or received by the agency.

LUMCON has not submitted the required document retention schedule to State Archives. Management was not aware of the requirement to submit the required documentation to State Archives. Failure to submit and receive an approved retention schedule increases the risk of the untimely destruction of vital information that could be needed in the future or the agency incurring excessive storage cost for documents that will never be needed.

Management of LUMCON should obtain the necessary information to prepare and submit a suitable retention schedule to State Archives as soon as possible. Once the retention schedule is approved, it should be implemented immediately. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A).

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

This report is intended for the information and use of LUMCON and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Grover C. Austin, CPA
First Assistant Legislative Auditor

GL:JR:PEP:ss

[LUMCON04]

Appendix A

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



LOUISIANA UNIVERSITIES MARINE CONSORTIUM

DeFelice Marine Center, 8124 Highway 56
Chauvin, Louisiana 70344-2124

February 20, 2004

Jullin Renthrope, CPA, Audit Manager
Office of the Legislative Auditor
Xerox Centre, Suite 260
2400 Veterans Memorial Blvd.
Kenner, La. 70062

RE: Audit Finding: **Failure to Submit a Document Retention Schedule to State Archives**

Dear: Mr. Renthrope:

The administration of Louisiana Universities Marine Consortium concurs fully with the findings of the Legislative Auditor's Office. No plan for the retention of archived records has been filed by LUMCON with the Office of the Secretary of State. No person has been designated as Records Officer for LUMCON.

Our correction action will be that William J. Hebert, Financial Operations Manager of LUMCON, shall be appointed as our official Records Officer. Secondly, within 30 days of the date of this letter a Records Retention Archives Plan shall be submitted to the Office of the Secretary of State for consideration of approval. The person responsible for filing this plan will be William J. Hebert, Records Officer/ Financial Operations Manager.

A copy of the plan and a copy of the approval of the plan shall be sent to the Office of the Legislative Auditor once obtained from the Office of the Secretary of State.

Respectfully,

Kerry M. St. Pe'
Interim Administrator