



STATE OF LOUISIANA LEGISLATIVE AUDITOR

Feliciana Forensic Facility
Office of Mental Health
Department of Health and Hospitals
State of Louisiana
Jackson, Louisiana

August 21, 1995



Financial and Compliance Audit Division

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

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DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

**FELICIANA FORENSIC FACILITY
OFFICE OF MENTAL HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Jackson, Louisiana**

**Management Letter
Dated July '93, 1995**

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 and at the office of the parish clerk of court.

August 21, 1995



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATCH HOUSE, LOUISIANA, 70804-8097

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July 18, 1995

FELICIANA FORENSIC FACILITY
OFFICE OF MENTAL HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Jackson, Louisiana

As part of our audit of the State of Louisiana's financial statements for the year ended June 30, 1995, we conducted certain procedures at the Feliciana Forensic Facility. Our procedures included (1) a review of the facility's internal control structure; (2) tests of financial transactions for the years ended June 30, 1994, and June 30, 1995; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ended June 30, 1994, and June 30, 1995.

The Annual Fiscal Report of the Feliciana Forensic Facility 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 facility'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 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 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, all significant findings are included in this report for management's consideration.

Patient Accounts

Feliciana Forensic Facility has not performed a reconciliation of the amount reported in patient accounts to bank balances since May 1995. Good business practices require reconciliations of book and bank balances to ensure accountability and accurate reporting. The facility's annual fiscal report for the year ended June 30, 1995, disclosed patient account book and bank balances of \$175,850 and \$190,488, respectively, which were not reconciled.

Legislative Action

**FELICIANA FORENSIC FACILITY
OFFICE OF MENTAL HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Management Letter, Dated July 10, 1996

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Previously, the facility used a computer to maintain patient accounts; however, in June 1995, the computer became inoperable. Currently, the facility is using a manual system to account for transactions and balances of the individual patient accounts. In addition, our auditors observed that the manual records are not adequately secured when not in use. Failure to adequately monitor, reconcile, and secure patient account records increases the likelihood that errors and/or irregularities may occur and go undetected and increases the risk that the records could be lost or destroyed.

Management should reconcile patient account balances and cash in bank monthly, and the patient account records should be stored in the fireproof safe when not in use. In a letter dated July 10, 1995, Mr. Lawrence K. Heffard, Fiscal Officer, responded that management of Feliciana Forensic Facility concurs with the finding and has implemented steps to resolve the situation. The letter further stated that the backlog of bank account reconciliations have been completed, the statement of accounts are reconciled at the end of each month, and the records for patient accounts are secured nightly in a locked safe in a secure office.

On-Line Data Entry System

Feliciana Forensic Facility has not established adequate internal control procedures relating to the issuance and deletion of user ID codes in the On-Line Data Entry System (ODES) for the input of transactions into the Financial Accountability Control System (FACS). Access to the system is restricted by the use of passwords and user ID codes; however, this access was not properly restricted.

Our review disclosed that ten suspended user IDs had not been removed from the facility's operator listing for employees who had been either terminated or who were no longer performing duties that require access. Also, one employee who had terminated employment with the facility on January 3, 1995, still had security access that was being used by a current employee. In addition, the facility had not established written procedures relating to the issuance and deletion of user ID codes.

Failure to establish and maintain adequate controls over access in an on-line data entry environment could result in unauthorized use of the system and alteration of financial data.

Management of Feliciana Forensic Facility should develop and implement written procedures relating to the issuance and deletion of user ID codes to ensure that the security of the system has been maintained. In a letter dated July 10, 1996,

LEGISLATIVE AUDITOR

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Mr. Lawrence K. Hofstad, Fiscal Officer, responded that management of Feliciana Forensic Facility concurs with the finding and has implemented new procedures to coincide with the implementation of the Integrated Statewide Information System (ISIS) module Government Financial System (GFS).

The recommendations in this report represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the facility. The varying nature of the recommendations, their implementation costs, and their potential impact on operations of the facility 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 G. Kyle, CPA, CFE
Legislative Auditor

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7/21/98



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Office of Mental Health
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