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Louisiana

**Single Audit Report
for the Year Ended
June 30, 1999**

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

State of Louisiana

Single Audit Report
For the Year Ended June 30, 1999



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STATE OF LOUISIANA
Independent Auditor's Reports on
Compliance With State and Federal Laws
and Regulations, Internal Controls, and
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

The Auditor's Report on the State of Louisiana's General Purpose Financial Statements dated December 23, 1999, has been issued under separate cover.

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, New Orleans, and Shreveport offices of the Legislative Auditor. Copies of this report are also being submitted to the federal clearinghouse. The clearinghouse will retain an archival copy of the report and also distribute a copy of the report to each federal awarding agency that provided federal financial assistance to the State of Louisiana for which audit findings were disclosed in the schedules of findings and questioned costs or the summary schedule of prior federal audit findings. The report will be distributed to any pass-through entities that provided federal financial assistance to the state for which audit findings were disclosed in the schedules of findings and questioned costs or the summary schedule of prior federal audit findings. The report is also being transmitted to the Regional Inspector General for Audit of the United States Department of Education, which is the cognizant federal agency for the Single Audit of the State of Louisiana.

March 31, 2000



To the Governor, the Members of the Legislature, and the Taxpayers of Louisiana

The State of Louisiana Single Audit Report, along with the June 30, 1999, *Comprehensive Annual Financial Report*, provides an overview of the operations of Louisiana state government. Each year the Louisiana Legislative Auditor audits the activities of state government's departments, agencies, universities, and other organizational units to ensure accountability and to review agency compliance with certain laws and regulations relating to financial matters. The results, including reportable findings, are included in my Single Audit Report.

As a result of my audit of the 1999 *Comprehensive Annual Financial Report*, I issued a qualified opinion on the state's general purpose financial statements contained in the separately issued Louisiana *Comprehensive Annual Financial Report*. My opinion, dated December 23, 1999, was qualified because the state's financial statements did not include financial data on Grambling State University in the discretely presented component units, which should have been included to conform with generally accepted accounting principles.

The 1999 Single Audit Report includes my report on the Schedule of Expenditures of Federal Awards, along with my reports on compliance with laws and regulations and internal control over financial reporting and federal programs for the State of Louisiana. The report contains 90 matters that require the attention of state government, including questioned costs in federal programs of \$16,470,589. The respective federal grantors will determine the resolution of those questioned costs.

The Executive Summary highlights the statewide issues that are major concerns as well as issues that are material to the state's financial operations. The report continues to cite the State of Louisiana for not implementing an effective internal audit function and for not maintaining adequate internal accounting controls over movable property. The report also highlights findings on two newly established community colleges. In establishing their administrative operations, Baton Rouge Community College and South Louisiana Community College failed to install proper accounting controls over receipts and disbursements, which resulted in inadequate financial reporting by the two colleges. The findings point out the numerous control deficiencies in existence at both community colleges.

Louisiana's governmental leadership continues to face many challenges and many difficult decisions including changes in law, resources, and technology. These changes represent challenges that we must face with integrity, intelligence, and foresight. As Legislative Auditor, I am committed to providing accurate, timely, and relevant information to the legislature and taxpayers of Louisiana to assist them in addressing the current problems facing our state.

Sincerely,

A handwritten signature in black ink, reading "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

STATE OF LOUISIANA
SINGLE AUDIT REPORT
For the Fiscal Year Ended June 30, 1999

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Executive Summary



EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Introduction

The Single Audit Report for the fiscal year ended June 30, 1999, contains the Schedule of Expenditures of Federal Awards along with the auditor's report thereon. Also included are the auditor's reports on internal control and compliance related to the financial statements and internal control and compliance related to major federal award programs. These audit reports are supported by the schedules of findings and questioned costs in the accompanying report.

The single audit, as performed by the Louisiana Legislative Auditor and other auditors, meets the requirements of the Single Audit Act as amended in 1996, and the associated U.S. Office of Management and Budget (OMB) Circular A-133.

The single audit includes various departments, agencies, universities, and other organizational units included in the *Comprehensive Annual Financial Report* of the State of Louisiana using the criteria established by Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." Status as a component unit was determined by evaluating the primary government's financial accountability, which includes selection of a voting majority of the governing authority, imposition of will, financial benefit and/or burden, and fiscal dependence.

Our Vision

A government responsive to the needs of the people of Louisiana and accountable for efficient, effective, and appropriate use of public resources through timely, objective and accurate public communications.

Our Mission

To provide legislative oversight relating to the use of public funds within Louisiana's state and local governments

Our Objectives

- Provide the legislature and other public officials with accurate, relevant information for use in their decision-making process
- Provide quality audit services for state and local governments and those who rely on those services
- Maintain a credible, professional organization devoted to serving the needs of our customers
- Provide personnel, environment, and resources to meet the needs of our customers

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Findings and Questioned Costs

As a result of auditing Louisiana's general purpose financial statements and Schedule of Expenditures of Federal Awards, we noted certain deficiencies concerning internal control and compliance with laws and regulations. These deficiencies are presented in the schedules of findings and questioned costs as described in the Table of Contents of the accompanying report.

Our audit for fiscal year ended June 30, 1999, indicated that approximately 58% of the findings reported in prior audits were resolved. A total of 90 findings were reported within this year's Single Audit Report. This total includes 27 findings (30%) that were repeat findings from a prior audit.

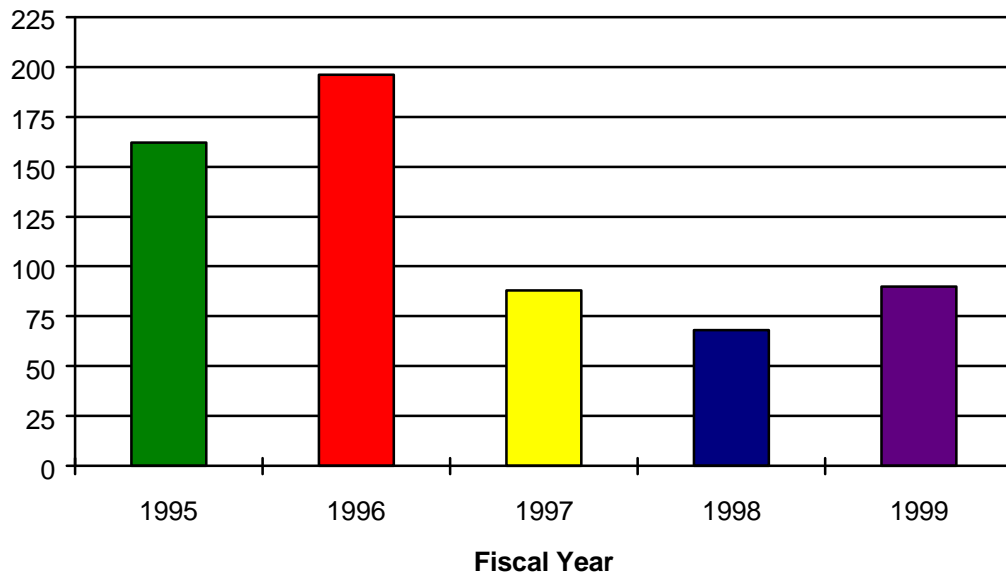
The 1999 Single Audit Report discloses questioned costs of \$16,470,589, which are detailed within the findings that are presented in the Schedule of Federal Award Findings and Questioned Costs (Schedule C) of the accompanying report. The resolution of these questioned costs will be determined by the respective grantors.

Below and on the following page are graphical descriptions of the trend of total findings over the past five years, the number of repeat findings as compared to new findings for this fiscal year, and the state's reported questioned costs over the past five years. It is important to note that the criteria for reporting federal findings were changed significantly by OMB Circular A-133, which explains in part the reduction in total findings during fiscal years 1997, 1998, and 1999.

Findings**Trend of Findings
Over the Past Five Years**

EXECUTIVE SUMMARY

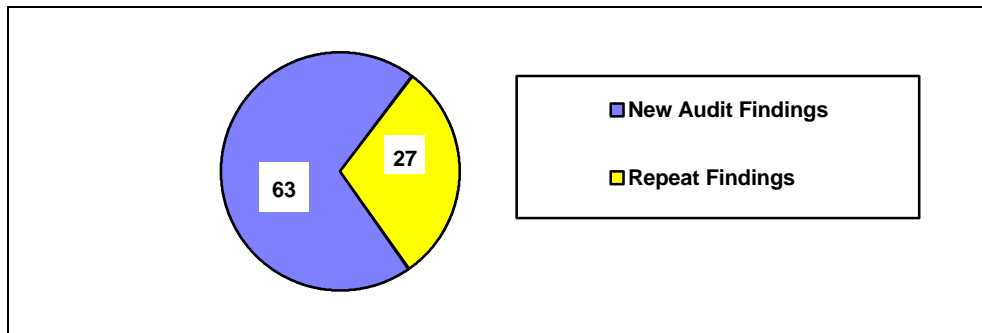
For the Fiscal Year Ended June 30, 1999



EXECUTIVE SUMMARY

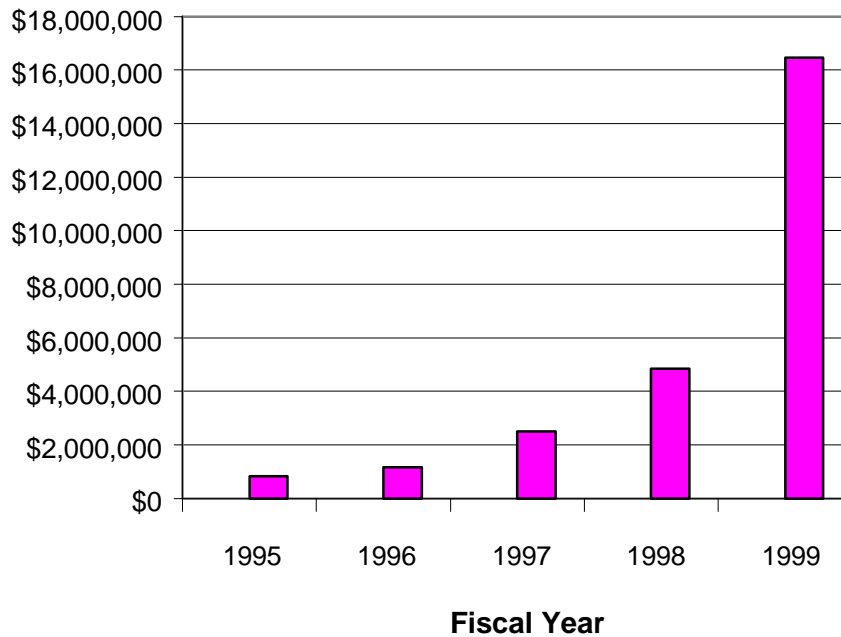
For the Fiscal Year Ended June 30, 1999

Fiscal Year 1999 Comparison of Repeat Findings to New Findings



Trend of Questioned Costs Over the Past Five Years

Questioned Costs



EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Statewide Areas of Concern

Four findings were reported in the 1999 Single Audit Report that warrant statewide concern. One of those four findings, "Ineffective Internal Audit Function," represents a material weakness in internal control. For a finding to be considered a statewide concern, it has one or more of the following characteristics:

1. It exists at numerous departments throughout the state.
2. It arises from current statewide policies that do not satisfactorily address the state's needs.
3. It could have a significant fiscal impact on either the state as a whole or on a segment of the state.

Material Weakness***Ineffective Internal Audit Function***

For the seventeenth consecutive year, the State of Louisiana did not have an effective internal audit function for state government to examine, evaluate, and report on its internal control, including data processing, and to evaluate its compliance with the policies and procedures of the control system.

Although internal audit resources exist within some agencies, a study and evaluation of the state's internal control found that an effective internal audit function did not exist at eleven state agencies. An effective internal audit function is needed to ensure that the state's assets are safeguarded and that state policies and procedures are uniformly applied.

Other Statewide Findings***Improper Use of Nonrecurring Revenue***

For the fourth consecutive year, the State of Louisiana did not use nonrecurring revenue to retire or defease bonds "in addition to existing amortization requirements of the state," as required by both the Louisiana Constitution and Act 6 of the 1998 Regular Session. Nonrecurring revenue of \$147,014,000, resulting from the General Fund unreserved - undesignated fund balance for fiscal year ended (FYE) June 30, 1997, was declared by the Revenue Estimating Conference and placed in an escrow agent bank account on June 22, 1998. During FYE June 30, 1999, at least \$42 million of the \$147 million in escrow was used to defease debt with maturity dates falling in the 1999 fiscal year. Defeasing short-term debt requirements has the effect of reducing the state's debt service expenditures paid from current collections and frees up funds for other purposes. However, it does not fulfill the constitutional requirement that nonrecurring revenue be used "in addition to existing amortization requirements."

Management should use nonrecurring revenues to retire or defease bonds "in addition to the existing amortization requirements," instead of using the funds to meet existing amortization requirements. Management should consider selecting bonds for defeasement that would provide the greatest overall cost savings to the state in the long-term.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Noncompliance With State's Movable Property Regulations

The State of Louisiana did not ensure that all state agencies, hospitals, universities, and component units maintain adequate internal accounting control over movable property as prescribed by the Commissioner of Administration and Louisiana law. The state's policies and procedures should be uniformly applied to ensure that movable property is adequately safeguarded and accurately reported in the financial statements.

An audit of movable property records throughout the state disclosed that ten state agencies, five technical colleges, two state hospitals, two community colleges, one state developmental center, one state board, and one state school did not maintain an adequate movable property control system. Several of these agencies have had movable property audit findings for more than one year.

The State of Louisiana should take the necessary measures to ensure that all state agencies, hospitals, universities, and component units maintain adequate internal accounting control over movable property to comply with the state movable property regulations as prescribed by the Commissioner of Administration and Louisiana law.

Inconsistent Billing of Insurance Premiums

For the second consecutive audit period, the Office of Risk Management (ORM), under the direction of the Office of Planning and Budget (OPB), billed state agencies for the cost of insurance in a manner that may cause federal programs to bear an inequitable share of the cost. OMB Circular A-87 mandates cost principles designed to ensure that federal awards bear only their fair share of costs.

Annually, ORM bills each state agency for various types of insurance. To calculate the amount of premium necessary for each class of insurance, ORM considers exposure (the magnitude of potential losses) and experience (past losses). However, because of budget constraints, OPB did not include the full amount of calculated premiums in the state's budget. In addition, rather than implementing an across-the-board reduction, OPB designated the specific amount of premium that each agency was to be charged.

As a result of the state's inconsistent reductions in billings, state agencies receiving federal funding through interagency transfers or directly may have been billed at a higher rate than agencies without available federal funding. The state has contracted for outside assistance in calculating the amount of any overcharges to federal programs for fiscal years 1997 through 1999. Because this project is incomplete, an estimate of questioned costs is currently unavailable.

The state should continue the process of determining which federal programs, if any, have been charged an inequitable amount of insurance cost and the amount of those overcharges. Any identified overcharges should be reimbursed to the federal government. In the future, if insurance premium reductions should be necessary, the state should use a method that will ensure that federal programs bear an equitable share of costs.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Other Material Findings

During the 1999 Single Audit, the statewide finding "Ineffective Internal Audit Function," discussed previously, is considered to be a material weakness in internal control over financial reporting.

For a finding to be considered a material weakness in internal control over financial reporting, the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Two other findings described below were considered to be material weaknesses in internal control over compliance with federal program requirements. For a finding to be considered a material weakness in internal control over compliance, the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

DEPARTMENT OF SOCIAL SERVICES***Inadequate Control Over Vocational Rehabilitation Grants to States Program***

The Department of Social Services, Division of Rehabilitation Services (LRS), did not maintain adequate internal control and did not consistently adhere to its established procedures in the administration of the Rehabilitation Services - Vocational Rehabilitation Grants to States federal program. Audit interviews disclosed that the LRS central office failed to perform oversight monitoring of the regional offices and, therefore, the regional offices did not timely enter obligations into the accounting system. Also, three counselors served clients to whom they were related. Finally, some counselors had incompatible duties in that they authorized services and had access to the accounting system to both obligate funds and process payments to service providers and clients.

In a review of client files, it was noted that in two of 20 case files examined, the eligibility determination was extended beyond the time frame established by federal regulations and internal policy, and the file did not contain documentation of the client's consent for that extension. This exception has occurred for the second consecutive year.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

BATON ROUGE COMMUNITY COLLEGE

Inadequate Administration of the Rehabilitation Services - Vocational Rehabilitation Grants to States Program

Baton Rouge Community College (BRCC) did not comply with certain laws, regulations, and contract provisions that regulate the Rehabilitation Services - Vocational Rehabilitation Grants to States federal program. The audit of program records disclosed instances of noncompliance including:

Eligibility

Three of 10 participant files tested in BRCC's Office of Special Programs did not contain adequate documentation of the students' disability.

Allowable Costs

BRCC allocated 75% and 80% of salary and related benefits for the program director and assistant director, respectively, to the grant. However, the director and assistant director did not maintain time sheets to document actual time spent on grant activities, resulting in federal questioned costs of \$50,959.

Procurement

BRCC paid a contractor \$1,200 to obtain communication facilitators for the summer 1999 term without a signed contract or invoice requesting payment resulting in those costs being questioned. Also, BRCC paid \$12,488 in excess of the contract amount to provide closed captioning services, resulting in those costs being questioned.

Financial Reports

The Office of Special Programs did not submit all required financial reports timely in accordance with the grant agreement.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Louisiana Community and Technical College System

Following is a summary of findings from Baton Rouge Community College and South Louisiana Community College. These findings are included in the accompanying report.

BATON ROUGE COMMUNITY COLLEGE***Bank Account Not Reconciled to Accounting Records***

Baton Rouge Community College (BRCC) has not reconciled its operating bank account to the accounting records since the account was opened in July 1998. During the period from July 1998 through June 30, 1999, the operating bank account receipts and disbursements totaled \$6,728,633 and \$4,691,046, respectively. BRCC accounting personnel's unfamiliarity with the accounting software and bank reconciliation procedures contributed to the failure to reconcile the bank account.

Inadequate Controls Over Cash Receipts

BRCC has not established adequate controls over cash receipts. During fiscal year 1999, BRCC deposited cash and checks from tuition, fees, and other self-generated sources totaling \$1,861,416. A review of controls over cash receipts revealed the following weaknesses:

- BRCC did not reconcile cash receipts for tuition and fees to amounts recorded and deposited in the bank.
- Library copy machine fees were collected, but no records were maintained of the number of copies made or total receipts collected from the copy machine.
- Documentation indicated that fees for educational seminars totaling \$11,595 were remitted to the accounting office but only \$11,370 was deposited and recorded in BRCC's general ledger.
- During December 1998, the college bookstore refunded \$2,493 in cash to BRCC's accounting office. However, this cash was not recorded in the college's accounting records or deposited in the bank until May 4, 1999.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

- Cash receipts in the Bursar's Office were not adequately safeguarded. Several different individuals including two student bursars, the Director of Accounting, and the Administrative Specialist I routinely received payments from students and accessed the cash drawer. In addition, three employees had knowledge of the combination to the office's safe. Also, the combination to the safe was not properly safeguarded and other employees could obtain the combination as well. These weaknesses possibly contributed to the theft of \$1,300 from the office's safe reported on March 1, 1999.

Lack of Controls Over Student Accounts Receivable

BRCC did not establish adequate internal control over student accounts receivable. The following weaknesses were noted:

- BRCC has never reconciled the amounts owed by the students in the student database to the student accounts receivable balance in the college's general ledger. At June 30, 1999, there was an unreconciled difference of \$8,783 between the student records and the general ledger.
- At June 30, 1999, BRCC's student accounts receivable totaling \$91,675 included \$88,382 (96%) in accounts that were more than 91 days delinquent and \$45,400 (50%) that were more than 6 months delinquent.

Financial Reporting Weaknesses

BRCC has weaknesses in its controls over financial reporting. A review of BRCC's controls over financial reporting disclosed the following deficiencies:

Accounts Payable

BRCC could not produce a subsidiary ledger or other listing of accounts payable totaling \$345,007 at June 30, 1999. In addition, BRCC did not use its accounting system to track outstanding obligations that may represent accounts payables at year-end. Tests of unrecorded payables at June 30, 1999, disclosed that accounts payable of \$106,194 had not been recorded in the accounting records.

Payroll Expenditures

BRCC did not reconcile monthly invoices from Louisiana State University for reimbursement of payroll expenditures totaling \$3,317,016 to the distribution of those costs in the general ledger at June 30, 1999. As a result, management was unaware that \$80,561 in instruction program expenditures for January 1999 had been incorrectly distributed to other functional accounts.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Tuition and Fees Revenues

BRCC did not reconcile tuition and fees recorded in student accounts to the general ledger balance of tuition and fees revenue totaling \$1,566,647 at June 30, 1999. As a result, management was unaware that tuition and fees totaling \$43,113 received in July 1998 for the fall 1998 term had not been posted to the general ledger.

Plant Fund Assets

Assets totaling \$3,202,219 were omitted from BRCC's Investment in Plant Fund. These assets include land and buildings of the former James M. Frazier Campus of the Louisiana Technical College that were transferred to BRCC on April 22, 1999. The omission of these assets resulted in BRCC's Investment in Plant Fund being understated by 22% at June 30, 1999.

SOUTH LOUISIANA COMMUNITY COLLEGE***Accounting Control Weaknesses***

South Louisiana Community College (SLCC) did not establish adequate accounting controls or maintain accurate and complete accounting records for the fiscal year ended June 30, 1999. The following deficiencies were noted:

Cash

Cash receipts were not deposited timely and bank reconciliations were not prepared timely. Furthermore, deposit records were not properly maintained. Some of the deficiencies noted were:

- SLCC began collecting self-generated revenues in June 1998, but did not open a bank account and make the initial deposit of \$48,891 until September 1998.
- SLCC did not deposit cash receipts timely after the bank account was opened. In a test of deposits, receipts were not deposited timely up to 64 business days after the date of receipt.
- Five of 10 bank statements were not reconciled until 32 to 117 business days after the date of the bank statement.
- Although SLCC's bank account was opened in September 1998, deposit records were not prepared until approximately March 1999, and deposit records did not agree with receipt documentation.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Revenues

SLCC did not have a proper segregation of duties between employees in that they both collected and accounted for revenues.

General

1. Numerous employees collected revenue including all business office employees, the executive vice president, deans, counselors, an admissions records technician, and a typist.
2. SLCC did not maintain adequate control over receipts or receipt books. SLCC was not aware of how many receipt books were initially purchased or distributed to employees for use. After use, receipt books were discarded. Not all receipts were prenumbered, and many prenumbered receipts could not be located or traced to deposit records. Some receipts had no indication of who received the monies, while other receipts were pre-signed.

Tuition and Fees

SLCC had inadequate record keeping over tuition and fee revenues. Numerous records, such as class rosters, student files, and receipt and deposit records could not be reconciled. Some of the deficiencies noted were:

1. No ledgers were maintained to track student account activity; therefore, student tuition and fee revenues and receivables could not be readily identified.
2. Refunds of tuition and fees were not always documented or calculated.
3. Student files could not always be located or did not contain required enrollment information.

Bookstore Receipts

SLCC operated a bookstore in the summer and fall semesters of fiscal year 1999. Neither bookstore sales nor the cost of books sold could be properly identified and reported in the financial statements because of the following:

1. No inventory listing or ledger was maintained to track bookstore purchases, sales, returns, or ending inventory.
2. Bookstore receipts were not prenumbered, and several employees collected cash for book sales.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

3. Management could neither provide a standard price list for books sold nor explain how book prices were determined.

Payroll

Except for adjunct instructors, time sheets for SLCC employees were not approved on-site by immediate supervisors; they were approved at the Board of Supervisors - University of Louisiana System office in Baton Rouge.

Expenditures

In a test of 20 disbursements, two payments did not have adequate supporting documentation for the expenditure, and seven payments did not have the supporting documentation cancelled or marked "paid" to prevent duplicate payment. Four of these items required receiving reports, but two did not have receiving reports on file.

Inadequate Financial Reporting

SLCC did not have adequate procedures for preparing the financial statements for the fiscal year ended June 30, 1999. The financial statements contained numerous errors and omitted certain material accounts and note disclosures that are required by generally accepted accounting principles or by the Division of Administration, Office of Statewide Reporting and Accounting Policies. Also, beginning fund balance was not recorded in the current year financial statements. The prior year financial statements indicated a deficit ending fund balance of (\$65,125).

In addition to these findings, BRCC and SLCC had findings relating to noncompliance with movable property regulations as reported in the accompanying report. BRCC also had findings relating to the administration of federal programs.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Expenditures of Federal Awards

In addition to auditing the state's general purpose financial statements, we examined expenditures of major federal award programs administered by the State of Louisiana reporting entity. For the fiscal year ended June 30, 1999, the State of Louisiana reported approximately \$6.6 billion in monetary and non-monetary activity (including loan programs) for the federal award programs administered by the state.

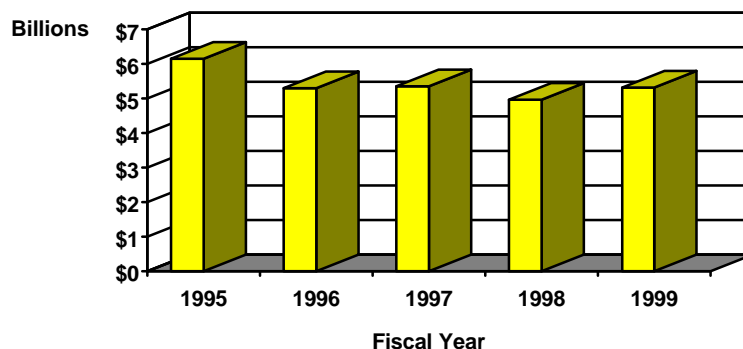
Major federal award programs within the State of Louisiana were identified on a statewide basis in accordance with the criteria established by OMB Circular A-133 and the Single Audit Act as amended in 1996. Major federal award programs for the year ended June 30, 1999, are programs for which total expenditures (activity) by the state and the federal government's risk in outstanding loan balances exceeded \$16,123,498 for the fiscal year. Cumulatively, these programs accounted for approximately 90% of the state's expenditures (activity) of federal award programs for the year ended June 30, 1999.

We performed our audit considering the internal control and procedures relevant to compliance with requirements applicable to federal award programs as required by OMB Circular A-133. We obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk. We performed procedures to determine whether the State of Louisiana had complied with the applicable compliance requirements of major programs as identified in the *OMB Circular A-133 Compliance Supplement* issued in April 1999.

The following graph illustrates the trend of total expenditures of federal awards disbursed by the state (excluding the loan balances) over the past five years.

**Trend of Expenditures of Federal Awards
Over the Past Five Years**

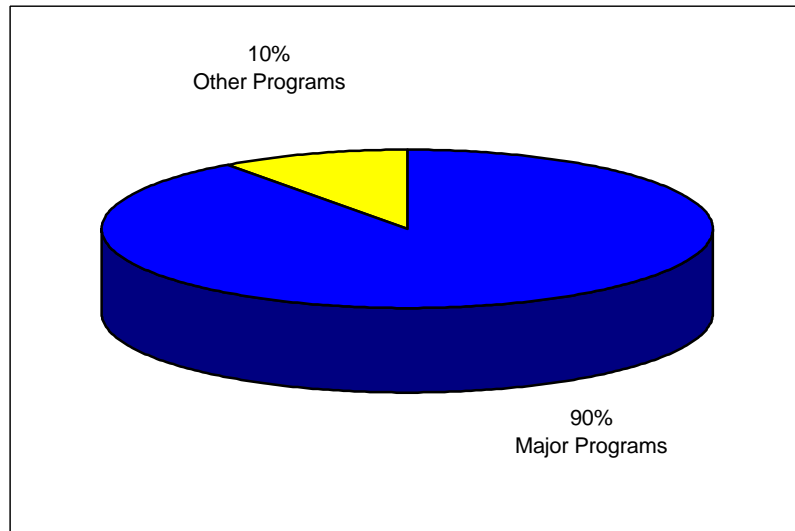
Fiscal Year 1999 Total Expenditures of Federal Awards
\$5,305,841,639
(excluding loan programs)



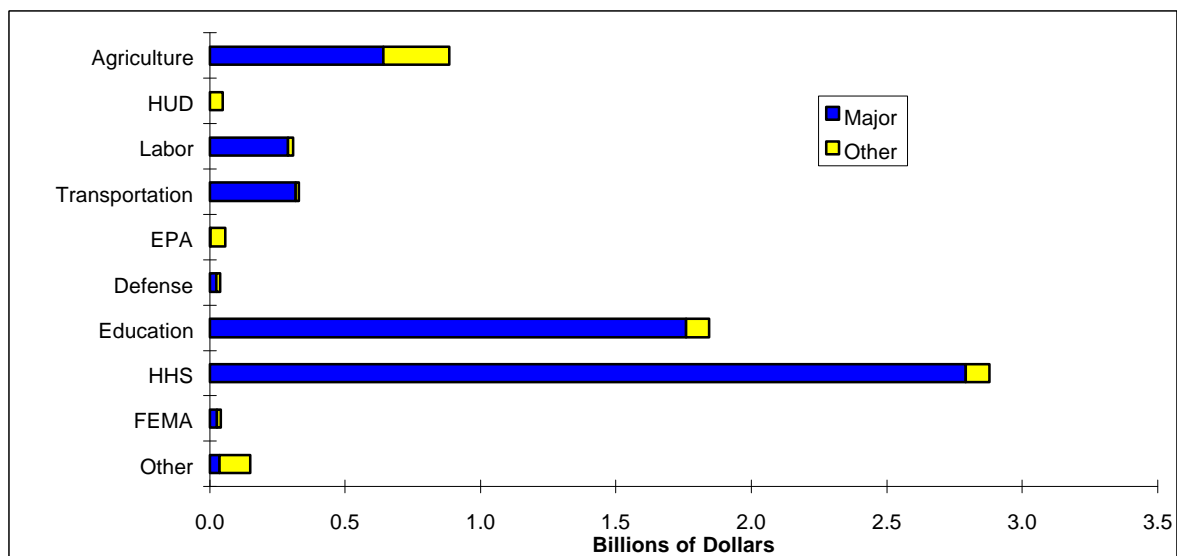
EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1999

Fiscal Year 1999 Major vs. Other Programs (including loan programs)



Fiscal Year 1999 Expenditures of Federal Awards by Federal Agency \$6,576,696,633 (including loan programs)



Audit Reports





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

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February 23, 2000

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards

**HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE JOHN J. HAINKEL, JR., PRESIDENT, AND
MEMBERS OF THE SENATE
HONORABLE CHARLES W. DEWITT, JR., SPEAKER, AND
MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
Baton Rouge, Louisiana**

We have audited the general purpose financial statements of the State of Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated December 23, 1999, which was qualified because the general purpose financial statements did not include financial data for Grambling State University. Financial data for Grambling State University should be included to conform with generally accepted accounting principles, and the effects of that departure on the general purpose financial statements are not reasonably determinable. We did not audit the financial statements of certain component units of the State of Louisiana. Those financial statements were audited by other auditors whose reports have been furnished to us. This report, insofar as it relates to those component units, is based solely on the reports of other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the State of Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance described in Schedule B (pages 11 through 68) and Schedule C (pages 69 through 132) that, although not material to the financial statements, are required to be reported herein under *Government Auditing Standards*. We also noted other

LEGISLATIVE AUDITOR

HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE JOHN J. HAINKEL, JR., PRESIDENT, AND
MEMBERS OF THE SENATE
HONORABLE CHARLES W. DEWITT, JR., SPEAKER, AND
MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA

February 23, 2000

Page Two

insignificant instances of noncompliance in separate letters to management that are not required to be reported herein under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Schedule B (pages 11 through 68) and Schedule C (pages 69 through 132) of the accompanying schedules of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the item described in Schedule B pages 47 through 48 to be a material weakness. We also noted other insignificant matters involving the internal control over financial reporting in separate letters to management, which are not required to be reported herein under *Government Auditing Standards*.

LEGISLATIVE AUDITOR

HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE JOHN J. HAINKEL, JR., PRESIDENT, AND
MEMBERS OF THE SENATE
HONORABLE CHARLES W. DEWITT, JR., SPEAKER, AND
MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA

February 23, 2000

Page Three

In connection with our audit, we reviewed the prior audit findings on compliance and internal control to determine whether management had implemented appropriate action to correct the conditions giving rise to those findings. The results of our review indicate that management had taken appropriate corrective action with respect to the prior audit findings, except for the matters described in the Schedule of Unresolved Prior Audit Findings (Schedule D, page 133), which have been addressed in our current report.

This report is intended solely for the information and use of the Governor and certain other statewide elected officials of the State of Louisiana and their appointees (management) as well as federal awarding agencies and pass-through entities 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,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is fluid and cursive, with the first name "Daniel" being the most prominent.

Daniel G. Kyle, CPA, CFE
Legislative Auditor

MVG:MWB:PEP:dl

[SA99]

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

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**February 23, 2000, except for the
Schedule of Expenditures of Federal Awards,
dated December 23, 1999**

Report on Compliance With Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in
Accordance With OMB Circular A-133

**HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE JOHN J. HAINKEL, JR., PRESIDENT, AND
MEMBERS OF THE SENATE
HONORABLE CHARLES W. DEWITT, JR., SPEAKER, AND
MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
Baton Rouge, Louisiana**

Compliance

We have audited the compliance of the State of Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The State of Louisiana's major federal programs are identified in the Summary of Auditor's Results section (Schedule A, page 9) of the accompanying schedules of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Governor and other statewide elected officials of the State of Louisiana and their appointees (management). Our responsibility is to express an opinion on the State of Louisiana's compliance based on our audit. We did not audit compliance with those requirements by the Southern University System. Compliance with the requirements by that university was tested by other auditors whose report has been furnished to us. Our report, insofar as it relates to compliance with the requirements referred to previously by the Southern University System, is based solely on the report of the other auditors. As described in note B to the Schedule of Expenditures of Federal Awards, Grambling State University was not audited in time to be included in this report and will be issued under separate cover by other auditors.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable



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assurance about whether noncompliance with the types of compliance requirements referred
to above that

LEGISLATIVE AUDITOR

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MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA**

February 23, 2000, except for the Schedule of
Expenditures of Federal Awards, dated
December 23, 1999
Page Two

could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State of Louisiana's compliance with those requirements.

In our opinion, based on our audit and the report of the other auditors, the State of Louisiana complied, in all material respects, with the requirements referred to previously that are applicable to each of its major federal programs for the year ended June 30, 1999. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in Schedule C (pages 69 through 132) of the accompanying schedules of findings and questioned costs.

Internal Control Over Compliance

The Governor and other statewide elected officials of the State of Louisiana and their appointees (management) are responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. We did not consider the internal controls, including applicable internal administrative controls, used in administering federal award programs of the Southern University System. Those internal controls, including applicable internal administrative controls, were considered by other auditors whose report has been furnished to us. Our report, insofar as it relates to the internal controls used in administering federal award programs of the Southern University System, is based solely on the report of the other auditors. As described in note B to the Schedule of Expenditures of Federal Awards, Grambling State University was not audited in time to be included in this report and will be issued under separate cover by other auditors.

LEGISLATIVE AUDITOR

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STATE OF LOUISIANA**

February 23, 2000, except for the Schedule of
Expenditures of Federal Awards, dated
December 23, 1999
Page Three

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of Louisiana's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in Schedule C (pages 69 through 132) of the accompanying schedules of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described previously, we consider the items described in Schedule C pages 98 through 100 and pages 113 through 114 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the State of Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated December 23, 1999, which was qualified because the general purpose financial statements did not include financial data for Grambling State University. Financial data for Grambling State University should be included to conform with generally accepted accounting principles, and the effects of that departure on the general purpose financial statements are not reasonably determinable. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards (Appendix A) is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements.

LEGISLATIVE AUDITOR

HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
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February 23, 2000, except for the Schedule of
Expenditures of Federal Awards, dated
December 23, 1999
Page Four

The Southern University System's portion of the Schedule of Expenditures of Federal Awards accompanying this report was not audited by us, but was audited by other auditors whose report has been furnished to us. The federal award programs for this university reflect total activity and the federal government's risk in their outstanding loan balances of \$49,427,328, which comprise approximately 0.75 percent of total activity and the federal government's risk in outstanding loan balances for the state as of and for the year ended June 30, 1999. Our assurance, insofar as it relates to the amounts included for the Southern University System, is based solely on the report of the other auditors.

In our opinion, based on our audit and the report of the other auditors, except for the effects of the omission of data for Grambling State University, the information in the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

In connection with our audit, we reviewed the prior audit findings on compliance and internal control to determine whether management had implemented appropriate action to correct the conditions giving rise to those findings. The results of our review indicate that management had taken appropriate corrective action with respect to the prior audit findings, except for the matters described in the Schedule of Unresolved Prior Audit Findings (Schedule D, page 133), which have been addressed in our current report.

This report is intended solely for the information and use of the Governor and certain other statewide elected officials of the State of Louisiana and their appointees (management) as well as federal awarding agencies and pass-through entities 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,

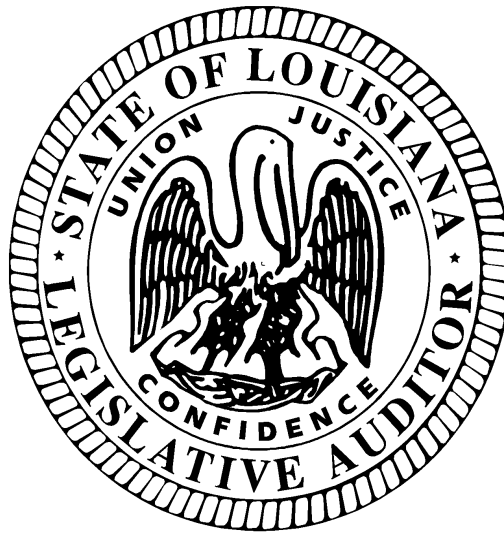
A handwritten signature in black ink, appearing to read "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

MVG:MWB:PEP:dl
[SA99]

Schedule A

Summary of Auditor's Results For the Year Ended June 30, 1999



**STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Summary of Auditor's Results
For the Year Ended June 30, 1999

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Reportable condition(s) identified not considered
to be material weaknesses? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Type of auditor's report issued on compliance for major programs: Unqualified for all major programs

Internal control over major programs:

Material weakness(es) identified? X yes no

Reportable condition(s) identified not considered
to be material weaknesses? X yes none reported

Any audit findings disclosed that are required to be
reported in accordance with Circular A-133, Section .510(a)? X yes no

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Summary of Auditor's Results (Concluded)

Federal Awards (Cont.)

Identification of major programs:

CFDA Number - Name of Federal Program or Cluster

10.500 - Cooperative Extension Service
 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
 10.558 - Child and Adult Care Food Program
 17.225 - Unemployment Insurance
 20.205 - Highway Planning and Construction
 39.003 - Donation of Federal Surplus Personal Property
 83.544 - Public Assistance Grants
 84.010 - Title I Grants to Local Educational Agencies
 84.032 - Federal Family Education Loans
 84.048 - Vocational Education - Basic Grants to States
 84.126 - Rehabilitation Services - Vocational Rehabilitation Grants to States
 84.186 - Safe and Drug-Free Schools and Communities - State Grants
 93.558 - Temporary Assistance for Needy Families
 93.563 - Child Support Enforcement
 93.568 - Low-Income Home Energy Assistance
 93.569 - Community Services Block Grant
 93.658 - Foster Care - Title IV-E
 93.667 - Social Services Block Grant
 93.959 - Block Grants for Prevention and Treatment of Substance Abuse
 93.994 - Maternal and Child Health Services Block Grant to the States
 Food Stamp Cluster
 Employment Services Cluster
 JTPA Cluster
 Student Financial Assistance Cluster
 Special Education Cluster
 TRIO Cluster
 Child Care Cluster
 Medicaid Cluster
 Research and Development Cluster

Dollar threshold used to distinguish between
 Type A and Type B programs:

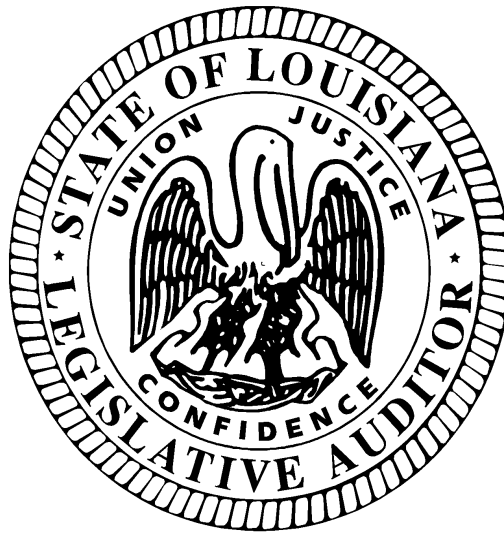
\$16,123,498

Auditee qualified as low-risk auditee?

 yes X no

Schedule B

Financial Statement Findings For the Year Ended June 30, 1999



**STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Financial Statement Findings
For the Year Ended June 30, 1999

**COMPLIANCE WITH LAWS, REGULATIONS,
CONTRACTS, AND GRANTS**

EDUCATION, DEPARTMENT OF

**Inadequate Controls Over Contracts
and Cooperative Endeavor Agreements**

The state Department of Education (SDE) has not established adequate internal controls over contracts and cooperative endeavor agreements to ensure compliance with state laws and regulations and contractual terms. Louisiana Revised Statute 39:1500 requires that within 60 days of the completion of performance under a professional, personal, consulting, or social service contract, the department shall prepare and submit a final evaluation report to the director of contractual review, and no contract shall be entered into by the department with any contractor for which a delinquent final evaluation report remains outstanding. In addition, the Louisiana Administrative Code 34:V.121(G)(1) requires that certain contracts and cooperative endeavor agreements be approved by the Department of Civil Service. Also, the annual appropriation act requires the department to return to the state treasury the balance of any unused funds disbursed to a contractor unless approval to retain the funds is obtained from the Division of Administration and the Joint Legislative Committee on the Budget. Finally, the cooperative endeavor agreements executed between the department and the contractor contained specific criteria to be followed before making any disbursements.

A review of eight professional service contracts and five cooperative endeavor agreements, along with the related audit reports, disclosed the following deficiencies:

- Seven contracts totaling \$2,013,597 for fiscal year 1997-98 did not have final evaluation reports on file with the Office of Contractual Review as required by state law. Six of these contracts were inappropriately renewed in fiscal year 1998-99.
- Unexpended funds totaling \$39,272, which were disbursed to a contractor during fiscal year 1996-97, were improperly carried forward and expended in fiscal year 1997-98. The SDE did not obtain authorization from the Division of Administration and the Joint Legislative Committee on the Budget to retain the funds.
- The SDE disbursed \$50,000 to a contractor before receiving a required audit engagement letter. Another \$50,000 was disbursed to the same contractor

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- before receiving and approving the prior year audit as required by the cooperative endeavor agreement.
- The SDE disbursed \$67,500 to a contractor before the SDE conducted a required site visit.
 - The SDE did not receive required semiannual programmatic and expense reports from four contractors.
 - The SDE did not obtain Civil Service approval as required for one cooperative endeavor agreement totaling \$270,000.

Management has neither implemented the necessary controls nor adequately trained its employees as to the regulations applicable to state contracts and cooperative endeavor agreements. As a result, the risk increases that contractors may incur unallowable costs that may not be detected in a timely manner, which would subject the department to noncompliance with state laws and regulations and contractual terms.

Management should implement the necessary controls and adequately train its employees as to the applicable state laws and regulations related to disbursements on contracts and cooperative endeavor agreements. In addition, the SDE should attempt to recover the \$39,272 retained and expended by the contractor without proper authorizations. Management concurred with the finding and outlined a plan of corrective action (B-20).

**Inadequate Controls Over Data in the
Minimum Foundation Program**

For the third consecutive year, the SDE has not audited financial information and personnel data reported by the parish and city school systems used in the allocation and distribution of the Minimum Foundation Program (MFP). In addition, the SDE does not have adequate controls to minimize the amount of errors reported by the local school systems that are input into the computer system and are used to determine the student membership for the MFP formula. Furthermore, the SDE had not finalized any of the student count audits from the October 1, 1998, student counts as of June 30, 1999. For fiscal year 1999, the SDE distributed \$2,183,801,750 in state General Fund MFP monies to the local school systems.

Both Louisiana Revised Statute (R.S.) 17:7(d) and Attorney General Opinion 89-185 require the SDE to be fiscally accountable for the MFP and the information submitted by the school boards. The SDE established the Division of Education Finance within the Office of Management and Finance to meet this requirement. Adequate controls for a computerized data collection system should include edit checks and reviews to detect errors.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

A review of the SDE's current policies, procedures, and eight MFP student count audits for fiscal year 1998 disclosed the following weaknesses:

- The SDE did not audit approximately \$1.5 billion in ad valorem taxes, sales taxes, and other revenues that were reported by the local school systems and included in the fiscal year 1999 MFP formula. Local revenues are used to determine the equitable allocation of MFP funds and to determine if incentives should be paid for efforts above the minimum required of local school systems. The SDE requires the local school systems to transmit the information before the certified public accountants perform audits of the systems.
- The SDE did not audit the October 1, 1998, budgeted personnel data that were reported by the local school systems and used in the MFP formula. A total of \$53,411,522 of pay raise enhancements was funded in fiscal year 1999 for 57,999 certificated staff based on this data. The auditor found that for fiscal year 1999, 63 staff were reported as employees in more than one district. Of these 63 staff, 27 (43%) were improperly included in the MFP formula and were funded \$19,106. In addition, it could not be determined if two staff of Orleans Parish School Board were improperly included in the MFP formula because Orleans Parish failed to respond to the auditor's request for information. The possible overfunding for these two staff is \$1,864. The computer system used to report this data accepts certificate numbers as valid without checking other districts for duplicate certificate numbers.
- The SDE does not use audited financial data to determine if school districts expended 70% of the local general fund on instruction. The House Concurrent Resolution establishing the MFP requires the SDE to report those districts not meeting the 70% requirement to the House and Senate Committees on Education. Because the data are unaudited, this information may be inaccurate. The local school systems receive annual audits of their financial data; however, the SDE does not reconcile the data submitted from the school systems to the audited financial data.
- The SDE uses variance analyses comparing financial data submitted in the prior year to data submitted in the current year to determine the validity of information submitted by the local school systems. However, this information is unaudited in both cases. Furthermore, the SDE does not require the local school systems to provide explanations for large variances noted in these analyses. The SDE's variance analyses for eight local school systems found 836 variances of 20% or greater, of which 235 had dollar variances of at least \$100,000, but no explanation was required by the SDE.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- The SDE did not finalize any student count audits for October 1, 1998, data during fiscal year 1999. In a review and test of the SDE's policies, procedures, and 8 (12%) of the 66 SDE student count audits for fiscal year 1998, the following weaknesses were detected:
 1. The department funded 71 students twice. The Student Information System (SIS) database permits a school system to enter a student who has the same state identification number, name, birth date, sex, and race as a student reported by another school system (multiple enrollment). The SDE funds each school system that reports the student, even though at least one school system has reported the student in error. The SDE then performs audit procedures at each school system to determine which, if any, is entitled to report the student. The estimated overfunding in fiscal year 1998 that resulted from these multiple enrollment students in eight school districts is \$190,651.
 2. The SIS permits a school system to enter a student who has the same phonetic first name, last name, birth date, and sex, but different state identification numbers (duplicate students) as another funded student in the same or different school system. In the test sample for the eight school districts, duplicate students within the same school system resulted in overfunding of \$64,306.
 3. The MFP provides additional funding to districts through the use of weights for certain student populations. Those students designated as at-risk, special education - gifted and talented, special education - other exceptionalities, and vocational education student units receive additional weights of 17%, 60%, 150%, and 5%, respectively. The SDE does not consistently audit these membership counts. Of the eight districts reviewed, the SDE did not audit five districts' at-risk membership and five districts' special education memberships and four districts' vocational education student units.
- Student enrollment has the risk of being inflated because no formal policy exists for dropping no-show and excessive absent students. No-shows are students who are included in a school's enrollment because they were enrolled at the school the previous year, but they have not reported to school on any day in the current school year. A performance audit issued by the Office of the Legislative Auditor in January 1999 recommended that the Board of Elementary and Secondary Education (BESE) establish a written policy directing local systems when to drop these students from enrollment.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Without verification of data reported by the local school systems and used in the MFP formula, the SDE cannot be sure that MFP funds are accurately and equitably distributed. The SDE uses detective and corrective controls over student enrollment data, which are not as efficient and effective as preventive controls. Having no policy for dropping no-show and excessive absent students, as well as funding multiple students and those duplicate students within the same school system, provides incentive for the school systems to overstate student enrollment and results in improper allocation. It also shifts the responsibility of verifying enrollment from the local school system to the SDE and requires the use of limited audit resources to determine which school system, if any, is entitled to report each student listed on the exception reports.

In the 1999 Regular Session of the Legislature, R.S. 24:514(I) was enacted to require that local school systems and the SDE include schedules of performance and statistical data to be audited as part of the financial statements. The SDE should audit and/or reconcile financial and personnel data reported by the local school systems to independently audited data. The SDE should issue all MFP audit reports timely and react appropriately to those reports. In addition, the SDE should establish computer controls to detect duplicate teacher certificate numbers in all districts and should consider rejecting multiple student enrollments and duplicate students within the same school system until provided evidence of enrollment and attendance. Furthermore, a written policy should be developed for dropping no-show and excessive absent students from enrollment. Management did not concur with the finding. However, the SDE plans to bring certain policies back to BESE for reaffirmation or revision. See management's response at B-21.

Additional Comments: The SDE did not audit nor use audited local district revenue data, budgeted personnel data, or financial data for fiscal year 1999. The SDE cited corrective action taken and/or planned for fiscal year 2000. Such corrective action has no impact for the year audited. Management responded in part that the MFP weighted categories, which includes at-risk, are all audited on a 3-year cycle. However, 16 of 66 school districts were not scheduled to receive audits of their at-risk membership based on the 3-year rotational schedule provided by the SDE.

Noncompliance With Year 2000 Regulations

The SDE did not comply with executive orders designed to ensure that current purchases of computer hardware and software are Year 2000 compliant by the turn of the century. Executive Order MJF 96-50, as amended by Executive Order MJF 98-04, requires all contracts in excess of \$5,000 for the purchase of computer hardware, software, firmware products, data processing services, information systems, and custom computer items to contain a provision requiring the items or services purchased to be Year 2000 compliant by July 1, 1999. The Code of Federal Regulations [34 CFR 80.36] requires a state to follow the same policies and procedures it uses for procurements from its non-federal funds when procuring property and services under a federal grant.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

A test of nine purchase orders disclosed that none of the orders included the required Year 2000 provision. These purchases totaled \$116,041, of which \$11,200 was funded by the state and the following federal programs:

- Special Education - Grants to States (CFDA 84.027), \$75,627
- Technology Literacy Challenge Fund Grants (CFDA 84.318), \$17,749
- Safe and Drug-Free Schools and Communities - State Grants (CFDA 84.186), \$11,465

Language requiring Year 2000 compliance was omitted from procurement documents because the SDE purchasing director was not knowledgeable of this requirement. Because the Year 2000 provision was not included in the purchase orders for these purchases, the department may have no recourse against vendors if the hardware and software provided are subsequently found not to be Year 2000 compliant. Any cost associated with replacement or modification of these products might therefore be borne by the department. Furthermore, purchasing computer equipment that is not Year 2000 compliant could impair the department's ability to provide services to the public.

The SDE should obtain assurances that the computer-related hardware and software purchased are Year 2000 compliant for the contracts awarded without the Year 2000 provision and should initiate corrective action if they are not. In addition, the department should include the Year 2000 provision in all future contracts in accordance with Executive Order MJF 98-04 and 34 CFR 80.36. Management concurred with the finding and outlined a plan of corrective action (B-27).

ELECTIONS AND REGISTRATION,
DEPARTMENT OF

Violations of State Laws and Regulations

In reports dated August 9, 1999, and March 17, 1999, the Investigative Division of the Office of the Legislative Auditor reported that the Department of Elections and Registration had committed the following acts that may be violations of the public bid law, state ethics code, state Civil Service regulations, state travel regulations, and other state laws:

- From August 1991 to January 1999, the department purchased 3,247 AVM voting machines totaling \$6,755,585 from Election Services, Inc. (ESI), without competitive bids. The voting machines were purchased at prices exceeding those available from other vendors, and the necessity of the purchase of at least some of the machines was questionable.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- From 1992 through 1998, the department purchased 122,650 AVM voting machine counters from Independent Voting Machine Company (IVM). The purchases totaled \$5,473,395 plus \$3,216,250 for installation. The counters were purchased at prices double the market rate and, in some instances, the department purchased counters removed from its own trade-in machines. The department paid a contractor nearly four times the available rate for installation. In some instances, department employees participated in the installation, and IVM billed the department twice for the same work. The total cost of the counters and installation for each machine was more than twice the cost of purchasing a completely reconditioned machine from an AVM dealer.
- IVM contributed money and incurred risk for a real estate investment on which Commissioner of Elections Jerry Fowler may have profited.
- The department entered into drayage contracts with companies directly associated with a former Director of Elections while he held that post. From 1991 through 1998, these companies were paid \$497,245. The Assistant Commissioner of Minority Affairs also received \$9,796 from his association with the two companies.
- A contractor was paid for drayage services although the work was actually performed, in part, by department employees and an individual employed by another department contractor.
- A department employee was paid \$5,540 from 1996 through July 1998 for contract labor and rental of his personal vehicle by a company holding a drayage contract.
- The department entered into a drayage contract with an employee through an attorney acting on the employee's behalf. Payments on this contract from 1995 through 1998 totaled \$123,269.
- The department entered into warehouse contracts with two employees and the wife of a former Director of Elections while he held that post. Payments on these contracts totaled \$121,433.
- The department paid a firm \$465,140 between October 1990 through June 1998 to perform accessibility inspections of polling places, voting machine warehouses, and the offices of Registrars of Voters. A department contract attorney is the vice president, owner, and a registered lobbyist for this firm. The husband of the department's Director of Registration is an employee of this firm. He was responsible for the firm's performance on the 1997-98 contract.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- The time and attendance and expense reports for four department employees indicated that they were working during certain times and at specific locations that do not agree with observations of investigative auditors. On certain occasions, department employees were observed engaged in personal activities during their normal work hours.
- The department's Director of Elections and the Assistant Commissioner of Minority Affairs received \$52,911 in travel expense reimbursements related to travel from their personal residences to work in their domicile, in violation of state travel regulations.
- The department provided voter registration data to elected state officials and other individuals without charge, in violation of state law. Lost revenue is estimated to be \$36,077.
- The department's Director of Information Systems used a department vehicle and a department employee for personal use.

Since the release of these reports, Commissioner Fowler and nine other current and former employees of the department have been indicted by an East Baton Rouge Parish grand jury on various charges including malfeasance in office, filing false public documents, money laundering, payroll fraud, and profit splitting. The significance and pervasiveness of these findings compounded by the extent of management's involvement precludes the application of sufficient audit procedures necessary for opining on the department's financial statements as of June 30, 1999, and for the two years then ended.

Recommendations for improvement and management's full response to these findings may be found in the audit reports referred to previously.

EXECUTIVE DEPARTMENT

Improper Use of Nonrecurring Revenue

For the fourth consecutive year, the State of Louisiana did not use nonrecurring revenue to retire or defease bonds "in addition to existing amortization requirements of the state," as required by both the Louisiana Constitution and Act 6 of the 1998 Regular Session. Nonrecurring revenue of \$147,014,000, resulting from the General Fund unreserved - undesignated fund balance for fiscal year ended (FYE) June 30, 1997, was declared by the Revenue Estimating Conference and placed in an escrow agent bank account on June 22, 1998. During FYE June 30, 1999, at least \$42 million of the \$147 million in escrow was used to defease debt with maturity dates falling in the 1999 fiscal year. Defeasing short-term debt

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Financial Statement Findings (Continued)

requirements has the effect of reducing the state's debt service expenditures paid from current collections and frees up funds for other purposes. However, it does not fulfill the constitutional requirement that nonrecurring revenue be used "in addition to existing amortization requirements."

The current practice of paying short-term debt service requirements with nonrecurring revenue makes the expected benefits of the Constitutional Amendment requiring defeasement "in addition to the existing amortization requirements" unrealizable. The state analyzes and selects bonds for defeasance primarily to free specific amounts for expenditure in specific years rather than determining the greatest overall cost savings to the state in the long term.

In Attorney General Opinion 95-267-A, the Attorney General states, "In interpreting a constitutional article, one is not bound by the literal interpretation, where it would lead to . . . a plain violation of the spirit and purpose of the enactment. The real purpose and intent of a constitutional provision, as determined from a consideration of all its component sections and paragraphs, must prevail over a literal meaning which would assign an effect contravening the primary purpose and intent thereof." The revised statute that was enacted to implement the Constitutional Amendment requires that the nonrecurring revenues be used for capital outlay, early retirement or defeasement of debt, or extraordinary and nonrecurring expenditures. When the amendment is read in conjunction with the related revised statute, the intent seems clear. Using nonrecurring revenues to finance debt service obligation that came due as early as 36 to 40 days after the funds were placed in the escrow account does not seem to comply with the spirit or intent of the Constitutional Amendment.

Management should use nonrecurring revenues to retire or defease bonds "in addition to the existing amortization requirements," instead of using the funds to meet existing amortization requirements. Management should consider selecting bonds for defeasement that would provide the greatest overall cost savings to the state in the long-term. Management does not concur with the finding (B-153).

Inadequate Fund Balance -
Patients' Compensation Fund

For the eighth consecutive year, the Executive Department, Patients' Compensation Fund Oversight Board, did not maintain an adequate surplus in the Patients' Compensation Fund as required by Louisiana law. R.S. 40:1299.44(A)(6)(a) requires that a surplus of 50% of the annual surcharge premiums, reserves established for individual claims, reserves established for incurred but not reported claims, and expenses be maintained in the fund.

For the fiscal year ended June 30, 1999, the accumulated balance of surcharges, reserves, and expenses is estimated to be \$410,722,038, which under Louisiana law would require a fund balance of \$205,361,019. As of June 30, 1999, the actual fund balance was \$71,597,885, resulting in a shortfall of \$133,763,134. This shortfall resulted from practices in effect before the Patients' Compensation Fund Oversight Board was created, whereby rates for medical

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Financial Statement Findings (Continued)

malpractice premiums were not set based on experience ratings, including historical losses, interest payments, and future medical amounts.

The board should establish an adequate rate level to achieve the 50% surplus requirement over a reasonable period of time. The board concurred with the finding and recommendation and outlined a plan of corrective action (B-29).

**Lack of Controls Over Medical
Malpractice Premiums**

The Patients' Compensation Fund Oversight Board did not have adequate segregation of duties, did not deposit and record approximately \$13 million in receipts timely, and did not have proof of financial responsibility on file for all self-insured health care providers as required by state law. A good internal control system requires the department to establish procedures to properly safeguard its assets and segregate duties to ensure that one person is not in the position to both initiate and conceal errors or fraud. Proper cash management practices and Article VII, Section 9 of the 1974 Louisiana Constitution also require that monies be deposited immediately upon receipt in the state treasury. In addition, R.S. 40:1299.42(E) requires self-insured health care providers to deposit with the board \$125,000 in money or other security as proof of financial responsibility.

The following weaknesses were noted in internal controls over the collection of medical malpractice premiums:

- The same person who receives the payments records the payments in the subsidiary records, prepares billing statements, and reconciles the subsidiary records to amounts deposited and recorded in the general ledger system (AFS).
- As of January 14, 1999, the department had not deposited approximately \$13 million in checks received between December 4, 1998, and December 30, 1998.
- In a test of 17 receipts and the related health care provider files, none of the 17 receipts were recorded in the subsidiary records, and there was no evidence in the files to document that two self-insured health care providers deposited \$125,000 in money or securities with the board, as required by law.

Failure to develop and implement adequate controls over cash collections for medical malpractice premiums increases the risk that funds could be lost and that fraud and errors could occur and not be detected timely.

Management should segregate the incompatible duties of receiving and recording payments, establish procedures to ensure payments are deposited immediately according to the constitution, and maintain evidence of security deposits on file according to state law.

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Financial Statement Findings (Continued)

Management concurred with the finding and recommendations and outlined a corrective action plan (B-33).

**Noncompliance With State's
Movable Property Regulations**

The State of Louisiana did not ensure that all state agencies, hospitals, universities, and component units maintain adequate internal accounting controls over movable property as prescribed by the Commissioner of Administration and Louisiana law. Considering the amount of movable property additions (\$139,469,000), deletions (\$113,782,000), and ending balance (\$942,902,000) for the General Fixed Asset Account Group, and ending balances for enterprise funds (\$12,233,000), internal service funds (\$20,218,000), trust funds (\$10,445,000), and universities and component units (\$1,512,668,000), as reported by the Division of Administration, Office of Statewide Reporting and Accounting Policy for the year ended June 30, 1999, the state's policies and procedures should be uniformly applied to ensure that movable property is adequately safeguarded and accurately reported in the financial statements.

Good internal control requires that adequate control procedures be in place to ensure that (1) the acquisition, valuation, and disposition of movable property is accurately reflected in the accounting records; (2) the location of all movable items is monitored and updated frequently; and (3) the amounts recorded in the financial statements are materially correct. In addition, good internal control should ensure that movable property is properly safeguarded against loss arising from unauthorized use, that movement of items from one location to another is recorded, and that errors in processing transactions are recognized and corrected. Furthermore, R.S. 39:323-325, 330, and the Louisiana Administrative Code (LAC) Title 34 Part VII Section 313 (B) require the following:

1. Property managers are responsible for the maintenance of property identification marks as prescribed by the Commissioner.
2. The property manager is required to update the master inventory listing on a monthly basis by submitting all property transactions to the Commissioner.
3. Each property manager is required to take a complete physical inventory of all property at least once each fiscal year.
4. Upon completion of the annual inventory, each property manager is required to submit a certified report to the Commissioner containing all exceptions or discrepancies found when comparing the results of the physical inventory to the perpetual inventory records.
5. When any property is entrusted to any other officer or employee of an agency, the property manager shall require a written receipt for such property to be executed by the person receiving the property.

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 Financial Statement Findings (Continued)

The Louisiana Property Assistance Agency (LPAA) has been designated by the Commissioner as the agency that will collect, account for, and maintain the transactions and reports that are required by state law; however, not all state entities are required to report to LPAA. LAC Title 34 Part VII Section 307(A) requires that acquisitions are tagged and information is forwarded to LPAA within 45 days after receipt of these items. In addition, R.S. 39:326(D) provides the Commissioner with the authority to invoke sanctions upon an agency that is in noncompliance with movable property regulations, including the restriction of property acquisitions by that agency.

The audit of movable property records throughout the state disclosed collective amounts of \$34,555,174 in additions; \$36,989,913 in deletions; and \$224,283,683 in ending balances of movable property for those ten state agencies, five technical colleges, two state hospitals, two community colleges, one state developmental center, one state board, and one state school that have not maintained an adequate movable property control system as follows:

1. For the third consecutive year, the state Department of Education (SDE) did not maintain adequate internal control over movable property. Various tests of movable property disclosed the following weaknesses:
 - As noted in the prior audit, the Louisiana Learning Resource System (LLRS), an SDE program that provides property to local educational agencies to aid disabled students, had not performed an adequate inventory because it did not have access to its computerized inventory files. LLRS lost access to these files approximately three years ago when the files were downloaded from the SDE mainframe to a personal computer as a cost-saving measure. Consequently, in succeeding years, the property liaisons did not perform the necessary work to certify their inventory. The 1999 physical inventory of the LLRS property disclosed that 393 items, totaling \$373,045, could not be located.
 - In a sample of 60 movable property items, totaling \$170,803, from various SDE property locations, the following discrepancies were noted:
 1. Four items (7%), totaling \$5,142, could not be located.
 2. Two additional items not included in our sample were found in the custody of the SDE but were not tagged or included in the property records. The value of these items could not be determined.
 - A sample of 10 transactions, totaling \$664,865, disclosed that one item with a cost of \$2,797 was tagged 11 days beyond the 45-day limit, was recorded on the property inventory incorrectly with the same serial number as that of another similar item, and could not be located.

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 Financial Statement Findings (Continued)

- The SDE inventory procedures are inadequate in that the property manager does not receive invoices related to property purchases in a timely manner. Consequently, the property manager records the purchase order amount of property items in the master inventory and later changes these amounts when invoices are received. This procedure increases the risk of incorrectly recording property costs and duplicates work. As of June 28, 1999, the manager had possession of 50 purchase orders, totaling \$196,285, ranging in date from September 9, 1998, to May 20, 1999, but had not yet received the invoices. The amount of misstatement for the property recorded at purchase order value could not be determined.
- 2. For the third consecutive year, the Department of Social Services, Office of the Secretary, failed to maintain adequate internal control over movable property. Certain conditions occurred because monthly reconciliations between department records and LPAA records were not performed to ensure accurate movable property records. The test of movable property disclosed the following:
 - The movable property balance at June 30, 1999, according to the Annual Fiscal Report, is \$610,022 more than the projected balance according to the LPAA records at June 30, 1999.
 - Twelve of 24 items tested (50%) were not tagged and entered as new acquisitions in the LPAA system within 45 days of receipt.
 - Six of 48 items tested (12.5%) were not in the proper location according to the LPAA Master File Inventory Listing. The internal property transfer forms for the items were either not processed timely or not recorded in the LPAA system.
- 3. For the second consecutive year, the Department of Revenue did not have adequate internal control to ensure that movable property is properly and accurately reported to LPAA in compliance with state movable property regulations. Seventy items totaling \$950,566 were selected from LPAA records and tested for timely entry into the LPAA system. Fifty-eight of those items were also tested for tagging and location. In addition, auditors haphazardly selected 18 assets found in local offices and traced those items to LPAA records. The department had deficiencies in internal control and noncompliance with movable property regulations as follows:
 - Fifteen of the 70 items tested (21%) totaling \$18,416 were not reported timely to LPAA.
 - Six of the 58 items tested (10%) totaling \$2,956 were not located.

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Financial Statement Findings (Continued)

- Two of the 58 items tested (3%) totaling \$18,678 were not tagged.
 - One of the 18 items traced (5%) from the asset to LPAA records was not found in the LPAA records. The value of the asset was \$1,082.
 - There was no reconciliation of monthly LPAA reports of additions and deletions to department records.
 - The Certification of Annual Property Inventory for the Department of Revenue listed \$86,436 in discrepancies. Many of the unlocated items were computers and printers.
 - The Certification of Annual Property Inventory for the Office of Alcohol and Tobacco Control was not approved by LPAA because it was not submitted timely. The report was due January 5, 1999, but was submitted on March 26, 1999.
4. For the second consecutive year, the Department of Insurance did not timely notify the LPAA of acquisitions as required by state law. The department acquired approximately 210 movable property items totaling \$260,000. A review of 46 of those acquisitions disclosed 16 items (35%) totaling \$14,511 that were not reported to LPAA until 49 to 92 days after the receipt of the property.
5. For the second consecutive year, the State Employees Group Benefits Program did not comply with the state movable property laws and regulations. Two of 20 (10%) movable property acquisitions (\$2,061 of \$208,065) tested were not tagged and added to the LPAA inventory system until 128 to 136 days after receipt of the property.
6. The Department of Health and Hospitals (DHH) did not maintain adequate controls over movable property and did not comply with the state's movable property laws and regulations. Various tests of movable property disclosed the following:
- Nineteen of 132 items (\$26,329 of \$136,531) purchased during the year were not tagged and added to the inventory system until 48 to 146 days after receipt of the property. Three items remained untagged as of the test date.
 - Two of 24 items (\$1,101 of \$24,457) tested on the department's inventory as of January 31, 1999, were not tagged.
7. The Department of Natural Resources did not maintain adequate internal control over movable property. The following deficiencies in internal control were noted:

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 Financial Statement Findings (Continued)

- The department does not have a procedure for documenting the issuance or return of equipment assigned to employees for home use. Instead, the department relies on employees to complete a form to account for home-stored items each year when inventory is certified. The department could not locate 3 of 11 items (\$3,459 of \$21,777) that dropped off the home-storage records in fiscal year 1999. One of the three items (\$316 of \$3,459) was listed at the home of a retired employee.
 - The annual inventory report for the Office of Management and Finance indicated that 58 items, totaling \$102,570, were not located. The department later reported that 24 items, totaling \$42,391, had been found. However, a test of 15 (\$33,546) of those located items revealed one item, totaling \$2,698, had not been located.
 - Two of 20 items (\$1,262 of \$16,780) selected from movable property records and tested for location were not found.
 - Three of 20 items (\$6,378 of \$24,661) selected from the main office building and traced to movable property records were not in the location indicated on the property records.
 - Thirty-eight missing items, totaling \$70,845, were removed from the movable property records in fiscal year 1999. These items included 10 computers totaling \$29,796, 18 computer monitors totaling \$14,965, and one copier totaling \$16,232.
8. Louisiana State University Health Sciences Center (LSUHSC) - Health Care Services Division (HCSD) does not have an adequate system of internal control over its restricted fund expenditures to ensure compliance with state laws and internal policies and procedures. There were movable property deficiencies noted during the audit. See a detailed reporting of the finding in Schedule B, page 31.
9. For the second consecutive year, the Medical Center of Louisiana at New Orleans did not maintain adequate internal control over movable property. The following deficiencies in movable property records were observed:
- In the previous audit, the medical center could not locate \$9.4 million of movable property. In its Certification of Annual Property Inventory dated April 29, 1999, the medical center reported that it still could not locate \$4.6 million of that movable property. In addition, on August 24, 1999, the medical center's movable property section reported 1,739 items, totaling \$2.6 million, as unlocated at its facility for the year ended June 30, 1999. Of this amount, \$1.9 million (74%) consisted of electronic

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 Financial Statement Findings (Continued)

data processing equipment. The total value of unlocated property of \$7.2 million, which is comprised of the \$4.6 million of unlocated property from 1998 and \$2.6 million in 1999, represents 9% of the total movable property inventory.

- In a review of 464 movable property items acquired and added to the movable property listing for the period January through March 1999, 69 items (15%) totaling \$351,954 were not reported to LPAA within 45 days of receipt of the items. The items were reported to LPAA between 49 and 674 days after receipt.
 - In a test of 32 movable property items acquired during the period July 1, 1998, through March 31, 1999, eight items (25%) did not have correct location codes.
10. Baton Rouge Community College did not comply with movable property regulations. There were movable property deficiencies noted during the audit. See detailed reporting in finding # F-99-GSA-BRCC-1 in Schedule C, page 96.
11. South Louisiana Community College (SLCC) did not comply with state movable property laws and regulations. The following deficiencies were noted during the audit:
- Twenty-nine of 30 items tested (97%) were not tagged and reported to LPAA in a timely manner. Twenty-seven items were not tagged and reported to LPAA until 50 to 146 business days after receipt. Two items tested that were received in December 1998 and January 1999 had not been tagged or reported to LPAA as of October 1999.
 - SLCC received a copy machine as a donation during the 1999 fiscal year but could not provide a date of donation. As of December 1999, the college had not tagged the copier or added it to the inventory listing.
 - SLCC did not have an inventory of library books.
 - No forms are used to document transfers or loans of property between locations. Two of 15 items tested (13%) were not in the correct location per the inventory listing.
12. Neither Pinecrest Developmental Center nor its satellite agency, Leesville Developmental Center, maintained adequate internal control to ensure that movable property was properly and accurately reported to LPAA in compliance with state movable property regulations. A review of movable property disclosed the following weaknesses:

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Financial Statement Findings (Continued)

- The property control manager at Pinecrest Developmental Center reported 47 items of equipment, totaling \$118,449, to LPAA from 47 working days to more than two years after the items were received by the center.
 - As of March 1999, the accountant at Pinecrest Developmental Center had not prepared reconciliations between ISIS (general ledger) and LPAA reports since May 1998. The accountant at Leesville Developmental Center had not prepared reconciliations since June 1998.
 - Neither Pinecrest nor Leesville Developmental Center has procedures to test the annual certifications made by the departmental property managers to ensure that all information is complete and accurate.
 - The property manager at Pinecrest Developmental Center prepares the necessary documentation to delete items from the inventory without any independent review or approval.
13. The Capital Area Human Services District did not comply with state movable property regulations. A test of 24 items totaling \$76,091 purchased during the year disclosed 12 items totaling \$48,010 were not tagged and added to the inventory system until 48 to 106 days after receipt of the property.
 14. E. A. Conway Medical Center did not comply with LPAA regulations. A review of the property general ledger disclosed that 53 items totaling \$98,217 had not been tagged within 45 days of receipt. In addition, the component units of the computer system were not tagged. Only the central processing unit was tagged even though computer units included the central processing unit and the monitor.
 15. The Louisiana Board of Examiners of Nursing Facility Administrators did not update movable property records timely as required by Louisiana law. The board did not report one of three acquisitions totaling \$466 in fiscal year 1998 to LPAA until 89 days after acquisition and as of October 28, 1999, has not reported to LPAA four of five fiscal year 99 acquisitions totaling \$3,585. The board does not conduct periodic reviews of LPAA reports to verify that acquisitions have been added to its property control listing.
 16. For the second consecutive audit, the Governor's Office of Elderly Affairs does not have adequate internal controls over the reporting of its movable property. The office's 1998 Certification of Annual Property Inventory incorrectly reflected the amount of exceptions or discrepancies identified during the office's current and previous three years' inventory process. In addition, management did not reconcile additions in its movable property records to acquisitions in its general ledger for fiscal years 1997 and 1998 but used derived amounts (based on

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Financial Statement Findings (Continued)

deletions and beginning and ending balances) for movable property additions for these years. By reporting these unreconciled amounts for current and prior year additions, the office understated movable property at June 30, 1997, by \$48,855, overstated fiscal year 1998 additions by \$66,108, and overstated movable property at June 30, 1998, by \$17,253 in the office's 1998 financial statements.

17. For the second consecutive audit, the Louisiana School for the Visually Impaired did not maintain adequate controls over movable property and did not fully comply with the state's movable property laws and regulations. The following deficiencies in movable property records were noted:
 - Seven items, totaling \$11,612, reported in the prior audit as not being tagged or added to the inventory were still not tagged as of March 29, 1999.
 - Four of 24 items acquired during fiscal years 1998 and 1999, valued at \$16,781, were not tagged and added to the inventory until 71 to 79 days after receipt of the property.
18. Louisiana Technical College, Baton Rouge Campus did not maintain adequate internal control over movable property as prescribed by movable property regulations. The following deficiencies were noted in control over movable property:
 - The technical college reported incorrect amounts for movable property in its June 30, 1998, and June 30, 1997, Annual Fiscal Reports. Amounts for movable property were reported using LPAA reports dated after the fiscal year-end without adjusting for transactions occurring between fiscal year-end and the report dates.
 - The monthly reports provided by LPAA could not be located for December 1997 and May 1998.
 - In a test of 10 acquisitions, one item was not tagged within 45 days of receipt of the item. The cost of one item was understated in the movable property records. The time required to update the LPAA records for the 10 items sampled ranged from 3 months to 15 months after acquisition.
19. For the second consecutive audit, Louisiana Technical College, Delta Ouachita Campus did not have adequate internal controls to ensure that movable property is properly and accurately reported to the LPAA in compliance with state movable property regulations. An examination of movable property purchases of \$44,985 for the period July 1, 1997, through February 1, 1999, disclosed that 6 purchases were not tagged or on the property listing, 3 purchases were not in the proper

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Financial Statement Findings (Continued)

location, 23 purchases were not tagged within the 45-day time period, and 17 equipment purchases were not valued correctly in the LPAA system resulting in a net understatement for these items in LPAA records of \$666.

20. Louisiana Technical College, Evangeline Campus did not comply with state movable property regulations. A test of movable property records revealed that the technical college had not recorded and tagged 12 items of equipment and office furnishings, totaling \$12,754, until 88 to 434 days after receipt of the property.
21. Louisiana Technical College, River Parishes Campus did not comply with movable property regulations. In a review of donated items, five vehicles, totaling \$63,425, and six machinery items, totaling \$4,500, were not tagged and reported to LPAA. In addition, during the period July 1, 1997, to December 31, 1998, the technical college did not forward movable property information to LPAA within 45 days for 39 (51%) of 76 items purchased. The submission of movable property information to LPAA ranged from 50 to 198 days after receipt of these items.
22. Louisiana Technical College, Slidell Campus did not comply with state movable property regulations. A test of 66 property items, totaling \$47,986, disclosed 61 items (92%), totaling \$45,283, were not reported to LPAA within 45 days of receipt of the items. Four of the items, totaling \$3,376, were reported 767 days late; 56 items, totaling \$40,515, were reported 17 days late; and one item, totaling \$1,392, was reported 7 days past the 45 days allowed.

The State of Louisiana should take the necessary measures to ensure that all state agencies, hospitals, universities, and component units maintain adequate internal accounting control over movable property to comply with state movable property regulations as prescribed by the Commissioner of Administration and Louisiana Law. Management concurred with the finding and outlined a plan of corrective action. See management's response at B-159.

LABOR, DEPARTMENT OF

Inadequate Compilation Process

The Department of Labor did not submit accurate and complete annual fiscal reports (AFRs) to the Division of Administration (DOA) for the Office of Workforce Development (OWD) and the Office of Workers' Compensation (OWC) by the due date of September 1, 1999. R.S. 39:79 requires that a sworn statement be prepared in the format devised and approved by the commissioner of administration, and the affidavit attached to the AFR states that the financial statements present fairly the financial position of the department. The AFRs were due to the

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DOA's Office of Statewide Reporting and Accounting Policy (OSRAP) by September 1, 1999, for the year ended June 30, 1999.

The first report submitted and the subsequent drafts of the reports contained significant errors as follows:

1. Accounts payable supporting schedules were revised three times and continued to contain errors because of addition and subtraction mistakes.
2. For the OWD, the original AFR submitted on September 2, 1999, contained the following errors:
 - **Statement A** - The fund balance amount of \$12,087,963 did not agree to the Statement B fund balance amount of \$23,895,566.
 - **Schedule 8 (Federal Expenditures)** - The total disbursements reported for the JTPA Cluster were \$49,126,151. The total per audit was \$66,016,553.
 - Several notes contained errors including the notes on disallowed costs, leases, and fund deficits.
3. The OWD submitted a revised AFR on September 20, 1999. The following errors continued to be a problem:
 - **Statement A** - The fund balance amount of \$15,260,725 did not agree to the Statement B fund balance amount of \$8,339,019.
 - **Schedule 8** - The total disbursements reported for the JTPA Cluster were \$49,126,151. The total per audit was \$66,016,553.
4. The OWC submitted an original AFR and a revised AFR on the same day, September 2, 1999. The revised AFR included an error in that the fund balance on Statement B of \$707,311 did not agree to the fund balance on Statement A of \$937,026.

The department did not have adequate written procedures for employees to use to compile information included in the AFRs. Also, no one independent of the AFR preparation process performed a detailed review of the AFRs, including comparison of the accounting system reports and adjusting entries to the AFR amounts to ensure completeness and accuracy. Revised AFRs for OWD and OWC were submitted to DOA on September 27, 1999, which is 26 days late.

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The Department of Labor should develop written AFR compilation procedures and should perform supervisory review of the AFR compilation to ensure that timely, accurate AFRs are submitted in the future. Management concurred with the finding and recommendation and outlined a corrective action plan (B-43).

LOUISIANA STATE UNIVERSITY
HEALTH SCIENCES CENTER
(HEALTH CARE SERVICES DIVISION)

**Inadequate Controls Over Restricted
Fund Expenditures**

Louisiana State University Health Sciences Center (LSUHSC) - Health Care Services Division (HCSD) does not have an adequate system of internal control over its restricted fund expenditures to ensure compliance with state laws and internal policies and procedures. An adequate system of internal control requires that policies and procedures be established and implemented to ensure that expenditures are in compliance with state laws and internal policies and procedures. The following deficiencies were noted during the audit:

- Various hospitals under the administration of HCSD failed to comply with movable property regulations. Louisiana Administrative Code 34:VII.307(A) requires that all items of qualified property be tagged and reported to the Louisiana Property Assistance Agency within 45 days of actual receipt of the property. The following exceptions were noted:
 1. On October 15, 1998, the Medical Center of Louisiana at New Orleans (MCLNO) purchased a tape drive for \$3,860 through the restricted fund. In addition, on October 28, 1998, MCLNO purchased 10 pieces of warehouse equipment (including three trucks), totaling \$146,183, through the restricted fund. As of July 22, 1999, these property items were not tagged.
 2. HCSD Central Office purchased six printers, totaling \$6,543, through the restricted fund for University Medical Center (UMC). UMC received the printers on November 15, 1998. As of June 17, 1999, these property items were not tagged.
 3. On October 1, 1998, HCSD Central Office purchased teleconferencing equipment, totaling \$16,000, from LSUHSC - Shreveport through the restricted fund. As of June 23, 1999, this equipment still had LSUHSC - Shreveport tag numbers and was still listed on the LSUHSC - Shreveport inventory.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- Various hospitals under the administration of HCSD failed to comply with internal policies and procedures. Procedures established for the administration of the restricted funds require that a monthly report titled "Restricted Project Monthly Report" be issued by each project manager on each project. The purpose of this report is to monitor project activity and to detail the project budget, encumbrances, items in process, and any unobligated balances. In addition, internal procedures require a "Direct Pay Check Request" form be attached to each reimbursement request along with proper authorization and the original invoice. This form is used by the medical center to request payment from LSUHSC for a restricted fund expenditure. The following matters were noted:
 1. Of the five projects tested for evidence of monthly reports being properly filed with HCSD's Budget Unit, none were found.
 2. Of the 23 restricted fund expenditures tested, six items did not have the required "Direct Pay Check Request" attached; one request lacked authorized signatures; and four requests did not have the original invoice attached.
- HCSD failed to monitor restricted fund expenditures. Good internal control requires that expenditures be monitored at the agency/hospital level and centrally for all agencies/hospitals, so that budgets, purchase orders, and contracts are not over expended.
 1. HCSD Central Office did not maintain project files for each of its restricted fund projects and, as a result, was unable to determine the total amount of expenditures of each project. This information was not available until HCSD Central Office "re-created" files for each project.
 2. Information such as total expenditures by hospital and by project was not available centrally for all agencies/hospitals. The information was not available because HCSD's Budget Unit did not monitor total expenditures and activities of the restricted fund to ensure budgets, purchase orders, and contracts were not over expended.

Since management has not placed sufficient emphasis on compliance with state law, internal policies, and adequate internal control, the risk increases that errors and/or fraud could occur and not be detected in a timely manner. It also subjects HCSD to noncompliance with state laws and internal policies and procedures.

Management should develop and implement adequate internal control over its restricted funds to ensure compliance with state laws and internal policies and procedures. Management concurred with the finding and outlined a plan of corrective action (B-58).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

NATURAL RESOURCES, DEPARTMENT OF

Untimely Deposits

The Department of Natural Resources did not have adequate control procedures in place to ensure that all cash receipts are deposited immediately upon receipt as required by state law. Article VII, Section 9 of the Louisiana Constitution requires that all money received by state agencies shall be deposited in the state treasury immediately upon receipt. The *Division of Administration and State Treasurer Policies and Procedures Manual* defines immediately as "within 24 hours of receipt." In addition, good internal control requires that all money received by the department be deposited timely to properly safeguard assets.

The department's main office and three area offices collect and deposit payments of various fees into the state treasury. One hundred and eighty-four payments received during the fiscal year were selected to test for timeliness of deposit. Of the 184 payments, 115 payments (63%) had no evidence of a receipt date and could not be tested. Of the remaining 69 payments, 48 payments (70%) were not deposited timely. The payments were deposited from 3 to 55 days after receipt, for an average of 17 days late, and ranged from \$5 to \$77,730, for an average payment of \$3,716.

Management has not placed sufficient emphasis on the importance of depositing receipts timely. Also, the department's cash receipts function is decentralized with at least 27 employees in the main office, along with employees at three area offices, receiving payments. In some cases, checks are routed through several employees before being submitted to the accounting section for deposit. Also, checks are often held until the supporting documents are processed or problems are resolved, which could take days, weeks, or longer. The untimely deposit of funds increases the risk of loss or abuse, deprives the state of interest earnings, and subjects the department to noncompliance with state law.

Management of the department should implement procedures that would require the immediate processing and deposit of all receipts in accordance with state law. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-78).

NEW ORLEANS HOME AND REHABILITATION CENTER

Noncompliance With Year 2000 Regulations

The New Orleans Home and Rehabilitation Center has not complied with executive orders designed to ensure that computer equipment and software are Year 2000 compliant by the turn of the century. Executive Order MJF 96-50, as amended by Executive Order MJF 98-04, requires all departments to evaluate the impact of Year 2000 on their computer information systems to determine which systems must be corrected or replaced as a result of the potential adverse impact of the Year 2000. Departments were ordered to initiate corrective action that

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

will be effective on or before July 1, 1999, to ensure that their services and/or operations will not be interrupted because of the Year 2000. The center uses electronic data processing equipment and software that are not Year 2000 compliant for the automated time clock, the perpetual consumable inventory control, and the resident trust accounting systems. The Year 2000 issue is critical because many computer systems were not designed to accommodate a four-digit year date, such as 1999 or 2000, and may sort and process dates using just the last two digits (00) of the year. By using only the last two digits, the computer may read the 2000 date as the year 1900 and may process information incorrectly.

The three systems mentioned previously will not be Year 2000 compliant by July 1, 1999, because the center did not become aware of the executive orders or the availability of Year 2000 funding until February 25, 1999. Therefore, the 1999 fiscal year budget does not contain Year 2000 planning and upgrade funding. Applications for funding were submitted March 4, 1999, March 30, 1999, and April 22, 1999, totaling \$40,000, \$40,157, and \$35,245, respectively. However, none of the requests were funded. Failure to upgrade systems timely reduces the opportunity for corrective actions, if needed, which may impair the center's ability to accurately process payroll, consumable inventory, and patient trust transactions.

The New Orleans Home and Rehabilitation Center should develop a plan to address the Year 2000 issue. The plan should not only include acquiring computer hardware and software that is Year 2000 compliant but should also include contingency plans that would address the loss of key systems as a result of unexpected Year 2000 problems. Management concurred with our finding and recommendation and outlined a plan of corrective action (B-79).

**Weaknesses in Controls Over Cash Receipts
and Disbursements and Theft of Funds**

The New Orleans Home and Rehabilitation Center did not have adequate internal controls over cash receipts and disbursements associated with the Resident Trust Fund. Good internal controls should provide for the adequate segregation of duties and an appropriate system of authorization and approval of transactions to safeguard assets, to ensure that accounting data are both accurate and reliable, and to ensure that errors and/or fraud are detected in a timely manner.

There was inadequate segregation of duties in that the fiscal officer, Mr. James F. Reese, performed incompatible functions. This individual was entrusted with the maintenance of accounting records, including budgets and approvals. He had custody of blank checks and was one of the required check signers. He also performed bank reconciliations and posted accounting entries. There were also no reconciliations between the individual resident account balances and the balances contained in the Resident Trust Fund bank accounts. This inadequate segregation of duties and the lack of reconciliations resulted in a theft of Resident Trust Fund monies.

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Financial Statement Findings (Continued)

In an internal review report dated April 9, 1999, the Department of Health and Hospitals, Bureau of Internal Audit reported that the former fiscal officer misappropriated \$18,485 of Resident Trust Fund monies. The misappropriations occurred during the period February 4, 1998, through October 26, 1998, and involved nine separate incidents, ranging in amounts from \$993 to \$3,875. There were also two other instances where the former fiscal officer attempted to negotiate checks totaling \$8,951 and \$9,946, respectively. These two attempts at a further misappropriation of funds failed when the bank made inquiries to the center's management about missing endorsements on the checks.

Management is responsible for maintaining a system that adequately safeguards assets and results in the reporting of accurate financial data. Failure to provide such a system does not assure management that errors and/or fraud are being detected in a timely manner. Management's high regard for the integrity of the fiscal officer and the lack of emphasis on sound policies and procedures that safeguard assets resulted in the possible theft and abuse of public funds. The former fiscal officer's actions indicate possible violations of R.S. 14:67, "Theft"; R.S. 14:72, "Forgery"; R.S. 14:134, "Malfeasance in Office"; and R.S. 42:1461(A), "Obligation Not to Misuse Public Funds." Management informed us that the misappropriation of funds has been reported to the Orleans Parish District Attorney.

The New Orleans Home and Rehabilitation Center should establish internal control policies and procedures that are designed to prevent and/or detect fraudulent transactions and restrict the assignment of incompatible functions. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-81).

RISK MANAGEMENT, OFFICE OF

Overstatement of Reserves for Claim Payments

For the third consecutive year, the Office of Risk Management (ORM) has overstated reserves for second injury claims and has not requested timely reimbursements from the Second Injury Fund. The Second Injury Fund exists to encourage the employment of physically handicapped employees who have a permanent, partial disability by protecting employers and their insurers from excess liability when a subsequent injury to such an employee merges with his preexisting disability. R.S. 23:1378 divides the financial responsibility for paying second injury claims between the insurer (ORM) and the Second Injury Fund. In addition, it sets limits for insurer reserves for future payments and states that no reimbursement will be made to the insurer unless the insurer certifies compliance with those limits on reserves.

In a test of 148 open second injury claims, reserves were overstated beyond the legal limit in four claims, for \$122,450. In addition, two claims were closed within the fiscal year even though reimbursements of \$10,566 were still due from the Second Injury Fund. These errors occurred because some claim adjusters did not adhere to established procedures. Failure to set reserves at the proper amount and failure to bill timely places the office at risk of losing

STATE OF LOUISIANA
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Financial Statement Findings (Continued)

reimbursements from the Second Injury Fund. In addition, errors in reserves cause misstatements on the financial statements of the State of Louisiana.

ORM should comply with legal limits on reserves for second injury claim payments. Furthermore, ORM should request timely reimbursements from the Second Injury Fund. Management concurred with the finding and outlined a plan of corrective action (B-90).

SOUTH LOUISIANA COMMUNITY COLLEGE

Violation of Record Retention Laws

South Louisiana Community College violated record retention laws when it discarded all but a few used receipt books for tuition, fees, books, and other collections for the fiscal year ended June 30, 1999. R.S. 44:36(A) states that agencies are required to retain records for a minimum of three years from the date on which the public record was made. R.S. 24:514(C) states, "No officer shall destroy any voucher or other paper belonging to his office before it has been examined by the legislative auditor or certified public accountant authorized to perform an audit in lieu of the legislative auditor."

Without the receipt books, we could not account for all receipts issued and, therefore, could not verify the completeness of records or revenues collected. There was a lack of an audit trail since all receipts were not prenumbered, and for those receipts that were prenumbered, many were missing from the deposit records.

This situation occurred because of management's lack of emphasis on internal controls and its lack of understanding of the applicable laws and regulations. Failure to maintain accountability for all revenues collected results in noncompliance with laws and regulations, an inability to issue accurate financial statements, and increases the risk of fraud.

Management should develop and implement procedures to ensure that all financial records are maintained until audited and to ensure compliance with record retention laws. Management concurred with the finding and recommendation and outlined a plan for corrective action (B-122).

SOUTHERN UNIVERSITY AND A&M COLLEGE
(BATON ROUGE)

Improper Handling of License Plate Fees

The former Chancellor of the Southern University - Baton Rouge Campus, Dr. Marvin Yates, inappropriately transmitted to the Southern University Alumni Federation \$199,000 of special license plate fees received by the university during the period from December 1993 to

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

November 1997, which may have resulted in a violation of Louisiana law. A special College and University License Plate Contract entered into on March 2, 1993, between the university and the Louisiana Department of Public Safety and Corrections required that fees be paid to Southern University, not the Southern University Alumni Federation. The contract entered into pursuant to R.S. 47:463.31 requires the Department of Public Safety and Corrections to pay a \$25 royalty fee to the university for each special license plate sold, to be used for academic or financial need based scholarships for students at that institution. The contract also requires that the management board of the university be responsible for disbursing the funds received and for establishing the scholarship program. In addition, Article VII, Section 14(A) of the Louisiana Constitution of 1974 provides that the funds, credit, property or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

According to the Alumni Federation, \$196,053 of the funds was expended for scholarships that were awarded at the discretion of the former Chancellor. The remaining funds were transferred back to the university on March 13, 1998. The former Chancellor made approximately 235 awards to 199 recipients. These awards were not reported to nor coordinated with the Southern University student financial aid office to determine if the students were eligible for the awards and to ensure that financial awards did not exceed the students' financial need.

By forwarding funds designated for the university to the Southern University Alumni Federation and selecting the recipients of the scholarships, the former Chancellor was in violation of the requirements spelled out in the contract and may have violated Louisiana law. In addition, by failing to coordinate awards with the student financial aid office, students may have received financial assistance awards that they were not eligible to receive.

The university should take the appropriate action to ensure that all university funds are deposited in the proper university accounts and that employees adhere to policies and procedures for awarding scholarships. Management of the university concurred with the finding and recommendation and outlined corrective action taken (B-126).

SOUTHERN UNIVERSITY AT NEW ORLEANS

Lack of Signed Contracts

Southern University at New Orleans did not have signed contracts with vendors that operate the campus bookstore and provide video game machines in the Student Center. The university also did not advertise and award these contracts as required by the Louisiana Procurement Code. Attorney General Opinion 89-132 states that contracts involving the procurement of a combination of services and supplies must be advertised and awarded in accordance with the Louisiana Procurement Code. In addition, proper internal controls and good business practices require that the university and vendors providing services to the university have written signed contracts specifying the terms and conditions of the contracts.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

On May 29, 1998, the university advertised and rebid the bookstore contract that expired July 31, 1998. The bid was awarded to a vendor; however, a written, signed contract was not executed as of August 11, 1999. The unsigned contract requires the vendor to pay a fixed rent of \$55,000 per year, payable in equal quarterly installments, plus the vendor is required to furnish two textbook scholarships annually. As of June 30, 1999, the vendor should have remitted three payments totaling \$41,250; however, only one payment of \$13,750 was made during fiscal year 1999. In addition, the vendor provided no textbook scholarships. The university has made no effort to collect the amounts due from the vendor.

The university did not have a contract for video game machines in the Student Center and did not advertise to award a contract for the fiscal year ended June 30, 1999. The vendor providing the video game machines has provided these services for many years and has been remitting to the university a 50% cash commission on cash receipts collected when the machines are emptied weekly.

Because the university does not have written, signed contracts, contractual rights of the university may be difficult to enforce against these vendors. In addition, untimely receipt of rent from vendors and cash payments from vendors increases the risk of lost revenues and fraud.

The university should ensure that contracts for services are awarded in accordance with the Louisiana Procurement Code and are approved and signed before allowing vendors to provide these services. The university should also establish adequate internal control monitoring procedures to ensure that amounts due the university are collected in accordance with the terms of the contracts. Management of the university concurred with the finding and recommendation and outlined a plan of corrective action (B-139).

STATE EMPLOYEES GROUP BENEFITS PROGRAM

Claims Imaging System Not Year 2000 Compliant

The State Employees Group Benefits Program (SEGBP) did not update or replace the claims imaging system to ensure that computer operations are not interrupted because of the Year 2000. Executive Order MJF 96-50, Section 4, requires departments to evaluate the impact of Year 2000 on their computer information systems and, on or before July 1, 1999, correct or replace those systems that will be adversely impacted. Although the department determined that the claims imaging system could not be made Year 2000 compliant, the system had not been replaced by July 1, 1999. The claims imaging system is critical to the claims payment process because it displays the supporting documentation from which claims are paid. Without the system, claims processors would be forced to rely on hardcopy documentation, drastically reducing workflow and delaying claims payments. Failure to replace the claims imaging system could result in a disruption of operations after January 1, 2000.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

SEGBP should update or replace the claims imaging system before January 1, 2000, to avoid a disruption of operations. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-146).

INTERNAL CONTROL OVER FINANCIAL REPORTING

BATON ROUGE COMMUNITY COLLEGE

**Bank Account Not Reconciled
to Accounting Records**

The Baton Rouge Community College (BRCC) has not reconciled its operating bank account to the accounting records since the account was opened in July 1998. Good internal controls require reconciliation of the bank account balance to the accounting records on a monthly basis. A bank reconciliation provides management with a basis to ensure that all transactions that affect both the bank account and the accounting records are in agreement and that no errors or fraud have occurred.

During the period from July 1998 through June 30, 1999, the operating bank account receipts and disbursements totaled \$6,728,633 and \$4,691,046, respectively. BRCC accounting personnel's unfamiliarity with the accounting software and bank reconciliation procedures contributed to the failure to reconcile the bank account. Failure to reconcile the bank account timely could lead to the misappropriation of funds and increases the risk that assets could be lost or misused and not be detected timely.

BRCC should reconcile its operating bank account to the college's accounting records monthly. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-3).

Financial Reporting Weaknesses

BRCC has weaknesses in its controls over financial reporting. An adequate control system should ensure that transactions are properly recorded in the accounting records and should include periodic reconciliations of those records to the general ledger account balances. In addition, the system should provide information sufficient to identify all assets and liabilities at year-end.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Our review of BRCC's controls over financial reporting disclosed the following deficiencies:

Accounts Payable

BRCC could not produce a subsidiary ledger or other listing of accounts payable totaling \$345,007 at June 30, 1999. In addition, BRCC did not use its accounting system to track outstanding obligations that may represent accounts payables at year-end. The lack of a detailed listing of the accounts payable balance and the failure to track obligations increases the risk of unrecorded payables at year-end. Our tests for unrecorded payables at June 30, 1999, disclosed that accounts payable of \$106,194 had not been recorded in the accounting records.

Payroll Expenditures

BRCC did not reconcile monthly invoices from Louisiana State University for reimbursement of payroll expenditures totaling \$3,317,016 to the distribution of those costs in the general ledger at June 30, 1999. As a result, management was unaware that \$80,561 in instruction program expenditures for January 1999 had been incorrectly distributed to other functional accounts. Failure to reconcile the distribution of costs in the general ledger to supporting documentation increases the risk of misclassification of program expenditures.

Tuition and Fees Revenue

BRCC did not reconcile tuition and fees recorded in student accounts to the general ledger balance of tuition and fees revenue totaling \$1,566,647 at June 30, 1999. As a result, management was unaware that tuition and fees totaling \$43,113 received in July 1998 for the fall 1998 term had not been posted to the general ledger. Failure to reconcile the general ledger revenue balance to the amounts recorded in the student accounts increases the risk that all revenue may not be properly recorded.

Plant Fund Assets

Assets totaling \$3,202,219 were omitted from BRCC's Investment in Plant Fund. These assets include land and buildings of the former James M. Frazier Campus of the Louisiana Technical College that were transferred to BRCC on April 22, 1999, by the Louisiana State Board of Elementary and Secondary Education. The omission of these assets resulted in BRCC's Investment in Plant Fund being understated by 22% at June 30, 1999.

These deficiencies occurred because BRCC's accounting staff did not have sufficient knowledge or experience with the college's accounting system to generate listings of account transactions and reconcile subsidiary records to the general ledger or to use the system's capabilities to track assets and outstanding obligations.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Management of BRCC should adequately train accounting staff to fully use the accounting system's capabilities to track college assets and liabilities and to produce subsidiary ledgers or other information necessary to periodically reconcile general ledger accounts to subsidiary data. In addition, cost distributions in the general ledger should also be periodically reconciled to supporting documentation. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-4).

Inadequate Controls Over Cash Receipts

BRCC has not established adequate controls over cash receipts. Adequate internal controls should include a reconciliation of amounts received to amounts recorded and deposited in the bank. In addition, access to cash receipts should be limited and all receipts should be deposited in the bank timely. During fiscal year 1999, BRCC deposited cash and checks from tuition, fees, and other self-generated sources totaling \$1,861,416. A review of BRCC's controls over cash receipts revealed the following weaknesses:

- BRCC did not reconcile cash receipts for tuition and fees to amounts recorded and deposited in the bank. Manual written receipts are issued by the Bursar's Office for all tuition and fees received. However, BRCC did not reconcile the amount of the manual receipts issued to receipts recorded in the college's accounting system or to the individual bank deposits. As a result, management of BRCC could not provide reasonable assurance that all cash received during fiscal year 1999 was recorded in the college's accounting records and deposited in the bank.
- Cash receipts for copy machine fees were not adequately controlled. From August 1998, until March 19, 1999, library copy machine fees were collected at the library circulation desk. However, no records were maintained of the number of copies made or the total receipts collected from the copy machine. Beginning on March 19, 1999, an automated counter was installed on the copy machine that recorded the number of copies purchased. However, there was no comparison of the number of copies purchased and the amounts collected.
- Fees for educational seminars were not adequately controlled. BRCC's Business and Industry Institute (Institute) sponsored educational seminars and collected a \$45 fee directly from each participant. The fees collected by the Institute were subsequently remitted to BRCC's accounting office. Documentation maintained by the Institute indicated that fees totaling \$11,595 were remitted to the accounting office but only \$11,370 was deposited and recorded in BRCC's general ledger.
- Cash received from BRCC's bookstore was not deposited timely. BRCC awarded a book grant of up to \$150 per semester to qualified students to purchase textbooks from the bookstore. At the end of the semester, students

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Financial Statement Findings (Continued)

were required to return the books to the bookstore. The bookstore retained selected books for resale and a refund for these books was paid directly to the college to be used for additional book grants. During December 1998, the college bookstore refunded \$2,493 in cash to BRCC's accounting office. This cash was not recorded in the college's accounting records or deposited in the bank until May 4, 1999.

- Cash receipts in the Bursar's Office were not adequately safeguarded. Several different individuals including two student bursars, the Director of Accounting, and the Administrative Specialist I routinely received payments from students and accessed the cash drawer. In addition, three employees had knowledge of the combination to the office's safe. Also, the combination to the safe was not properly safeguarded and other employees could obtain the combination as well. These weaknesses in safeguarding cash receipts may have contributed to a theft of \$1,300 from the office's safe reported on March 1, 1999.

Lack of adequate controls and safeguards over cash receipts increases the risk that errors or fraud relating to cash receipts may occur and not be detected timely.

Management of BRCC should establish policies and procedures to ensure that all receipts are adequately safeguarded, are reconciled to amounts recorded and deposited, and are deposited timely. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-7).

Inadequate Segregation of Duties

BRCC did not maintain an adequate segregation of duties over the accounting function of the college. Good internal controls should include the proper separation of duties including the assignment of incompatible duties to separate individuals. In reviewing the internal control over the college's accounting function, it was noted that the Director of Accounting performed the following incompatible duties:

- Collected cash and checks for payment of student tuition and fees, recorded cash receipts in the accounting records, prepared bank deposits, and was responsible for reconciling the college's bank account
- Calculated and approved refunds due to students, recorded refunds in the accounting records, and prepared and signed student refund checks
- Approved purchase orders, approved invoices for payment, recorded purchases in the accounting records, and prepared and signed checks
- Initiated, approved, and recorded adjustments to the accounting records

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

BRCC did not provide sufficient employees in the accounting department to provide for an adequate segregation of duties. The limited number of employees in the accounting department made it necessary for the Director of Accounting to perform all accounting functions.

Management is responsible for maintaining a system that adequately safeguards assets. Failure to adequately segregate incompatible duties increases the risk that errors or fraud may be perpetrated and concealed.

Management of BRCC should provide adequate staffing and proper training to allow for a proper segregation of duties within the college's accounting department. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-8).

**Lack of Controls Over Student
Accounts Receivable**

BRCC has not established adequate internal controls over student accounts receivable. An adequate system of internal control should include periodic reconciliations of individual student accounts to the general ledger and should provide for the timely collection of student accounts receivable. The following weaknesses were noted relating to student accounts receivable:

- BRCC has never reconciled the amounts owed by the students in the student data base to the student accounts receivable balance in the college's general ledger. BRCC maintains individual student records in a data base that includes amounts the student owes to the college. At June 30, 1999, there was an unreconciled difference of \$8,783 between the student records and the general ledger. Failure to reconcile individual student records to the general ledger balance increases the risk that all receivables may not be properly recorded in the general ledger.
- BRCC has not established policies and procedures for the timely collection of student accounts receivable. At June 30, 1999, BRCC's student accounts receivable totaling \$91,675 included \$88,382 (96%) in accounts that were more than 91 days delinquent and \$45,400 (50%) that were more than 6 months delinquent. At June 30, 1999, management of BRCC had not actively pursued collection of these receivables. Without adequate procedures for the timely collection of accounts receivable, BRCC may not receive all amounts that it is owed.

Management did not place adequate emphasis on internal control over student accounts receivable resulting in increased risk that amounts owed to the college will not be properly recorded and collected.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Financial Statement Findings (Continued)

Management of BRCC should establish policies and procedures for periodic reconciliations of individual student accounts receivable to the general ledger and for the timely collection of student accounts receivable. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-9).

EDUCATION, DEPARTMENT OF

Inadequate Audit Resolution

The state Department of Education (SDE) does not have adequate procedures to resolve audit findings in a timely manner. An adequate system of internal control requires follow-up and resolution of audit findings in a timely manner and requires that control procedures are developed and implemented to prevent reportable findings from reoccurring.

The current superintendent of the department was appointed effective July 1, 1996. The deputy superintendent of the Office of Management and Finance was appointed effective November 30, 1992. The trend in audit findings for the last four fiscal years is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Number of Findings</u>	<u>Number of Repeat Findings</u>	<u>Total Questioned Costs</u>
1996	13	3	\$232,937
1997	9	3	387,129
1998	14	7	567,630
1999	18	5	782,504

Considering the growing number of findings and the nature of the findings relating to internal control weaknesses, noncompliance with federal and state laws and regulations, and the significant amount of questioned costs, this trend indicates a breakdown of the department's control environment and subjects the state's resources to the risk of loss or misuse.

The SDE should develop and implement adequate procedures to resolve audit findings in a timely manner. Management did not concur with the finding. Management expressed that it did not concur with many of the findings, that some of the findings do not appear reportable or material, that the timing of the findings causes many to be repeated the next year, and that the auditor's designation of "questionable" cost is incorrect. See management's response at B-13.

Additional Comments: In the response we received from the SDE, management expressed concern over the quality of the audit and whether the findings are reportable or material. That decision rests with the judgment of the auditor. We find that the bureaucracy within the SDE is

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

preventing implementation of a control system that would assist the department in identifying weaknesses in operations or areas where the department is not complying with laws and regulations. Furthermore, during this audit, it took SDE management an average of 30 working days to respond to fiscal year 1999 audit findings.

Inadequate Information Systems Controls

The SDE has not developed adequate internal controls over information systems (IS) activities to ensure the integrity of programs, processing, and data. To ensure that the processing of transactions and financial data information is performed according to management's design, good internal controls require that:

- (1) a strategic plan to achieve department IS goals is developed, communicated, and periodically reviewed;
- (2) security policies and procedures are developed, implemented, and documented;
- (3) on-line and physical access to computer programs and equipment is limited to current employees with a business need;
- (4) each user is assigned an individual User ID and confidential password to provide for an audit trail and to ensure accountability for system activities;
- (5) there is adequate segregation of duties among employees receiving and approving requests for system changes, developing and/or making the changes, testing the changes, approving the changes, moving the changes into production, and operating the system;
- (6) a Disaster Recovery/Contingency Plan is developed and tested; and
- (7) the design and operation of controls over development of programs, changes to programs, access to programs and data, and segregation of incompatible duties are regularly reviewed.

Annually, the SDE's Information Technology Services process information relating to approximately \$2.8 billion of expenditures. The following deficiencies in internal controls were noted:

Strategic Planning

- The SDE did not have a strategic plan to ensure that data processing resources were allocated on a basis consistent with the department's overall plans.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Security Policies and Procedures

- The SDE did not have formal security policies and procedures to address the Local Area Network environment, personal computers, Internet access, and Web page administration.
- The SDE did not have formal procedures for notifying security administrators to adjust or eliminate on-line access when employees transferred or terminated.
- The internal network or Intranet within the SDE was not protected from the Internet because the SDE had bypassed its firewall to accommodate incompatible software.
- The SDE did not monitor and follow up on attempted network security violations.

On-line and Physical Access

- Physical access to computer equipment and programs was not restricted to those with a business-need-only for access. Furthermore, supervisory personnel disengaged the data center's electronic security system designed to protect employees, equipment, and data.
- On-line system-wide access as well as access to alter security and other critical files was not assigned on a business-need-only basis.

Individual User IDs

- Certain employees shared User IDs and passwords. These included those IDs used to grant or change network access as well as student IDs. In addition, project leaders shared their User IDs and passwords with program analysts to make programming changes.

Segregation of Duties

- The SDE had an inadequate segregation of duties in program change management. The project leader had the authority to receive the request for change, develop and/or make the change, test the change, and move the change to production without obtaining approval. In addition, computer operators occasionally made non-routine emergency programming changes directly to the production JCL (job control language).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Disaster Recovery

- The SDE did not have a Disaster Recovery/Contingency Plan to allow for continued operation of critical data processing services in the event of unexpected interruption of operations or in the event that normal data processing facilities are unavailable for an extended period of time.

Review of System Controls

- The SDE did not perform internal audits of information system internal controls to ensure that essential control activities were designed effectively, placed into operation, and functioned consistently.
- The SDE did not have a clear audit trail of change requests to the system or the review and approval of those changes.

These control deficiencies existed because upper management did not consistently include data processing issues in its strategic planning and channeled department resources into other areas. As a result, the risk exists that programs and data could be accessed and modified without proper authorization, review, and approval; that errors or fraud could occur and not be detected; and that a disaster could occur and the department may not be able to fully recover lost programs and data.

The SDE should establish adequate IS procedures and controls to ensure the integrity of programs, processing, and data, to include proper disaster recovery. Management partially concurred with the finding and described corrective action taken (B-24).

EXECUTIVE DEPARTMENT

Ineffective Internal Audit Function

For the seventeenth consecutive year, the State of Louisiana did not have an effective internal audit function for state government to examine, evaluate, and report on its internal control, including data processing, and to evaluate its compliance with the policies and procedures of the control system.

Currently in Louisiana, over 100 internal auditors provide coverage to state agencies, state hospitals, state colleges/universities and various component units. The Governor also established the Office of the State Inspector General (IG) in fiscal year 1988 to provide an internal audit function for state agencies and to provide other valuable services to the state through investigative auditing and the operation of a complaint hotline. However, because of funding limitations, the IG does not have adequate staffing to perform an effective internal audit function. Currently, there are 13 auditors in the IG's office.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Financial Statement Findings (Continued)

Although internal audit resources exist within the agencies noted previously, our study and evaluation of the state's internal control for the year ended June 30, 1999, found that an effective internal audit function did not exist in the following agencies. While the following should not be considered an all-inclusive list, their approximate collective assets and revenues demonstrate the need for an effective internal audit function within Louisiana state government.

	Assets	General Appropriations/ Revenues
Department of Agriculture and Forestry	\$13,357,916	\$50,822,847
Department of Education	136,628,374	2,825,784,072
Executive Department	108,892,316	337,239,832
Department of Health and Hospitals	123,750,483	3,442,989,955
Department of Labor	27,755,178	153,229,043
Department of Natural Resources	106,451,559	251,973,939
Department of Public Safety and Corrections - Corrections Services	73,327,092	540,167,854
Department of Revenue	736,406,394	5,226,332,459
Office of Risk Management	177,201,678	155,622,985
Department of Social Services	59,136,867	756,939,870
Office of Telecommunications Management	9,522,556	43,913,708
Total	<u>\$1,572,430,413</u>	<u>\$13,785,016,564</u>

Act 19 of the 1998 Regular Session of the Louisiana Legislature requires agencies with an appropriation level in excess of \$30 million to use existing program resources and table of organization for the purpose of establishing an internal auditor position. Considering the state's reported assets (approximately \$44 billion) and its operating revenues (approximately \$16 billion) and the number of control and compliance findings contained in this report, an effective internal audit function is needed to ensure that the state's assets are safeguarded and that state policies and procedures are uniformly applied.

The State of Louisiana should take the necessary steps to establish an effective internal audit function by either reallocating or increasing available internal audit resources or by pursuing other alternatives to accomplish this objective. Management concurred in part with the finding and mentioned the lack of financial resources. See management's response at B-158.

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Financial Statement Findings (Continued)

INSURANCE, DEPARTMENT OF

Inadequate Planning for Year 2000 Computer Issues

The Department of Insurance has not adequately planned for the potential impact of the Year 2000 on the financial information received from the Louisiana Receivership Office (LRO). The Year 2000 issue is significant in that computer technology is essential to the daily operation of state government. Information systems have typically been designed to store and process the last two digits of the date and, therefore, may read the 2000 date as the year 1900 and process information inaccurately.

The general ledger system of LRO maintains the account balances of the insurance company estates that are in receivership. As of November 19, 1999, that system is not Year 2000 compliant, increasing the risk that data processed after January 1, 2000, may be inaccurate and incomplete. Although LRO is under the control of the Nineteenth Judicial District Court system, the department has custodial responsibility for the estate assets and is responsible for accurately reporting these balances in the department's annual financial report. Audited assets in these estates total \$56,244,072 for the fiscal year ended June 30, 1999.

The department did not include LRO in its Year 2000 implementation plan. The Year 2000 conversion is currently being performed in-house by an LRO Information Systems employee, who is evaluating and analyzing the system. Conversion is expected to be complete by January 1, 2000, which leaves little margin for error.

The department should develop a contingency plan for accurately reporting LRO estate assets in the event that LRO cannot provide the necessary data from its general ledger system. Management concurred with the finding and outlined a plan of corrective action (B-41).

LABOR, DEPARTMENT OF

**Inadequate Documentation and Monitoring
for Information System Access**

The Department of Labor did not adequately document and monitor logical access to its various information systems to ensure the integrity of programs, processing, and data. Effective internal control over logical access to information systems in a decentralized security administration environment requires (1) an overall security administration function to coordinate and oversee the activities of each individual performing security administration duties; (2) procedures for assigning, documenting, and monitoring system users; and (3) assignment of access on a business need only basis with adequate segregation of duties.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The department did not have a comprehensive policy for overall security administration. The shared security administration responsibilities for two technical support personnel, three internal security personnel, and 136 cost center managers were neither coordinated nor monitored. The department had no standard procedures for authorizing or documenting user access and there was no central record that identified each user by name and user ID, listed all access assigned to the user, and identified who assigned that access.

The information systems' security structure had not been reviewed in over 10 years to determine if it supported current needs of management and users, and security reports had not been generated for management's review and update. Inactive user IDs were not automatically revoked, and unsuccessful repeated attempts by users to access information systems were not reported to management for investigation. The following matters were also observed:

- Ninety-one percent of users, through one broadly defined security group, have access to various programs' databases that contain employer, employee, claimant, and participant information. Access to all of this information does not appear to be necessary in the performance of their job duties.
- Twelve users outside of the department's fiscal unit had access to the accounting system that was not required for their duties and three users had unnecessary duplicate user IDs.
- Fourteen users within the department's fiscal unit were given access to the accounting system to perform incompatible duties, including one or more of the following functions: vendor and/or employee masterfile maintenance; data entry of purchase requisition and purchase and receiving reports; processing of invoices, payments, and refunds; and posting to and adjustments for the general ledger.
- Two retired employees had active user IDs and there was evidence that one of these IDs was used six months after the employee retired.

These conditions existed because management did not place sufficient emphasis on controlling logical access to the department's information systems. Failure to establish adequate access controls over information systems and applications could result in increased risk that programs or data may be accessed and modified without proper authorization, review, and approval, and that errors or fraud could occur and not be detected in a timely manner.

The Department of Labor should establish, document, and monitor comprehensive policies and procedures for logical access to its various information systems to ensure the integrity of programs, processing, and data. Management concurred in part with the finding and outlined a plan of corrective action. Management responded, in part, that it "does have a comprehensive policy for security administration, including standardized procedures for authorizing and documenting user access and centralized records. . . ." See management's response at B-48.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Additional Comments: No evidence of a comprehensive written security policy was provided when requested by the auditor for all systems and applications. No standardized procedures were provided for authorizing and documenting user access for all systems and applications. Documentation of access authorization was decentralized among numerous people with security administration functions and was not maintained in a usable manner to provide an adequate audit trail.

**LOUISIANA TECHNICAL COLLEGE,
CHARLES B. COREIL CAMPUS**

Inadequate Internal Control Over Cash

Louisiana Technical College, Charles B. Coreil Campus did not have adequate internal control over cash. A good system of controls would segregate duties so that no one employee is in a position to commit errors or fraud that would not be detected timely by another employee in the regular course of assigned duties. Good internal control also requires that amounts deposited and recorded be reconciled to underlying receipt documentation. In addition, Article VII, Section 9(A) of the Louisiana Constitution requires that all money received by a state agency shall be deposited in the state treasury immediately upon receipt.

Deficiencies in internal control included:

1. The technical college had no procedures to ensure that all receipts were deposited properly. In addition, the technical college did not perform a daily reconciliation of cash received by employees and cash submitted for deposit. There was no accountability for receipt numbers issued.

During the audit, an employee confessed to theft of \$5,000, but the actual amount of the theft has not been determined. She admitted to accepting money from students and not turning in the money or the cash receipt documents to the accountant for deposit. Following the admission of theft, the employee resigned from the technical college.
2. Deposits for the technical college for the two years ending June 30, 1999, were not deposited timely. We examined five deposits, which consisted of 57 individual cash receipts. Four of the five deposits had 31 individual cash receipts, or 54%, that were not deposited timely. Twenty-one receipts were deposited 3 to 30 calendar days after receipt and ten receipts were deposited 30 to 90 days after receipt.
3. One employee had access to the blank checks, prepared the checks, and had signature authority on the zero-balance cash account.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Management did not place adequate emphasis on internal control. Failure to understand and assess internal control risk increases the risk that errors and fraud could occur and not be detected timely.

The technical college should establish adequate internal control over cash receipts to include a reconciliation of amounts deposited to the underlying receipt documentation, timely deposit of cash receipt transactions, and adequate segregation of duties. The technical college should also implement procedures to ensure that its cash accounts are monitored properly to guard against theft or misuse. Management concurred with the finding and recommendation and implemented a plan of corrective action (B-65).

MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS

Electronic Data Processing Control Weaknesses

For the second consecutive year, the Medical Center of Louisiana at New Orleans has deficiencies relating to access to its Shared Medical System (SMS), an on-line electronic data processing (EDP) system. An adequate system of internal controls requires that individuals be permitted access only to data files and functions necessary to perform their normal duties. Furthermore, a periodic review of user access to the SMS should be done to eliminate unnecessary access. A review of 745 individuals having access to the SMS determined that 38 individuals (5.1%) had two user identification codes issued to them and six individuals (.8%) had three user identification codes.

These conditions occurred because management has not placed sufficient emphasis on establishing controls over the EDP function. The medical center does not have written procedures that require security administrators to regularly review user access to the EDP systems and eliminate unnecessary access. Failure to establish adequate controls in an on-line data entry environment could result in the loss of data, inconsistent use of on-line data entry procedures, and increased risk that errors or fraud could occur and not be detected in a timely manner.

Management of the medical center should establish written procedures that require security administrators to regularly review user access to the EDP systems and eliminate unnecessary access. In addition, the medical center should restrict access to application data files to employees on a business-need-only basis. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-69).

Inaccurate Patient Charges

For the twelfth consecutive year, the Medical Center of Louisiana at New Orleans has not completed the development and implementation of effective procedures to provide management with assurance that all charges incurred by patients are accurate. An adequate system of

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Financial Statement Findings (Continued)

internal control requires complete and accurate patient charges. While the medical center has implemented improvements that have reduced the time needed to submit patient billings and have established policies and procedures to monitor the Charge Description Master (master file of charges), billing accuracy is still a concern.

At our request, the medical center's Coding and Revenue Enhancement Department audited 30 bills totaling \$292,499. Those audits by the Coding Department revealed inaccuracies in 29 (96.7%) of the 30 bills. Twenty-eight bills contained undocumented charges (overcharges) totaling \$24,401 (8.3%). Also, undercharges or unbilled charges on 26 of the bills totaled \$27,046 (9.3%). As a result, management has no assurance that all bills accurately reflect charges for services performed.

Management of the medical center should ensure the accuracy of patient billing. Management did not concur with the finding. The chief executive officer stated that the overall one percent variance was well within the medical center's policy. In addition, he outlined challenges and accomplishments relating to this issue. See management's response at B-70.

Additional Comments: The medical center's policy referred to by management relates to late charges and not error rates. Although the net dollar errors are 1%, the gross overcharges and undercharges were 8.3% and 9.3%, respectively. Also, the number of patient bills containing errors was 96.7%.

NATURAL RESOURCES, DEPARTMENT OF

Inaccurate Financial Reporting

The Department of Natural Resources did not have adequate internal control to ensure that accurate annual financial statements were submitted to the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) for the 1999 fiscal year. Good internal control requires that management perform a comprehensive review of the annual financial statements to ensure that any preparation errors are detected and corrected in a timely manner. During a review of the annual financial statements of various offices within the department, the following errors were noted:

1. Office of the Secretary - Payroll Clearing Account additions of \$25,297,857 were overstated by \$352,865 and the ending balance of \$31,534 was understated by \$352,865.
2. Office of Coastal Restoration and Management:
 - The department could not provide documentation to support the Wetlands Fund encumbrances that were disclosed in the original annual financial statement. The encumbrance amount of \$19,551,196 that was later

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Financial Statement Findings (Continued)

provided by management, with documentation, was understated by \$5.2 million.

- The department incorrectly recorded a \$7,004,472 adjustment in the financial statements. As a result, assets and liabilities on the Balance Sheet and Federal Revenue on the Statement of Revenues, Expenditures, and Changes in Fund Balances (Operating Statement) were overstated by \$7,004,472. Furthermore, the fund balance amount on the Balance Sheet did not agree to the Operating Statement fund balance amount; the difference was \$7,004,472.
3. Copy Center - Cash of \$72,221 was understated by \$27,105 and total liabilities of \$60,867 were overstated by \$21,101. These errors caused a material misstatement of the Copy Center's financial statements.

These errors were the result of inadequate training of staff and the lack of overall review by upper management to ensure accurate preparation of the financial statements. Inaccurate financial reporting by the department could cause material misstatements in the State of Louisiana's Comprehensive Annual Financial Report.

Management should ensure adequate training of employees who prepare the financial statements and should implement a comprehensive review process to ensure accurate preparation of the financial statements. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-75).

**Mineral Income Incorrectly Recorded
in Accounting Records**

For the second consecutive year, the Department of Natural Resources incorrectly recorded mineral income (major state revenues) in the state's financial accounting system for the fiscal year ended June 30, 1999, and the errors were not detected in a timely manner. The errors totaling approximately \$8.2 million were as follows:

- \$6.6 million that should have been recorded as major state revenue remained in the agency's unclassified suspense account, making it unavailable for expenditure by the state.
- \$1.6 million in statutorily dedicated funds were classified to the wrong revenue code, making those funds available for expenditure in the wrong fund.

The department's system of internal control did not include an effective supervisory review of individual transactions nor an overall review of the reasonableness of revenues by type as compared to revenue collections. Considering the department's collection of approximately \$215 million in major state revenues, the department should have an adequate system of

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Financial Statement Findings (Continued)

internal control, including supervision and review, to ensure that errors in classifications are detected and corrected in a timely manner. Failure to detect errors in classifications could cause material misstatements to the department's financial statements as well as material misstatements to the State of Louisiana's Comprehensive Annual Financial Report.

The department should develop and implement procedures to ensure that major state revenues are correctly recorded in the state's financial accounting system. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-77).

PUBLIC SAFETY AND CORRECTIONS -
CORRECTIONS SERVICES, DEPARTMENT OF

Wardens of Louisiana State Penitentiary
and Dixon Correctional Institute
Do Not Live on Prison Grounds

For the fourth consecutive year, the wardens of Louisiana State Penitentiary (LSP) and Dixon Correctional Institute (DCI) did not reside at their respective institutions. It would be prudent for the department to employ the most effective methods relating to its housing and vehicle expenses and the on-site management of its correctional institutions by providing housing for the wardens of LSP and DCI at their respective institutions.

We have been informed that the current LSP warden does not reside at the institution because the warden's residence at Angola had been seriously damaged. The LSP warden was appointed to that position on March 23, 1995, and was previously employed as the warden of DCI at Jackson, Louisiana. However, he continues to reside in a house at DCI, approximately 34 miles one way from LSP. As a result, the department is currently incurring additional commuting costs for him to travel back and forth from DCI to LSP.

In addition, the current DCI warden receives a housing allowance totaling \$4,810 per year, and the department is incurring additional commuting costs because he has been displaced by the LSP warden. The DCI warden resides in a private home approximately seven miles from the institution and, as a result, neither warden is on-site to address emergencies at their respective institutions.

Corrections Services should review the housing arrangements at LSP and DCI and consider housing the wardens at their respective institutions to provide for immediate on-site availability. Management did not concur with the finding and recommendation (B-86).

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Financial Statement Findings (Continued)

REVENUE, DEPARTMENT OF

Inadequate Controls Over Financial Reporting

The Department of Revenue did not have adequate internal control over the compilation of the annual financial statements for the year ended June 30, 1999. Revenues as reported in the financial statements were understated \$1,421,972; the notes to the financial statements had seven errors ranging from \$27,813 to \$69,820,329; and the Schedule of Expenditures of Federal Awards contained two errors, \$85,283 and \$36,680. Good internal control requires adequate supervision and review of the compilation of financial statements so that preparation errors can be detected and corrected in a timely manner by agency employees. The lack of adequate supervision and review increases the risk that errors in the financial statements can occur and not be detected in a timely manner.

The Department of Revenue should establish adequate internal control over financial reporting to include supervision and review of the compilation process. Management concurred in part with the finding and stated that the employees in the Controllers Division are properly supervised and their work is reviewed. The material errors made in the footnotes were a result of key employee turnover in the Controllers Division, the lack of clearly documented procedures, and incorrect data furnished to the Controllers Division by other divisions. Management outlined a plan of corrective action to reduce the risk of significant errors in the future (B-87).

Information Systems Control Weaknesses

The Department of Revenue did not have adequate internal control over its computer-related Information Systems (IS) functions, which could affect the integrity of programs, processing, and data. IS general controls should include controls over (1) organization and management of electronic data processing activities, (2) application development and maintenance, (3) system software support, (4) computer operations, (5) security administration policies and procedures, and (6) logical security. Good IS general controls are necessary to preserve the integrity of the system and to provide reliance on the results produced by the system.

The Department of Revenue's Information Systems annually process information for over \$5 billion in taxes and over six million tax returns, as well as other various types of transactions. Control deficiencies were observed that related to systems development and changes; access to programs, systems, and data; computer operations; and segregation of duties. These deficiencies could affect the integrity of programs, processing, and data. As a result, a general risk exists that programs and data could be accessed and modified without proper authorization, review, and approval.

Management of the Department of Revenue should establish adequate internal control for IS general operations to preserve the integrity of computer programs, processing, and data. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-89).

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

SOUTH LOUISIANA COMMUNITY COLLEGE

Accounting Control Weaknesses

South Louisiana Community College (SLCC) did not establish adequate accounting controls or maintain accurate and complete accounting records for the fiscal year ended June 30, 1999. Adequate internal control requires that accurate and complete financial records be maintained that (1) properly reflect and account for the receipt and disbursement of funds, (2) properly manage and safeguard assets, and (3) provide for the preparation of financial statements in accordance with generally accepted accounting principles. The following deficiencies in internal control and accounting records were noted:

Cash

Cash receipts were not deposited timely nor were bank reconciliations prepared timely. Furthermore, deposit records were not properly maintained. Untimely bank deposits and bank reconciliations and inadequate records to support deposits increase the risk that accounting records could contain errors that would not be detected in a timely manner by college personnel and that cash assets could be lost or stolen. Some of the deficiencies noted are as follows:

1. SLCC began collecting self-generated revenues in June 1998, but did not open a bank account and make the initial deposit of \$48,891 until September 1998.
2. SLCC did not deposit cash receipts timely after the bank account was opened. In a test of 11 deposits made to SLCC's bank account, 567 (81%) of 702 receipts were not deposited timely (up to 64 business days after the date of receipt).
3. Five of 10 bank statements were not reconciled until 32 to 117 business days after the date of the bank statement.
4. Although SLCC's bank account was opened in September 1998, deposit records were not prepared until approximately March 1999, and deposit records did not agree with receipt documentation. For instance, numerous receipts had dates that were after the dates of deposit. SLCC staff attempted to revise documentation and match receipt documents with deposits, but those efforts failed.

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Financial Statement Findings (Continued)

Revenues

SLCC did not have a proper segregation of duties between employees in that they both collected and accounted for revenues. Furthermore, a limited number of employees should collect revenue; receipts should be provided for all collections; and all receipts and receipt books should be accounted for and reconciled to bank deposits and accounting records. Failure to have proper segregation of duties and to control and reconcile receipts with deposits increases the risk that errors and fraud will not be detected in a timely manner.

General

1. The collection of funds was not limited to specific employees whose duties were properly segregated so that no one employee could both perpetrate and conceal errors or fraud during the normal course of their duties. Numerous employees collected revenue including all business office employees, the executive vice president, deans, counselors, an admissions records technician, and a typist.
2. SLCC did not maintain adequate control over receipts or receipt books.
 - SLCC was not aware of how many receipt books were initially purchased or distributed to employees for use. After use, receipt books were discarded.
 - Not all receipts were prenumbered, and many prenumbered receipts could not be located or traced to the deposit records. There was evidence of duplicate receipts being issued and voided receipts were not maintained. Consequently, employees could not certify that all receipts were accounted for and that all funds had been remitted for deposit.
 - Some receipts had no indication of who received the monies, while other receipts were pre-signed. An employee acknowledged that she created receipts in an attempt to agree other existing records to amounts deposited. Some receipts that she used had been pre-signed by another employee; one receipt was created for a fictitious student.

Tuition and Fees

SLCC had inadequate record keeping over tuition and fee revenues. Numerous records, such as class rosters, student files, and receipt and deposit records, could not be reconciled. Consequently, management is unable to verify that

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

tuition and fee revenues and receivables have been properly recorded in the financial statements. Some of the deficiencies noted include the following:

1. No ledgers were maintained to track student account activity; therefore, student tuition and fee revenues and receivables could not be readily identified. A lack of accounts receivable records prevents SLCC from taking sufficient and timely action to collect student receivables and impedes the determination of refunds due when students drop out of the college.
2. Refunds of tuition and fees were not always properly documented or calculated.
 - Before the bank account was opened and checks and cash were still on hand, SLCC would issue refunds for student tuition by returning a student's original check or money order. This practice made it impossible to reconcile the students' files with receipt records.
 - Management cannot certify that the correct refund amounts were paid to students for the 1998 fall semester because drop dates were not always documented.
 - Employees were inconsistent in the methods used to calculate refunds of tuition and fees.
3. Student files could not always be located or did not contain required enrollment information.

Bookstore Receipts

SLCC operated a bookstore in the summer and fall semesters of fiscal year 1999. Neither bookstore sales nor the cost of books sold could be properly identified and reported in the financial statements because of the following lack of documentation:

1. No inventory listing or ledger was maintained to track bookstore purchases, sales, returns, or ending inventory.
2. Bookstore receipts were not prenumbered, and several employees collected cash for book sales. Consequently, management cannot be certain that all sales were deposited and recorded in the accounting records.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Financial Statement Findings (Continued)

3. Management could not provide a standard price list for books sold nor explain how book prices were determined.

Payroll

Except for adjunct instructors, time sheets for SLCC employees were not approved on-site by immediate supervisors; they were approved at the Board of Supervisors - University of Louisiana System office in Baton Rouge. The immediate supervisor should approve time sheets to minimize the risk of processing time sheets for nonexistent or former employees or time sheets that contain incorrect hours worked or leave taken.

Expenditures

In a test of 20 expenditures, two payments (10%) did not have adequate supporting documentation for the expenditure, and seven payments (35%) did not have the supporting documentation cancelled or marked "paid" to prevent duplicate payment. Four of these items required receiving reports, but two (50%) did not have a receiving report on file.

Management's lack of involvement in establishing adequate policies and procedures is evidenced by inadequate segregation of duties among employees, inadequate safeguarding of assets, and incomplete and inaccurate financial records for every major type of transaction. Because of these internal control weaknesses, errors or irregularities may occur and not be detected in a timely manner and accurate financial statements cannot be prepared.

Management should establish written policies and procedures, including the proper segregation of duties and adequate record keeping, to ensure that assets are safeguarded, and financial reports are accurate. Furthermore, these procedures should ensure the timely detection of errors. Management concurred with the finding and recommendation and outlined a plan for corrective action (B-120).

Inadequate Financial Reporting

SLCC did not have adequate procedures for preparing the financial statements for the fiscal year ended June 30, 1999. As discussed below, the financial statements contained numerous errors and omitted certain material accounts and note disclosures that are required by generally accepted accounting principles or by the Division of Administration, Office of Statewide Reporting and Accounting Policies.

1. Revenues and expenditures in the financial statements for Current Funds are understated in that they do not include all activity for the fiscal year.
 - Revenues include only the amount that was deposited into SLCC's account in the state treasury. Revenues deposited into SLCC's local

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- bank account and not transferred to the state treasury account were erroneously excluded.
- Expenditures include only the amounts paid from SLCC's cash account in the state treasury. Expenditures paid from the local bank account are not reflected in the financial statements.
2. Transactions have not been reported in the appropriate fund type in the financial statements.
- Building use fees should have been recorded in Plant Funds, not in Current Funds - Restricted.
 - Bookstore sales and calculator rentals were reflected in the General Fund instead of the Auxiliary Enterprise Funds.
3. Beginning fund balance was not recorded in the current year financial statements. The prior year financial statements indicated a deficit ending fund balance of (\$65,126).
4. The financial statements do not include all fund types for which there was activity as of June 30, 1999, nor do the statements include all accounts that had balances as of June 30, 1999.
- Accounts receivable for student tuition and fees were not reported on the Balance Sheet.
 - The Auxiliary Enterprises fund type includes a balance of \$12,097 in accounts receivable; this balance should have been reported in Cash.
 - Plant Funds have no activity or balances in the operating statements or on the Balance Sheet. However, the Notes to the Financial Statements disclose an ending balance of \$134,829, additions of \$78,947, and deletions of \$7,908.
 - Accounts payable and accrued payroll were not reported on the Balance Sheet.
5. Notes to the Financial Statements contain inaccurate information.
- A \$213,500 adjustment to the budget was not included in the budgetary comparison in the Notes to the Financial Statements.

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Financial Statement Findings (Continued)

- The disclosure of Auxiliary Enterprise fund operations, by type of auxiliary operation, indicates incorrectly that SLCC had an auxiliary operation for housing instead of a bookstore. Furthermore, the note disclosure is incomplete.

Management did not establish policies and procedures for compiling the financial information that must be included in the financial statements that are prepared in accordance with generally accepted accounting principles and the instructions of the Division of Administration. Furthermore, accounting records have not been maintained in a manner that would enable SLCC to compile some of the necessary financial information. The lack of adequate internal control procedures over the preparation of the financial statements results in the risk that material or significant errors relating to financial reporting could occur and not be detected in a timely manner.

Management should develop and implement control procedures relating to recording and summarizing financial information to ensure that financial statements are prepared in accordance with generally accepted accounting principles and the instructions of the Division of Administration. Management concurred with the finding and recommendation and outlined a plan for corrective action (B-121).

SOUTHERN UNIVERSITY AT NEW ORLEANS

**Improper Collection of Funds and
Unauthorized Bank Account**

Southern University at New Orleans (SUNO) did not have adequate internal controls over the collection, deposit, and disbursement of funds for a Celebrity Golf Tournament for the benefit of SUNO scholarships and did not comply with the Southern University System's policies and procedures. Southern University System's Administrative and Fiscal Policies and Procedures Memorandum No. 32 (Collection of Cash and Fees, Cashiers, and Off Campus Bank Accounts) and good internal controls require segregation of duties for the authorization and approval of transactions and specific record keeping and accountability of assets.

Adequate internal controls were not in place to ensure that all funds received and disbursed were related to the activities of the golf tournament and that all funds collected were deposited into a university bank account. The funds were collected by the chancellor of SUNO and a Southern University - Baton Rouge Campus employee and were deposited into an unauthorized bank account. The Baton Rouge Campus employee acted as coordinator for the golf tournament and was the only authorized signer on the account, which was opened with the knowledge and approval of the SUNO chancellor. These two employees circumvented the internal controls of the Southern University System. In examining the receipts and disbursements related to the golf tournament, the following deficiencies were noted:

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Financial Statement Findings (Continued)

1. Certain expenditures were not supported by documentation as legitimate expenditures for the golf tournament. Of \$29,722 deposited and subsequently disbursed from the special bank account, only \$5,503 was properly supported by invoices and other documentation. Unexpended funds of \$10,245 were returned to the university, and the remaining \$13,974 was not accounted for and was not supported by proper documentation.
2. Adequate records and segregation of duties were not maintained to ensure that there was proper accounting for all funds received, so we could not determine that all funds received were deposited.
3. Checks were deposited to the special bank account that were not intended for nor related to the golf tournament. A refund check made payable to Southern University for \$3,995 from National Spirit Group, Ltd., was deposited into the SUNO Celebrity Golf Classic Account. The Athletic Foundation paid \$3,995 for cheerleader uniforms, and the university also paid \$3,995 for these same uniforms, resulting in a duplicate payment. The refund check from the National Spirit Group, Ltd., should have been deposited into the university account. A copy of the cancelled check provided by the vendor appears to have been endorsed by the SUNO chancellor. The chancellor stated that he was not aware of the transaction, and the signature on the back of the check was not his. After an investigation by the Southern University System internal auditor, the \$3,995 was returned to the university by the golf tournament coordinator. In addition, a check for \$227, which was apparently a refund of cheerleaders expenditures, and a check for \$2,000, which was an unrestricted contribution from a private company to SUNO, were deposited into the Celebrity Golf Classic Account at the direction of the SUNO chancellor. These amounts should also have been deposited into the university's bank account.
4. Two checks, totaling \$6,000, were disbursed from unrelated accounts of Southern University - New Orleans and were deposited into the SUNO Celebrity Golf Classic Account. A \$3,000 check dated May 12, 1998, from the SUNO 5K Walk/Run Threshold 2000 Account was deposited into the SUNO Celebrity Golf Classic Account as seed money for the golf tournament. The Walk/Run account was established to account for funds raised for scholarships. A \$3,000 check dated May 7, 1998, from the Dr. Gerald Peoples, Chancellor - Contributions Account (established to account for funds that the chancellor deems can be spent at his discretion) was also deposited into the SUNO Celebrity Golf Classic Account as seed money for the golf tournament. The \$6,000 has been returned to the university and deposited into the chancellor's account, although \$3,000 was paid from the SUNO 5K Walk/Run Threshold 2000 Account.

Failure to adhere to internal controls established by the university resulted in a lack of accountability and an increased risk of misappropriation of funds.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

SUNO should consult with its legal counsel regarding the appropriate actions to take in obtaining a proper accounting for and the recovery of funds associated with the golf tournament. The university should ensure that its employees comply with the Southern System's Administrative and Fiscal Policies and Procedures and should ensure that internal controls are in place to safeguard assets. Management of the Southern University System concurred with the finding and recommendation and outlined corrective action taken (B-132).

Lack of Controls Over Student Center Cash Receipts

SUNO has not maintained adequate internal controls over collecting and depositing cash receipts at the Student Center. Good internal controls and business practices require that the university monitor the operations of the Student Center to ensure that amounts due the university are computed accurately, received promptly, and recorded and deposited on a timely basis.

The Student Center has video game machines, billiard tables, and a bowling alley. A vendor who services the video game machines on a weekly basis empties the machines and leaves 50% of the cash collections with the Student Center director as the university's commission. Fees charged for bowling or for playing billiards are collected from the students by a Student Center attendant. Records obtained from the video game vendor reflect that a total of \$8,552 was remitted to the Student Center director during fiscal year ended June 30, 1999; however, university records show that only \$1,457 was deposited. This indicates that a shortage of at least \$7,095 exists for video game receipts. As of June 30, 1999, only \$4,257 (including \$1,457 for video game machines) has been deposited for all activities in the Student Center compared to \$14,921 for the year ended June 30, 1998. This may indicate that further shortages exist for bowling and billiard table collections. On June 24, 1999, the Student Center director reported to university police that all of the Student Center cash receipt records were stolen from his office.

Controls over Student Center collections are inadequate in that the video game vendor is remitting university commissions in the form of cash payments at the point of collection, and there is no review by the Comptroller's Office of the amounts deposited versus the amounts collected for all activities at the Student Center. This increases the risk that errors and fraud could occur and not be detected in a timely manner.

SUNO should require vendors to remit commissions by check directly to the Comptroller's Office. The university should also establish adequate monitoring procedures to ensure that amounts collected by the Student Center are deposited promptly and are recorded accurately in the accounting records. Management of the university concurred with the finding and recommendation and outlined a plan of corrective action (B-133).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

DEPARTMENT OF STATE

**Inadequate Controls Over Property
Resulting in a Theft**

The Department of State failed to maintain adequate internal control over property (documents, artifacts, movable property, and supplies) stored by the archives department. Good internal controls require that adequate procedures be in place to ensure that the acquisition and disposition of property is accurately reflected in department records, and property is properly protected and safeguarded against loss and that any thefts and/or fraud are detected in a timely manner. An audit of property stored in the archives department disclosed the following:

1. A database of items has been established for the items maintained by the archives department. However, periodic inventories are not conducted to ensure that the database is current and any discrepancies are explained.
2. Areas of the second and third floors of the archives building are used by the archives department for storage. The storage area on the second floor is a locked, but unattended, area. Keys to this area have been provided to 15 employees (9 in Archives, 3 in Building Operations, 1 in Executive, 1 in Human Resources, and 1 at the Old State Capitol). These keys can be duplicated. The third floor is an unlocked and unattended area, which is accessible by anyone using either the public or freight elevator.
3. Within the storage areas on both floors, there is a vault and a vault within a vault. On the second floor, these vaults store the most valuable items of the archive collection. The combination to the vaults has been provided to five employees (two in Archives and three in Building Operations). However, when individuals are allowed access in the vault by one of these employees, their actions are generally not monitored.
4. Removal of items from the storage areas is generally under the honor system. A log book is maintained only in the second floor storage area. The log book records the individual removing the item, the removal date and time, the description of the item being removed, the reason for removal, and the location of the item before removal. The log book also records the return date of the item and the initials of the individual returning the item. The log book is infrequently reviewed by archive department staff to determine whether the item has been returned.

Because controls were inadequate, the Department of State had a theft by an employee from both the general storage area and the vaults. The employee admitted to taking computer equipment with a value of \$5,257, a semi-automatic pistol with a value of \$1,500, a foot officer's sword with a value of \$5,000, and two flintlock rifles with a value of \$4,450, as well as several

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

valuable documents. The Department of State cannot verify that these were all the items that were taken. In addition, the extent of the theft was not realized until an investigation was conducted by the State Police following the report of theft of one of the computers. After investigation by the State Police, the department was able to recover the computer equipment, sword, and documents but not the other property. In addition, the Department of State failed to disclose this theft to the Office of the Legislative Auditor in the Annual Financial and Compliance Representation Letter.

Failure to maintain adequate internal control over property increases the risk that a future theft of property could occur and remain undetected.

The Department of State should develop and implement adequate procedures to ensure that the acquisition and disposition of property is accurately reflected in department records, that property is properly protected and safeguarded against loss, and that any thefts and/or fraud are detected in a timely manner. In addition, any incidents involving theft and/or fraud should be reported to the Office of Legislative Auditor and should be disclosed in the Financial and Compliance Representation Letter. Management partially concurred with the finding and described corrective action taken (B-143).

STATE EMPLOYEES GROUP BENEFITS PROGRAM

Inadequate Information Systems Controls

For the second consecutive year, the State Employees Group Benefits Program (SEGBP) did not have adequate internal control over its information systems (IS) that annually process approximately \$260 million of claims expenditures, as well as various other transactions. Good controls are necessary to preserve the integrity and security of the systems and to provide reliance on the results produced by the systems.

During our review of IS functions, the following deficiencies in internal control were noted:

- SEGBP does not have adequate backup and disaster recovery procedures for its claims imaging system. Adequate internal control requires that SEGBP implement backup and disaster recovery procedures to ensure that claims will be paid within thirty days as required by R.S. 22:657. The system relies on obsolete hardware and equipment is not available to perform a backup in case of system failure. In addition, the vendor no longer provides support for the system. The lack of adequate backup and disaster recovery procedures increases the risk that images will be lost and that claims will not be paid within the time limit prescribed by R.S. 22:657.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Financial Statement Findings (Continued)

- SEGBP does not have adequate security procedures to ensure that employees do not have access to data greater than their business need as follows:
 1. Employees in the Administrative, Executive, Fiscal, Customer Service, and Legal divisions had access to enter, adjudicate, void, and adjust claims in the claims processing system.
 2. SEGBP does not have written procedures that require security administrators to regularly review user access in the Advantage Financial System (AFS) and in the Automated Governmental Purchasing System (AGPS).
 3. The chief operating officer, an employee outside of the IS division, has unrestricted access to the computer room. Computer operations personnel are the only employees who would normally need access to the computer room, the master console, and other sensitive equipment located in the computer room.

Adequate internal control requires written procedures, standardized access profiles and independent review of user access to ensure that employees are permitted access only to data files and functions necessary to perform their duties. Also, adequate internal control requires that physical access to the computer room and sensitive areas of the computer center be restricted and monitored for the limited time period when access is granted. The lack of adequate security procedures could result in unauthorized use and improper payments.

- SEGBP does not have an IS auditor. Adequate internal control requires that an IS division the size and complexity of SEGBP obtain periodic reviews of its general and application controls by an IS auditor. Although an IS auditor was employed for five months of the 1999 fiscal year, he did not issue any audit reports. The position had been vacant for three months by the end of the fiscal year. The absence of an IS auditor means that no one independent of the IS division is assessing the adequacy of IS controls.

SEGBP does not have adequate transaction input procedures to ensure that claims and eligibility data are entered accurately. Adequate internal control requires the use of batch totals and validation reports to verify data entry and changes made to master files. Failure to verify the completeness and accuracy of data input increases the risk of undetected errors or fraud.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Concluded)

SEGBP should establish adequate procedures and controls over its information systems to ensure the integrity of programs, processing, and data. Management concurred or concurred in part with the findings and recommendations, except for number 3 under the second bullet. For item 3, management did not concur and stated that restricting access to the computer center would prevent the Chief Operating Officer from properly monitoring SEGBP's activities and facilities. Management described corrective action taken (B-147).

Additional Comments: Monitoring computer operations and activities is normally the responsibility of the head of the IS division, the chief information officer. Access to the computer center should be restricted to computer operations personnel and granted to others on a business-need only basis.

Schedule C

Federal Award Findings and Questioned Costs For the Year Ended June 30, 1999



**STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Federal Award Findings and Questioned Costs
For the Year Ended June 30, 1999

FINDINGS COVERING MORE THAN ONE FEDERAL AGENCY

EDUCATION, DEPARTMENT OF

F-99-CC-EDUC-1 - Advance Payments to Fiscal Agents

	<u>Questioned Costs</u>
10.560 - State Administrative Expenses for Child Nutrition	\$19,450
84.010 - Title I Grants to Local Educational Agencies	48,000
84.186 - Safe and Drug-Free Schools and Communities - State Grants	50,000
84.298 - Innovative Education Program Strategies	16,000
<u>Special Education Cluster:</u>	
84.027 - Special Education - Grants to States	<u>38,500</u>
	<u>\$171,950</u>

An audit of records and contracts disclosed that \$573,700 was paid in advance to fiscal agents before agreed-upon services were performed. The Louisiana Constitution of 1974, Article VII, Section 14(A) states, in part, that the funds, credit, property, or things of value of the state or any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. In addition, federal regulations require that federal funds be expended in accordance with state laws, as well as federal regulations. The state Department of Education (SDE) has eight regional offices located at school boards or public universities throughout the state that provide services to the surrounding school districts. The SDE has fiscal agent contracts with these school boards and universities to finance the housing and operations of its regional offices. The terms of these contracts provide for certain payment amounts at certain times. During the fiscal year, contract payments to fiscal agents totaling \$573,700 were made in advance, pursuant to these terms, before services were rendered. As a result, the SDE loaned funds to the fiscal agent school boards and universities, which is a violation of the Louisiana Constitution. The funding source for the \$573,700 of contract payments includes state and federal program funds as follows:

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

State General Fund	\$401,750
State Administrative Expense for Child Nutrition (CFDA 10.560)	19,450
Title I Grants to Local Educational Agencies (CFDA 84.010)	48,000
Special Education - Grants to States (CFDA 84.027)	38,500
Safe and Drug-Free Schools (CFDA 84.186)	50,000
Innovative Education Program Strategies (CFDA 84.298)	<u>16,000</u>
Total	<u><u>\$573,700</u></u>

Management did not develop the necessary controls or training for its employees to ensure compliance with federal and state laws. As a result, \$171,950 of federal funds are questioned costs. State law related to advances was also violated.

Management should implement the necessary controls and train its employees to ensure that expenditures and contracts comply with federal and state laws. In addition, the SDE should consult with the U.S. Department of Education regarding the resolution of the questioned costs. Management partially concurred with the finding. Management expressed that the funds were either spent on allowable costs or returned to the SDE and, thus, should not be questioned costs. See management's response at B-12.

F-99-CC-EDUC-2 - Inadequate Subrecipient Monitoring

	<u>Questioned Costs</u>
10.558 - Child and Adult Care Food Program	\$0
84.002 - Adult Education - State Grant Program	
84.010 - Title 1 Grants to Local Educational Agencies	
84.011 - Migrant Education - Basic State Grant Program	
84.013 - Title 1 Program for Neglected and Delinquent Children	
84.048 - Vocational Education - Basic Grants to States	
84.162 - Immigrant Education	
84.181 - Special Education - Grants for Infants and Families with Disabilities	
84.186 - Safe and Drug-Free Schools and Communities - State Grants	
84.196 - Education for Homeless Children and Youth	
84.213 - Even Start - State Educational Agencies	
84.216 - Capital Expenses	

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

84.243 - Tech-Prep Education
84.276 - Goals 2000 - State and Local Education Systemic Improvement Grants
84.281 - Eisenhower Professional Development State Grants
84.298 - Innovative Education Program Strategies
84.318 - Technology Literacy Challenge Fund Grants
Child Nutrition Cluster:
10.553 - School Breakfast Program
10.555 - National School Lunch Program
10.559 - Summer Food Service Program for Children
JTPA Cluster:
17.250 - Job Training Partnership Act
Special Education Cluster:
84.027 - Special Education - Grants to States
84.173 - Special Education - Preschool Grants
Child Care Cluster:
93.575 - Child Care and Development Block Grant

The SDE did not have an adequate monitoring system to ensure that subrecipients receiving federal funds complied with applicable federal regulations and departmental policy. The Office of Management and Budget Circular A-133 requires that the SDE, as a pass-through entity, (1) identify federal awards made by informing each subrecipient of the CFDA title and number, award name and number, award year, and the name of the federal agency; (2) advise subrecipients of the requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the SDE; (3) require each subrecipient to permit the SDE and auditors to have access to the records and financial statements as necessary; and (4) ensure that subrecipients expending \$300,000 or more in federal awards during the subrecipient's fiscal year receive a single audit or a program specific audit for that year. Furthermore, the superintendent has not designated any other person to sign subgrants and contracts on behalf of the department, except him. In prior fiscal year 1998, 41 federal programs administered by the SDE passed through approximately \$517.7 million of federal funds to over 600 subrecipients. The auditor selected a fiscal year 1999 application and agreement for the 24 largest programs that passed through funds during fiscal year 1998 and the following deficiencies were noted:

- Nineteen (79%) did not include the correct CFDA program title.
- Seven (29%) did not include the correct CFDA number.
- Three (13%) did not inform the subrecipient of the applicable program rules and regulations.

STATE OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

- Twenty-four (100%) did not inform the subrecipient that federal law requires that they have a single audit or a program specific audit if the expenditure level of \$300,000 or more in federal awards is incurred during the fiscal year.
- Twenty-four (100%) did not ask the subrecipient for the prior year expenditures of federal funds from all sources to determine the necessity of a single audit or program specific audit.
- A member of SDE middle management signed six (25%) of the subgrants, which is not SDE policy. The superintendent has not delegated this authority.
- Fifteen (62%) did not include a right to audit clause.

Management has not implemented the necessary controls and adequately trained its employees as to the regulations applicable to federal programs. As a result, the risk increases that subrecipients will incur unallowable program costs that may not be detected in a timely manner and subjects the department to noncompliance with federal regulations and departmental policy.

Management should implement the necessary controls and adequately train its employees as to the applicable federal regulations and policies for funds passed through to subrecipients. Management partially concurred with the finding and described corrective action taken (B-26).

EXECUTIVE, DEPARTMENT OF

**F-99-CC-EXEC-1 - Inconsistent Billing of
Insurance Premiums**

**Questioned Costs
Cannot Determine**

10.500 - Cooperative Extension Service
 10.557 - Special Supplemental Nutrition Program
 for Women, Infants, and Children
 10.558 - Child and Adult Care Food Program
 17.225 - Unemployment Insurance
 20.205 - Highway Planning and Construction
 39.003 - Donation of Federal Surplus Personal Property
 83.544 - Public Assistance Grants
 84.010 - Title 1 Grants to Local Educational Agencies
 84.048 - Vocational Education - Basic Grants to States
 84.126 - Rehabilitation Services - Vocational Rehabilitation
 Grants to States
 84.186 - Safe and Drug-Free Schools and Communities -
 State Grants
 93.558 - Temporary Assistance for Needy Families
 93.563 - Child Support Enforcement

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

93.568 - Low-Income Home Energy Assistance
93.569 - Community Services Block Grant
93.658 - Foster Care - Title IV-E
93.667 - Social Services Block Grant
93.959 - Block Grants for Prevention and Treatment
of Substance Abuse

Food Stamp Cluster:

10.551 - Food Stamps
10.561 - State Administrative Matching Grants
for Food Stamp Program

Employment Services Cluster:

17.207 - Employment Service
17.801 - Disabled Veterans' Outreach Program
17.804 - Local Veterans' Employment Representative Program

JTPA Cluster:

17.246 - Employment and Training Assistance -
Dislocated Workers
17.250 - Job Training Partnership Act

Student Financial Assistance Cluster:

84.007 - Federal Supplemental Educational
Opportunity Grants
84.032 - Federal Family Education Loans
84.033 - Federal Work-Study Program
84.038 - Federal Perkins Loan Program -
Federal Capital Contributions
84.063 - Federal Pell Grant Program
84.268 - Federal Direct Loan
93.342 - Health Professions Student Loans, Including
Primary Care Loans/Loans for Disadvantaged Students
93.364 - Nursing Student Loans
93.820 - Scholarships for Students of Exceptional Financial Need
93.925 - Scholarships for Health Professions Students from
Disadvantaged Backgrounds

Special Education Cluster:

84.027 - Special Education - Grants to States
84.173 - Special Education - Preschool Grants

TRIO Cluster:

84.042 - TRIO - Student Support Services
84.044 - TRIO - Talent Search
84.047 - TRIO - Upward Bound

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

Child Care Cluster:

- 93.575 - Child Care and Development Block Grant**
- 93.596 - Child Care Mandatory and Matching Funds of the
Child Care and Development Fund**

Medicaid Cluster:

- 93.775 - State Medicaid Fraud Control Units**
- 93.777 - State Survey and Certification of Health Care
Providers and Suppliers**
- 93.778 - Medical Assistance Program**

Research and Development Cluster:

Various Programs

For the second consecutive audit period, the Office of Risk Management (ORM), under the direction of the Office of Planning and Budget (OPB), billed state agencies for the cost of insurance in a manner that may cause federal programs to bear an inequitable share of the cost. Office of Management and Budget (OMB) Circular A-87 mandates cost principles designed to ensure that federal awards bear only their fair share of costs. Included in this circular are regulations governing the preparation and application of cost allocation plans used to distribute the cost of certain central state governmental services among the various federal programs. OMB Circular A-87, Attachment A, Section C (1) lists several criteria that a cost must meet to be allowable for federal reimbursement. Included in these criteria are requirements that the cost be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit and that costs must be accorded consistent treatment.

Annually, ORM bills each state agency for various types of insurance. To calculate the amount of premium necessary for each class of insurance, ORM considers exposure (the magnitude of potential losses) and experience (past losses). However, because of budget constraints, OPB did not include the full amount of calculated premiums in the state's budget. In addition, rather than implementing an across-the-board reduction, OPB designated the specific amount of premium that each agency was to be charged. For example, ORM calculated that the Department of Health and Hospitals should pay 8.3% of the state's total projected insurance cost. However, after adjustments by OPB, this department's share increased to 12.7%. Conversely, ORM calculated that the Department of Corrections should pay 6.7% of the state's total projected insurance costs. However, OPB reduced the Department of Corrections' premium to zero. The Department of Health and Hospitals has significant federal funding sources while the Department of Corrections does not.

As a result of the state's inconsistent reductions in billings, state agencies receiving federal funding through interagency transfers or directly may have been billed at a higher rate than agencies without available federal funding. The state has contracted for outside assistance in calculating the amount of any overcharges to federal programs for fiscal years 1997 through 1999. Because this project is incomplete, an estimate of questioned costs is currently unavailable.

STATE OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

The state should continue the process of determining which federal programs, if any, have been charged an inequitable amount of insurance cost and the amount of those overcharges. Any identified overcharges should be reimbursed to the federal government. In the future, if insurance premium reductions should be necessary, the state should use a method that will ensure that federal programs bear an equitable share of the costs. Management concurred with the finding and described corrective action taken (B-155).

HEALTH AND HOSPITALS, DEPARTMENT OF

**F-99-CC-DHH-1 - Audits of Federal Subrecipients and State
Contractors Not Obtained and Findings
Not Resolved Timely**

	<u>Questioned Costs</u>
10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	\$912,228
93.196 - Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	231,402
93.268 - Immunization Grants	79,133
93.630 - Developmental Disabilities Basic Support and Advocacy Grants	65,019
93.917 - HIV Care Formula Grants	360,936
93.940 - HIV Prevention Activities - Health Department Based	1,278,579
93.958 - Block Grants for Community Mental Health Services	168,188
93.959 - Block Grants for Prevention and Treatment of Substance Abuse	1,292,404
93.994 - Maternal and Child Health Services Block Grant to the States	<u>213,354</u>
	<u>\$4,601,243</u>

For the fourth consecutive year, the Department of Health and Hospitals (DHH) failed to adhere to federal requirements and departmental policies that require audits of subrecipients and social services contractors. OMB Circular A-133 requires that the pass-through entity ensure that subrecipients expending \$300,000 or more in federal awards have met the audit requirements of the circular and the pass-through entity must evaluate audit findings and determine that an acceptable corrective action plan has been prepared and implemented. In addition, departmental policy requires that (1) all subrecipients who receive between \$25,000 and \$300,000, and (2) all state/local governments and corporations (profit/non-profit) other than subrecipients that have a social services contract with DHH and receive \$100,000 or more in funds from one or more state contracts must have a financial and compliance audit performed in accordance with *Government Auditing Standards*.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

During the fiscal year ended June 30, 1996, the department developed a comprehensive monitoring system to track contracts that require audits and to monitor the receipt of audit reports and the resolution of any findings. In addition, DHH policy numbers 3175-95 and 3105-96 were issued defining responsibility in the department for audit report monitoring and defining federal and departmental audit requirements. A review of the monitoring system disclosed that the department had not obtained audit reports for all of its subrecipients and contractors. The table below shows information for those subrecipients and contractors whose audit reports have not been received.

	FYE JUNE 30,			
	1995	1996	1997	1998
Total contracts	251	153	180	162
Number of subrecipients and contractors without audit reports	18	6	9	21
Total payments to subrecipients and contractors without audit reports	\$2,057,134	\$601,136	\$1,058,253	\$2,499,226
Number of subrecipients and contractors without audit reports that have a FYE June 30, 1999, contract	8	3	7	20

The monitoring system also disclosed that the department had not resolved all the audit findings contained in the audit reports that the department had received. The following table shows information for those subrecipients and contractors with unresolved audit findings.

	FYE JUNE 30,			
	1995	1996	1997	1998
Total audit reports received	233	147	171	141
Number of subrecipients and contractors with unresolved audit findings	11	6	10	6
Total payments to subrecipients and contractors with unresolved audit findings	\$845,250	\$658,749	\$1,932,385	\$521,399
Number of subrecipients and contractors with unresolved audit findings that have a FYE June 30, 1999, contract	7	6	9	6

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

Employees are not following the established procedures for reporting audit information to the contracts management section, for ensuring that required audits are performed, and for ensuring that all findings are reviewed for subsequent resolution in a timely manner. Failure to ensure that federal subrecipients or state contractors receive the required audits and failure to promptly follow up on the report findings increases the risk that federal and/or state funds will not be expended in accordance with applicable laws and regulations. Also, a letter dated July 20, 1999, from the U.S. Department of Health and Human Services stated, "Any costs incurred by a subrecipient that has not been appropriately monitored by the prime recipient may be treated as unallowable costs." Accordingly, questioned costs for the subrecipients noted above are \$4,601,243.

DHH should ensure that employees follow departmental policies regarding audit requirements so that federal subrecipients and social services contractors are audited as required by applicable laws and regulations and so that all findings are reviewed for subsequent resolution in a timely manner. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-37).

LABOR, DEPARTMENT OF

**F-99-CC-LABR-1 - Improper Charging of Payroll Expenditures
 to Federal Programs**

	<u>Questioned Costs</u>
17.225 - Unemployment Insurance	\$218,433
17.253 - Welfare-to-Work Grants to States and Localities	53,482
93.569 - Community Services Block Grant	66,323
<u>Food Stamp Cluster:</u>	
10.561 - State Administrative Matching Grants for Food Stamp Program	33,136
<u>Employment Services Cluster:</u>	
17.207 - Employment Service	96,728
<u>JTPA Cluster:</u>	
17.246 - Employment and Training Assistance - Dislocated Workers	
17.250 - Job Training Partnership Act	<u>237,532</u>
	<u>\$705,634</u>

For the second consecutive year, tests of administrative expenditures disclosed that direct personnel charges were not based on the actual time worked or on an approved cost allocation plan or rate for administering the following six major federal programs and one nonmajor program.

STATE OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

- Community Services Block Grant (CSBG) (CFDA 93.569)
- State Administrative Matching Grants for Food Stamp Program (LaJET) (CFDA 10.561)
- Job Training Partnership Act (JTPA Title II) (CFDA 17.250)
- Employment and Training Assistance - Dislocated Workers (Title III) (CFDA 17.246)
- Welfare-to-Work Grants to States and Localities (CFDA 17.253)
- Unemployment Insurance (UI) (CFDA 17.225)
- Employment Services (ES) (CFDA 17.207)

OMB Circular A-87 states that personal services for employees working on multiple activities be supported by time and attendance records based on actual time activity. In addition, according to OMB Circular A-133, the general criteria affecting allowability of costs under federal awards includes costs being reasonable and necessary for the performance and administration of federal programs.

Based on audit tests, expenditures of \$725,004 were not properly charged to the actual programs affected and these amounts are questioned costs as follows:

- For one attorney in the Legal Division, the salary and related benefits of \$58,108 were distributed equally to CSBG, JTPA, and the Office of Labor without regard to how the actual time was spent on each program.
- Although five Equal Opportunity and Compliance (EOC) Division employees performed work for other programs, salaries and related benefits were each charged at 100% as follows: \$46,954 to CSBG, \$47,235 to JTPA, \$48,328 to UI, and \$96,728 (two employees) to ES, respectively.
- For nine personnel in various sections (Fiscal Section, Audit & Security, Office Services, JTPA/ES Administration, and the Duplicating Center), salaries and related benefits totaling \$170,105 were charged directly to the UI program for services performed that affected other federal programs.
- For five Fiscal Division employees, salaries and related benefits totaling \$33,136 were charged to the LaJET program. That amount was overcharged in relation to the services performed for the program.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

- For four Fiscal Division personnel, who performed the accounting and financial reporting functions primarily for JTPA Titles II and III, salaries and related benefits totaling \$179,879 were charged without regard to how the actual time was spent to JTPA Title II, Title III, and Welfare-to-Work programs.
- For one JTPA fiscal monitor, salary and related benefits totaling \$44,531 were charged to the program; however, no evidence existed that any JTPA monitoring function was performed.

The current method of charging salaries to programs was established several years ago. Because actual time spent on these programs by employees is not documented, the CSBG, LaJET, JTPA, Title III, Welfare-to-Work, UI, and ES programs are not being charged for the actual personnel expenditures incurred by these programs.

The Department of Labor should make direct personnel charges to the CSBG, LaJET, JTPA, Title III, Welfare-to-Work, UI, and ES programs that reflect actual time/cost spent on these programs or should base those charges on an approved cost allocation plan or rate. Management concurred with the finding and recommendation (B-42).

**F-99-CC-LABR-2 - Inadequate Internal Control
 Over Disbursements**

	<u>Questioned Costs</u>
17.002 - Labor Force Statistics	\$0
17.005 - Compensation and Working Conditions Data	
17.203 - Labor Certification for Alien Workers	
17.225 - Unemployment Insurance	
17.245 - Trade Adjustment Assistance - Workers	
17.253 - Welfare-to-Work Grants to States and Localities	
17.504 - Consultation Agreements	
17.E-9454621 - State Occupational Information Coordinating Council	
93.569 - Community Services Block Grant	
93.571 - Community Services Block Grant Discretionary Awards - Community Food and Nutrition	
<u>Employment Services Cluster:</u>	
17.207 - Employment Service	
17.801 - Disabled Veterans' Outreach Program	
17.804 - Local Veterans' Employment Representative Program	
<u>JTPA Cluster:</u>	
17.246 - Employment and Training Assistance - Dislocated Workers	
17.250 - Job Training Partnership Act	

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

The Department of Labor did not have adequate internal control for the Office of Workforce Development's disbursements cycle. Good internal control over disbursements requires that procedures are established and followed to ensure disbursements have original, complete, and accurate documentation; that funding is available; and that transactions are approved, processed, and reported in an accurate, consistent, and timely manner. The following conditions were noted for the \$18.8 million of disbursements tested:

- Disbursements totaling \$13.7 million did not have evidence that documentation was reviewed by the Fiscal Division for completeness and accuracy before and/or after the disbursement transactions were processed.
- Invoices totaling \$4,080,307 were not canceled or marked as "Paid" to prevent duplicate payment.
- Liabilities totaling \$2,156,996 were incurred and paid without review and approval by one or more of the following: the budget officer, the undersecretary, and/or the purchasing agent. Of this amount, \$2,054,096 was not reviewed and approved by the budget officer for available funding.
- Disbursements totaling \$1,917,630 were improperly coded/classified in the accounting system. Louisiana Revised Statute (R.S.) 39:78(B) provides that there are to be appropriate program structures so that the financial information is reflective of the program operations as specified in the appropriation acts.
- Disbursements totaling \$1,591,014 were authorized by incorrect cost center managers and another \$208,551 had no authorization for payment. For example, cost center managers of other projects/programs such as Information Services and Job Training Partnership Act approved invoices charged to the Unemployment Insurance program.
- Invoices totaling \$834,902 were paid an average of 4½ months after the invoice date. R.S. 39:1695 requires invoices to be paid within 90 days.
- Invoices totaling \$812,930 did not have evidence of pre-auditing for clerical accuracy.
- Payments totaling \$675,315 were either paid from copies of invoices or had no invoice on file.
- Payments totaling \$379,855 had errors and omissions. For example, the required approval from the state purchasing agency or state contractual review was missing; the amount paid did not agree to the invoice amount and/or exceeded the approved purchase order amount; payments for maintenance were

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 Federal Award Findings and Questioned Costs (Continued)

made on surplused equipment; payment was made without evidence that the goods/services were received; and cancelled checks were not available.

These conditions exist because management did not place sufficient emphasis on monitoring internal control over the disbursement cycle. Failure to develop, follow, and enforce policies and procedures results in the risk of noncompliance with agency and state regulations and laws and increases the risk of errors and fraud.

The Department of Labor, Office of Workforce Development, should establish and follow internal control procedures to ensure disbursements are properly budgeted, approved, and supported by appropriate documentation and reported in a consistent and timely manner. Management partially concurred with the finding and recommendation and outlined a plan of corrective action (B-50).

SOCIAL SERVICES, DEPARTMENT OF

**F-99-CC-DSS-1 - Inadequate Monitoring of Federal
 Subrecipients and State Contractors**

	<u>Questioned Costs</u>
14.231 - Emergency Shelter Grants Program	\$103,451
84.187 - Supported Employment Services for Individuals With Severe Disabilities	574,670
93.558 - Temporary Assistance for Needy Families	1,032,480
93.568 - Low Income Home Energy Assistance	128,261
<u>Child Care Cluster:</u>	
 93.596 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund	<u>1,231,363</u>
	<u>\$3,070,225</u>

For the sixth consecutive year, the Department of Social Services (DSS) does not have an adequate monitoring system to ensure that federal subrecipients and social services contractors are audited in accordance with federal and departmental regulations. Furthermore, the department does not have an adequate monitoring system to ensure that subrecipients receiving federal funds comply with applicable federal regulations. OMB Circular A-133 requires the department to ensure that each subrecipient expending federal pass-through funds totaling \$300,000 or more has an annual audit. OMB Circular A-133 also indicates that a pass-through entity is responsible for notifying each subrecipient of federal award information and applicable compliance requirements, monitoring each subrecipient's activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements, and ensuring that the subrecipient takes prompt corrective action on any audit

STATE OF LOUISIANA
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Federal Award Findings and Questioned Costs (Continued)

findings. Departmental policy, established in accordance with Louisiana Administrative Code 34:V:134, requires state contractors that receive \$100,000 or more in state funds to have a financial and compliance audit performed in accordance with *Government Auditing Standards*.

A review of the department's monitoring function disclosed the following:

1. The department does not have reliable procedures in place to ensure the proper identification of subrecipients.
 - Eleven of 46 contracts (24%) examined were identified as federal subrecipients by the department even though the contracts were 100% state-funded.
 - The department failed to make a determination and enter into its tracking system two contracts totaling \$4,538,341.
 - The department was unable to properly prepare the "Schedule of Non-State Subrecipients of Major Federal Programs" for its annual fiscal report as required by the Division of Administration, Office of Statewide Reporting and Accounting Policy.
2. Fourteen of 29 subrecipients (48%) examined were not adequately monitored by the department.
 - The department did not perform monitoring procedures for 11 of the subrecipients.
 - The department did not receive an audit report for three of the subrecipients and was unable to locate one audit report that was recorded as received.
 - The department failed to monitor findings in the Single Audit Report for the State of Louisiana for three subrecipients.
 - The department failed to timely inform 11 subrecipients of the department's decision on the monitoring and/or audit findings and did not ensure timely corrective measures were taken by the subrecipient.
3. Four of 20 subrecipients (20%) examined were not properly notified of the federal award information.
4. The department often does not contact contractors with multi-year contracts until the end of the contract to determine whether an audit is required in accordance with federal or departmental regulations.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

Failure to ensure that federal subrecipients and state contractors receive audits and/or are monitored in accordance with state and federal regulations increases the risk that contractors will not expend federal financial assistance and/or state funds in accordance with applicable laws and regulations. A letter dated July 20, 1999, from the U.S. Department of Health and Human Services states, "Any costs incurred by a subrecipient that has not been appropriately monitored by the prime recipient may be treated as unallowable costs." Accordingly, questioned costs for the federal subrecipients noted above are \$3,070,225.

DSS should ensure that federal subrecipients and state contractors are properly identified and are audited and monitored as required by federal and departmental laws and regulations. Three offices of DSS responded to the finding. The Office of Management and Finance (OM&F) did not concur that the department does not have reliable procedures to ensure the proper identification of subrecipients. OM&F agreed that some state-funded contracts were erroneously entered into the tracking system as federal subrecipients, but points out that the requirement for an A-133 audit is based on the entity as a whole, not by contract. However, OM&F did concur that the "Schedule of Non-State Subrecipients of Major Federal Programs" was not prepared properly but did not provide a plan of corrective action. The Office of Community Services and the Office of Family Support concurred with finding and have either started or have already implemented corrective action plans to address their issues. See management's response at B-110.

Additional Comments: We agree that the requirement for an A-133 audit is based on an entity as a whole, not by contract. However, we fail to understand the use of a tracking system that contains known erroneous information. Furthermore, the department will continue to experience problems with preparing a reliable "Schedule of Non-State Subrecipients of Major Federal Programs," as required by the Division of Administration, as long as the tracking system contains errors and omissions.

**F-99-CC-DSS-2 - Noncompliance With the Cash Management
 Improvement Act Agreement**

	<u>Questioned Costs</u>
84.126 - Rehabilitation Services - Vocational Rehabilitation Grants to States	\$0
93.558 - Temporary Assistance for Needy Families	
93.658 - Foster Care - Title IV-E	
93.667 - Social Services Block Grant	
<u>Food Stamp Cluster:</u>	
10.561 - State Administrative Matching Grants for Food Stamp Program	
<u>Child Care Cluster:</u>	
93.575 - Child Care and Development Block Grant	
93.596 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund	

STATE OF LOUISIANA**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Federal Award Findings and Questioned Costs (Continued)

DSS failed to comply fully with the Cash Management Improvement Act (CMIA) Treasury-State agreement. The following federal programs in the CMIA agreement are affected:

- State Administrative Matching Grants for Food Stamp Program (CFDA 10.561)
- Rehabilitation Services - Vocational Rehabilitation Grants to States (CFDA 84.126)
- Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
- Child Care and Development Block Grant (CCDBG) (CFDA 93.575)
- Foster Care - Title IV-E (CFDA 93.658)
- Social Services Block Grant (SSBG) (CFDA 93.667)

The CMIA prescribes rules and procedures for timing the transfer of federal funds to states so that the amount of federal funds on hand is reduced to a minimum. State agencies are required to develop clearance patterns for programs covered by the agreement and to request federal funds based on those patterns. Clearance patterns are to be developed by tracking disbursements from issuance to bank clearance for a period of at least three consecutive months. The Treasury-State agreement specifies the federal programs, the specific components of each program (assistance or vendor payments, payroll, general administrative, et cetera), and the clearance patterns that will be used for each component. Based on the clearance pattern, a funding technique, which is a method of transferring federal funds to the state, is established.

Tests of compliance with the CMIA agreement disclosed that clearance patterns have not been developed nor have the patterns been revised in a timely manner as required by 31 CFR 205.8. Furthermore, DSS has not transferred federal funds to the state in accordance with the funding techniques specified in the Treasury-State agreement.

Development of Clearance Patterns

- The department developed a single clearance pattern for each of its computer sub-systems, instead of developing a clearance pattern for each of its federal programs. The sub-system clearance pattern was then applied to the assistance component of each federal program that processed assistance payments through each sub-system. CMIA Policy Statement Number 11 states, "A single clearance pattern could be applied to a group of programs serving similar recipients or to the vendor payments component of several different programs." However, there has been no verification by management that all of the programs within each sub-system serve similar recipients or vendors. Therefore, one clearance pattern may not represent actual payment activity of each of these programs.

STATE OF LOUISIANA**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Federal Award Findings and Questioned Costs (Continued)

- TANF payments made through the JOBS Automated System during fiscal year ended June 30, 1999, no longer included child-care providers, a major component in the prior year. Management failed to develop a new clearance pattern as a result of this significant change as required by 31 CFR 205.7(c)(1).

Use of Funding Techniques

- The department cannot identify actual transactions within each sub-system to the various programs processed within the sub-system. The transfers of federal funds to the state were made based on an allocation of costs estimated by the department. The allocation was made by calculating a percentage of each program's costs to total expenditures, using internal records dated one to two months prior. The use of allocated cost, instead of actual cost, prevents the department from following the funding techniques established in the CMIA agreement. The affected programs and components include Foster Care - Title IV-E, SSBG, State Administrative Matching Grants for Food Stamp Program, TANF, and CCDBG for the payroll and administrative cost components and Foster Care - Title IV-E and SSBG for the assistance payments component.
- The administrative costs component of the Rehabilitation Services - Vocational Rehabilitation Grants to States program should be drawn using the actual-at-fixed-intervals funding technique. This method allows a state to draw federal funds based on actual expenditures of the prior week. Draws were based on the actual and adjusted estimate funding technique.

Management of the department has not placed sufficient emphasis on compliance with the CMIA agreement. Failure to develop clearance patterns in a timely manner and failure to request federal funds in accordance with the Treasury-State agreement may result in the assessment of interest penalties payable to the federal government for the State of Louisiana.

The department should establish and implement procedures to ensure that actual clearance patterns are developed for each program in accordance with the CMIA, should revise clearance patterns in a timely manner when there are significant changes to a program that could affect a clearance pattern, and should apply the correct funding technique when calculating federal draws. Management did not concur that its methodology used in developing clearance patterns violates CMIA policy; however, management did agree to develop a new clearance pattern as a result of significant changes in TANF payments. Management noted that each subsystem, with the exception of the Tracking Information Payment System (TIPS), represents a single federal program, and even though TIPS has various funding sources, this does not indicate that the recipients or vendors are varied. Management concurred in part with the comments on funding techniques and indicated that administrative expenditures are determined on a monthly basis and in accordance with the federally approved Cost Allocation Plan. In addition, management stated that the department has not paid any interest penalties for noncompliance with the CMIA agreement. See management's response at B-116.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

Additional Comments: We concur that the department may use various funding sources to provide services through TIPS to its Foster Care clients. However, management has not verified that all of the funding sources participate equally in providing such services. Furthermore, the department has failed to recognize that the Child Care and Development Block Grant transactions are also processed through TIPS. This federal program does not serve recipients or vendors that are similar to those of the other programs within TIPS.

Management did not respond to the audit comments on funding techniques that relied on the use of allocated costs instead of actual costs to request federal funds. Management indicated that administrative costs are funded using the Cost Allocation Plan. If this is the case, management should revise the CMIA Treasury-State agreement to indicate the actual method that is used and should request federal funds monthly.

Management noted that it has not paid any interest penalties for noncompliance with the CMIA agreement. However, the Division of Administration, Office of Statewide Reporting and Accounting Policy is responsible for payments of interest penalties to the federal government not the department.

U.S. DEPARTMENT OF AGRICULTURE

EDUCATION, DEPARTMENT OF

**F-99-USDA-EDUC-3 - Inadequate Monitoring for Child and
 Adult Care Food Program**

10.558 - Child and Adult Care Food Program

Questioned Costs
\$0

The state Department of Education (SDE) did not have an adequate monitoring system to ensure the adequate resolution of disallowed costs for subgrantees of the Child and Adult Care Food Program (CFDA 10.558). The Code of Federal Regulations [7 CFR 3015(b)] requires the SDE to maintain accurate and complete records of the source and application of grant and subgrant funds. Also, 7 CFR 3015(h) requires that a system be employed by each grant recipient to ensure the timely and appropriate resolution of audit findings and recommendations. Tests of federal compliance disclosed the following:

- The SDE did not maintain accurate and complete records of the resolution of disallowed costs for subgrantees. On June 29, 1999, the auditors requested the SDE to compile information and provide them with a listing of amounts owed by subgrantees for disallowed costs arising from audits, administrative reviews, and overclaims, and also, amounts turned over to the Attorney General for collection. This information was provided on August 24, or 56 days later. A review of the

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

SDE listing of amounts owed by subgrantees and the amounts turned over to the Attorney General disclosed the following exceptions:

1. The SDE did not refer subrecipient overclaims to the Attorney General for collection in a timely manner. A review of the 49 overclaims totaling \$1,290,192 disclosed overclaims for \$15,056 and \$783 from 1985 and 1987, respectively, that were not referred to the Attorney General until July 20, 1999. Section 7 CFR 226.14(a) provides that claims be referred to the appropriate legal authority if the subgrantee has not responded to a second demand letter after 60 days.
 2. The SDE did not make written demands to subgrantees for the return of overpayments in a timely manner. The review disclosed that 10 of 13 second demand letters were not sent to subgrantees after 30 days as required by Section 7 CFR 226.14(a). In addition, two of these second demand letters were dated two years after the first demand letters.
- A test of 21 SDE administrative reviews of subgrantee programs with disallowed costs and interviews with SDE personnel disclosed the following deficiencies:
1. The SDE closed two of the 21 administrative reviews before disallowed costs of \$279 and \$1,600 were correctly resolved. Section 7 CFR 226.6(n) requires the SDE to ensure that the subgrantee has corrected all violations within 60 days of written notification or terminate the program participation of the subgrantee.
 2. The SDE did not ensure that deficiencies cited in three of the 21 administrative reviews were resolved within 60 days. Section 7 CFR 226.6(n) requires the SDE to ensure that the subgrantee has corrected all violations within 60 days of written notification or terminate the program participation of the subgrantee. The SDE took 75, 118, and 150 days, respectively, to resolve the three findings.

The SDE did not ensure that its personnel were familiar with the CFR requirements or that those requirements were consistently applied. As a result, the SDE lacks assurance that subgrantee disallowed costs were resolved in a timely manner in compliance with federal regulations.

The SDE should develop and implement adequate internal controls to ensure that program personnel are familiar with and comply with the CFR relating to appropriate resolution of disallowed costs for subgrantees of the Child and Adult Care Food Program. Management did not concur with the finding. Management stated, in part, that based on a letter from the U.S. Department of Agriculture, an overclaim is resolved when the SDE makes a decision to submit it to the Attorney General for collection. Management also stated that the finding was incorrect in regard to the timing of second demand letters for those cases in appeal, in that the wording

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

should be that second demand letters must be submitted “after” not “within” 30 or 60 days. See management’s response at B-25.

Additional Comments: The SDE did not provide the letter from the USDA that was cited in its response until after the response was received, and the letter does not address the administrative reviews or overclaims noted in the finding. In addition, the cases cited in the finding were not under appeal. Finally, the word “within” has been corrected to “after” with respect to the time frame for second demand letters, but this did not negate any part of the finding.

PUBLIC HEALTH, OFFICE OF

**F-99-USDA-OPH-1 - Reconciliation of Food Instruments
 Not Performed Within Required Time**

Questioned Costs

**10.557 - Special Supplemental Nutrition Program
 for Women, Infants, and Children**

\$0

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 [7 CFR 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.

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 [7 CFR 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 (B-85).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

U.S. DEPARTMENT OF LABOR

LABOR, DEPARTMENT OF

**F-99-USDOL-LABR-3 - Inadequate Control Over Monitoring
 JTPA Subrecipient Audits**

	<u>Questioned Costs</u>
<u>JTPA Cluster:</u>	\$0
17.246 - Employment and Training Assistance - Dislocated Workers	
17.250 - Job Training Partnership Act	

The Louisiana Department of Labor did not have adequate internal control to ensure compliance with OMB Circular A-133 audit requirements for subrecipients of the Job Training Partnership Act (JTPA Title II) (CFDA 17.250) and the Employment and Training Assistance-Dislocated Workers (JTPA Title III) (CFDA 17.246) programs that comprise the Job Training Partnership Act Federal Cluster (JTPA). OMB Circular A-133 requires that the pass-through entity (1) ensure that subrecipients expending \$300,000 or more in Federal awards have met the audit requirements of the circular, (2) monitor subrecipient activities for compliance with federal requirements, (3) evaluate audit findings and determine that an acceptable corrective action plan has been prepared and implemented, and (4) inform each subrecipient of the Catalog of Federal Domestic Assistance (CFDA) title and number for federal awards received.

A review of the department's subrecipient monitoring function disclosed that although the department maintains an audit control log on subrecipient audits, the department does not always ensure that audit reports are received and that findings or questioned costs are resolved in a timely and proper manner. A review of the department's system over the receipt and resolution of subrecipient audit reports revealed the following:

- Five audit reports were received in excess of one year from the subrecipients' fiscal year end date and two audit reports had not been received and were overdue by 5½ and 18 months, respectively. OMB Circular A-133 provides that audits under the circular shall be completed no later than 9 months after the end of the audit period.
- There were two instances in which the receipt of the audit reports and the resolution of audit findings or questioned costs were not recorded in the audit control log.
- Resolution of audit findings was not made within 180 days after the receipt of the audit report as required by federal regulations for two audits reviewed. The resolution process for one of the two audit reports was completed 215 days after receipt. There was no evidence of a final resolution for the other audit report.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

- For one audit report reviewed, the department relied on the subrecipient's written corrective action plan for the resolution of a repeat finding. There was no evidence that the department ensured implementation of the corrective action plan in either year.
- The department had not communicated CFDA titles and numbers to the subrecipients of the JTPA programs.

The department did not have adequate procedures for tracking the status, including resolution of any questioned costs or findings, of JTPA subrecipient audit reports. Failure by the department to adequately monitor JTPA subrecipients increases the risk that the subrecipient will not administer or expend JTPA funds in accordance with applicable state and federal laws and regulations and that instances of noncompliance will not be detected and resolved in a timely manner.

The Louisiana Department of Labor should monitor subrecipient compliance with applicable laws and regulations for the approximately \$60 million of JTPA funds passed through to subrecipients. Management concurred with the finding and recommendation and outlined a corrective action plan (B-44).

**F-99-USDOL-LABR-4 - Inadequate Control Over On-Site
 Monitoring of JTPA Subrecipients**

	<u>Questioned Costs</u>
<u>JTPA Cluster:</u>	\$0
17.246 - Employment Training and Assistance - Dislocated Workers	
17.250 - Job Training Partnership Act	

For the second consecutive year, the Louisiana Department of Labor did not adequately monitor subrecipients for compliance with the Job Training Partnership Act (JTPA Title II) (CFDA 17.250) and the Employment and Training Assistance-Dislocated Workers (JTPA Title III) (CFDA 17.246) programs that comprise the Job Training Partnership Act Federal Cluster (JTPA). OMB Circular A-133 includes requirements for the pass-through entity to monitor subrecipient activities for compliance with federal requirements. Federal regulations and the state's JTPA Coordination and Special Services Plan require on-site monitoring of JTPA subrecipients at least once each year. Also, the preamble to the OMB Circular A-133 states that the OMB expects pass-through entities to consider various risk factors such as the relative size and complexity of awards administered by, and prior experience with, each subrecipient in developing subrecipient monitoring procedures.

The JTPA monitoring unit did not maintain a log to identify its on-site reviews of subrecipients. In addition, JTPA program monitors did not document the risk of subrecipient noncompliance in planning their monitoring procedures. A review of the on-site monitoring function revealed the following:

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

- The JTPA office did not have a comprehensive tracking system to identify all JTPA subrecipients, funding sources, dates when monitoring reviews were due or completed, dates monitoring reports were issued, or the scope and results of reviews.
- Planning was not documented for on-site monitoring reviews. There was no evidence that the size of awards, complexity of compliance requirements, results of audits, results of prior monitoring reviews, or results of desk reviews performed by the fiscal, technical assistance, or management information system units were used to evaluate risk in order to plan monitoring procedures.
- Three subrecipients that expended \$4.5 million under Title II and Title III formula grants were not monitored during the year. Eight subrecipients that expended approximately \$700,000 under the Title III National Reserve Shipbuilding Industry-Wide Project agreement (NR-022-7-003) were not monitored during the year.
- Nine subrecipients that expended \$24.7 million under Titles II-A, II-C, and III were monitored in May and June 1999; however, as of September 10, 1999, reports have not been issued and findings and/or questioned costs, if any, have not been resolved.
- Ten subrecipients that were monitored and that expended \$24.9 million under Titles II-A, II-B, II-C, and Title III were not adequately monitored in all cases to ensure compliance with various OMB Circular A-133 compliance features including allowable costs, cash management, equipment management, suspension and debarment, and program income, among other requirements.
- The "Monitoring Review Guide" used by the monitors had not been updated to reflect current OMB circulars. In addition, a test of 16 sets of JTPA program monitors' working papers revealed the following:
 1. In seven instances, working papers did not include or use the "Monitoring Review Guide" or other appropriate guidance.
 2. In 15 instances, the preparer did not initial or date working papers and in 12 instances, there was no evidence that a supervisor reviewed the working papers for content and completeness.
 3. In 11 instances, the working papers did not support all conclusions made in the monitors' reports.
 4. In five instances, the follow-up on corrective action did not appear adequate. Either there was no evidence that findings or questioned costs

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

were resolved or there was no evidence that the corrective action plan, as provided by the subrecipient, had been implemented.

The department did not have adequate procedures for tracking the status of JTPA subrecipient on-site monitoring reviews. In addition, the department neither ensured that monitors addressed the risk of noncompliance in planning nor considered the adequacy of its test procedures for detecting noncompliance. Finally, because of the retirement, resignation, and transfer of program monitors, four of eight monitor positions were vacant during the year.

Failure by the department to adequately monitor JTPA subrecipients increases the risk that the subrecipients will not administer or expend JTPA funds in accordance with applicable federal and state laws and regulations. Without adequate documentation of the monitoring function, the department cannot ensure that subrecipients have been properly monitored.

The Louisiana Department of Labor should implement procedures to ensure that on-site monitoring is adequate for determining subrecipient compliance with applicable laws and regulations for the approximately \$60 million of JTPA funds passed through to subrecipients. Management concurred in part with the finding and recommendation and outlined a corrective action plan. Management stated that the compliance features mentioned in bullet 5 are not contained in OMB Circular A-133. See management's response at B-45.

Additional Comments: OMB Circular A-133 requires the pass-through entities to ensure that subrecipients comply with federal laws and regulations. The compliance features mentioned in bullet 5 are contained in Appendix B to OMB Circular A-133, which is considered part of the Circular.

**F-99-USDOL-LABR-5 - Noncompliance With the Unemployment
 Insurance Program Requirements**

17.225 - Unemployment Insurance

Questioned Costs
\$1,823,516

The Department of Labor, Office of Workforce Development (OWD), charged other programs' costs to the Unemployment Insurance (UI) program (CFDA 17.225) and used UI program monies for an unallowed activity. OMB Circular A-87 provides that costs must be reasonable and necessary for the performance and administration of federal awards and must be allocable to the federal awards in accordance with the relative benefits received. In addition, Section 303(a)(8) of the Social Security Act, as amended, provides that administrative grant funds may be used only for the purposes and in the amounts necessary for proper and efficient administration of the UI program.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

Expenditures for goods and services totaling \$1,502,886 were charged 100% to the UI program but should have been charged or allocated to the other OWD programs using the department's federally approved indirect cost rate. In addition, the department used \$320,630 of UI program funds for an advance payment of insurance premiums that benefited many other OWD programs besides the UI program. Thereafter, one-twelfth of the advance amount was allocated to the appropriate programs using the department's federally approved indirect cost rate. This transaction appears to be a loan by the UI program to other OWD programs and does not comply with UI program requirements.

The costs and activity charged to the UI program occurred because management did not place sufficient emphasis on establishing controls over expenditures to ensure that a manager of the project/program had reviewed and approved the expenditure. Consequently, the UI program paid for goods and/or services that directly or indirectly benefited other OWD programs and resulted in \$1,823,516 of questioned costs.

The Louisiana Department of Labor should ensure that all expenditures comply with federal program requirements and are reviewed and approved by UI project/program managers. In addition, management should review all expenditures previously charged to the UI program for allowability and any questioned costs should be resolved with the U.S. Department of Labor. Management technically concurred with the finding and recommendation; however, management offered an explanation for all but \$72,942 of the questioned costs. See management's response at B-55.

Additional Comments: The auditor does not concur with management's explanation; however, these questioned costs must be resolved with the U.S. Department of Labor.

**F-99-USDOL-LABR-6 - Unemployment Insurance Tax and
 Wage Reports Not Reconciled**

	<u>Questioned Costs</u>
17.225 - Unemployment Insurance	\$0

The Louisiana Department of Labor did not have procedures in place to ensure that Unemployment Insurance (UI) (CFDA 17.225) tax contribution reports and wage record reports submitted by employers, as well as the information in the department's UI databases, were accurate and complete. The department collects over \$170 million in employer tax contributions annually. Good internal control requires that the department develop, implement, and document procedures to (1) reconcile employer tax contribution reports to wage record reports; (2) reconcile these reports to information contained in the department's UI databases; and (3) identify and resolve problems regarding missing, incomplete, and inaccurate tax and wage information.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

Weaknesses existed for 60 UI tax contribution reports tested as follows:

- Thirteen (22%) UI tax contribution reports totaling \$121,299 had not been reconciled to related wage record reports totaling \$8 million or to the department's UI databases.
- The wage record reports totaling approximately \$24 million could not be located for 11 (18%) UI tax contribution reports totaling \$47,868. The department did not have procedures in place to identify and locate these missing reports and update its UI databases.

These conditions existed because management lacks procedures for reconciling and correcting discrepancies between UI tax contribution reports, wage record reports, and UI databases. Failure to reconcile these reports and databases results in increased risks that UI taxes remitted by employers may be incorrect.

The Louisiana Department of Labor should develop, implement, and document procedures to ensure that UI tax contribution reports and wage record reports submitted by employers, as well as the department's UI databases, are accurate and complete. Management concurred with the finding and recommendations and outlined a plan of corrective action (B-56).

U.S. DEPARTMENT OF TRANSPORTATION

TRANSPORTATION AND DEVELOPMENT, DEPARTMENT OF

**F-99-DOT-DOTD-1 - Failure to Monitor Preliminary
Engineering Projects**

20.205 - Highway Planning and Construction

Questioned Costs
\$1,696,940

For the second consecutive year, the Department of Transportation and Development (DOTD) did not advance projects from the preliminary engineering phase to either the construction phase or the acquisition of right-of-way phase within 10 years, as required by the Code of Federal Regulations. While DOTD has a system to track the progress of projects, it has not kept the system current for projects in the preliminary engineering phase resulting in a failure to monitor and advance these projects. Projects that do not advance to another phase within the 10-year time frame must be withdrawn from available federal funding and any federally funded expenditures on those projects must be refunded to the Federal Highway Administration (FHWA). FHWA can approve an extension of the 10-year limitation if the delay has been caused by events beyond DOTD's control, such as court action or environmental considerations.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

Of the nine projects tested, DOTD stated that it plans to request an extension on eight that are scheduled to be let-for-contract in the future and plans to refund \$659,730 on the other project. Federally funded expenditures of \$1,037,210 for these eight projects may have to be refunded if the projects are not approved for extension by FHWA.

DOTD should keep its tracking system current in order to monitor the progress of preliminary engineering projects and should advance projects from the preliminary engineering phase to the construction or right-of-way phase within 10 years as required. Management concurred with the finding and recommendation and outlined a corrective action plan (B-149).

F-99-DOT-DOTD-2 - Untimely Closing of Projects**Questioned Costs****20.205 - Highway Planning and Construction****\$0**

For the second consecutive year, DOTD did not close completed projects timely and did not file final vouchers timely with the Federal Highway Administration (FHWA) as required by departmental procedures and federal law. The DOTD *Construction Contract Administration Manual* contained procedures for closing projects within 90 days of final acceptance of the completed project. On June 9, 1999, this DOTD policy was changed so that all construction and associated (engineering, utilities, and right-of-way) projects should be closed within six months from the final acceptance date by default. Final acceptance is defined as when a project is ready and available for public use. The Code of Federal Regulations (23 CFR 140.107) requires that a final voucher on each project be submitted within one year to FHWA following project completion. At June 30, 1999, DOTD has 643 completed projects with approximately \$47 million in allocated funds remaining that had not been closed within 90 days or within six months as the new policy requires. Many of these projects (330) were FHWA projects for which DOTD had not submitted final vouchers to FHWA.

Project engineers did not submit adequate information to the Project Control section to close 269 of the 643 completed projects. However, the Project Control section had the necessary information on the remaining 374 completed projects but still did not properly close the projects. The \$47,000,000 in allocated funds cannot be reallocated without closing the completed projects.

DOTD should adhere to the amended procedures contained in the *Construction Contract Administration Manual* for closing completed projects and reallocating unexpended funds timely. DOTD should also comply with the Code of Federal Regulations by submitting the final voucher to FHWA within one year of final acceptance of the project. Management concurred with the finding and outlined a plan of corrective action (B-151).

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 Federal Award Findings and Questioned Costs (Continued)

GENERAL SERVICES ADMINISTRATION

BATON ROUGE COMMUNITY COLLEGE

**F-99-GSA-BRCC-1 - Noncompliance With Movable
 Property Regulations**

	<u>Questioned Costs</u>
39.003 - Donation of Federal Surplus Personal Property	\$0

The Baton Rouge Community College (BRCC) did not maintain adequate internal controls over movable property as prescribed by state and federal regulations. Louisiana Administrative Code (LAC) 34:VII.307(A) requires that all movable property be tagged and all pertinent inventory information be entered into the state's movable property master listing within 45 days of receipt of the movable property. In addition, the Common Rule for Administrative Requirements for Grants, Subpart C, Section 32 (d)(1) requires property records to be maintained for property purchased under federal programs. Furthermore, LAC 34:VII.307(E) requires that property records be maintained for qualified property acquired from federal surplus. At June 30, 1999, BRCC reported movable property acquisitions of \$1,577,373.

A test of 1,001 movable property items acquired during the year totaling \$1,152,786 disclosed the following instances of noncompliance:

- Eight hundred eleven acquisitions totaling \$995,854 (86%) were not reported to the Louisiana Property Control Agency (LPAA) within 45 days of receipt.
- Seventeen acquisitions totaling \$23,920 (2%) were reported to LPAA with either an incorrect acquisition cost or acquisition date.
- None of the five items purchased under the Donation of Federal Surplus Personal Property Program (CFDA 39.003) totaling \$2,200 have been reported to LPAA as of November 19, 1999.

Management did not place sufficient emphasis on controls over movable property and did not have sufficient personnel to tag and enter all items timely into the state property control listing. Failure to comply with state and federal property regulations increases the risk that movable property items could be lost or stolen.

Management of BRCC should provide the necessary resources to ensure that all movable property items are tagged and included in the state property records timely and correctly. Management concurred with the finding and recommendation and implemented a plan of corrective action (B-10).

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 Federal Award Findings and Questioned Costs (Continued)

EXECUTIVE, DEPARTMENT OF

F-99-GSA-EXEC-2 - Inadequate Subrecipient Monitoring

39.003 - Donation of Federal Surplus Personal Property

Questioned Costs
\$0

For the second consecutive year, the Louisiana Federal Property Assistance Agency (LFPAA) did not have an adequate monitoring system to ensure that subrecipients receiving federal funds complied with applicable federal regulations and agency policy. The receipt of surplus property under the Donation of Federal Surplus Personal Property Program (CFDA 39.003) is considered a federal award under federal regulations. OMB Circular A-133 requires that the LFPAA, as a pass-through entity, ensures that subrecipients expending \$300,000 or more in federal awards during the subrecipient's fiscal year receive a single audit or program specific audit for that year. Furthermore, agency procedures require the compliance officer to monitor the receipt of audit reports from subrecipients needing audits.

Audit tests of 20 subrecipients that received federal surplus property during fiscal year 1999 disclosed that no audit reports were on file for these subrecipients. Also, there was no evidence that the LFPAA asked the subrecipients for their prior year expenditures of federal funds from all sources to determine whether or not an audit was required.

Management has not implemented a system to ensure that required audits are performed. Failure to ensure that federal subrecipients are audited subjects the agency to noncompliance with federal regulations and agency policy.

LFPAA should provide for an adequate monitoring system to ensure that subrecipients spending \$300,000 or more in federal funds are audited in accordance with federal regulations and departmental policy. Management did not concur with the finding and recommendation because it does not believe LFPAA is required to monitor and maintain a file of audited financial reports for agencies that receive federal funding in excess of \$300,000 from all federal agencies. See management's response at B-31.

Additional Comments: OMB Circular A-133 requires that the LFPAA, as a pass-through entity, ensures that subrecipients expending \$300,000 or more in federal awards during the subrecipient's fiscal year receive a single audit or program specific audit for that year. Furthermore, agency procedures require the compliance officer to monitor the receipt of audit reports from subrecipients needing audits.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

U.S. DEPARTMENT OF EDUCATION

BATON ROUGE COMMUNITY COLLEGE

**F-99-ED-BRCC-2 - Inadequate Administration of the
 Rehabilitation Services - Vocational
 Rehabilitation Grants to States Program**

**84.126 - Rehabilitation Services - Vocational Rehabilitation
 Grants to States**

Questioned Costs

\$64,647

The Baton Rouge Community College (BRCC) did not comply with certain laws, regulations, and contract provisions that regulate the Rehabilitation Services - Vocational Rehabilitation Grants to States program (CFDA 84.126). BRCC obtained this grant from the Louisiana Department of Social Services (DSS) to establish an Office of Special Programs and to provide services to students with disabilities. For fiscal year 1999, BRCC charged \$173,827 to this grant.

Our audit of program records disclosed the following instances of noncompliance:

Eligibility

The college's Office of Special Programs (OSP) did not maintain adequate documentation to determine participants' eligibility. The Code of Federal Regulations [34 CFR 361.42(d)] requires adequate documentation of the participant's disability. Accordingly, OSP's policies and procedures contained in *Guidelines for Documentation of a Disability* and *Policies, Procedures, and Resources for Students with Disabilities* require a certified physician or other appropriate professional to verify the participant's disability. A test of ten participant files maintained by OSP for fiscal year 1999 revealed that three files (30%) did not contain adequate documentation of the students' disability.

Failure to maintain adequate documentation of all program participants' eligibility may result in persons that are not disabled receiving accommodations or services for which they are not entitled.

Allowable Costs

BRCC did not have adequate procedures to ensure that all expenditures charged to the grant were allowable under the terms of the grant and federal cost principles. A review of 100% of payroll and related benefits costs totaling \$50,959 charged to the program for the fiscal year 1999 disclosed that the expenditures were not properly documented. OMB Circular A-21, Section J.8.c.1.e. requires that salaries and related benefits charged to the grant reflect actual time spent on grant activities. BRCC allocated 75% and 80%

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Federal Award Findings and Questioned Costs (Continued)

of salary and related benefits for the program director and assistant director, respectively, to the grant. However, the director and assistant director did not maintain time sheets to document actual time spent on grant activities.

Failure to maintain documentation that payroll and related benefits expenditures charged to the grant were for time actually spent on grant activities increases the risk that grant funds may be spent for activities not allowed by the grant.

Procurement

OSP did not have adequate procedures to ensure that all expenditures charged to the grant were in accordance with federal regulations. The Common Rule for Uniform Administrative Requirements, Subpart C, Section 20 requires that accounting records be supported by source documentation such as contract documents and that effective internal control be maintained over grant expenditures. Our test of 33 program expenditures totaling \$95,973 comprising 55% of costs charged to the grant for the fiscal year 1999 identified the following instances of noncompliance:

- BRCC paid a contractor \$1,200 to obtain communication facilitators for the summer 1999 term without a signed contract or invoice requesting payment.
- BRCC paid \$12,488 in excess of the contract amount on a \$5,000 contract to provide closed captioning services.

Failure to obtain written contracts and to review contract payments to ensure that contract limits are not exceeded could result in costs to the grant for services not received or in excessive costs charged to the grant.

Financial Reports

OSP did not submit all required financial reports timely. The grant agreement required a program narrative report and a financial status report to be submitted to DSS within 15 days of the end of each quarter during the grant period. In addition, a final narrative report and expenditures report were required within 30 days after the end of the grant. The college submitted only two of the four quarterly narrative and financial status reports, and the second quarter reports, which were due February 15, 1999, were not submitted until March 9, 1999. The final narrative report due August 31, 1999, was not submitted until September 15, 1999, and the final expenditure report, also due August 31, 1999, has not been submitted as of January 11, 2000. Failure to submit required reports timely to grantor agencies may result in the loss of future grants.

These deficiencies occurred because management of BRCC did not exercise sufficient oversight over federal grants to ensure compliance with federal regulations. As a result of these

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 Federal Award Findings and Questioned Costs (Continued)

instances of noncompliance, BRCC has incurred questioned costs of \$64,647. The college may be required to return these funds to the federal government.

Management of BRCC should maintain adequate documentation to support the eligibility of program participants and to support salaries and related benefits charged to the grant. In addition, management should ensure that all program expenditures comply with federal regulations and that program and financial reports are submitted timely. Management concurred with the finding and recommendation (B-5).

**F-99-ED-BRCC-3 - Inadequate Administration of the
 Vocational Education - Basic Grants
 to States Program**

	<u>Questioned Costs</u>
84.048 - Vocational Education - Basic Grants to States	\$19,861

BRCC did not comply with certain laws, regulations, and contract provisions that regulate the Vocational Education - Basic Grants to States program (CFDA 84.048). BRCC obtained this grant from the state Department of Education (SDE) for a Literacy/Work Skills Project to provide training and job related assistance to single parents, displaced homemakers, and single pregnant women. For fiscal year 1999, BRCC charged \$19,861 to this grant.

Our audit of program records disclosed the following instances of noncompliance:

Eligibility

BRCC did not maintain adequate documentation to support the eligibility of participants. The grant proposal and the Louisiana Eligibility Guidelines established by the SDE require that eligibility be based on financial need, marital status, and parental status. Our tests of all 35 program participant files for fiscal year 1999 disclosed the following:

- Twenty-seven participant files (77%) did not contain documentation of the participant's financial need.
- Thirty-four participant files (97%) did not contain documentation of the participant's marital status.
- Twenty-one participant files (60%) did not contain documentation of the participant's parental status.

Failure to maintain adequate documentation of participant's eligibility may result in persons receiving training who are not single parents, displaced homemakers, or single pregnant women.

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Federal Award Findings and Questioned Costs (Continued)

Allowable Costs

BRCC did not have adequate procedures to ensure that all expenditures charged to the grant were allowable under the terms of the grant and federal cost principles. Our tests of 29 program expenditures comprising 99% of the costs charged to the grant for fiscal year 1999 identified the following instances of noncompliance:

- Compensation and related benefits for incidental work performed by the program director and two instructors totaling \$8,148 were charged to the program and were not supported by time and attendance records. OMB Circular A-21, Section J.8 provides criteria for compensation for personal services, including the requirement that incidental work (that in excess of normal for the individual) should be documented in the financial management system of the institution.
- Costs were charged to the program for amounts that do not appear reasonable or allowable by federal cost principles. Amounts charged to federal grants that are not allowed by federal cost principles increases the risk that the program objectives will not be met and that fraud or abuse may occur. The following costs charged to the grant do not appear to be reasonable or allowable by federal cost principles:
 1. T-shirts and caps costing \$485 were purchased from the college bookstore for program participants. These costs do not appear reasonable under federal cost principles.
 2. Catering charges totaling \$520 were paid for a brunch held as part of the program's job fair. OMB Circular A-21, Section J.15 states that costs of meals are not allowable.
- BRCC charged \$383 to the grant for costs that were not incurred or liquidated in accordance with federal cost principles, which require that all obligations must be liquidated not later than 90 days after the end of the funding period (September 30, 1999). This transaction, a purchase of instructional materials, was obligated before June 30, 1999, but was not liquidated until November 1, 1999. Failure to comply with federal cost principles results in amounts being charged to the grant that were not allowable during the grant funding period.

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 Federal Award Findings and Questioned Costs (Continued)

Financial Reports

BRCC did not submit a final project completion report within 90 days of the end of the grant award period. SDE guidelines require a final project completion report to be submitted to the SDE within 90 days of the end of the grant award period. The grant award was for the period between July 1, 1998, and June 30, 1999. As of December 9, 1999, a final project completion report had not been submitted to the SDE. Failure to submit project completion reports timely to grantor agencies may result in loss of future grants.

These deficiencies occurred because management of BRCC did not exercise sufficient oversight over federal grants to ensure compliance with federal and state regulations. As a result of these instances of noncompliance and deficiencies in controls over eligibility and reporting for this program, we question \$19,861 of federally funded expenditures.

Management of BRCC should establish policies and procedures to (1) document the eligibility of program participants; (2) ensure that only costs allowable under grant requirements and federal cost principles are charged to the grant; and (3) submit program and financial reports timely. Management concurred with the finding and recommendation (B-6).

DELGADO COMMUNITY COLLEGE

F-99-ED-DELG-1 - Theft of Student Loan Checks

Questioned Costs

Student Financial Assistance Cluster:

84.032 - Federal Family Education Loans

\$41,000

During the fiscal year ended June 30, 1999, Federal Family Education Loan Program (CFDA 84.032) checks, totaling \$41,000, were fraudulently cashed and another \$19,000 in checks were missing. The fraudulent checks were discovered when a student at Delgado Community College complained that she did not receive her loan check, and an internal review by the college's employees determined that someone other than the intended recipient had negotiated the check. The college stopped payment on the \$19,000 in missing checks.

A good system of internal control requires that when the college receives student loan checks in the mail, the checks received should be compared to the check register in order to account for all checks. In some of the check mailings, the college did not receive a check register with the student loan checks; therefore, the college was unable to compare the checks received to the check register. The theft is currently being investigated by investigators from the U.S. Department of Education with assistance from the Federal Bureau of Investigation, state and local police, and the United States Postal Inspectors. Because of the complex nature of the check-cashing scheme, it has not been determined who is responsible for the theft and whether anyone associated with the college is involved.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

Delgado Community College should compare the receipt of student loan checks to the check register to ensure that all checks mailed were in fact received. If a check register is not received with the student loan checks, the college should immediately contact the entity that sent the checks to obtain a copy of the check register. Management of the college concurred with the finding and recommendation (B-11).

EDUCATION, DEPARTMENT OF

**F-99-ED-EDUC-4 - Inadequate Controls for
 Federal Cash Management**

	<u>Questioned Costs</u>
84.010 - Title 1 Grants to Local Educational Agencies	\$0
84.011 - Migrant Education - Basic State Grant Program	
84.048 - Vocational Education - Basic Grants to States	
84.213 - Even Start - State Educational Agencies	
84.276 - Goals 2000 - State and Local Education Systemic Improvement Grants	
84.282 - Charter Schools	
84.298 - Innovative Education Program Strategies	
<u>Special Education Cluster:</u>	
84.027 - Special Education - Grants to States	

For the third consecutive year, the state Department of Education (SDE) did not have adequate control procedures in place to ensure that the department and its subgrantees complied with federal cash management requirements. The Code of Federal Regulations (34 CFR 80.20-21) requires grantees and subgrantees of U.S. Department of Education grants to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement whenever advance payment procedures are used. The SDE is also required to monitor cash draws of its subgrantees for compliance with cash management requirements and to ensure reports on subgrantees' cash balances and disbursements are received in sufficient time to ensure complete and accurate draw downs. Finally, the SDE and its subgrantees are required to remit to the grantor agency, at least quarterly, interest earned on advances in excess of \$100.

Because the SDE does not have controls that conform to cash management regulations, subgrantees received payments in excess of their immediate cash needs as evidenced by refunds received by the SDE. For the year ended June 30, 1999, the SDE received 16 refunds of excess cash totaling \$95,387 from the following federal programs:

- Title 1 Grants to Local Educational Agencies (CFDA 84.010), \$34,461
- Migrant Education - Basic State Grant Program (CFDA 84.011), \$22,869
- Special Education - Grants to States (CFDA 84.027), \$4,440

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Federal Award Findings and Questioned Costs (Continued)

- Vocational Education - Basic Grants to States (CFDA 84.048), \$9,146
- Even Start - State Educational Agencies (CFDA 84.213), \$9,313
- Goals 2000 - State and Local Education Systemic Improvement Grants (CFDA 84.276), \$1,870
- Charter Schools (CFDA 84.282), \$10,386
- Innovative Education Program Strategies (CFDA 84.298), \$2,902

During fiscal year 1999, the SDE implemented a new reimbursement claim form that included information on the monthly cash balance. However, the SDE did not require subgrantees to begin using this form until April 1, 1999. In addition, a review of 165 of these reimbursement claim forms processed during the year-end close disclosed that 129 (78%) of these forms were completed incorrectly and/or were left blank for the amount of the monthly cash balance, which were subsequently completed by SDE employees after corresponding with the districts.

Without adequate cash management procedures, the SDE cannot ensure that payments to subgrantees are limited to their immediate cash needs and that information on cash draws submitted to the federal grantor agency is both accurate and complete. Furthermore, the SDE cannot determine if subgrantees earned interest on advances and then remitted that interest to the federal grantor agency as required by federal regulations.

The SDE should establish and implement procedures to ensure that subgrantees limit draws to immediate cash needs, complete reimbursement claim forms accurately, remit any excess cash balances monthly or adjust monthly draws accordingly, and remit at least quarterly to the grantor agency any interest earned on cash advances. Also, existing accumulated interest balances at subgrantees should be remitted immediately to the grantor agency. Management did not concur with the finding. The Deputy Superintendent of the Office of Management and Finance described a plan of corrective action implemented April 1, 1999, and asserts that the procedures implemented address the points in the finding. See management's response at B-16.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

**F-99-ED-EDUC-5 - Inadequate Controls for Improving
 America's Schools Act Programs**

	<u>Questioned Costs</u>
84.010 - Title 1 Grants to Local Educational Agencies	\$464,349
84.186 - Safe and Drug-Free Schools and Communities - State Grants	5,073
84.281 - Eisenhower Professional Development State Grants	<u>4,899</u>
	<u>\$474,321</u>

The SDE did not have adequate controls to ensure that the subgrantees' applications and reimbursements for Improving America's Schools Act (IASA) programs complied with federal regulations. The SDE disburses funds for these IASA programs to local educational agencies (LEAs) to help improve the teaching and learning of children who are failing or who are most at-risk of failing to meet the state's academic standards. Tests of federal compliance for these programs disclosed the following:

- The LEA must maintain not less than 90% of the combined fiscal effort per student of the previous year. However, a review of the program applications and reimbursements for the 66 LEAs disclosed the following instances of noncompliance:
 1. No evidence was found that the SDE had assigned personnel to monitor LEA applications for compliance with the 90% rule.
 2. The SDE reimbursed \$259,131 in total to Caldwell Parish School Board and Madison Parish School Board, in violation of the 90% rule.
 3. No evidence was found that the SDE took action on LEA applications when fiscal data on the applications appeared incorrect. The 1999 applications for six LEAs reported their actual 1998 fiscal effort in the same amount as the estimated 1998 fiscal effort in error, and this should have been researched and corrected by the SDE.
- The IASA provides that not more than 15% of the funds allocated to an LEA for any fiscal year may remain available for obligation by such agency for one additional year. However, the SDE may, once every three years, waive the percentage limitation if it determines that the request of an LEA is reasonable and necessary. In addition, the SDE's own policies state that a subgrantee has no authority to obligate funds past the grant period without an approved carryover. Subgrantees must submit carryover budgets for a grant period ending September 30, before October 31. A review of documentation for the carryover of fiscal year 1998 funds allocated to the 66 LEAs disclosed that the SDE reimbursed Ascension Parish School Board \$215,190 in excess of the authorized

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 Federal Award Findings and Questioned Costs (Continued)

15% carryover limit. In addition, the SDE did not grant a waiver for the carryover of the excess funds.

Management neither implemented the necessary controls nor adequately trained its employees as to the regulations applicable to these federal programs. As a result, \$474,321 of federal funds was expended in noncompliance with these regulations. These reimbursements are questioned costs [Title 1 Grants to Local Educational Agencies (CFDA 84.010), \$464,349; Safe and Drug-Free Schools and Communities - State Grants (CFDA 84.186), \$5,073; and Eisenhower Professional Development State Grants (CFDA 84.281), \$4,899].

The SDE should develop controls to ensure that IASA subgrantee applications and reimbursements comply with federal regulations and should provide the proper training to SDE personnel over those programs. In addition, the SDE should consult with the U.S. Department of Education regarding the resolution of the questioned costs. Management did not concur with the finding. The Deputy Superintendent of the Office of Management and Finance stated that the SDE collected data for determining compliance with the 90% rule in a separate mailing and that, based on that data, the two schools were in compliance. In addition, the SDE contends that fiscal effort data on the applications are always estimates. Finally, management contends that payments to the Ascension Parish School Board were not carryover obligations. See management's response at B-17.

Additional Comments: In our test work, we obtained the district responses for the separate request letters sent by the SDE and found that Madison was still not compliant with the 90% requirement and that Caldwell had reported the same figure as the previous fiscal year. Because this appeared to be an error, we used the figure from the fiscal year 1998 application that was reported as an actual per pupil expenditure and not an estimate. Based on the figure in the application, Caldwell was not in compliance with the 90% rule. The payments to the Ascension Parish School Board were made after the fiscal year of the allocation and, therefore, are subject to the 15% carryover limitation.

F-99-ED-EDUC-6 - Inadequate Controls Over Vocational Education Program

	<u>Questioned Costs</u>
84.048 - Vocational Education - Basic Grants to States	\$0

The SDE did not establish adequate controls to ensure compliance with federal law as it relates to the Vocational Education - Basic Grants to States (CFDA 84.048) program. Tests of federal compliance disclosed the following:

- The individual amounts allocated to all 66 subrecipients of secondary vocational education funds were incorrect. The errors ranged from an under allocation of \$24,504 to an over allocation of \$14,890 to individual subrecipients, but the errors did not affect the total program award of \$8,837,617. The Code of Federal

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 Federal Award Findings and Questioned Costs (Continued)

Regulations [34 CFR 403.112(b)] outlines the formula for distribution of these funds.

- The department did not require subrecipients to return to the department any amounts not obligated from the 1997 and 1998 awards. Federal regulations (34 CFR 403.116) requires a subrecipient to return to the department any amounts not obligated during a fiscal or program year so that the funds could be reallocated.
- A test of 12 subrecipient application plans outlining the uses of vocational education funding disclosed that one plan did not address how the needs of individuals who are members of special populations will be assessed and how funds will be used to address those needs, as required by 34 CFR 403.111(b) and 34 CFR 403.190(a).
- A review of the annual financial status reports (Forms A and B) submitted by the SDE showed that the accountant did not follow the instructions for preparing the report. The accountant appropriately combined secondary and postsecondary educational expenditures on Form B but reported them all as postsecondary expenditures instead of secondary expenditures. Furthermore, the accountant did not explain on Form A that these expenditures had been combined. Instructions for the annual financial status report require that when secondary and postsecondary educational expenditures are combined, they must be shown as secondary expenditures on Form B and an explanation provided on Form A.

Since management has not implemented the necessary controls and adequately trained its employees, the department has not complied with federal regulations.

Effective July 1, 1999, the Louisiana Community and Technical College System (LCTCS) has been designated as the recipient for this program. The SDE should communicate to the LCTCS the deficiencies mentioned previously. The LCTCS should establish adequate controls to ensure compliance with federal regulations over the Vocational Education - Basic Grants to States (CFDA 84.048) program. In addition, the LCTCS should consider the deficiencies mentioned previously when making future allocations. Management concurred with the finding and outlined a plan of corrective action (B-23).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

**F-99-ED-EDUC-7 - Unallowable Costs in Special
 Education Program**

Questioned Costs

Special Education Cluster:

84.027 - Special Education - Grants to States

\$136,233

For the third consecutive year, the SDE did not have adequate procedures to ensure that the department complied with the terms of its Louisiana Special Education State Plan funded by the Special Education - Grants to States (CFDA 84.027) program. The Code of Federal Regulations (34 CFR 80.11) requires the SDE to submit a state plan before receiving this grant and that the SDE amend the plan whenever necessary to reflect a material change.

The U.S. Department of Education approved the Louisiana Special Education State Plan for the fiscal years 1994-1996. This plan was subsequently extended through fiscal year 1999 without any amendments. However, it was noted that program costs included support service charges for all or part of six employee positions not included in the original plan. During the year, management requested clarification concerning the prior year audit finding. However, the U.S. Department of Education did not respond to this request and, subsequently, management did not amend the state plan. Therefore, the costs associated with these unapproved employees totaling \$136,233 for the year ended June 30, 1999, are questioned.

The SDE should develop and implement procedures to ensure the Special Education - Grants to States program is charged for only positions authorized in the Louisiana Special Education State Plan and that timely amendments are made to the state plan as required by law. In addition, the department should confer with the U.S. Department of Education regarding the resolution of the questioned costs. Management did not concur with the finding. The Deputy Superintendent of the Office of Management and Finance stated that the SDE does not believe the six positions noted previously constitute a material change to the state plan that requires approval. Also, amendments to federal law no longer require a state plan to be submitted. See management's response at B-28.

Additional Comments: OMB Circular A-133 requires all questioned costs in excess of \$10,000 to be reported by the auditor. In addition, the amendment to federal law referenced above was not in effect until after the audit period.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

**LOUISIANA STATE UNIVERSITY HEALTH
 SCIENCES CENTER (NEW ORLEANS)**

**F-99-ED-LSUHSCNO-1 - Fraudulent Student Worker
 Time Sheets**

Questioned Costs

Student Financial Assistance Cluster:
84.033 - Federal Work-Study Program

\$3,042

In a report dated May 26, 1999, the Internal Audit Department of the LSU Health Sciences Center reported that a student worker was paid \$4,056 in wages for time not worked. The student fraudulently signed the supervisor's signature to the time sheets and submitted them to the center. Seventy-five percent of the wages paid to the student (\$3,042) were charged to and reimbursed from the Federal Work-Study Program (CFDA 84.033) resulting in unallowable costs.

The internal audit report identified 19 time sheets submitted by a student worker for 713 hours between July 27, 1998, and May 14, 1999, with fraudulent approval signatures. As a result, the student was paid for time not worked, and ineligible charges to the Federal Work-Study Program were reimbursed by the U.S. Department of Education. The Health Sciences Center subsequently received restitution from the employee and refunded the U.S. Department of Education. The fraudulent transactions were not prevented because the center's Office of Financial Aid does not verify the accuracy of time sheets submitted by the student workers, and the appropriate supervisors are not notified of the hours for which their employees are paid.

The LSU Health Sciences Center should establish procedures that would allow for the verification of student worker time sheets and the monitoring of wage payments by supervisors. Management of the LSU Health Sciences Center concurred with the finding and recommendation and outlined a plan of corrective action (B-62).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

LOUISIANA TECHNICAL COLLEGE, SULLIVAN CAMPUS

**F-99-ED-LTCSULL-1 - Improper Administration of the
 Ability-to-Benefit Test**

Questioned Costs

Student Financial Assistance Cluster:
84.063 - Federal Pell Grant Program

\$5,000

The Louisiana Technical College, Sullivan Campus did not properly administer the Federal Pell Grant Program's (CFDA 84.063) Ability-to-Benefit Test as required by federal regulations. Title 34 CFR, Subpart J, Section 668.151 and the *Student Financial Aid Handbook*, Chapter 2, Section 1 state that a Student Financial Assistance (SFA) applicant without a high school diploma or its recognized equivalent can be eligible for SFA funds if he or she passes an independently administered test used for determining the student's ability to benefit from postsecondary education. Federal regulations further require that the test administrator be certified by the test publisher, the test not be given by a current or former employee, and the test be submitted to the test publisher for scoring. In addition, Title 34 CFR, Section 668.154 states that an institution shall be liable for the Title IV, HEA program funds disbursed to a student whose eligibility is determined from the Ability-to-Benefit Test, if the institution used a test administrator who was not independent of the institution at the time the test was given.

In a test of controls of the Federal Pell Grant Program, we determined that the technical college selected a test administrator who was not certified by the test publisher, who is a former employee (employed from September 23, 1991 - August 2, 1995), and who scored the test himself. The test administrator administered the Ability-to-Benefit Test on October 7, 1998, to 15 students, two of whom (13.3%) received a total of \$5,000 in Federal Pell Grant awards.

Failure to comply with the federal regulations could result in the disbursement of federal funds to an ineligible student and could result in the repayment and/or loss of future Federal Pell Grant funds.

The Louisiana Technical College, Sullivan Campus should comply with federal regulations by selecting an independent test administrator certified by the test publisher and should submit the tests to the test publisher for scoring. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-67).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

NORTHWESTERN STATE UNIVERSITY

F-99-ED-NSU-1 - Overaward of Title IV Aid

Questioned Costs

Student Financial Assistance Cluster:

84.032 - Federal Family Education Loans

\$10,223

For the second consecutive audit, Northwestern State University disbursed Title IV funds to various students when those funds together with other financial resources exceeded the cost of attendance or financial need for each student. The Code of Federal Regulations [34 CFR 682.604 (h)] discusses criteria for the delivery of Federal Family Education Loans under Title IV. This section of the CFR states that if, before delivery of the loan, the university learns that the borrower will receive or has received financial aid for the period of enrollment for which the loan was made that exceeds the amount of assistance for which the student is eligible, the university must return the appropriate amount of the undelivered loan to the lender to eliminate the overaward.

Students are often awarded more than one type of financial assistance, but the actual funds for each type of assistance are rarely available at the same time for disbursement to the student. When other types of financial assistance are awarded to a student, the Title IV award should be reduced to prevent the student from receiving Title IV funds in excess of the student's need. The Title IV funds that are not delivered to the student should be returned to the lender. However, the financial aid director believes that an overaward does not occur unless Title IV funds in excess of the student's needs are disbursed to the student after the student has received other assistance. This belief creates an overpayment of Title IV funds, which could be prevented if the other types of assistance were considered before delivery of the Title IV funds to the student.

Audit procedures conducted for 19 students indicated that six, or 32%, of the students were awarded \$10,223 of Federal Family Education Loans (CFDA 84.032, FFEL) funds in excess of their financial need. This amount represents questioned costs, which the grantor agency could request the university to repay.

Northwestern State University should establish and implement the controls necessary to ensure that all awards of financial aid for a particular student are considered and any necessary adjustments are made to the Title IV award before disbursement of the funds to the student. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-83).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

**F-99-ED-NSU-2 - University Failed to Calculate Refunds
 and Repayments**

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.032 - Federal Family Education Loans	\$92,299
84.038 - Federal Perkins Loan Program - Federal Capital Contributions	6,720
84.063 - Federal Pell Grant Program	<u>24,513</u>
	<u>\$123,532</u>

Northwestern State University did not have controls in place to identify Title IV students that unofficially withdrew from the university, resulting in questioned costs of \$123,532. Title 34 CFR Part 668.22 states that if a student withdraws, drops out, is expelled, or otherwise fails to complete the program on or after the first day of class and the student received Title IV, an institution shall return a portion of a refund (unearned tuition and fees) owed to a student to the Title IV program. Furthermore, if the university determines that a student received a direct disbursement in excess of the living expenses he could have reasonably incurred while still enrolled, then a portion of the disbursement was not earned and must be repaid by the student to the Title IV program. Title 34 CFR Part 682.607 requires an institution to return to the lender any portion of a refund allocated to the loan program within 60 calendar days from the date the student withdraws or notifies the institution of his or her withdrawal.

The university provided auditors with a report of all Title IV students that received all Fs or incomplete grades and documentation of the last day that each student attended class. The report included 122 students that unofficially withdrew from the university within the refund period, but no refund or repayment had previously been calculated for those students. The calculation of the refunds and repayments disclosed that the following funds should have been returned to the federal government:

- \$92,299 - Federal Family Education Loans (CFDA 84.032)
- \$6,720 - Federal Perkins Loan Program (CFDA 84.038)
- \$24,513 - Federal Pell Grant Program (CFDA 84.063)

The grantor agency could request the university to pay to them these questioned costs identified by the university.

Northwestern State University should establish and implement the controls necessary to identify, in a timely manner, students that unofficially withdraw from the university. The university can then make the applicable calculations to determine if refunds or repayments are due and the appropriate parties can be notified within the prescribed time frame. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-84).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

SOCIAL SERVICES, DEPARTMENT OF

**F-99-ED-DSS-3 - Inadequate Control Over Vocational Rehabilitation
 Grants to States Program**

	<u>Questioned Costs</u>
84.126 - Rehabilitation Services - Vocational Rehabilitation Grants to States	\$0

The Department of Social Services, Division of Rehabilitation Services (LRS), did not maintain adequate internal control nor did it consistently adhere to its established procedures in the administration of the Rehabilitation Services - Vocational Rehabilitation Grants to States (CFDA 84.126) program. OMB Circular A-133, Subpart C, Section 300(b) requires states to establish internal control over federally funded programs that provides reasonable assurance that the state is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs.

Review of Internal Controls

Interviews with LRS management and staff disclosed the following:

1. Management was unable to effectively monitor the program's obligations and expenditures for comparison to the budget. The LRS central office failed to perform oversight monitoring of the regional offices and, therefore, the regional offices did not timely enter obligations into the accounting (BRIS) system. Management's failure to adequately oversee regional office operations and the regional offices' failure to timely enter obligations caused an unexpected fiscal situation that required LRS to seek additional funding and to cut services to clients.
2. Management disclosed that three counselors (one in Monroe and two in Alexandria) served clients to which they were related. This situation could impede an impartial judgment of severity of disability and affect decisions on services that LRS should provide. Management should obtain an opinion from the Board of Ethics to determine whether this practice is a violation of Louisiana law.
3. There is a lack of segregation of duties in certain regional offices. Some rehabilitation counselors have incompatible duties in that they authorize services and have access to the BRIS system to both obligate the funds and process payments to service providers and clients.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

Review of Client Files

- 29 USC 722(a)(5)(A) (Chapter 16 - Vocational Rehabilitation and Other Rehabilitation Services) and LRS Policy and Procedures Manual, Section on "Eligibility and Ineligibility Decisions" require that eligibility be determined within a reasonable time not to exceed 60 days after application by client. An extension beyond the 60-day time frame requires the client's agreement. Two of 20 cases (10%) examined failed to document the extension of the 60-day determination and to obtain the client's consent to such extension. This exception has occurred for the second consecutive year.

These conditions occurred because management did not adequately monitor LRS program operations to ensure that employees followed established policies and procedures. Failure to follow established policies and procedures that have been developed in accordance with laws and regulations could result in unallowable or unauthorized payments and increases the risk of theft or fraud.

We acknowledge that LRS has begun implementation of corrective measures to address the weaknesses noted in this finding. These corrective measures should include detailed, written policies and procedures that allow for the proper and efficient administration of funds in accordance with all authorizing statutes. Management concurred in part with the finding and outlined plans of corrective action. Management maintains that there is proper segregation of duties between rehabilitation counsel or associates and rehabilitation counselors (B-106).

Additional Comments: Audit procedures disclosed that some rehabilitation counselors could authorize services, enter obligations, and process payments. Management should restrict BRIS access for counselors to reduce the risk that errors or fraud could occur and not be detected in a timely manner.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

UNIVERSITY OF NEW ORLEANS

**F-99-ED-UNO-1 - Failure to Perform Due Diligence
 Collection Procedures**

Questioned Costs

Student Financial Assistance Cluster:

**84.038 - Federal Perkins Loan Program -
 Federal Capital Contributions**

\$1,626,066

The University of New Orleans did not perform due diligence collection procedures over all of its defaulted loans for the Perkins Loan Program (CFDA 84.038). The Code of Federal Regulations, 34 CFR Part 674.45, requires a series of intensive collection efforts, including litigation, to recover amounts owed from defaulted borrowers who do not respond satisfactorily to the demands routinely made as part of the institution's billing procedures. The university did not perform these intensive collection efforts for 881 out of 918 (96%) defaulted loans. Total receivables at June 30, 1999, for the 881 defaulted loans were \$1,626,066.

These conditions occurred because management did not allocate sufficient resources to develop and implement due diligence collection procedures in accordance with federal requirements. Management concentrated its collection efforts on those loans that affect the current cohort default rate, which represents the percentage of those current and former students who enter repayment status in the previous award year and who default before the end of the current year. In addition to noncompliance with federal regulations, failure to develop and implement procedures to pursue collection of all defaulted Perkins Loans diminishes the chances of collection and reduces the funds available for additional loans to other students.

Management should develop and implement the necessary procedures and allocate sufficient resources to comply with collection requirements imposed by federal regulations. Management concurred with our finding and recommendation and has outlined a plan of corrective action (B-152).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

SUMMARY OF FINDINGS
FROM OTHER EXTERNAL AUDITORS
FOR THE YEAR ENDED JUNE 30, 1999

SOUTHERN UNIVERSITY AND A&M COLLEGE
(BATON ROUGE)

Independent auditors performed an audit of the Southern University and A&M College (Baton Rouge) federal award programs for the year ended June 30, 1999, and have issued their report thereon dated November 19, 1999. The following findings were presented in their report.

F-99-ED-SUBR-1 - Federal Work-Study Program

Student Financial Assistance Cluster:
84.033 - Federal Work-Study Program

Questioned Costs
Cannot determine

The university is currently conducting an investigation of the receipt of Federal Work-Study funds by ineligible individuals. At the time of the audit, the investigation had not been completed and the auditors were unable to obtain information regarding the methodology used and the extent of Federal Work-Study funds received by ineligible individuals. The auditors were unable to determine the amount of questioned costs.

The auditors indicated that the university has not maintained an adequate system of internal control to ensure compliance with federal regulations. OMB Circular A-133 Compliance Supplement Part 5, Student Financial Assistance Programs, Section III, Part E - Eligibility specifies the eligibility requirements for students to receive Federal Work-Study funds.

The auditors recommended that management of the university complete the investigation and report the related results and proposed corrective action to federal officials and the Legislative Auditor. See management's response at B-124.

F-99-ED-SUBR-2 - Satisfactory Academic Progress

Student Financial Assistance Cluster:
84.063 - Federal Pell Grant Program

Questioned Costs

\$4,500

Two students out of 70 tested were awarded and received financial aid, although the students did not meet the university's standards for achieving satisfactory academic progress, resulting in questioned costs of \$4,500. This is the fourth consecutive year a finding of this nature has been reported.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

Title 34 CFR Section 668.32 stipulates that students participating in Title IV Federal Financial Aid programs must be maintaining satisfactory progress in the course of study he or she is pursuing according to the standards and practices of that institution. OMB Circular A-133 Compliance Supplement, Part 5, Appendix A, Student Financial Assistance - Student Eligibility Compliance Requirement Number 6 stipulates that a student must maintain good standing or satisfactory academic progress.

The auditors recommended that the university adhere to established policies and procedures and monitor the academic standing of all students before awarding student financial aid. See management's response at B-125.

SOUTHERN UNIVERSITY AT NEW ORLEANS

Independent auditors performed an audit of the Southern University at New Orleans federal award programs for the year ended June 30, 1999, and have issued their report thereon dated November 19, 1999. The following findings were presented in their report:

F-99-ED-SUNO-1 - Aid Exceeded Documented Need

Questioned Costs

Student Financial Assistance Cluster:

84.032 - Federal Family Education Loans

\$1,143

One student out of 70 tested received financial aid in excess of the student's documented need. The university did not properly monitor the awarding and disbursing of financial aid to the student, resulting in questioned costs of \$1,143.

OMB Circular A-133 Compliance Supplement, Part 5, Section E (Eligibility) and Title IV regulations specify that the annual award should be calculated based upon certain factors and coordinated among all programs to ensure that the total aid is not awarded in excess of the student's financial need.

The auditors recommended that the university adhere to established procedures and ensure that the total financial aid received by students does not exceed their documented need. See management's response at B-128.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

F-99-ED-SUNO-2 - Student Credit Balances

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	\$0
84.007 - Federal Supplemental Educational Opportunity Grants	
84.032 - Federal Family Education Loans	
84.033 - Federal Work-Study Program	
84.063 - Federal Pell Grant Program	
84.268 - Federal Direct Loan	

Seven out of 40 student credit balances were not refunded within the required 14-day period. Subsequent to the June 30, 1999, audit, the auditors also noted that the university experienced computer problems that delayed the refunding of student credit balances significantly past the required 14-day period.

OMB Circular A-133 Compliance Supplement, Part 5, Student Financial Assistance Programs, Section III, Part N - Special Tests and Provisions stipulates that disbursements to students must be made in accordance with the required time frames. Title 34 CFR 668.164E specifies that whenever a school credits student financial aid (SFA) program funds to a student's account, and those funds exceed the student's allowable charges, an SFA credit balance occurs. The school must pay the credit balance to the student as soon as possible, but no later than 14 days after the later of the date the balance occurred on the student's account or the first day of classes of the payment period.

The auditors recommended that management of the university take immediate steps to ensure SFA student credit balances are properly disbursed in accordance with the required time frame. See management's response at B-129.

F-99-ED-SUNO-3 - Federal Perkins Loan

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	\$0
84.038 - Federal Perkins Loan Program - Federal Capital Contributions	

Approximately \$9,000 in Perkins loan repayments was erroneously deposited into the general operating cash account. In addition, management of the university did not calculate and return any of the collections to either the U.S. Department of Education or the university.

OMB Circular A-133 Compliance Supplement Part 5, Student Financial Assistance Programs, Section III, Compliance Requirements J and N stipulate that the institution must maintain a separate revolving fund for the Federal Perkins Loan Program with such principal and interest repayments being reinvested in the fund. Title 34 CFR Section 668.166 stipulates that collections received by an institution for a discontinued Federal Perkins Loan Program must be

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

returned to the U.S. Department of Education and the institution using a formula prescribed by the U.S. Department of Education.

The auditors recommended that management of the university take immediate steps to transfer the funds to the proper cash account. In addition, the repayments of federal and institutional capital contributions should be performed immediately. See management's response at B-130.

F-99-ED-SUNO-4 - Student Account Histories

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	\$0
84.007 - Federal Supplemental	
Educational Opportunity Grants	
84.032 - Federal Family Education Loans	
84.033 - Federal Work-Study Program	
84.063 - Federal Pell Grant Program	
84.268 - Federal Direct Loan	

Seventy student account histories tested had either inaccurate dates or inaccurate student financial aid amounts. As such, the auditors performed other auditing procedures to support the compliance of the university with the special tests and provisions compliance requirements for disbursements of student financial aid to or on behalf of students.

OMB Circular A-133 Compliance Supplement, Part 5, Student Financial Assistance Programs, Section III, Part N - Special Tests and Provisions - Disbursements to or on Behalf of Students stipulates certain time periods that student financial aid funds must be credited to a student's account.

The auditors recommended that management of the university take immediate steps to correct the noted conditions and to ensure that student financial aid data are properly recorded to the students' accounts in the future. See management's response at B-131.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY

Independent auditors performed an audit of the Southern University at Shreveport-Bossier City federal award programs for the year ended June 30, 1999, and have issued their report thereon dated November 19, 1999. The following findings were presented in their report:

F-99-ED-SUSH-1 - Satisfactory Academic Progress

Questioned Costs

Student Financial Assistance Cluster:

**84.007 - Federal Supplemental Educational
Opportunity Grants**

\$100

84.063 - Federal Pell Grant Program

8,250

\$8,350

Three students out of 60 tested were awarded and received financial aid although the students did not meet the university's standards for achieving satisfactory academic progress.

Title 34 CFR Section 668.32 stipulates that students participating in Title IV Federal Financial Aid programs must be maintaining satisfactory progress in the course of study he or she is pursuing according to the standards and practices of that institution to receive student financial aid. OMB Circular A-133 Compliance Supplement, Part 5, Appendix A, Student Financial Assistance - Student Eligibility Compliance Requirement Number 6 stipulates that a student must maintain good standing or satisfactory progress.

The auditors recommended that the university adhere to established policies and procedures and monitor the academic standing of all students before awarding student financial aid. See management's response at B-141.

F-99-ED-SUSH-2 - Student Credit Balances

Questioned Costs

Student Financial Assistance Cluster:

\$0

**84.007 - Federal Supplemental Educational
Opportunity Grants**

84.032 - Federal Family Education Loans

84.033 - Federal Work-Study Program

84.063 - Federal Pell Grant Program

84.268 - Federal Direct Loan

Fifty-seven out of 60 students tested had student financial assistance credit balances, but the university did not refund the credit balances to the students within the required 14-day period.

OMB Circular A-133 Compliance Supplement, Part 5, Student Financial Assistance Programs, Section III, Part N - Special Tests and Provisions stipulates that disbursements to students must

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

be made in accordance with required time frames. Title 34 CFR 668.164E specifies that whenever a school credits Student Financial Aid program funds to a student's account, and those funds exceed the student's allowable charges, a Student Financial Aid credit balance occurs. The school must pay the credit balance to the student as soon as possible, but no later than 14 days after the later of the date the balance occurred on the student's account or the first day of classes of the payment period.

The auditors recommended that management of the university take immediate steps to ensure that students receive their credit balance refund checks as required by Title IV regulations. See management's response at B-142.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

EDUCATION, DEPARTMENT OF

F-99-HHS-EDUC-8 - Inadequate Collection Procedures

Questioned Costs

Child Care Cluster:

93.575 - Child Care and Development Block Grant

\$0

The state Department of Education (SDE) has not adequately pursued the collection of questioned costs from subrecipients related to a prior year audit finding titled "Inadequate Controls Over the Church-Based Tutorial Network." Prudent business practice dictates that management make every effort to collect, in a timely manner, all monies due to the department. The prior year report noted that the SDE expended \$406,587 of state funds and \$51,788 of federal funds from the Child Care and Development Block Grant (CFDA 93.575) to reimburse program subrecipients for payroll taxes. These payments were made without verifying that the reimbursement claims were supported by actual expenditures.

In response to the prior year finding, management stated that program staff in cooperation with the internal auditors were in the process of recovering payroll taxes paid in error. Subsequently, the SDE wrote letters on March 19, 1999, to request that the 195 subrecipients either provide documentation to support the payroll tax reimbursements or pay back these amounts. These letters gave the subrecipients a deadline of April 30, 1999, to respond. However, the SDE did not follow up for those subrecipients that did not respond during the remainder of the fiscal year. Consequently, for those subrecipients that did not respond, the SDE cannot determine whether the remaining amounts totaling \$153,382 of state funds and \$22,245 of federal funds were spent for allowable costs. Also, the SDE has not sought timely recovery of these funds.

STATE OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

The SDE should immediately follow up on those subrecipients that did not respond to the SDE's March 19, 1999, letter and request them to either provide documentation to support the payroll tax reimbursements or pay back those questioned amounts. Management did not concur with the finding. The Deputy Superintendent of the Office of Management and Finance stated that collection procedures are in place, and the SDE is continuing to pursue collection. See management's response at B-15.

**F-99-HHS-EDUC-9 - Inadequate Controls in
Starting Points Program**

Questioned Costs**Child Care Cluster:****93.575 - Child Care and Development Block Grant****\$0**

The SDE did not establish adequate internal controls to ensure compliance with certain terms of its Child Care and Development Block Grant contract with the Department of Social Services (DSS), Office of Family Support. DSS is the recipient of Child Care and Development Block Grant funds (CFDA 93.575) and contracts with SDE to administer these funds through the Starting Points program. Contract terms direct the SDE to monitor all subrecipient program sites receiving Starting Points funds at least every other year, to expend funds in a manner consistent with the major budget categories in the contract, and to submit final invoices to DSS within 15 days after termination of the contract on June 30, 1999. The SDE did not comply with contract requirements as follows:

- In a test of 29 Starting Points program sites, the SDE had not monitored 11 sites within the last two years.
- While the SDE did not overspend the contract budget in total, they overspent three of eight lines of the contract budget for a total of \$17,262.
- The SDE expended program funds totaling \$1,618,634 after July 15, 1999, the date on which the final invoice was due to DSS.

Management has not placed sufficient emphasis on compliance with the DSS contract terms. Furthermore, program responsibilities were decentralized with no one employee or section charged with overseeing compliance with the contract. As a result, the SDE cannot provide assurance that Child Care and Development Block Grant funds were used efficiently and effectively to promote program goals and noncompliance with the DSS contract exists.

The SDE should develop and implement adequate internal controls to ensure compliance with the terms of the DSS contract. Management partially concurred with the finding. The SDE did not agree with the part of the finding relating to program responsibilities, and further stated that the Division of Student Standards and Assessments handled programmatic responsibilities for the contract, and the Office of Management and Finance was assigned fiscal responsibility. See management's response at B-19.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

Additional Comments: As part of the audit process, we interviewed several employees in the Office of Management and Finance and were unable to determine who was responsible for monitoring the contract.

HEALTH AND HOSPITALS, DEPARTMENT OF

**F-99-HHS-DHH-2 - Failure to Reimburse Federal Share
 of Provider Overpayments**

Questioned Costs

Medicaid Cluster:

93.778 - Medical Assistance Program

\$1,879,560

For the third consecutive audit, the Department of Health and Hospitals (DHH) understated the balance of provider overpayments in the Medical Assistance Program (CFDA 93.778, Medicaid) by \$2,674,008 and failed to return an estimated \$1,879,560 in federal financial participation (FFP) for this overpayment to the Health Care Financing Administration (HCFA). The Code of Federal Regulations (42 CFR 433.300-433.320) requires that in most cases states are to refund the federal share of identified provider overpayments to the federal government within 60 days of the identification of the overpayment, regardless of whether the overpayment was collected from the provider.

Some provider overpayments are identified by the Louisiana Attorney General (AG) who prosecutes Medicaid providers suspected of committing fraud in the program. When the court enters a judgment against a provider, the AG maintains the account and monitors the collection of the outstanding balance. Once the judgment is entered and the balance owed by the provider is determined, DHH is responsible for reporting the balance and returning the FFP. Our audit of identified provider overpayments disclosed one account maintained by the AG that had not been reported by the department, even though the judgment was entered on July 28, 1998. The total of this account balance at June 30, 1999, is \$2,674,008, and the FFP that should have been returned was \$1,879,560.

This condition occurred because DHH management has not ensured that balances reported by the department are accurate and that accounts maintained at DHH are reconciled with the AG accounts and reported accurately. Because DHH did not accurately report provider overpayments, the department has not complied with federal regulations that require a refund to the federal government within 60 days and has incurred questioned costs of \$1,879,560. Furthermore, the state's Cash Management Improvement Act agreement with the federal government requires that the state pay an interest penalty when excess federal funds are kept on hand. Failure to remit the funds to the federal government within 60 days may cause DHH to incur an interest liability to the federal government for up to \$73,000.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

DHH should establish controls to ensure that accounts maintained by the AG are reconciled with reports at DHH and that the federal share of these payments is returned in accordance with federal regulations. Management concurred that the overpayment was not recorded and reported timely. However, management believes that proper reconciliation controls and procedures have been developed as noted in the prior-year corrective action plan. See management's response at B-38.

F-99-HHS-DHH-3 - Medicaid Provider Enrollment Procedures
Not Always Followed

Questioned Costs

Medicaid Cluster:

93.778 - Medical Assistance Program

\$0

For the second consecutive year, DHH has not enrolled providers in the Medical Assistance Program (CFDA 93.778, Medicaid) in accordance with federal and state laws and regulations and departmental policies and procedures. To participate in the Medicaid Program and receive Medicaid payments, providers of medical services must be licensed in accordance with federal, state, and local laws and regulations and certain providers must submit various other forms required by DHH.

DHH's computer database of providers contains approximately 30,000 doctors, laboratories, pharmacies, et cetera. These providers are eligible to provide medical services but may or may not have actually provided any services to Medicaid recipients. Our review of 40 provider files disclosed the following:

1. Thirty-five providers' files did not include a copy of their licenses. DHH verbally confirmed that 12 of the 35 providers were licensed through their respective state licensing boards. The remaining 23 provider files did not contain any documentation that the providers were licensed.
2. One provider was no longer licensed; the license had been expired since 1977. No payments were made to this provider in calendar year 1998.
3. Eleven providers were required to submit an OFS 24 form, which describes laboratory or diagnostic equipment required to perform in-office laboratory or diagnostic services. One provider's file did not include the form.

Unless all required documents are received and the provider eligibility file is current, DHH may make payments on behalf of Medicaid recipients to providers who do not qualify to participate in the program. Failure to ensure that providers meet federal and state requirements may result in overpayments to providers and/or disallowances of charges to the Medicaid Program.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

DHH should review its provider enrollment process and establish formal written guidelines that specify the required levels of documentation for enrollment. In addition, DHH should establish procedures that will identify providers who are no longer licensed and will ensure their timely removal from the active list of Medicaid Program providers. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-39).

LABOR, DEPARTMENT OF

**F-99-HHS-LABR-7 - Inadequate Monitoring Procedures for
 Community Services Block Grant**

93.569 - Community Services Block Grant

Questioned Costs
\$0

The Louisiana Department of Labor did not ensure that questioned and disallowed costs for Community Services Block Grant (CSBG) (CFDA 93.569) subrecipients were adequately reported, tracked, and resolved, as part of its monitoring procedures. The department distributed approximately \$11 million to CSBG subrecipients during the fiscal year. Section 678 of the CSBG Act provides that states must conduct on-site reviews of subrecipients. If the state determines that a subrecipient fails to comply with applicable program requirements and agreements, the state shall inform and require the subrecipients to correct the deficiency.

The monitoring records for eight of the department's 43 CSBG subrecipients were reviewed and disclosed the following:

- Program monitors did not identify and resolve questioned costs in a timely fashion. Final determinations on six transactions questioned by monitors totaling \$25,053 were not made until after the grant funds' period of availability had expired. Of this amount, \$1,547 has not been collected from subrecipients and \$9,068 has not been resolved as of the audit test date. In addition, the proper disposition of repaid disallowed costs totaling \$3,162 was not communicated to the CSBG accountant and, therefore, was not properly returned to the federal grantor.
- Program monitors and their supervisors were not consistent in making decisions and documenting approval to allow or disallow questioned program costs. Questioned costs totaling \$19,707 were allowed and questioned costs totaling \$10,815 were not allowed for similar monitoring exceptions. In addition, monitors did not always require corrective action plans from subrecipients for deficiencies or conduct follow-up reviews to ensure that deficiencies had been corrected.

The department does not have adequate written procedures for reporting, tracking, and resolving questioned and disallowed costs reported by CSBG monitors. In addition, program monitors are not adequately supervised. As a result, there is an increased risk that

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

subrecipients will not comply with laws and regulations applicable to the CSBG program. Failure to identify and collect disallowed CSBG program costs before the period of availability expires may result in the state losing these funds.

The department should ensure that its monitoring findings with questioned and disallowed costs for CSBG (CFDA 93.569) subrecipients are adequately reported, tracked, and resolved, as part of its monitoring procedures. Management concurred in part with the finding and outlined a plan of corrective action (B-53).

SOCIAL SERVICES, DEPARTMENT OF

**F-99-HHS-DSS-4 - Child Support Enforcement Program - Untimely
 Obligation of Non-Custodial Parents**

	<u>Questioned Costs</u>
93.563 - Child Support Enforcement	\$0

The Department of Social Services, Office of Family Support (OFS), did not consistently adhere to its established procedures in the administration of the Child Support Enforcement (CFDA 93.563) program. 45 CFR 303.4 requires the non-federal agency to use appropriate state statutes and legal processes in establishing the support obligation within 90 calendar days of locating the non-custodial parent. The audit of the Child Support Enforcement program disclosed that in three of 30 cases (10%) examined, the service of process necessary to establish a support obligation was not completed within 90 calendar days of locating the non-custodial parent. One case took 446 days to begin the process to establish an obligation, while the other two cases took 282 and 666 days.

These conditions may be attributed to an inadequate monitoring system to detect when necessary actions are required on a case. Failure to follow prescribed regulations may result in children being without the proper support for extended periods of time and increased enrollment in welfare programs.

OFS should immediately require all support enforcement staff to comply with the established regulations by establishing the support obligations or documenting the unsuccessful attempts to comply. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-92).

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

**F-99-HHS-DSS-5 - Inadequate Control and Insufficient Corrective
 Action Regarding Vendor Reimbursements**

	<u>Questioned Costs</u>
93.556 - Family Preservation and Support Services	\$1,493
93.658 - Foster Care - Title IV-E	1,884
93.667 - Social Services Block Grant	<u>226</u>
	<u>\$3,603</u>

The Department of Social Services, Office of Community Services (OCS), has not established adequate internal control over the vendor reimbursements processed through its Transaction, Information, and Payment System (TIPS) to ensure that assets are safeguarded against loss or theft. In addition, the department took insufficient and untimely actions in determining the magnitude of misappropriated assets. An adequate system of internal control should include the proper segregation of duties, an effective review function, and appropriate control procedures to ensure the safeguard of assets.

Control Weaknesses

Interviews of the OCS staff at the state and regional (East Baton Rouge Parish) levels disclosed the following:

- Inadequate segregation of duties exists in the Foster Care - Title IV-E program. Caseworker assistants are allowed to shop for the children and also have the capability to input requests for vendor reimbursements (TIPS 212).
- Inadequate review and approval procedures exist for the TIPS 212 documents and the service authorizations. TIPS is not designed for on-line approvals; therefore, supervisors must manually approve all TIPS 212 documents and service authorizations. Caseworker assistants then input all information into TIPS. Input validation procedures at the parish/regional office level do not include a comparison of input to source documents to ensure that all transactions were properly authorized.
- Inadequate security and accountability over the TIPS 212 documents exists at the parish/regional office. The TIPS 212 documents are stored in the supply room with open access to all parish/regional employees. There is no accounting for the numerical sequence of the TIPS 212 documents.
- OCS does not require the foster parent to sign an itemized invoice acknowledging receipt of purchases on behalf of the foster child.

STATE OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

- Before August 1999, OCS did not require vendors to identify OCS employees by their state identification cards before purchases. Even though the new policy requires employees to present state identification cards, OCS does not notify vendors of employees that are authorized to purchase goods on behalf of the department.
- TIPS does not provide adequate preventative measures, such as computer generated warnings, reports, or rejection edits, to prevent overspending of maximum allowances in certain client service codes.
- In January 1999, the department's Office of Management and Finance (OMF) transferred the TIPS 212 review function to OCS in an effort to improve the effectiveness of the function. However, this reassignment created a lack of segregation of duties within the OCS Information Management Unit. This unit is now responsible for authorizing, entering, and reviewing TIPS transactions, as well as authorizing TIPS computer program changes, testing and user sign-off, addition or modification of provider records, addition of worker records, and modification of security access.

Insufficient Corrective Action

Failure to establish adequate internal controls resulted in the alleged misappropriation of assets and falsification of department documents by two caseworker assistants who were responsible for shopping and inputting TIPS 212 documents. Interviews of OCS management disclosed the following:

- OCS management failed to adequately address and timely implement corrective action. OCS now requires employees to identify themselves to vendors using their state identification card before purchases. This corrective action was implemented in August 1999, nearly one year after the discovery of the alleged fraud. Furthermore, the transfer of responsibility for reviewing the TIPS 212 from OMF to OCS to improve the effectiveness of the review function was not made until three months after the discovery.
- OCS management failed to assess the risk and magnitude of the alleged theft. The department did not expand the investigation to determine the time frame or full dollar amount of the misappropriations. Instead, the department sought only to support a personnel action for dismissal for cause. In addition, the department did not determine if other employees of the East Baton Rouge Parish office or other OCS offices had perpetrated similar abuses.

STATE OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

- OCS management failed to notify and request assistance from either the Fraud and Recovery or the Internal Audit sections within the department to investigate the alleged theft at the East Baton Rouge Parish/Regional office.
- OCS management failed to seek restitution from the employees involved in the alleged theft. Based on information provided by the supervisors, the internal investigation disclosed \$5,365 in questionable transactions. According to the department's legal counsel, the matter has been referred to the District Attorney's Office.
- OCS management failed to determine the funding sources of the fraudulent transactions and refund the federal government its portion of the costs. Questioned costs have been identified as follows: Foster Care - Title IV-E (CFDA 93.658), \$1,884; Family Preservation and Support Services (CFDA 93.556), \$1,493; and Social Services Block Grant (CFDA 93.667), \$226.

These conditions occurred because management did not adequately assess risk in Foster Care and TIPS program operations and develop policies and procedures that would reduce that risk to an acceptable level. Management also did not address control weaknesses in a timely manner when those weaknesses were discovered.

The department should adequately assess areas of risk in the operation of each program, then establish and implement internal control procedures to ensure that department employees comply with all established regulations and that department assets are safeguarded from loss or theft. Management should take timely action to re-assess risk and change those procedures when control weaknesses are identified. Management concurred with the "Control Weaknesses" portion of the finding and outlined plans of corrective action. Management did not concur that insufficient corrective action was taken after discovery of the theft. Management noted that policy changes were delayed by several factors including, but not limited to, Y2K mandated initiatives, multiple concurrent legislative audit requests, and responses arising from the legislative session. Management considered its investigation of the caseworkers sufficient, with the likelihood of recoupment from the former employees to be remote. Further investigation, including identification of the total dollar amount misappropriated, is considered a criminal matter that can be handled by the district attorney. See management's response at B-94.

Additional Comments: Although management has numerous responsibilities, management should strive to establish and implement internal control procedures in a timely manner to safeguard assets from future loss or theft when weaknesses in internal controls are identified. In addition, the department paid the two employees that misappropriated funds over \$4,000 in annual leave benefits upon their termination. Management should consider Louisiana Revised Statute 42:1461, which states that employees of state government are obligated not to

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Federal Award Findings and Questioned Costs (Continued)

misappropriate, misuse, or otherwise wrongfully take any funds under the control of the public entity in which they are employed. A breach of this obligation can give rise to an action in favor of the public entity for the recovery of any such funds and this action is prescribed by ten years, reckoning from the date the breach occurred.

F-99-HHS-DSS-6 - Inadequate Control Over Temporary Assistance for Needy Families Program

93.558 - Temporary Assistance for Needy Families	<u>Questioned Costs</u>
	\$0

The Department of Social Services, Office of Family Support (OFS), does not have adequate internal control to ensure compliance with grant regulations in the administration of the Temporary Assistance for Needy Families (TANF) (CFDA 93.558). OFS uses the TANF program funds to operate two programs titled "Family Independence Temporary Assistance Program" (FITAP) and "Family Independence Work Program" (FIND Work). OMB Circular A-133, Subpart C, Section 300(b) requires states to establish internal control over federally funded programs that provides reasonable assurance that the state is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs.

The audit of the TANF program disclosed the following conditions:

- In two of 31 cases (6%) examined, documentation was not sufficient to verify citizenship of the members of the assistance unit (family). 8 USCS 1612 and 1613 requires recipients of federal funds to be U.S. citizens or qualified aliens.
- In nine of 31 cases (29%) examined, school attendance was not verified for school age children during the six months before re-certification or was not monitored monthly for children with excessive absences. Louisiana Revised Statute 46:231.3 and the TANF State Plan require recipients to provide documentation as part of the re-certification process that any school age child receiving payments has not been absent without cause from school for more than 15 school days during the previous six months. Where there are excessive absences, school attendance should be monitored monthly until attendance requirements are met.
- In seven of 31 cases (23%) examined, the client did not meet the weekly minimum number of work activity participation hours or documentation in the FIND Work file and computer database (JAS) was not sufficient to make that determination. Also, documentation was not sufficient to determine if the case manager verified work activity hours. Mandatory work requirements are required by 42 USCS 607.

STATE OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs (Continued)

- In five of 31 cases (16%) examined, client information in the L'AMI database did not agree with the documentation in the client's FITAP file.
- In five of 31 cases (16%) examined, client information in the JAS database did not agree with the documentation in the client's FIND Work file and/or the L'AMI database. Data from JAS and L'AMI are used in preparing federal data and financial reports.
- The TANF PMS 272 financial report for the quarter ended March 31, 1999, for the federal fiscal year 1996-97 grant award was overstated by \$6,750,850. After notification of the error by the auditor in June, the accountant corrected the error on the PMS 272 for the quarter ended June 30, 1999.

These conditions can be attributed to insufficient emphasis on internal control by management and employees. Failure to establish and follow adequate control procedures can result in penalties for inaccurate data and financial reporting or ineligible recipients.

Management should require all employees to adhere to federal and state regulations and established procedures in the administration of the TANF program. Although management's response included some exceptions and comments, management concurred with the finding and recommendation and outlined a plan of corrective action (B-101).

**F-99-HHS-DSS-7 - Untimely Eligibility Re-Determinations and
Re-Certifications in the Foster Care Program**

93.658 - Foster Care - Title IV-E

Questioned Costs
\$0

For the third consecutive year, the Department of Social Services, Office of Community Services (OCS), did not consistently adhere to its established procedures in the administration of the Foster Care - Title IV-E (CFDA 93.658) program. The U.S. Department of Health and Human Services Program Instruction #89-05 for the foster care maintenance program requires eligibility re-determinations every six months and requires that states be able to show that a child continues to meet the eligibility requirements. The OCS Program Policy Manual requires a re-certification study of each foster family home and specialized family foster home six months after the initial certification and annually thereafter. The audit of the Foster Care - Title IV-E program disclosed the following conditions:

STATE OF LOUISIANA**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Federal Award Findings and Questioned Costs (Concluded)

- Two of 40 cases (5%) examined were not re-determined eligible for foster care within the six-month time frame. The two cases exceeded the six-month time frame by two months and nine months.
- Four of 40 foster homes or residential facilities (10%) were not re-certified within one year. Two of the homes or residential facilities exceeded the re-certification period by 7 months, while one home exceed the re-certification period by 20 months. One home had no certification documentation in the file.

These conditions may be attributed to poor record-keeping practices, poor coordination between staff in processing documentation required to determine continuing eligibility, and an inadequate monitoring system to detect foster care homes that require re-certification. Failure to follow prescribed procedures could result in unallowable payments or the placement of clients in unsuitable or unsafe environments. The federal government could require OCS to reimburse the federal government for the federal share of payments made for ineligible children, foster homes, or residential facilities.

OCS should require all foster care workers to adhere to the established procedures by coordinating the timely dissemination and processing of documentation required for re-determining client eligibility and monitoring the timely re-certification of foster care homes. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-118).

Schedule D

Schedule of Unresolved Prior Audit Findings For the Year Ended June 30, 1999



LEGISLATIVE AUDITOR

Schedule D

STATE OF LOUISIANA
Schedule of Unresolved Prior Audit Findings
For the Year Ended June 30, 1999

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Appendix A

Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 1999



LEGISLATIVE AUDITOR

Appendix A

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
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STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT		
Support of Ukrainian Private Farming Sector and Scientific Collaboration <u>Direct Awards:</u> LSU Agricultural Center	02.121-A-00-98-00631-00	\$569,794
U.S. Asia Environmental Partnership - State Environmental Initiative Grant <u>Through: Council of State Government</u> Department of Economic Development	02.unknown	52,987
USAID General Agriculture Training Program <u>Through: Consortium for International Development</u> LSU Agricultural Center	02.unknown	517
Zambia Democracy in-Country <u>Direct Awards:</u> Southern University Board and System Administration	02.6230226A0040230	70,338
<u>Research and Development Cluster:</u>		
Geographic Information Systems and Control of Snail-Borne Diseases <u>Through: Medical Service Corporation International</u> LSU and A&M College (Baton Rouge)	02.RD.08-04-69	(2,268)
Market Analysis for Port Bar, Montenegro - Fixed Price Contract <u>Through: Louis Berger and Associates, Inc.</u> LSU and A&M College (Baton Rouge)	02.RD.unknown	37,975
Strategic Parasite Control for Improved Animal Production in Egypt <u>Through: Supreme Council of Univ-Foreign Relations Coord Unit</u> LSU and A&M College (Baton Rouge)	02.RD.93/01/12	10,572
Subtotal Research and Development Cluster		46,279
Total U.S. Agency for International Development		\$739,915
U.S. DEPARTMENT OF AGRICULTURE		
Plant and Animal Disease, Pest Control, and Animal Care <u>Direct Awards:</u> Department of Agriculture and Forestry	10.025	\$486,449
Forestry Incentives Program <u>Direct Awards:</u> Department of Agriculture and Forestry	10.064	38,000

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Market News	10.153	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		\$2,000
Federal - State Marketing Improvement Program	10.156	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		32,331
Inspection Grading and Standardization	10.162	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		50,952
Market Protection and Promotion	10.163	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		97,055
Grants for Agricultural Research, Special Research Grants	10.200	
<u>Direct Awards:</u>		
LSU Agricultural Center		20,391
1890 Institution Capacity Building Grants	10.216	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		134,071
Fund for Rural America - Research, Education, and Extension Activities	10.224	
<u>Direct Awards:</u>		
Southern University Board and System Administration		130,160
Cooperative Agreements with States for Intrastate		
Meat and Poultry Inspection	10.475	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		2,078,507
Cooperative Extension Service	10.500	
<u>Direct Awards:</u>		
LSU Agricultural Center		7,623,782
Southern University Board and System Administration		1,535,743
<u>Through: North Carolina State</u>		
Southern University Board and System Administration		4,335
<u>Through: Texas A&M University</u>		
LSU Agricultural Center		618
<u>Through: North Carolina State University</u>		
LSU Agricultural Center		1,203
Subtotal Cooperative Extension Service		9,165,681

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Food Distribution	10.550	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		<u>\$19,075,140</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	
<u>Direct Awards:</u>		
Office of Public Health		<u>76,108,211</u>
Child and Adult Care Food Program	10.558	
<u>Direct Awards:</u>		
Department of Education		<u>44,089,538</u>
State Administrative Expenses for Child Nutrition	10.560	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		264,303
Department of Education		<u>3,288,612</u>
Subtotal State Administrative Expenses for Child Nutrition		<u>3,552,915</u>
Nutrition Education and Training Program	10.564	
<u>Direct Awards:</u>		
Department of Education		<u>(39,680)</u>
Commodity Supplemental Food Program	10.565	
<u>Direct Awards:</u>		
Office of Public Health		<u>17,396,226</u>
Nutrition Program for the Elderly (Commodities)	10.570	
<u>Direct Awards:</u>		
Office of Elderly Affairs		<u>2,947,874</u>
Team Nutrition Grants	10.574	
<u>Direct Awards:</u>		
Department of Education		<u>(56,821)</u>
Forestry Research	10.652	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		<u>15,282</u>
Cooperative Forestry Assistance	10.664	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		1,986,930
Southern University and A&M College (Baton Rouge)		<u>35,370</u>
Subtotal Cooperative Forestry Assistance		<u>2,022,300</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Schools and Roads - Grants to States	10.665	
<u>Direct Awards:</u>		
Department of the Treasury		\$2,996,899
Rural Development Grants	10.769	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		5,149
Distance Learning and Telemedicine Loans and Grants	10.855	
<u>Direct Awards:</u>		
LSU in Shreveport		28,398
Northwestern State University		216,038
Subtotal Distance Learning and Telemedicine Loans and Grants		244,436
Resource Conservation and Development	10.901	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		122,232
Environmental Quality Incentives Program	10.912	
<u>Direct Awards:</u>		
Southern University Board and System Administration		50,145
Southern University and A&M College (Baton Rouge)		6,668
Subtotal Environmental Quality Incentives Program		56,813
Agricultural Statistics Reports	10.950	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		25,000
Southern University and A&M College (Baton Rouge)		2,000
Subtotal Agricultural Statistics Reports		27,000
Technical Agricultural Assistance	10.960	
<u>Direct Awards:</u>		
LSU Agricultural Center		84,970
Scientific Cooperation Program	10.961	
<u>Direct Awards:</u>		
LSU Agricultural Center		77,610
International Training - Foreign Participant	10.962	
<u>Direct Awards:</u>		
LSU Agricultural Center		41,628
Southern University Board and System Administration		2,884
Subtotal International Training - Foreign Participant		44,512

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Scientific and Technical Cooperation	10.963	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$23,835
Agricultural Market Outreach Conference	10.12-25A-3748	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		99,180
Audits of EBRP School Food Service - Fixed Price Contract	10.unknown	
<u>Through: East Baton Rouge Parish School System</u>		
LSU and A&M College (Baton Rouge)		3,750
Bayou Program	10.43-3AEP-7-80080	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		8,269
Bayou Queue De Tortue Hydrologic Unit Project	10.94-EHUA-1-0085	
<u>Direct Awards:</u>		
LSU Agricultural Center		17,356
CSRS Program Income	10.SEC 1445	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		49,664
Electronic Connectivity for State Strengthening Project	10.95-EYAR-1-2012	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,655
EQIP Educational Plan	10.74-7217-8-5	
<u>Direct Awards:</u>		
LSU Agricultural Center		44,365
Forest Service Cooperative Agreement	10.KNF95-22	
<u>Through: Kisatchie National Forest</u>		
Northwestern State University		2,750
Incorporation of Precision Agriculture Technology		
into Ongoing Statewide Soybeans	10.UA CES 96-101	
<u>Through: University of Arkansas</u>		
LSU Agricultural Center		51,622
Louisiana Sustainable Agriculture Training -		
Plan of Work		
<u>Through: North Carolina State University</u>		
LSU Agricultural Center	10.98-0409-11	688
LSU Agricultural Center	10.97-0496-10	3,308
Subtotal Louisiana Sustainable Agriculture Training -		
Plan of Work		3,996

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Management of Operations Associated with Site-Specific Testing - Part 3 Partial	10.58-6435-8-084	
<u>Direct Awards:</u> LSU Agricultural Center		<u>\$721,466</u>
Postharvest Treatment for Vegetable Crops - Training Program	10.unknown	
<u>Direct Awards:</u> LSU Agricultural Center		<u>574</u>
Program in Animal Physiology for G Taru Sharma From India - Fixed Price Contract	10.unknown	
<u>Direct Awards:</u> LSU Agricultural Center		<u>6,000</u>
Rural Manufacturers' Access to Information, Resources, and Markets	10.43-3AEM-8-80109	
<u>Direct Awards:</u> LSU Agricultural Center		<u>5,452</u>
Strengthening Programs for Children, Youth and Families at Risk	10.95-EYAR-1-2012	
<u>Direct Awards:</u> LSU Agricultural Center	State Portion	57,701
LSU Agricultural Center	Community	<u>72,550</u>
Subtotal Strengthening Programs for Children, Youth and Families at Risk		<u>130,251</u>
Sustainable Agriculture Strategic Plan Implementation - Training <u>Through: North Carolina State University</u>	10.96-1277-17	
LSU Agricultural Center		<u>16</u>
Termite Management Education Program - Part 2	10.58-6435-8-084	
<u>Direct Awards:</u> LSU Agricultural Center		<u>126,354</u>
USDA Forestry Service - Archaeology	10.68/TT06Z6102	
<u>Direct Awards:</u> Department of Culture, Recreation and Tourism		<u>1,000</u>
USDA Student Book Allowance	10.12-40-0001	
<u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)		<u>2,681</u>
Verification of Recommended Management Practices for Aquatic Species	10.unknown	
<u>Through: Mississippi State University - Southern Regional Aquaculture Center</u>		
LSU Agricultural Center		<u>4,028</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Visitation - Chinese Scientist	10.59-314-18-8-014-10	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		<u>\$3,286</u>
<u>Child Nutrition Cluster:</u>		
School Breakfast Program	10.553	
<u>Direct Awards:</u>		
Department of Education		41,874,417
National School Lunch Program	10.555	
<u>Direct Awards:</u>		
Department of Education		135,897,937
Special Milk Program for Children	10.556	
<u>Direct Awards:</u>		
Department of Education		58,858
Summer Food Service Program for Children	10.559	
<u>Direct Awards:</u>		
Department of Education		<u>7,020,684</u>
Subtotal Child Nutrition Cluster		<u>184,851,896</u>
<u>Emergency Food Assistance Cluster:</u>		
Emergency Food Assistance Program (Administrative Costs)	10.568	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		1,179,840
Emergency Food Assistance Program (Food Commodities)	10.569	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		<u>4,614,244</u>
Subtotal Emergency Food Assistance Cluster		<u>5,794,084</u>
<u>Food Stamp Cluster:</u>		
Food Stamps	10.551	
<u>Direct Awards:</u>		
Department of Social Services		464,491,143
State Administrative Matching Grants for Food Stamp Program	10.561	
<u>Direct Awards:</u>		
Department of Social Services		<u>36,766,039</u>
Subtotal Food Stamp Cluster		<u>501,257,182</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u>		
Agricultural Research - Basic and Applied Research	10.001	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$9,584
LSU Health Sciences Center (Shreveport)		12,884
Southern University and A&M College (Baton Rouge)		17,236
Plant and Animal Disease, Pest Control, and Animal Care	10.025	
<u>Direct Awards:</u>		
LSU Agricultural Center		36,234
Grants for Agricultural Research, Special Research Grants	10.200	
<u>Direct Awards:</u>		
LSU Agricultural Center		479,387
LSU and A&M College (Baton Rouge)		65,579
Pennington Biomedical Research Center		891,118
Southern University and A&M College (Baton Rouge)		184,479
<u>Through: Colorado State University</u>		
LSU Agricultural Center - Fixed Price Contract		5,000
<u>Through: Southern Region Aquaculture Center</u>		
Louisiana Tech University		30,855
<u>Through: Texas A&M University Agriculture Experiment Station</u>		
LSU Agricultural Center		5,692
<u>Through: University of Arkansas</u>		
LSU Agricultural Center		7,347
Cooperative Forestry Research	10.202	
<u>Direct Awards:</u>		
LSU Agricultural Center		453,751
Louisiana Tech University		208,377
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	
<u>Direct Awards:</u>		
LSU Agricultural Center		2,845,642
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		1,218,699
Grants for Agricultural Research - Competitive Research Grants	10.206	
<u>Direct Awards:</u>		
LSU Agricultural Center		234,639
LSU and A&M College (Baton Rouge)		346,773
LSU Health Sciences Center (Shreveport)		71,378
Louisiana Tech University		26,183
Pennington Biomedical Research Center		92,464
Southern University and A&M College (Baton Rouge)		(530)

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Animal Health and Disease Research	10.207	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$53,364
LSU and A&M College (Baton Rouge)		37,896
Small Business Innovation Research - Fixed Price Contract	10.212	
<u>Through: Biomedical Development Corporation</u>		
LSU Agricultural Center		12,410
1890 Institution Capacity Building Grants	10.216	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		96,212
<u>Through: Alcorn State University</u>		
LSU and A&M College (Baton Rouge)		(124)
Higher Education Challenge Grants	10.217	
<u>Direct Awards:</u>		
LSU Agricultural Center		52,150
Buildings and Facilities Program	10.218	
<u>Direct Awards:</u>		
LSU Agricultural Center		57,239
Biotechnology Risk Assessment Research	10.219	
<u>Direct Awards:</u>		
LSU Agricultural Center		45,054
Agricultural and Rural Economic Research	10.250	
<u>Through: University of Wisconsin-Madison</u>		
LSU and A&M College (Baton Rouge)		13,534
Small Farmer Outreach Training and Technical Assistance Program	10.443	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		259,869
Forestry Research	10.652	
<u>Direct Awards:</u>		
LSU Agricultural Center		186,087
LSU and A&M College (Baton Rouge)		129
Louisiana Tech University		5,021
Southeastern Louisiana University		2,350
Southern University and A&M College (Baton Rouge)		(1,023)
<u>Through: Mississippi State University</u>		
LSU Agricultural Center		17,798
<u>Through: Tulane University</u>		
LSU and A&M College (Baton Rouge)		(150)

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Cooperative Forestry Assistance	10.664	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$26
Southern University and A&M College (Baton Rouge)		7,293
Resource Conservation and Development	10.901	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		2,660
Soil Survey	10.903	
<u>Through: Cornell University</u>		
LSU and A&M College (Baton Rouge)		5,356
Farmland Protection Program	10.913	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		12,719
Scientific Cooperation Program	10.961	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,345
1998 Southern Regional Cooperative Soil Survey Conference	10.RD.68-7217-8-16	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,048
Analysis of Cotton Fiber Surface Structure by Atomic Force Microscopy	10.RD.58-6435-7-031	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		6,340
Bee Breeding Research	10.RD.5864017002/T96413103	
<u>Direct Awards:</u>		
LSU Agricultural Center		651
Biology and Control of the Formosan Subterranean Termite	10.RD.58-6435-8-084	
<u>Direct Awards:</u>		
LSU Agricultural Center		167,359
Biotechnology Applications to Wetlands Erosion Control	10.RD.59-6413-8-096	
<u>Direct Awards:</u>		
LSU Agricultural Center		271,085
Blanket Purchase Arrangement for Genetic Analysis of Blood Samples - Fixed Price Contract	10.RD.46-6395-8-C6825	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		5,000

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Carbonaceous Materials Made From Agricultural Byproducts and Their Use in Cane		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.58-6435-3-121	\$7,405
LSU Agricultural Center	10.RD.58-6435-8-102	4,850
Cloning of Conjugated Fatty Acid Synthetase From Chinese Melon		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.58-6435-5-087	4,808
Conservation Assessment of the Big-Eared Bat		
<u>Direct Awards:</u>		
University of Louisiana at Lafayette	10.RD.unknown	638
Control of Blue-Green Algae in Aquaculture Ponds - Year 1 of 3		
<u>Through: Mississippi State University - Southern Regional Aquaculture Center</u>		
LSU Agricultural Center	10.RD.USDA#98-38500-5865	11,337
Cooperative Agreement/Soil Conservation Service		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.68-7217-8-23	61,744
Corn Aflatoxin		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.5864017002/T96413107	1,084
CPA-Nitrogen Efficiency Demonstration Project		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.68-7217-6-(204)	15,380
Defining Growing Season From Measured Soil Temperature		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.68-7482-7-264	40,850
Delta Nutrition Project - Body Composition		
<u>Direct Awards:</u>		
Pennington Biomedical Research Center	10.RD.58-6251-7-008	397,126
Demographic Analyses in Areas of Origination and Invitation: Tools to Understand		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	10.RD.PSW-98-006-RJVA	9,967
Develop an Agroforestry Demonstration Project Plan		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.68-7482-7-301	16,923

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Endocrine Regulation of Structure and Function in Insect Malpighian Tubes	10.RD.93-37302-9611	
<u>Direct Awards:</u> University of Louisiana at Lafayette		\$4,947
EQIP Educational Assistance Project	10.RD.74-7217-8-2	
<u>Direct Awards:</u> University of Louisiana at Lafayette		5,199
Establishment and Measurement Plot for Keiffer Prairie Area	10.RD.KNF-97-19	
<u>Direct Awards:</u> Louisiana Tech University		361
Evaluate the White Clover Core Collection for Agronomic Descriptors - Fixed Price Contract	10.RD.43-8417-9-211	
<u>Direct Awards:</u> LSU Agricultural Center		8,500
Evaluation of Biological Seed Treatments to Control Seedling Diseases of Cotton	10.RD.OSU2561240-01	
<u>Through: Oklahoma State University</u> LSU Agricultural Center		4,802
Evaluation of Corn Genotypes With Live Corn Embryo		
<u>Direct Awards:</u> LSU Agricultural Center	10.RD.58-6435-2-130	(24)
LSU Agricultural Center	10.RD.58-6435-7-048	62,341
Evaluation of the US Plant Introduction Collection	10.RD.59-6607-7-008	
<u>Direct Awards:</u> LSU Agricultural Center		5,539
Field Indicators of Hydric Soils	10.RD.68-7482-6-144	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		21,866
Final Review of Statements of Program Accomplishment and Impact Statements Land-G	10.RD.90-CSA-LAI-122	
<u>Direct Awards:</u> LSU Agricultural Center		5,474
From Welfare Reliance to Wage Work	10.RD.320137/#98-1-940-02	
<u>Through: Mississippi State University - Southern Rural Development Center</u> LSU Agricultural Center		14,698

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Genetic Engineering of Cotton to Confer Enhanced Resistance to <i>Aspergillus flavus</i>	10.RD.58-6435-6-033	
<u>Direct Awards:</u> University of Louisiana at Lafayette		\$42,684
Graduate Research Assistance to Database Development for National Grant Data CT	10.RD.68-7482-7-305	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		3,091
Investigate Sugarcane Production and Harvesting on Land That Has Subsurface Drain	10.RD.58-6413-8-054	
<u>Direct Awards:</u> LSU Agricultural Center		11,521
Kisatchie National Forest Cost Share Agreement	10.RD.KNF-96-16	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		402
LA Plant Distribution Data for the Plants Database for NRCS Discipline	10.RD.68-7217-6-87	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		658
Make, Evaluate, and Interpret Fungal Isolation on Experimental Treatment - Fixed Price Contract	10.RD.40-447U-8-0414	
<u>Direct Awards:</u> LSU Agricultural Center		12,000
Management of Operations Associated With Site-Specific Testing - Part 3 Partial	10.RD.58-6435-8-084	
<u>Direct Awards:</u> LSU Agricultural Center		12,326
Modeling of Wood Fiberboard Composites Using Individual Pulp Fiber Properties	10.RD.SRS-33-CA-97-047	
<u>Direct Awards:</u> University of Louisiana at Lafayette		5,810
Molecular Market Variation in Sweet Potato, Ipomea Bapatas, Population Collection	10.RD.58-6607-7-007	
<u>Direct Awards:</u> LSU Agricultural Center		3,151
National Canola Research Program for the Mid South Region <u>Through: University of Arkansas</u>	10.RD.UA-AES-95-102	
LSU Agricultural Center		12,017

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
National Food Service Management Institute Scholar Program		
Through: <u>University of Southern Mississippi</u>		
LSU and A&M College (Baton Rouge)	10.RD.USM-0464001907	\$29,792
LSU and A&M College (Baton Rouge)	10.RD.unknown	18,133
Office Space for USDA-NRCS Wetland Science Institute	10.RD.68-7217-5-81	
<u>Direct Awards:</u>		
LSU Agricultural Center		961
Optimizing Nutrient Utilization and Reducing Waste Through Diet Composition	10.RD.unknown	
Through: <u>Mississippi State University - Southern Regional Aquaculture Center</u>		
LSU Agricultural Center		73,063
Predicting the Impacts of Sea Level Rise on Micronesian Mangrove Forests	10.RD.PSW-97-0018CA	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		5,143
Process, Culture, and Identify Pine Root Pathogens From Root Samples From 15 Plat - Fixed Price Contract	10.RD.3-FHP-98	
<u>Direct Awards:</u>		
LSU Agricultural Center		2,000
Research to Develop a Seed-Based System for Producing Smooth Snodgrass	10.RD.68-7217-7-9	
<u>Direct Awards:</u>		
LSU Agricultural Center		21,711
Rice Insect Molecular Pathology Building	10.RD.59-6203-6-010	
<u>Direct Awards:</u>		
LSU Agricultural Center		225,249
Soil and Water Research		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.T-8-6413-102	25,115
LSU Agricultural Center	10.RD.T-9-6413-102	51,265
LSU Agricultural Center	10.RD.5864017002/T96413106	2,657
Succession and Biomass Production of Mangroves in the Orinoco Delta	10.RD.IITF-95-CA-022	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		3,380

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Sugarcane Research		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.T-8-6413-104	\$15,533
LSU Agricultural Center	10.RD.T-9-6413-104	98,484
To Facilitate the Utilization of Alterniflora and Scirpus Californicus		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.68-7217-8-12	46,121
Unified Climate Access Network		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	10.RD.68-0484-6-13	28,964
Utilities for Administrative Office - ARS		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.RD.5864017002/T86413101	77
Welfare Reform in the South: Challenges and Opportunities		
<u>Through: Mississippi State University</u>		
LSU Agricultural Center	10.RD.340036 018000	5,150
Workshop on Technical Issues Involved in Identifying Hydric Soils -		
Fixed Price Contract		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	10.RD.40-7482-8-79	13,000
Year 2 Management of Environmentally-Derived Off-Flavors		
in Warm Water Fish Ponds		
<u>Through: Southern Regional Aquaculture Center -</u>		
<u>Mississippi State University</u>		
LSU Agricultural Center	10.RD.unknown	12,859
Subtotal Research and Development Cluster		10,049,601
Total U.S. Department of Agriculture		\$884,266,516
U.S. DEPARTMENT OF COMMERCE		
Grants for Public Works and Economic Development		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	11.300	\$193,571
Economic Development - Technical Assistance		
<u>Through: Texas Engineering Extension Service</u>		
LSU and A&M College (Baton Rouge)	11.303	14,887

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
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For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
Economic Development - State and Local		
Economic Development Planning	11.305	
<u>Direct Awards:</u>		
Department of Economic Development		<u>\$37,262</u>
Fishery Products Inspection and Certification	11.413	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		<u>77,649</u>
Sea Grant Support	11.417	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>56,209</u>
Coastal Zone Management Administration Awards	11.419	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>2,281,101</u>
Cooperative Fishery Statistics	11.434	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>263,435</u>
Unallied Industry Projects	11.452	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>819,799</u>
Habitat Conservation	11.463	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>6,247,816</u>
Public Telecommunications Facilities - Planning and Construction	11.550	
<u>Direct Awards:</u>		
LSU in Shreveport		<u>6,967</u>
Telecommunications and Information Infrastructure		
Assistance Program	11.552	
<u>Direct Awards:</u>		
Executive Department		<u>12,852</u>
Measurement and Engineering Research and Standards	11.609	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		<u>7,593</u>
Manufacturing Extension Partnership	11.611	
<u>Through: Manufacturing Extension Partnership of Louisiana</u>		
Southeastern Louisiana University		<u>1,300</u>
Expansion of LA Business and Technology Center	11.HUD #B-86-MC-22-0002	
<u>Through: City of Baton Rouge - Parish of EBR</u>		
LSU and A&M College (Baton Rouge)		<u>100,000</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
Gulf of Mexico Fisheries Management Council	11.99-LA-70300	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		\$27,500
National Marine Fisheries Service - Sea Turtle		
<u>Direct Awards:</u>		
McNeese State University	11.40GENF800180	11,842
McNeese State University	11.40GANF600151	10,126
Subtotal National Marine Fisheries Service - Sea Turtle		21,968
National Telecommunications and Information Administration	11.22-40-95135	
<u>Direct Awards:</u>		
University of New Orleans		16,320
Public Works Grant for Construction of Infrastructure Improvements for a Research and Technology Park	11.08-01-02950	
<u>Direct Awards:</u>		
University of New Orleans		97,100
Technical Assistance to Operators, Managers, and Affiliates of Revolving Loan Fund Programs in the Southwest Economic Development Administration Region	11.08-06-03115	
<u>Direct Awards:</u>		
University of New Orleans		66,548
University Center Technical Assistance Program	11.08-06-02522	
<u>Direct Awards:</u>		
University of New Orleans		104,034
<u>Research and Development Cluster:</u>		
Economic Adjustment Assistance	11.307	
<u>Direct Awards:</u>		
LSU Agricultural Center		589
Interjurisdictional Fisheries Act of 1986	11.407	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		139,630
Sea Grant Support	11.417	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,850,421
Coastal Zone Management Administration Awards	11.419	
Through: <u>University of New Hampshire</u>		
LSU and A&M College (Baton Rouge)		26,762

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		\$16,386
Intergovernmental Climate-Program (NESDIS)	11.428	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		58,877
Environmental Research Laboratories Cooperative Institutes <u>Through: Desert Research Institute - Univ System of Nevada</u>	11.432	
LSU and A&M College (Baton Rouge)		362,620
Marine Fisheries Initiative	11.433	
<u>Direct Awards:</u>		
LSU Agricultural Center		2,214
LSU and A&M College (Baton Rouge)		118,578
Cooperative Fishery Statistics	11.434	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		54,741
Southeast Area Monitoring and Assessment Program	11.435	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		122,032
Atmospheric Deposition Workshop Support - Fixed Price Contract	11.RD.40EANR802399	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		5,000
Chemical Hazardous Assessment, Training and Technical Support	11.RD.50ABNC700031/T O #1	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		172,311
Design and Evaluation of a Commercial Scale Hydraulically Integrated Serial Turbine	11.RD.AQ97.053-7404-02	
<u>Through: National Coastal Resources Research and Development Institute</u>		
LSU and A&M College (Baton Rouge)		124,931
Estimating the <i>In Situ</i> Acoustic Target Strength, Distribution and Abundance	11.RD.NAGL-98-01A	
<u>Through: University of Connecticut at Avery Point</u>		
LSU and A&M College (Baton Rouge)		26,660

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
An Evaluation of the Factors that Maximize Wetland Recovery After <i>In-Situ</i> Burn	11.RD.70NANB9H0022	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$8,755
Innovative Development of Joining/Fitting Technology for Advanced Composite	11.RD.unknown	
<u>Through: Specialty Plastics</u> LSU and A&M College (Baton Rouge)		26,516
Intergovernmental Personnel Act Agreement (Karen Ramsey)	11.RD.812C1400	
<u>Direct Awards:</u> University of New Orleans		32,017
IPA Appointment	11.RD.unknown	
<u>Direct Awards:</u> University of Louisiana at Lafayette		9,436
IPA - Charles Milan/Supervisor	11.RD.IPA-MILAN	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		57,330
IPA - Lindstedt	11.RD.50WPC9404	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		26,434
Large Rivers and Marine Populations Workshop	11.RD.NAAY0000 800047	
<u>Direct Awards:</u> Louisiana Universities Marine Consortium		19,624
Manufacturing Extension Partnership	11.RD.70NANB6H0172	
<u>Direct Awards:</u> University of Louisiana at Lafayette		1,466,312
Market Assessment for Baltic Container Terminal, Port - Fixed Price Contract	11.RD.unknown	
<u>Through: Louis Berger and Associates, Inc.</u> LSU and A&M College (Baton Rouge)		11,892
Mod #12/Task Order #09/BP Pipeline Spill in Louisiana	11.RD.50ABNC700031/T O #09	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		946
Mod #18-Task Order #11-Assessment of Chemical Hazards Associated With Oil	11.RD.50ABNC700031/T O #11	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		4,476

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Prince William Sound Monitoring Support - Laboratory Chemical Analyses 1997/1998		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	11.RD.50ABNC700031/T O #02	\$3,510
LSU and A&M College (Baton Rouge)	11.RD.50ABNC700031/T O #06	36,885
Proposal for Support Services of Dianne M. Lindstedt		
<u>Through: Gotech Inc.</u>	11.RD.unknown	
LSU and A&M College (Baton Rouge)		9,779
Real-Time Micro-PCR Analysis System		
<u>Through: Perkin Elmer Corp.</u>	11.RD.70NANB5H1106	
LSU and A&M College (Baton Rouge)		18,948
<u>Through: Desert Research Institute - Univ System of Nevada</u>		
LSU and A&M College (Baton Rouge)		15,763
Task Order #05 - M/V Katania #288, Houston, Texas		
<u>Direct Awards:</u>	11.RD.50ABNC700031/T O #05	
LSU and A&M College (Baton Rouge)		390
Task Order #7 - Mod #9 - Barge CTCO 211 Spill Response		
<u>Direct Awards:</u>	11.RD.50ABNC700031/T O #07	
LSU and A&M College (Baton Rouge)		2,679
Task Order #08 Dispersant Workshop, Clearwater, FL - Task B		
<u>Direct Awards:</u>	11.RD.50ABNC700031/T O #08	
LSU and A&M College (Baton Rouge)		2,574
Task Order #10 - Puerto Rico Tar Ball Incident		
<u>Direct Awards:</u>	11.RD.50ABNC700031/T O #10	
LSU and A&M College (Baton Rouge)		450
Use of Facilities Lease Agreement		
<u>Direct Awards:</u>	11.RD.unknown	
University of Louisiana at Lafayette		19,392
Subtotal Research and Development Cluster		4,855,860
Total U.S. Department of Commerce		\$15,309,771
U.S. DEPARTMENT OF DEFENSE		
Planning Assistance to States		
	12.110	
<u>Direct Awards:</u>		
Executive Department		\$69,182

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Payments to States in Lieu of Real Estate Taxes	12.112	
<u>Direct Awards:</u>		
Department of the Treasury		<u>\$69,384</u>
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>77,389</u>
Basic and Applied Scientific Research	12.300	
<u>Direct Awards:</u>		
LSU in Shreveport		19,093
<u>Through: Concurrent Technologies</u>		
Southern University at New Orleans		<u>518,874</u>
Subtotal Basic and Applied Scientific Research		<u>537,967</u>
Military Construction, National Guard	12.400	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>2,466,716</u>
National Guard Military Operations and Maintenance (O&M) Projects	12.401	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>6,564,038</u>
Air Force Defense Research Sciences Program	12.800	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,812
Louisiana Tech University		<u>22,022</u>
Subtotal Air Force Defense Research Sciences Program		<u>28,834</u>
Mathematical Sciences Grants Program	12.901	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		615
<u>Through: IT Corporation</u>		
Southern University and A&M College (Baton Rouge)		<u>109,675</u>
Subtotal Mathematical Sciences Grants Program		<u>110,290</u>
Army-Civilian Youth Opportunities	12.98-2-4002	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>2,710,481</u>
Army Communities of Excellence	12.unknown	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>117,838</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Army Corps of Engineers: Mississippi River Deepening Project Salt Water Mitigation Plan	12.unknown	
<u>Direct Awards:</u> Department of Transportation and Development		<u>\$1,035,590</u>
Billeting	12.unknown	
<u>Direct Awards:</u> Department of Military Affairs		<u>31,000</u>
Conference Support for Motion Sickness, Simulator Sickness and Balance Disorders Conference	12.N00014-98-1-0877	
<u>Direct Awards:</u> University of New Orleans		<u>8,632</u>
Cooperative Agreement Between U.S. Army Corps of Engineers and Northwestern State University	12.unknown	
<u>Direct Awards:</u> Northwestern State University		<u>105</u>
Family Assistance Program	12.unknown	
<u>Direct Awards:</u> Department of Military Affairs		<u>684</u>
Joint Readiness Training Center	12.MIPR9BOPSN013	
<u>Direct Awards:</u> Department of Military Affairs		<u>134,334</u>
Readiness Training Detachment	12.MIPR9AVAL5H014	
<u>Direct Awards:</u> Department of Military Affairs		<u>9,591</u>
Recycle Program	12.unknown	
<u>Direct Awards:</u> Department of Military Affairs		<u>11,455</u>
Teacher and Teacher's Aide Replacement Assistant Program	12.MOA2-2-95	
<u>Direct Awards:</u> Executive Department		<u>144,758</u>
U.S. Army Corp of Engineers: Geological Review		
<u>Direct Awards:</u> Department of Natural Resources	12.W42HEM-81412385	28,426
Department of Natural Resources	12.W42HEM-90497396	<u>32,294</u>
Subtotal U.S. Army Corp of Engineers: Geological Review		<u>60,720</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
U.S. Army Corp of Engineers: Joint Public Notice		
<u>Direct Awards:</u>		
Department of Natural Resources	12.W42HEM-81412385	\$20,976
Department of Natural Resources	12.W42HEM-90497396	51,288
		<hr/>
Subtotal U.S. Army Corp of Engineers: Joint Public Notice		72,264
<u>Research and Development Cluster:</u>		
Procurement Technical Assistance for Business Firms	12.002	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		375,224
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	
<u>Through: Mississippi Department of Wildlife, Fisheries, and Parks</u> Southeastern Louisiana University		681
Collaborative Research and Development	12.114	
<u>Direct Awards:</u>		
Southern University and A&M College		163,719
Basic and Applied Scientific Research	12.300	
<u>Direct Awards:</u>		
Board of Regents		283,780
LSU and A&M College (Baton Rouge)		354,368
LSU Health Sciences Center (New Orleans)		119,080
Louisiana Tech University		89,397
Louisiana Universities Marine Consortium		315,410
Southern University and A&M College (Baton Rouge)		760,829
University of New Orleans		2,019,498
<u>Through: Geocenters, Inc.</u>		
LSU Health Sciences Center (New Orleans)		(661)
<u>Through: Texas A&M Research Foundation</u>		
LSU and A&M College (Baton Rouge)		14,198
Military Medical Research and Development	12.420	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		1,654,056
LSU Health Sciences Center (Shreveport)		29,172
Pennington Biomedical Research Center		3,046,279
Basic Scientific Research	12.431	
<u>Direct Awards:</u>		
Board of Regents		161,948
Louisiana Tech University		56,590

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Basic, Applied, and Advanced Research in Science and Engineering	12.630	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$1,189
Louisiana Tech University		25,570
<u>Through: University of Southern California</u>		
LSU and A&M College (Baton Rouge)		107,063
Air Force Defense Research Sciences Program	12.800	
<u>Direct Awards:</u>		
Board of Regents		263,508
LSU and A&M College (Baton Rouge)		70,552
Louisiana Tech University		186,001
Southern University and A&M College (Baton Rouge)		67,804
<u>Through: University of Nebraska - Board of Regents</u>		
LSU and A&M College (Baton Rouge)		20,213
Mathematical Sciences Grants Program	12.901	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		69,277
Research and Technology Development	12.910	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,223,788
Adaptation of Zebra Mussel to the Environmental Conditions of the Southern United States	12.RD.DACW39-98-P-0295	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		3,340
Applications and Mass Production of High Aspect Ratio Microstructures	12.RD.DABT63-95-C-0020	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		318,462
Barrier Island Plan - Phase 1	12.RD.25081-95-02	
<u>Through: T. Baker Smith and Son, Inc.</u>		
LSU and A&M College (Baton Rouge)		(6,598)
Comparison of Factors Affecting Growth and Survival of Zebra Mussels - Fixed Price Contract	12.RD.DACW39-98-K-0029	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		15,400
Comparison of Several Rapid Assessment Techniques for Readily Mineralizable Car - Fixed Price Contract	12.RD.DACW39-98-M-0682	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		9,975

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Composite Helicopter Hanger Southeastern University Consortium Through: <u>Mississippi State University</u> University of New Orleans	12.RD.N00014-98-C-0411	\$110,835
Computational and Synthetic Approaches to Developing Novel Energetic Materials to Stabilize Rockets Through: <u>University of Illinois at Urbana-Champaign</u> University of New Orleans	12.RD.N00014-95-1-1339	134,265
Determination of Total Daily Energy Requirements and Activity Patterns of Service <u>Direct Awards:</u> Pennington Biomedical Research Center	12.RD.DAMD17-96-2-6025	121,286
Development of Biomimetic Ambulatory and Undulatory Underwater Robotic Systems Through: <u>Northeastern University, Boston, Massachusetts</u> University of New Orleans	12.RD.N0014-98-1-0381	241,316
Development of Innovative Numerical Algorithms for Culverts and Bridge Crossings <u>Direct Awards:</u> University of Louisiana at Lafayette	12.RD.DACA39-98-K-0047	14,201
Development of a Predictive Model Integrating <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.RD.DSWA01-98-1-0013	118,966
Earth Material S Mapping of the Mojave Desert Ecosystem - Fixed Price Contract Through: <u>Jones and Stokes Associates, Inc.</u> LSU and A&M College (Baton Rouge)	12.RD.DACW05-95-D-003	112,500
A Feasibility Analysis of Removing the Navigation Channel From the Lower Mississippi - Fixed Price Contract <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.RD.DACW29-98-M-0104	82,446
First International Conference on Multisource/Multisensor Information Fusion <u>Direct Awards:</u> University of New Orleans University of New Orleans (Fixed Price Contract)	12.RD.N00014-98-1-0701 12.RD.DAAG55-98-1-0410	8,000 4,500
Geological, Hydrological and Ecological Investigations <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.RD.DACW39-96-K-0032	110,870

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Geology of Fort Polk - Fixed Price Contract Through: <u>Prewitt and Associates Inc.</u> LSU and A&M College (Baton Rouge)	12.RD.DACA63-95-D-0051/D08	\$52,378
Graduate Student Research and Education in Artificial Intelligence Operations Direct Awards: LSU and A&M College (Baton Rouge)	12.RD.N00014-97-1-0632	52,920
Gulf Coast Region Maritime Technology Center Direct Awards: University of New Orleans University of New Orleans	12.RD.N00014-94-2-0011 12.RD.N00014-98-2-0010	3,349,308 2,892,047
High-Performance Wireless Information Systems Direct Awards: University of Louisiana at Lafayette	12.RD.DAAG55-98-1-0240	100,131
High Temperature Superconductor Thin Films for Microwave Devices Through: <u>Superconductor Technologies, Inc.</u> University of New Orleans	12.RD.N00014-95-C-2126	19,890
Identifying Objects in Legacy Systems for Re-use and Re-engineering Direct Awards: University of Louisiana at Lafayette	12.RD.DAAH04-94-G-0334	5,938
Industrial Canal Lock Replacement Housing Impact Analysis on Property Values in Adjacent Neighborhoods Direct Awards: University of New Orleans	12.RD.DACW29-99-M-0158	13,400
Innovative Hydrogel-based Biosensors Detection for Environmental Contaminants Through: <u>Tulane University</u> LSU Health Sciences Center (New Orleans)	12.RD.DSWA-01-97-1-0028	4,640
Integrated Deepwater System (IDS) Phase I - Concept Evaluation Study Through: <u>Ingalls Shipbuilding, Inc.</u> University of New Orleans	12.RD.DTCG23-98-R-ADW001	13,141
Intelligent CAD System for Materials Processing Through: <u>Technical Management Concepts, Inc.</u> Louisiana Tech University	12.RD.F33615-96-D-5835	1,153

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
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	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Intelligent Information Fusion and Management Prototype Applicable to EOSDIS	12.RD.NAG5-2842	
<u>Direct Awards:</u> University of Louisiana at Lafayette		\$54,527
Intergovernmental Personnel Act Agreement		
<u>Direct Awards:</u> University of New Orleans (Louis Fishman)	12.RD.N0017397 IPA 0006	126,769
University of New Orleans (Martin Guillot)	12.RD.W42HEM81039270	13,173
Intergovernmental Personnel Act - Geotechnical Laboratory	12.RD.IPA-HEYMSFIELD	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		7,543
Investigation of Nanophase Materials for Thermoelectric Application	12.RD.DAAD19-99-1-0001	
<u>Direct Awards:</u> University of New Orleans		120,029
Landscape Ecological Modeling-Vermilion-Cote Blanche - Fixed Price Contract	12.RD.DACW29-97-D-0035	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		123,084
Large Scale Systems Development Using the Macro Mosaics Concept	12.RD.DAAG55-98-1-0525	
<u>Direct Awards:</u> University of New Orleans		79,879
LIGA Microfabricated Inertial Guidance Sensor - Fixed Price Contract	12.RD.12354/DAAH01-98CR038	
<u>Through: Satcon Technology</u> LSU and A&M College (Baton Rouge)		20,000
Lower Atchafalaya River Management: Measure Sediment Accretion in the WTM and VWC - Fixed Price Contract	12.RD.DACW29-97-M-0449	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		20,902
Lower Atchafalaya River Study - Fixed Price Contract	12.RD.DACW29-98-M-0061	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		79,422
MIME - Multi Technology Integration for Multi-Mode Electronics	12.RD.DAAG 55-98-K-0005	
<u>Through: Superconductor Technologies, Inc.</u> University of New Orleans		109,881

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
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	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Modeling of Nonstationary Electron Transport in Deep Summicron Cryogenic MOSFETs <u>Through: Superconductor Technologies, Inc.</u> University of New Orleans	12.RD.N00014-94-C-6040	\$17,519
Monitoring of Habitats Created by Dredging Material During Routine Maintenance of 14 Navigation Channels Operated and Maintained by the U.S. Army Corps of Engineers - Fixed Price Contract <u>Direct Awards:</u> University of New Orleans	12.RD.DACW29-98-D-0008	182,160
Nanophase Magnetic Particles for Advanced Materials <u>Direct Awards:</u> University of New Orleans	12.RD.MDA972-97-1-0003	2,160,848
Predictive Intelligence Military Tactical Analysis System <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.RD.DAAH04-93-G-0498	11,295
Proposal for Microgc/Tofms Development: Conceptual Design - Fixed Price Contract <u>Through: The Johns Hopkins University</u> LSU and A&M College (Baton Rouge)	12.RD.800884	50,000
A Quantitative Prediction of Sediment Permeability as a Result of Biologically-Induced Diagenesis <u>Direct Awards:</u> University of New Orleans	12.RD.N00173-98-P-6605	11,000
Research and Development Technologies Enhancements for LPD-17 <u>Through: Avondale Industries, Incorporated</u> University of New Orleans	12.RD.N00024-97-C-2202	130,493
Restructuring Complex Program Fragments into Smaller Cohesive Units <u>Direct Awards:</u> University of Louisiana at Lafayette	12.RD.MDA904-96-C-0301	31,653
Sequences for the Identification of Human Population <u>Direct Awards:</u> LSU Health Sciences Center (New Orleans)	12.RD.N39998-98-N-3797	41,301
Seventh International Conference on Computer Communications and Network - Fixed Price Contract <u>Direct Awards:</u> University of Louisiana at Lafayette	12.RD.DAA01-98-P-1077	15,000

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
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	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Signal Processing, Scattering, and Modeling Studies for Underwater Acoustics and Seafloor Geophysics	12.RD.N00014-95-1-G922	
<u>Direct Awards:</u>		
University of New Orleans		\$15,828
Single Charge Tunneling in Nanosize Semiconductor Junction Arrays		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	12.RD.DAAH04-94-G-0333	(163)
LSU and A&M College (Baton Rouge)	12.RD.DAAH04-95-1-0201	(6)
Spacecraft Long Life, Fault Tolerant, Spacecraft Sensor - Fixed Price Contract	12.RD.unknown	
<u>Through: Airex Corporation</u>		
LSU and A&M College (Baton Rouge)		22,160
Temporal and Spatial Patterns of Coastal Fishery Resources in the Atchafalaya - Fixed Price Contract	12.RD.DACW29-98-M-0478	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		71,939
Transport Processes Through the Bab El Mandab Strait	12.RD.N00014-98-1-0453	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		4,079
U.S. Army IPA - Allen/Supervisor	12.RD.IPA-Allen	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		53,460
U.S. Army IPA - Day/Supervisor	12.RD.IPA-DAY	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		37,921
U.S. Army IPA - Kemp/Supervisor	12.RD.IPA-KEMP	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		41,200
U.S. Army IPA - Suhayda/Supervisor	12.RD.IPA-SUHAYDA	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		35,819
U.S. Army Subcontract - Identification and Development of a New, Broad Spectrum Antibiotic for Pathogens	12.RD.MDA#9729710008	
<u>Through: Stanford University, Stanford, CA</u>		
LSU Health Sciences Center (Shreveport)		31,851

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Utilization of Elastodynamic Locomotion in Mesoscale Robotic Insects Through: <u>Vanderbilt University</u> LSU and A&M College (Baton Rouge)	12.RD.14080-S1	\$22,737
Water Quality Factors Affecting Iron and Manganese Oxidation <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.RD.DACW39-95-K-0051	12,223
Subtotal Research and Development Cluster		24,138,769
Total U.S. Department of Defense		\$38,400,021
CENTRAL INTELLIGENCE AGENCY		
<u>Research and Development Cluster:</u>		
DNA Sequence for Identification of Human Population <u>Direct Awards:</u> LSU Health Sciences Center (New Orleans)	13.RD.97-F130100-000	\$52,774
Economic Impacts of NDV on Agricultural Targets: A Representative Case Study <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	13.RD.96-F151200-000	21
Strain Identification <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	13.RD.96-F152400-000	31,507
Subtotal Research and Developmental Cluster		84,302
Total Central Intelligence Agency		\$84,302
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Community Development Block Grants/State's Program <u>Direct Awards:</u> Executive Department Through: <u>City of West Monroe</u> University of Louisiana at Monroe	14.228	\$42,334,990 2,989
Subtotal Community Development Block Grants/State's Program		42,337,979
Emergency Shelter Grants Program <u>Direct Awards:</u> Department of Social Services	14.231	1,314,752

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONT.)		
Historically Black Colleges and Universities Program	14.237	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$42,696
Shelter Plus Care	14.238	
<u>Direct Awards:</u>		
Department of Health and Hospitals		397,959
Fair Housing Assistance Program - State and Local	14.401	
<u>Direct Awards:</u>		
Department of Justice		183,159
Community Development Work-Study Program	14.512	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		42,431
<u>Through: Housing Authority of New Orleans</u>		
Southern University at New Orleans		172,457
Subtotal Community Development Work-Study Program		214,888
Public and Indian Housing Drug Elimination Program	14.854	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		7,252
Public and Indian Housing Youth Sports Program	14.863	
<u>Through: Monroe Housing Authority</u>		
University of Louisiana at Monroe		38,333
Community Development Block Grant Program		
<u>Through: City of New Orleans</u>		
University of New Orleans	14.CD#50-115(93)	43,892
University of New Orleans	14.CD#80-053(97)	115,890
Subtotal Community Development Block Grant Program		159,782
HIV Housing Grant	14.LA48H95/96/97-FO42/50/50	
<u>Direct Awards:</u>		
Office of Public Health		1,264,121
Lead-Based Paint Hazard Reduction Grant Program	14.LALPS003-94-6	
<u>Direct Awards:</u>		
Department of Environmental Quality		66,492
National Center for Revitalization of Central Cities	14.LA 48SPG501	
<u>Through: City of New Orleans</u>		
University of New Orleans		23,703

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONT.)		
Operation Safe Home	14.unknown	
Through: <u>Housing Authority of New Orleans</u>		
Department of Military Affairs		\$47,326
Youthbuild		
<u>Direct Awards:</u>		
Louisiana Technical College, Tallulah Campus	14.Y.96-IM-LA-0156	186,345
Louisiana Technical College, Tallulah Campus	14.Y.97-IM-LA-0129	345,608
Louisiana Technical College, Tallulah Campus	14.Y.98-IM-LA-0017	109,292
Subtotal Youthbuild		641,245
<u>Research and Development Cluster:</u>		
Community Development Work-Study Program	14.512	
<u>Direct Awards:</u>		
University of New Orleans		295,083
Monitoring and Documenting the Progress of the Housing Authority of New Orleans in Implementing Hope VI at the Desire Housing Development	14.RD.H-21052SG	
<u>Direct Awards:</u>		
University of New Orleans		6,000
National Center for the Revitalization of Central Cities	14.RD.B-98-SP-LA-0115	
<u>Direct Awards:</u>		
University of New Orleans		118,837
Subtotal Research and Development Cluster		419,920
Total U.S. Housing and Urban Development		\$47,159,607
U.S. DEPARTMENT OF INTERIOR		
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	
<u>Direct Awards:</u>		
Department of Natural Resources		\$181,687
Abandoned Mine Land Reclamation (AMLR) Program	15.252	
<u>Direct Awards:</u>		
Department of Natural Resources		117,340
Fish and Wildlife Management Assistance	15.608	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		27,916

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Wildlife Research Information	15.610	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		\$11,717
Endangered Species Conservation	15.612	
<u>Direct Awards:</u>		
Southeastern Louisiana University		5,019
Department of Wildlife and Fisheries		69,440
<u>Through: Mississippi Department of Wildlife, Fisheries, and Parks</u>		
Southeastern Louisiana University		31,538
Subtotal Endangered Species Conservation		105,997
Coastal Wetlands Planning, Protection and Restoration Act	15.614	
<u>Direct Awards:</u>		
Department of Natural Resources		792,020
Department of Wildlife and Fisheries		10,800
Subtotal Coastal Wetlands Planning, Protection and Restoration Act		802,820
Clean Vessel Act	15.616	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		13,628
Assistance to State Water Resources Research Institutes	15.805	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		92,857
U.S. Geological Survey - Research and Data Acquisition	15.808	
<u>Direct Awards:</u>		
Executive Department		170,162
Historic Preservation Fund Grants-in-Aid	15.904	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		621,472
National Register of Historic Places	15.914	
<u>Direct Awards:</u>		
LSU in Shreveport		4,282
Outdoor Recreation - Acquisition, Development and Planning	15.916	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		29,088
Assessment of Impact of Hurricane Andrew on Coastal Wetlands	15.W63-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		38,197

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Dire Emergency Appropriation Fund - Maintenance and Expansion of Beechwood Hatchery		
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries	15.F68-2	\$279,852
Department of Wildlife and Fisheries	15.F80-1	156,734
		<hr/>
Subtotal Dire Emergency Appropriation Fund - Maintenance and Expansion of Beechwood Hatchery		436,586
<hr/>		
Gulfwide Information System		
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries	15.435-01-96-CA-3083	79,340
Department of Wildlife and Fisheries	15.1435-01-96-CA-30835	52,575
		<hr/>
Subtotal Gulfwide Information System		131,915
<hr/>		
Information Transfer Meetings for the Gulf of Mexico Region		
<u>Direct Awards:</u>		
University of New Orleans	15.14-35-0001-30665	89,098
		<hr/>
Mineral Management Service		
<u>Direct Awards:</u>		
Department of Natural Resources	15.1435-02-96-CA-40281	66,775
		<hr/>
National Park Service - Cooperative Agreements/Contract		
<u>Direct Awards:</u>		
Northwestern State University:		
Administration	15.1443 CA 0001 94038 Mod. 14	9,166
Administration Services	15.1443 CA 0001 94038 Mod. 17	90,586
Administration Services	15.1443 CA 0001 94038 Mod. 18	11,201
Administration Services '97	15.1443 CA 0001 94038 Mod. 15	23,239
Administration Services '99	15.1443 CA 0001 94038 Mod. 21	45,016
Building Program	15.1443 CX 0001 94-009	98,219
Cane River Park	15.CA7029-4 00013 Mod. 1	360
Interns/Meetings	15.1443 CA 0001 94038 Mod. 12	1,200
MRP Personnel	15.1443 CA 0001 94038 Mod. 19	25,778
		<hr/>
Subtotal National Park Service - Cooperative Agreements/Contract		304,765
<hr/>		
Native River Cane		
<u>Direct Awards:</u>		
University of Louisiana at Monroe	15.1448-42650-98-M109	1,108
		<hr/>
Northwest Louisiana Wildlife and Aquatic Education Program		
<u>Direct Awards:</u>		
LSU in Shreveport	15.97-093	13,071
		<hr/>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Nutria Harvest Project	15.W42HEM81069526	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		\$44,003
Terrebonne Barrier Islands Refuge Waterbird Nesting Site Restoration	15.W62-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		76,501
U.S. Fish and Wildlife: Reopening of I-10 @ Bayou Sauvage (Orleans Parish)	15.FFB 1448-40181-98-J-01	
<u>Direct Awards:</u>		
Department of Transportation and Development		100,000
<u>Fish and Wildlife Cluster:</u>		
Sport Fish Restoration	15.605	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		2,871,788
<u>Through: Research Corp. of the University of Hawaii</u>		
LSU and A&M College (Baton Rouge)		155,432
Southeastern Louisiana University		18,156
Wildlife Restoration	15.611	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		3,392,070
Subtotal Fish and Wildlife Cluster		6,437,446
<u>Research and Development Cluster:</u>		
Endangered Species Conservation	15.612	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		5,352
Assistance to State Water Resources Research Institutes	15.805	
<u>Direct Awards:</u>		
LSU Agricultural Center		2,765
LSU and A&M College (Baton Rouge)		42,065
National Water Resources Research Program	15.806	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		18,422
U.S. Geological Survey - Research and Data Acquisition	15.808	
<u>Direct Awards:</u>		
LSU Agricultural Center		49,152
LSU and A&M College (Baton Rouge)		79,583

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
National Cooperative Geologic Mapping Program	15.810	
<u>Direct Awards:</u>		
University of New Orleans		\$9,800
Historic Preservation Fund Grants-in-Aid	15.904	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,914
Advanced Decision Support Geographic Information System - Task Order 7	15.RD.14-45-0009-94-1048	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		18,857
Aerial Videotape Survey of Hurricane Georges Impact Zone 1998 - Fixed Price Contract	15.RD.9SPSA11538	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		9,999
Air Quality and Dispersion Meteorology Over the Northeastern Gulf of Mexico	15.RD.30660/#19925	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		74,967
Analysis of Microscopic Remains in Late Holocene Sediments From Agriculture	15.RD.99HQGR0070	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		4,990
An Analysis of the Socioeconomic Effects of OCS Activities on Ports	15.RD.30660/#19957	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		24,357
Analysis and Synthesis of Louisiana Coastal Boundary Current Data	15.RD.30660/#19936	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		38,178
Analyze Existing Data and Collect Data on Variability of Alligator Surveys and Harvests	15.RD.1434HQ97RU01561 #50	
<u>Direct Awards:</u>		
LSU Agricultural Center		13,722
Army Corps of Engineers		
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium	15.RD.MOA-Coast 2050	37,717
Louisiana Universities Marine Consortium	15.RD.MOA-PPL#8	37,438

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Assessment of the Effect of Bioturbation on Advective Containment Exchange Through: <u>Clemson University</u> LSU and A&M College (Baton Rouge)	15.RD.288-6120-27-6755	\$4,992
Assessment and Reduction of Taxonomic Error in Benthic Macrofauna Surveys <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	15.RD.30951/#16801	14,033
Biomediation of Spilled Hydrocarbons: The Selection and Survival <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	15.RD.30660/#19921	30,650
Characterization of Algal-Invertebrate Mats at CMI Study <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	15.RD.30660/#19932	48,696
The Coastal Division of Industrial Labor Over Time and Space: Continuation <u>Direct Awards:</u> LSU Agricultural Center	15.RD.30660/#19966	86,855
Coastal Marine Environmental Modeling <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	15.RD.30660/#19917	1
LSU and A&M College (Baton Rouge)	15.RD.30660/#19953	41,620
LSU and A&M College (Baton Rouge)	15.RD.30660/#19965	39,115
Commuting, Migration, and Offshore Oil/Gas Extraction <u>Direct Awards:</u> LSU Agricultural Center	15.RD.30660/#19939	(1,062)
A Comparative Study of the Ecology and Behavior of the Northern Parula <u>Direct Awards:</u> LSU Agricultural Center	15.RD.1434HQ97RU01561 #40	3,817
Comparison of the Assemblage of Organisms at Two Artificial Reefs <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	15.RD.30660/#19960	15,154
A Continuous Monitoring, Shallow Water Hydrodynamic and Meteorological Station <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	15.RD.1443CA532097010	100,414

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Cost Profiles and Cost Functions for Gulf of Mexico Oil and Gas Development Phases	15.RD.30951/#16803	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$2,336
Crucial Sediment Delivery Processes Within a Marsh Hydrologic Restoration Process	15.RD.434-CR-97-AG-0001	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		36
CWPPRA University Assistance		
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium	15.RD.674189	54,379
Louisiana Universities Marine Consortium	15.RD.67419	8,786
CWPPRA Wetland Value (674153)	15.RD.unknown	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		9,075
Design and Development of an Environmental Geographic Information System to Support Oil Spill Contingency	15.RD.30660/#19901	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		53,636
Development of Bioremediation for Oil Spill Cleanup in Coastal Wetlands	15.RD.30660/#19909	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		45,310
Development and Evaluation of Survey Methods for Common Moorehens and Purple Gallinule	15.RD.1434HQ97RU01561 #32	
<u>Direct Awards:</u>		
LSU Agricultural Center		9,153
Development of Improved Procedures for Detecting and Handling Underground Blow-Outs	15.RD.14-35-0001-30749	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		307,703
Development of Louisiana GIS Data in Support on the Gulf-Wide Information System to Support Oil Spill Contingency	15.RD.30660/#19964	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		443
Digital High Resolution Acoustic Data for Improved Benthic Habitat/Geohazard	15.RD.30660/#19910	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		82,147

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Dire Emergency Appropriation Fund - Atchafalaya River Basin Hydro Management Plan	15.RD.F81-1	
<u>Direct Awards:</u> Department of Wildlife and Fisheries		\$4,340
Distribution, Productivity, and Recruitment of Black Bear in the Atchafalaya	15.RD.1434HQ97RU01561 #53	
<u>Direct Awards:</u> LSU Agricultural Center		18,489
Drifter Study in the Mississippi River Plume	15.RD.14-35-0001-30724	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		74,200
Dynamic Height and Transport Across the Texas-Louisiana Shelf	15.RD.30660/#19948	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		23,995
An Economic Impact Analysis of OCS Activities on Coastal Louisiana	15.RD.30660/#19967	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		33,467
Effect of Depth and Location on the Composition and Abundance of Oceanic Fishes	15.RD.30660/#19947	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		149,450
Effects of Hurricane Andrew on Old and Second Growth Stands of South Florida - Fixed Price Contract	15.RD.CA5280-4-9005	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		173,902
An Environmental Geographic Information System to Support Oil Spill Contingency	15.RD.30660/#19901	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		1,105
Environmental Research Facility - Task Order 4	15.RD.14-45-0009-1048	
<u>Direct Awards:</u> University of Louisiana at Lafayette		900
Establishment of Rivers, Trails and Conservation Assistance Programs	15.RD.CA7029-3-0003	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		512

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Estimates of Late Cenozoic Sea-Surface Temperature Using Quantitative Analysis of Plankton Fora	15.RD.1434-HQ-96-AG-1568	
<u>Direct Awards:</u> University of Louisiana at Lafayette		\$28,882
Estimating Abundance and Genetic Diversity of Black Bears in South-Central LA	15.RD.1448-40181-99-G-138	
<u>Direct Awards:</u> LSU Agricultural Center		11,726
Evaluating Sublethal Effects of Exposure to Petroleum Additives on Fishes	15.RD.30951/#16802	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		7,844
Evaluation of Use of Wooded Habitats Along the Northern Coast of the Gulf of Mexico	15.RD.1434HQ97RU01561/#57	
<u>Direct Awards:</u> LSU Agricultural Center		8,679
Evaluation of Water Quality and Fisheries Information Relating to Water Management	15.RD.1434HQ7RU01561 #51	
<u>Direct Awards:</u> LSU Agricultural Center		2,490
The Fate and Effects of Barium and Radium-Rich Fluid Emissions	15.RD.30660/#19946	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		117,703
A Gap Analysis of Louisiana: Predicting Distributions of Terrestrial Vertebrates	15.RD.1434HQ97RU01561 #24	
<u>Direct Awards:</u> LSU Agricultural Center		847
Geographic Information System Application to Three Dimensional Historical Mapping		
<u>Direct Awards:</u> LSU Agricultural Center	15.RD.1434HQ97RU01561 #59	62,830
LSU Agricultural Center	15.RD.1434HQ97RU01561 #52	11,678
Geologic Framework and Processing Affecting Coastal Land Loss, Environmental Quality, and Pollution in the Pontchartrain Basin	15.RD.1434-95-A-01338	
<u>Direct Awards:</u> University of New Orleans		201,531

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Geologic Map - Fort Polk, North Boundary Region, Western Louisiana	15.RD.1434-HQ-97-AG-01753	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$5,891
Geology of 100K Quadrangles in Southeast and Southwest Louisiana	15.RD.1434-HQ-96-AG-01490	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		38,180
GIS Data Certification: Issues and Strategies (NSDI '98 Framework)	15.RD.98HQAG2159	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		12,402
Habitat Use by Nearctic-Neotropical Migrant Songbirds at Big Bend National Park	15.RD.1434HQ97RU01561 #41	
<u>Direct Awards:</u> LSU Agricultural Center		1,315
Historical Reconstruction of Contaminant Loading and Biological Responses	15.RD.30660/#19930	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		55,930
How Does Produced Water Cause a Reduction of the Genetics of Harpactic	15.RD.30660/#19949	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		111,608
The Importance of Agricultural Lands in SW Louisiana to Nesting Mottled Ducks	15.RD.1434HQ97RU01561/#56	
<u>Direct Awards:</u> LSU Agricultural Center		3,666
Improved Procedures for Cryopreservation of Fish Sperm	15.RD.1434HQ97RU01561 #45	
<u>Direct Awards:</u> LSU Agricultural Center		6,222
Interactions Between Migrating Birds and Offshore Oil and Gas Rigs off the Louisiana Coast	15.RD.30660/#19938	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		211,251
Interpretative Syntheses of Latex Shelf and Slope Circulation	15.RD.30660/#19942	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		4,043

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Investigation of Hybrid Deep Water Production Systems	15.RD.1435-01-97-CA-30879	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$16,823
Job Loss and Reemployment of Women and Blacks in Louisiana's Oil Communities	15.RD.30660/#19954	
<u>Direct Awards:</u>		
LSU Agricultural Center		12,154
Labor Demand in the Offshore Oil and Gas Industry: The Louisiana Case	15.RD.30660/#19951	
<u>Direct Awards:</u>		
LSU Agricultural Center		38,524
Labor Migration and the Deepwater Oil Industry	15.RD.30660/#19958	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		69,893
Land-Use Patterns and Fish Community Structure and Production in Acadian-Pontchartrain - Fixed Price Contract	15.RD.98CRSA1201	
<u>Direct Awards:</u>		
LSU Agricultural Center		23,200
LA/Texas Physical Oceanography Program	15.RD.14-35-0001-30632	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,509
LA/Texas Shelf Circulation and Transport Processes Study	15.RD.S200020/481001-10009	
<u>Through: Texas A&M Research Foundation</u>		
LSU and A&M College (Baton Rouge)		(75)
LSU Coastal Marine Institute Management	15.RD.30660/#19918	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		28,599
Management of the Coastal Marine Institute at LSU	15.RD.30951/#16800	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		12,524
Measurements of Meteorology and Air Quality on Breton Island	15.RD.30660/#19925	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,344
Modeling the Mangrove Region	15.RD.CA5280-8-9011	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		19,630

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
A Modeling Study of Gulf of Mexico Deep Water Circulation and Transport	15.RD.30660/#19952	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$46,639
Monitor Tallow Invasion in Forested Wetlands	15.RD.1434HQ97RU01561 #54	
<u>Direct Awards:</u> LSU Agricultural Center		41,943
Monitoring Acid Rain Data - Fixed Price Contract	15.RD.1434-HQ-SA-98-00121	
<u>Direct Awards:</u> LSU Agricultural Center		1,550
Monitoring of Wave/Current Interactions and Sand Transportation	15.RD.CA-5320-5-9052	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		(233)
Monitoring Wetland Creation/Dredged Materials	15.RD.E9695MOA	
<u>Direct Awards:</u> Louisiana Universities Marine Consortium		827
National Biological Service - Subagreement 7 - Fixed Price Contract	15.RD.1445-0009-1048	
<u>Direct Awards:</u> University of Louisiana at Lafayette		15,000
Neotropical Bird Use and Reproductive Performance With Habitat Correlation and Management - Fixed Price Contract	15.RD.1448-0004-96-023	
<u>Direct Awards:</u> LSU Agricultural Center		50,000
NTN Acid Precipitation Collection Station - Fixed Price Contract	15.RD.1434-HQ-98-SA-00121	
<u>Direct Awards:</u> LSU Agricultural Center		1,300
An Observational and Predictive Study of Inner Shelf Currents Over the Texas/Louisiana Shore	15.RD.30660/#19943	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		66,002
Offshore Petroleum Platforms: Functional Significance for Larval Fish Across	15.RD.30660/#19961	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		41,165
The Oil Spill at Lake Barre, La.: Economic and Social Consequences	15.RD.30660/#19955	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		5,398

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Palynological Analysis of Cores From Holocene Deposition	15.RD.1434-HQ-97-GR-03199	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$7,601
Peryphyton Dynamics in Four Headwater Streams on Fort Polk Reservation, LA	15.RD.99CRSA50297	
<u>Direct Awards:</u>		
LSU Agricultural Center		28,133
Postlarval and Juvenile Fish Nursery Ground/Refugia Function	15.RD.30660/#19926	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		53,600
Potential Spatial and Temporal Vulnerability of Pelagic Fish Assemblages in the Gulf	15.RD.30660/#19962	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		3,406
A Pressure Gauge and Moored CTD Array Along the Louisiana Coastal Current	15.RD.30660/#19922	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		56,265
Provide Personnel to Assist Baton Rouge Fisheries Resources Office - Fixed Price Contract	15.RD.1448-40181-97-M244	
<u>Direct Awards:</u>		
LSU Agricultural Center		8,413
Reproduction of Alligators on Sabine National Wildlife Refuge	15.RD.143HQ97RU01561 #48	
<u>Direct Awards:</u>		
LSU Agricultural Center		33,546
Research, Compilation, and Digitization of Problems	15.RD.1435-01-98-CA-30895	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		61,149
Role of Bottom Sediment Redox-Chemistry Near Oil Production Facilities	15.RD.30660/#19907	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		43,509
A Socioeconomic Analysis of the Post Expansion of Port Fourchon	15.RD.30660/#19945	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(50)

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Studying and Verifying the Use of Chemical Biomarkers	15.RD.30660/#19933	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$36,815
Survey of Avian Use, Productivity, and Survivorship in Harvested or Planted Bottomland	15.RD.1434HQ97RU01561 #39	
<u>Direct Awards:</u>		
LSU Agricultural Center		3,531
Synthesis of Hard Mineral Resources on the Florida Panhandle - Fixed Price Contract	15.RD.1435-01-96-CT-30812	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		78,695
Tracing Food-Web Connections With Hydrocarbon Seepage Through: <u>Texas A&M Research Foundation</u>	15.RD.S700027/634851-14001	
LSU and A&M College (Baton Rouge)		26,167
U.S. Geological Survey - Provide Data Analysis and Completion Report for Effects of Endocrine Disruptors - Fixed Price Contract	15.RD.98CRSA1068	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		5,500
U.S. Geological Survey - Unknown - Fixed Price Contract	15.RD.1434-CR-97-CN-40296	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		47,149
Variation in Composition and Distribution of Fish Assemblages		
<u>Direct Awards:</u>		
LSU Agricultural Center	15.RD.1434HQ97RU01561 #58	8,400
LSU Agricultural Center	15.RD.1434HQ97RU01561 #60	40,872
Wave Climate Modeling and Evaluation Relative to Sand Mining on Ship Shoal, Offshore	15.RD.30660/#19911	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		39,894
Wetlands Interns - Task Orders 12, 13, 14	15.RD.14-45-CA09-95-0116	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		142,464
Workshop for Modeling Demographic and Socioeconomic Changes in Coastal Areas	15.RD.30660/#19959	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,725

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
World Deltas Symposium Report on Proceedings - Fixed Price Contract	15.RD.98HQSA1870/987104054	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$5,000
Subtotal Research and Development Cluster		4,038,145
Total U.S. Department of Interior		\$13,956,576
U.S. DEPARTMENT OF JUSTICE		
Asset Forfeiture	16.000	
<u>Direct Awards:</u>		
Department of Military Affairs		\$79,496
Department of Public Safety and Corrections - Public Safety Services		134,253
Subtotal Asset Forfeiture		213,749
Juvenile Accountability Incentive Block Grants	16.523	
<u>Direct Awards:</u>		
Executive Department		23,189
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	
<u>Direct Awards:</u>		
Executive Department		1,092,165
Title V - Delinquency Prevention Program	16.548	
<u>Direct Awards:</u>		
Executive Department		152,914
Part E - State Challenge Activities	16.549	
<u>Direct Awards:</u>		
Executive Department		138,895
State Justice Statistics Program for Statistical Analysis Centers	16.550	
<u>Direct Awards:</u>		
Executive Department		33,824
National Criminal History Improvement Program (NCHIP)	16.554	
<u>Direct Awards:</u>		
Executive Department		876,914

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Justice Research, Development, and Evaluation Project Grants	16.560	
Through: <u>New Mexico Institute of Mining and Technology</u>		
LSU and A&M College (Baton Rouge)		\$87,279
Through: <u>Tangipahoa Parish Sheriff's Office</u>		
Southeastern Louisiana University		316
Subtotal Justice Research, Development, and Evaluation Project Grants		87,595
Crime Victim Assistance	16.575	
Direct Awards:		
Executive Department		4,118,206
Crime Victim Compensation	16.576	
Direct Awards:		
Executive Department		318,460
Byrne Formula Grant Program	16.579	
Direct Awards:		
Executive Department		7,806,599
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	
Direct Awards:		
Department of Public Safety and Corrections - Corrections Services		2,386,176
Violence Against Women Formula Grants	16.588	
Direct Awards:		
Executive Department		1,780,038
Rural Domestic Violence and Child Victimization Enforcement Grant Program	16.589	
Direct Awards:		
Executive Department		2,273
Grants to Encourage Arrest Policies	16.590	
Through: <u>St. Tammany Parish Sheriff's Office</u>		
University of New Orleans		1,339
Local Law Enforcement Block Grants Program	16.592	
Direct Awards:		
Executive Department		381,887
Residential Substance Abuse Treatment for State Prisoners	16.593	
Direct Awards:		
Executive Department		552,820

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Executive Office for Weed and Seed	16.595	
<u>Direct Awards:</u>		
Department of Justice		\$9,862
<u>Through: Housing Authority of New Orleans</u>		
LSU Health Sciences Center (New Orleans)		2,980
Subtotal Executive Office for Weed and Seed		12,842
State Identification Systems Grant Program	16.598	
<u>Direct Awards:</u>		
Executive Department		220,653
State Criminal Alien Assistance Program	16.606	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Corrections Services		71,950
Public Safety Partnership and Community Policing Grants	16.710	
<u>Direct Awards:</u>		
LSU in Shreveport		761,508
Orleans Levee District		105,042
Southeastern Louisiana University		25,809
Southern University at New Orleans		22,926
Subtotal Public Safety Partnership and Community Policing Grants		915,285
Combating Underage Drinking	16.727	
<u>Direct Awards:</u>		
Department of Health and Hospitals		45,920
Affordable Crime Mapping and Information Sharing Technology for Community Police Officers	16.PC 270 00000008204	
<u>Through: City of New Orleans</u>		
University of New Orleans		74,190
<u>Drug Enforcement Administration:</u>		
Domestic Cannabis Eradication	16.98-51	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		221,967
Marijuana Eradication	16.99-50	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		97,530

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
<u>Drug Enforcement Administration:</u> (Cont.)		
New Orleans Division Task Force	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		\$5,216
Organized Crime Drug Enforcement Task Force		
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services	16.MSE/LAW-055	123
Department of Public Safety and Corrections - Public Safety Services	16.SELAW-048	980
Department of Public Safety and Corrections - Public Safety Services	16.SELAW-058	1,140
Subtotal Organized Crime Drug Enforcement Task Force		2,243
Emergency Response to Weapons of Mass Destruction	16.1999-MU-CX-K006	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		29,921
<u>Federal Bureau of Investigation:</u>		
Castle/Leo		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	16.Phase II/III	(15,093)
LSU and A&M College (Baton Rouge)	16.Phase IV	6,110,324
LSU and A&M College (Baton Rouge)	16.Phase V	1,196,102
Subtotal Castle/Leo		7,291,333
New Orleans Gang Task Force	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		5,451
Organized Crime Drug Enforcement Task Force	16.SELAW-057	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		248
Violent Criminal Task Force	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		2,281

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Forensic DNA Laboratory Improvement	16.97DNVX-0012	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>\$59,149</u>
Gulf States Drug Initiative	16.MIPR0CLNGRD603	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>66,130</u>
Managing Law Enforcement Technologies	16.98-LB-VX-K010	
<u>Direct Awards:</u>		
University of New Orleans		<u>551,423</u>
Stop the Violence Against Women Training Grant	16.PC 270 00000007352	
<u>Through: City of New Orleans</u>		
University of New Orleans		<u>2,911</u>
U.S. Attorney - Asian Organization Crime/Drug Task Force	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>1,051</u>
U.S. Marshals Office - Capital Area Fugitive Task Force	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>4,040</u>
U.S. Marshals Service	16.MSDS19990001	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>529,763</u>
<u>Research and Development Cluster:</u>		
Justice Research, Development, and Evaluation Project Grants	16.560	
<u>Direct Awards:</u>		
Southeastern Louisiana University		<u>30,562</u>
Identification and Analysis of Polymorphic Alu Repeats	16.RD.1999 IJ-CX-K009	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		<u>4,902</u>
Subtotal Research and Development Cluster		<u>35,464</u>
Total U.S. Department of Justice		<u><u>\$30,214,004</u></u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF LABOR		
Labor Force Statistics	17.002	
<u>Direct Awards:</u>		
Department of Labor		<u>\$1,493,076</u>
Compensation and Working Conditions Data	17.005	
<u>Direct Awards:</u>		
Department of Labor		<u>100,909</u>
Labor Certification for Alien Workers	17.203	
<u>Direct Awards:</u>		
Department of Labor		<u>221,896</u>
Unemployment Insurance	17.225	
<u>Direct Awards:</u>		
Department of Labor		<u>207,275,104</u>
Senior Community Service Employment Program	17.235	
<u>Direct Awards:</u>		
Office of Elderly Affairs		1,481,326
<u>Through: The National Council on the Aging, Inc.</u>		
University of Louisiana at Monroe		<u>308,319</u>
Subtotal Senior Community Service Employment Program		<u>1,789,645</u>
Trade Adjustment Assistance - Workers	17.245	
<u>Direct Awards:</u>		
Department of Labor		<u>5,039,919</u>
Employment Services and Job Training - Pilot and Demonstration Programs	17.249	
<u>Direct Awards:</u>		
Executive Department		<u>622</u>
Welfare-to-Work Grants to States and Localities	17.253	
<u>Direct Awards:</u>		
Department of Labor		7,937,110
<u>Through: The Coordinating and Development Corporation</u>		
Northwestern State University		<u>143,894</u>
Subtotal Welfare-to-Work Grants to States and Localities		<u>8,081,004</u>
Consultation Agreements	17.504	
<u>Direct Awards:</u>		
Department of Labor		<u>261,952</u>
School to Work Technical Assistance and Training	17.unknown	
<u>Direct Awards:</u>		
Executive Department		<u>29,455</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF LABOR (CONT.)		
State Occupational Information Coordinating Council	17.E-9454621	
<u>Direct Awards:</u>		
Department of Labor		\$105,897
<u>Employment Services Cluster:</u>		
Employment Service	17.207	
<u>Direct Awards:</u>		
Department of Labor		13,128,395
Southeastern Louisiana University		16,000
Disabled Veterans' Outreach Program (DVOP)	17.801	
<u>Direct Awards:</u>		
Department of Labor		763,436
Local Veterans' Employment Representative Program	17.804	
<u>Direct Awards:</u>		
Department of Labor		705,583
Subtotal Employment Services Cluster		14,613,414
<u>JTPA Cluster:</u>		
Employment and Training Assistance - Dislocated Workers	17.246	
<u>Direct Awards:</u>		
Department of Labor		23,216,912
<u>Through: Ouachita Parish Police Jury</u>		
University of Louisiana at Monroe		112,809
<u>Through: The Work Connection, Houma, Louisiana</u>		
Louisiana Technical College, L.E. Fletcher Campus		25,948
Job Training Partnership Act	17.250	
<u>Direct Awards:</u>		
Department of Labor		43,367,662
<u>Through: City of Baton Rouge</u>		
LSU and A&M College (Baton Rouge)		117,986
<u>Through: East Baton Rouge JTPA</u>		
LSU and A&M College (Baton Rouge)		128,002
<u>Through: Jefferson Parish Office of Manpower</u>		
Louisiana Technical College, West Jefferson Campus		67,986
<u>Through: JTPA Private Independent Council of Planning</u>		
<u>District IV</u>		
LSU at Eunice		41
<u>Through: Ouachita Parish Police Jury</u>		
University of Louisiana at Monroe		109,827
<u>Through: Rapides Parish Police Jury</u>		
LSU at Alexandria		131
<u>Through: St. Landry Parish</u>		
Louisiana Technical College, Charles B. Coreil Campus		110,326
Louisiana Technical College, Evangeline Campus		120,420
Louisiana Technical College, Teche Area Campus		59,088

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF LABOR (CONT.)		
<u>JTPA Cluster:</u> (Cont.)		
Job Training Partnership Act (Cont.)	17.250	
Through: <u>St. Landry Parish Police Jury</u>		
Louisiana Technical College, T.H. Harris Campus		\$182,393
Through: <u>St. Landry Parish Private Industry Council</u>		
Louisiana Technical College, Gulf Area Council		127,655
Through: <u>Tangipahoa Parish School Board</u>		
LSU and A&M College (Baton Rouge)		232,325
Subtotal JTPA Cluster		67,979,511
Total U.S. Department of Labor		\$306,992,404
U.S. DEPARTMENT OF STATE		
Anti-Terrorism Assistance Program		
<u>Direct Awards:</u>		
Department of Public Safety and Corrections -		
Public Safety Services	19.1052-860160	\$203,870
Department of Public Safety and Corrections -		
Public Safety Services	19.1052-960160	2,479,135
Subtotal Anti-Terrorism Assistance Program		2,683,005
Anti-Terrorism Training Program		
	19.unknown	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		253,250
Crisis Response Team:		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Abu Dhabi	19.267 ATA #1496	(8,644)
Brazil	19.239 ATA #1727	278,140
El Salvador	19.206 ATA #1723	271,178
Ethiopia - Six Week Version	19.211 ATA #1720	277,069
Malaysia - Six Week Version	19.221 ATA #1668	280,868
Qater	19.246 ATA #1711	2,161
Qater - Six Week Version	19.231 ATA #1711	278,316
Thailand	19.255 ATA #1312	284,702
Subtotal Crisis Response Team		1,663,790

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Curriculum Development and Review:		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Crisis Response Team	19.226 ATA #1231	\$2,965
Crisis Response Team	19.230 ATA #1231	1,574
Officer Survival	19.227 ATA #1231	29,263
Officer Survival	19.236 ATA #1231	44,370
Rural Border Operations	19.228 ATA #1231	37,112
		<hr/>
Subtotal Curriculum Development and Review		115,284
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Explosive Incident Countermeasures:		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Bosnia	19.207 ATA #1694	279,108
Colombia	19.256 ATA #292	309,587
Kuwait	19.250 ATA #1492	300,097
Lithuania	19.212 ATA #1656	290,861
Saudi Arabia	19.238 ATA #1726	301,089
Sri Lanka	19.225 ATA #1321	309,004
Training Development Course	19.213 ATA #1231	6,873
		<hr/>
Subtotal Explosive Incident Countermeasures		1,796,619
<hr/>		
Hostage Negotiations:		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Argentina	19.249 ATA #1728	38,177
Lithuania	19.237 ATA #1654	38,344
Oman	19.222 ATA #1708	38,225
Peru	19.219 ATA #1716	38,310
Qatar	19.257 ATA #1800	38,410
		<hr/>
Subtotal Hostage Negotiations		191,466
<hr/>		
Incorporation of Training Material	19.264 ATA #1517	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		3,367
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Officer Survival Course:		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Phase III Curriculum Development	19.248 ATA #1231	166,860
Training Development Conference	19.215 ATA #1231	7,658
Walk Through	19.260 ATA #1517	185,899
		<hr/>
Subtotal Officer Survival Course		360,417
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(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Post Blast Investigation		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Kuwait	19.265 ATA #1089	\$89,554
Lithuania	19.220 ATA #1745	87,558
Malaysia	19.209 ATA #1750	83,061
Oman	19.243 ATA #1729	89,575
Sri Lanka	19.252 ATA #1680	89,359
Turkey	19.224 ATA #1697	85,797
Yemen	19.235 ATA #1725	88,857
Subtotal Post Blast Investigation		613,761
Role of Police in Managing a Crisis		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Bosnia-Herzegovina	19.240 ATA #1333	45,651
Egypt	19.253 ATA #1817	45,253
Ethiopia	19.210 ATA #1712	39,808
Morocco	19.259 ATA #1097	46,578
Qatar	19.233 ATA #1722	46,508
Subtotal Role of Police in Managing a Crisis		223,798
Rural Border Operations		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Curriculum Development and Review	19.244 ATA #1231	44,257
Egypt	19.266 ATA #1812	2,255
Jordan	19.283 ATA #1703	511
Training Development Conference	19.245 ATA #1231	3,681
Training Development Conference	19.214 ATA #1231	7,173
Walk-Through	19.262 ATA #1517	2,177
Subtotal Rural Border Operations		60,054
Senior Crisis Management:		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Abu Dhabi	19.251 ATA #1803	62,919
Ethiopia	19.232 ATA #1721	64,702
Jordan	19.254 ATA #1379	63,849
Malaysia	19.268 ATA #1380	63,797
Oman	19.223 ATA #1717	65,146
Oman	19.258 ATA #1717	63,849
Qatar	19.217 ATA #1715	58,180

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Senior Crisis Management: (Cont.)		
<u>Direct Awards:</u> (Cont.)		
LSU and A&M College (Baton Rouge) (Cont.)		
Saudi Arabia	19.218 ATA #1546	\$64,709
Thailand	19.241 ATA #1444	63,356
Tunisia	19.201 ATA #1382	63,719
Subtotal Senior Crisis Management		634,226
Subject Matter Experts - Explosive Incident Countermeasures in Israel	19.263 ATA #1836/1837	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		13,359
Two Subject Matter Experts - Explosive Incident Countermeasures - Site Development Conference	19.272 ATA #1517	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		12,133
Total U.S. Department of State		\$8,624,529
U.S. DEPARTMENT OF TRANSPORTATION		
Boating Safety Financial Assistance	20.005	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		\$1,203,626
Airport Improvement Program	20.106	
<u>Direct Awards:</u>		
Department of Transportation and Development		230,977
Airway Science	20.107	
<u>Direct Awards:</u>		
Louisiana Tech University		63,196
University of Louisiana at Monroe		31,257
Subtotal Airway Science		94,453
Highway Planning and Construction	20.205	
<u>Direct Awards:</u>		
Department of Revenue		50,000
Department of Transportation and Development		318,279,896
Subtotal Highway Planning and Construction		318,329,896

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
National Motor Carrier Safety	20.218	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>\$1,453,057</u>
Local Rail Freight Assistance	20.308	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>3,309</u>
Federal Transit Grants for University Research and Training	20.502	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		49,526
<u>Through: South Carolina State</u>		
Southern University and A&M College (Baton Rouge)		<u>23,774</u>
Subtotal Federal Transit Grants for University Research and Training		<u>73,300</u>
Formula Grants for Other Than Urbanized Areas	20.509	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>2,479,866</u>
Capital Assistance Program for Elderly Persons and Persons With Disabilities	20.513	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>1,976,613</u>
State Planning and Research	20.515	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>535,367</u>
Pipeline Safety	20.700	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>319,778</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>82,062</u>
Eisenhower Faculty Fellowship - To Attend Highway Railroad Crossing Workshop	20.HHI-20	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>834</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
Instructional and Support Services for the National Transit Institute Through: <u>Rutgers, The State University of New Jersey</u>	20.4-28633	
LSU and A&M College (Baton Rouge)		\$2,020
LSU and A&M College (Baton Rouge) - Fixed Price Contract		26,500
Subtotal Instructional and Support Services for the National Transit Institute		28,520
Federal Transit Cluster:		
Federal Transit - Capital Investment Grants	20.500	
Direct Awards:		
Department of Transportation and Development		550,057
Federal Transit - Formula Grants	20.507	
Direct Awards:		
Department of Transportation and Development		500,000
Subtotal Federal Transit Cluster		1,050,057
Highway Safety Cluster:		
State and Community Highway Safety	20.600	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		2,324,280
Research and Development Cluster:		
Federal Transit Grants for University Research and Training	20.502	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		16,415
Automotive Highway Safety Research Initiative	20.RD.DTFH61-99-X-00037	
Direct Awards:		
LSU Health Sciences Center		44,177
Deployment of Transportation Technologies	20.RD.DTMA91-97-H-00007	
Through: <u>University of Alabama</u>		
University of New Orleans		1,691
Including All Deep Foundation Load Test Data and Soil and Site Investigation	20.RD.DTFH61-96-X-00002	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(8,953)
National Pipeline Mapping System - State Repository	20.RD.DTRS56-99-H-0004	
Direct Awards:		
LSU and A&M College (Baton Rouge)		8,667

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Technical Support for Competitive High Speed Vessels	20.RD.DTMA 91-96-H-0001	
Through: <u>Swiftships, Inc.</u>		
University of New Orleans		\$6,063
Subtotal Research and Development Cluster		68,060
Total U.S. Department of Transportation		\$330,254,055
U.S. DEPARTMENT OF THE TREASURY		
United States Customs Service	21.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections -		
Public Safety Services		\$12,381
Total U.S. Department of the Treasury		\$12,381
UNITED STATES POSTAL SERVICE		
United States Postal Service	22.216565-89-P-0444	
<u>Direct Awards:</u>		
Nicholls State University		\$6,000
Total U.S. Postal Service		\$6,000
GENERAL SERVICES ADMINISTRATION		
Donation of Federal Surplus Personal Property	39.003	
<u>Direct Awards:</u>		
Executive Department		\$1,681,219
Total General Services Administration		\$1,681,219
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
Aerospace Education Services Program - Fixed Price Contract	43.001	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$237,565
Through: <u>Southeast Regional Clearing House</u>		
LSU and A&M College (Baton Rouge)		5,000
Through: <u>University of Alabama</u>		
Northwestern State University		3,787
Subtotal Aerospace Education Services Program -		
Fixed Price Contract		246,352

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Technology Transfer	43.002	
<u>Direct Awards:</u>		
Southern University at New Orleans		\$147,561
University of Louisiana at Monroe		4,660
		<hr/>
Subtotal Technology Transfer		152,221
		<hr/>
Astronomy Education	43.NAS5-26555	
<u>Through: Space Telescope Science Institute</u>		
Southern University and A&M College (Baton Rouge)		140
		<hr/>
NAC CME-NASA Student Award	43.NTG5-90015	
<u>Through: National Action Council for Minorities in Engineering</u>		
Southern University and A&M College (Baton Rouge)		35,355
		<hr/>
NASA Administrators Fellowship	43.43002-43	
<u>Through: National Research Council</u>		
Southern University and A&M College (Baton Rouge)		78,766
		<hr/>
QE NASA Sharp Plus	43.NAGS-4122	
<u>Through: Quality Education for Minorities Network</u>		
Southern University and A&M College (Baton Rouge)		46,435
		<hr/>
Southern Technology Applications Center - Fixed Price Contract	43.329253	
<u>Through: University of Florida</u>		
LSU and A&M College (Baton Rouge)		22,500
		<hr/>
To Support Programs and Fellowships Under the National Space Grant College and Fellowship	43.NGT5-40035	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		90,605
		<hr/>
<u>Research and Development Cluster:</u>		
Aerospace Education Services Program	43.001	
<u>Direct Awards:</u>		
Board of Regents		842,285
Louisiana Tech University		10,000
		<hr/>
Technology Transfer	43.002	
<u>Direct Awards:</u>		
McNeese State University		8,701
Southern University and A&M College (Baton Rouge)		1,372,577
		<hr/>
Accretion Onto Magnetic Degenerate Stars	43.RD.NAG-5-3082	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		39,259
		<hr/>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
The Advanced Calorimeter for Composition of Elements in the Space Station (Access)	43.RD.NAG5-3770	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$29,654
Advanced Thin Ionization Calorimeter (ATIC)	43.RD.NAGW-4577	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		10,404
Advanced Thin Ionization Calorimeter Balloon Experiment	43.RD.NAG5-5064	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		630,391
Application of Physical and Biological Techniques in the Study of the Gravisensin and Response System of Plants	43.RD.NAG10-0190	
<u>Direct Awards:</u> University of Louisiana at Lafayette		119,995
Astroculture Metabolism and Ultrastructure Analysis	43.RD.NAG9-860	
<u>Direct Awards:</u> LSU Agricultural Center		3,044
A CGRO Target of Opportunity Proposal for Flaring Blazars	43.RD.NAG5-7355	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		40
Characterization of Fatigue in an Aluminum-Lithium Alloy	43.RD.NGT5-40035	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		1,178
Control of Bacterial Adhesion as it Relates to Environmental Life Support System - Fixed Price Contract	43.RD.9920-287-26	
<u>Through: Universities Space Research Association</u> LSU Agricultural Center		25,000
Developmental Analysis of Seeds Grown on Mir	43.RD.NAG2-1020	
<u>Direct Awards:</u> LSU Agricultural Center		58,359
Do We Need Realistic Modeling of Composite Interstellar Dust Grains	43.RD.NAG5-3531	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		44,563
Dust Formation Around R Coronae Borealis Stars: Where is the CO	43.RD.GO-07477.01-96A	
<u>Through: Space Telescope Science Institute</u> LSU and A&M College (Baton Rouge)		22,098

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Environmental Policy Analysis Task, Gulf of Mexico Program - Fixed Price Contract	43.RD.SSC-116-01	
Through: <u>Mississippi State University</u> LSU and A&M College (Baton Rouge)		\$3,400
Environmental Studies		
Through: <u>Dynamic Corporation</u> Southeastern Louisiana University	43.RD.K-01203	2,595
Southeastern Louisiana University	43.RD.K-SPL001	15,005
Extragalactic Interstellar Dust	43.RD.NAG5-7933	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		21,429
Far-UV Extinction for Deeply Embedded Stars in Interstellar Clouds	43.RD.NAS5-26555	
Through: <u>Space Telescope Science Institute</u> University of New Orleans		3,044
Film Cooling Using Compound Angle and Shaped Holes	43.RD.NGT5-40035	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		6,382
A Geophysical Flow Experiment in a Compressible Critical Fluid	43.RD.NAG-3-1915	
<u>Direct Awards:</u> University of New Orleans		46,648
Growth and Morphology of Phase Separating Supercritical Fluids	43.RD.NAG-3-1906	
<u>Direct Awards:</u> University of New Orleans		101,299
High Resolution UV Spectroscopy of HD44179	43.RD.GO-05858.01-94A	
Through: <u>Space Telescope Science Institute</u> LSU and A&M College (Baton Rouge)		3,722
Image Analysis Enhancement for Advanced Environmental and Land Use Study at the University of New Orleans	43.RD.NAG5-6578	
<u>Direct Awards:</u> University of New Orleans		14,739
Joint Venture in Education	43.RD.NAG8-1206	
<u>Direct Awards:</u> Southeastern Louisiana University		12,454
Large Eddy Simulations Improved Turbulence Modeling of Film Cooling	43.RD.NAG3-1641	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		33,460

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
A Microfabricated Magnetic Field Sensor Based on Electric Magneto	43.RD.NGT5-40035	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$2,000
Microgravity Effects on Early Reproductive Development	43.RD.NAG5-3756	
<u>Direct Awards:</u> LSU Agricultural Center		(2,216)
Minute of Arc Resolution Gamma-Ray Imaging Experiment	43.RD.NAG5-5127	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		30,317
NASA Graduate Student Researchers Program		
<u>Direct Awards:</u> University of New Orleans	43.RD.NGT13-52706	19,982
University of New Orleans	43.RD.NGT13-52711	2,800
University of New Orleans	43.RD.NGT13-52714	21,091
University of New Orleans	43.RD.NGT13-52719	18,112
A NASA/University Joint Venture Program in Space Science	43.RD.NAG8-1116	
<u>Direct Awards:</u> University of New Orleans		13,250
A New Model of the Catabolic Effects of Weightlessness	43.RD.NAG9-714	
<u>Direct Awards:</u> Pennington Biomedical Research Center		(37)
Numerical Hydrodynamics of Mass-Transferring Binaries	43.RD.NAG5-8497	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		26,363
Parallel Molecular Dynamics Simulations of Atomic Nanos	43.RD.NAG2-1212	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		26,909
Plant Reproductive Development in Microgravity	43.RD.NAG10-0139	
<u>Direct Awards:</u> LSU Agricultural Center		67,654
Reactive Information Fusion Applicable to NASA's Regional Application Center Project	43.RD.NAG5-7127	
<u>Direct Awards:</u> University of Louisiana at Lafayette		20,052

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Remediation of Biolums Formed by Bacteria Isolated From Spacecraft Water System	43.RD.NGT9-10	
<u>Direct Awards:</u> LSU Agricultural Center		(\$58)
Scalable Algorithms for Computational Nanoelectronics on the Information Power	43.RD.NAG2-1248	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		101,485
Spatially Resolved Modeling of the Dust Attenuation and Intrinsic Stellar	43.RD.AR-08002.01-96A	
<u>Through: Space Telescope Science Institute</u> LSU and A&M College (Baton Rouge)		37,803
A SPDS Node to Support the Systematic Interpretation of Cosmic Ray Data	43.RD.NAG5-4154	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		6,640
Structurally Resolved Abundances and Depletions in the Rho Oph Cloud	43.RD.NAS5-26555	
<u>Through: Space Telescope Science Institute</u> University of New Orleans		17,559
A Study of Circumstellar Material Formed in a Hydrogen-Deficient Environment	43.RD.GO-06476-01-95A	
<u>Through: Space Telescope Science Institute</u> LSU and A&M College (Baton Rouge)		8,463
To Support Programs and Fellowships Under the National Space Grant College and Fellowship	43.RD.NGT5-40035	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		172,429
Surface Tension Measurement of Ten Lubricants, Advancing and Receding Contracts	43.RD.PO #C-74970-F	
<u>Direct Awards:</u> University of Louisiana at Lafayette		948
A Survey of Active Galaxies and High-Latitude Gamma-Ray Sources Using Comptel	43.RD.NAG5-8100	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		14

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Transition Radiation Detectors for High Energy Measurements in Access	43.RD.NAG5-5177	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$14,727
Ultra-Long Duration Mission Concept for Proposal for a Minute-of-Arc Resolution	43.RD.NAG5-5208	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		16,239
Ultraviolet Extinction and Polarization of Interstellar Dust in the Large Magella	43.RD.NAG8-1048	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		30,142
Understanding the Evolution of H-Deficient Stars	43.RD.NAG5-3338	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		14,528
<u>Through: California Institute of Technology - Jet Propulsion</u> LSU and A&M College (Baton Rouge)		21,836
Unsteady Separation: Aero-Structural Interactions and Their Control	43.RD.NGT5-40035	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		6,430
Subtotal Research and Development Cluster		4,177,187
Total National Aeronautics and Space Administration		\$4,849,561
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
Promotion of the Arts - Literature	45.004	
<u>Through: Arts Council of Greater Baton Rouge</u> Southeastern Louisiana University		\$2,162
Promotion of the Arts - State and Regional Program	45.007	
<u>Direct Awards:</u> Department of Culture, Recreation and Tourism		530,832
Promotion of the Arts - Grants to Organizations and Individuals	45.024	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		23,999

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES (CONT.)		
Promotion of the Humanities - Federal/State Partnership	45.129	
<u>Through: Louisiana Endowment for the Humanities</u>		
LSU and A&M College (Baton Rouge)		\$40,937
LSU at Alexandria		2,189
Southeastern Louisiana University		14,169
Subtotal Promotion of the Humanities - Federal/State Partnership		57,295
Promotion of the Humanities - Fellowships and Stipends	45.160	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		29,003
Institute of Museum and Library Services - General Operating Support	45.301	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		14,102
Modernist Response to Chinese Art: Pound, Moore, Stevens	45.06.FB-35034	
<u>Direct Awards:</u>		
University of New Orleans		30,021
<u>Research and Development Cluster:</u>		
Promotion of the Humanities - Federal/State Partnership	45.129	
<u>Through: Louisiana Endowment for the Humanities</u>		
LSU and A&M College (Baton Rouge)		2,174
Promotion of the Humanities - Fellowships and Stipends	45.160	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		30,000
Subtotal Research and Development Cluster		32,174
Total National Foundation on the Arts and the Humanities		\$719,588
NATIONAL SCIENCE FOUNDATION		
Engineering Grants	47.041	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$509,000
Mathematical and Physical Sciences	47.049	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		46,640
LSU in Shreveport		80,046
Southern University and A&M College (Baton Rouge)		144,549
Subtotal Mathematical and Physical Sciences		271,235

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
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	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Computer and Information Science and Engineering	47.070	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$2,186
<u>Through: University of Tennessee</u>		
Southern University and A&M College (Baton Rouge)		23,612
Subtotal Computer and Information Science and Engineering		25,798
Biological Sciences	47.074	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		212,843
Social, Behavioral, and Economic Sciences	47.075	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		19,003
Southern University at New Orleans		10,943
Subtotal Social, Behavioral, and Economic Sciences		29,946
Education and Human Resources	47.076	
<u>Direct Awards:</u>		
Louisiana Systemic Initiatives Program		1,339,166
Louisiana Tech University		481,382
Nicholls State University		9,167
<u>Through: San Diego State University Foundation</u>		
LSU and A&M College (Baton Rouge)		8,778
Subtotal Education and Human Resources		1,838,493
1997 Presidential Award for Excellence in Science, Mathematics, and Engineering	47.HRD-9724887	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		11,445
1998 Presidential Award for Excellence in Science, Mathematics, and Engineering	47.HRD-9814716	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,000
Delta Rural Systemic Initiative	47.ESR.9700041	
<u>Through: University of Mississippi</u>		
University of Louisiana at Monroe		184,713
Dynamics of Rodlike Polymers in Complex Media	47.DMR-9634713	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,321

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Experiment in Education in Environmental Chemistry	47.CHE-9634060	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>\$23,249</u>
International Workshop on Statistical Modeling to be Held July 27-31, 1998 in NO	47.DMS-9700554	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>9,000</u>
LSU SEPUP Implementation Center	47.ESI-9355643	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>178,721</u>
Rate Enhancement and Microstructure Control of Copper CVD Processes	47.CTS-9612157	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>4,010</u>
Research Experiences for Minority Undergraduates in Advance Composite Piping	47.EEC-9619503	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>140,602</u>
Research Experiences for Undergraduates in Chemistry	47.CHE-9424021	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>(192)</u>
Support for the Collection of Genetic Resources, LSU Museum of Natural History	47.DEB-9419909	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>5,697</u>
Workshop to Enhance Minority Undergraduate Faculty Education	47.DUE-9455126	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>(256)</u>
<u>Research and Development Cluster:</u>		
Engineering Grants	47.041	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		179,685
Louisiana Tech University		326,753
Mathematical and Physical Sciences	47.049	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		275,833
LSU in Shreveport		26,209
Louisiana Tech University		116,079
Southern University and A&M College		5,411

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Geosciences	47.050	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$45,641
Louisiana Universities Marine Consortium		400,983
<u>Through: University of Washington</u>		
Louisiana Universities Marine Consortium		12,599
University of New Orleans		33,297
<u>Through: Woods Hole Oceanographic Institution</u>		
LSU and A&M College (Baton Rouge)		32,170
Computer and Information Science and Engineering	47.070	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		97,935
Biological Sciences	47.074	
<u>Direct Awards:</u>		
LSU Agricultural Center		7,613
LSU and A&M College (Baton Rouge)		174,721
LSU Health Sciences Center (New Orleans)		51,087
LSU Health Sciences Center (Shreveport)		212,712
Southeastern Louisiana University		66,988
University of Louisiana at Monroe		163
<u>Through: Desert Research Institute - Univ System of Nevada</u>		
LSU and A&M College (Baton Rouge)		4,647
Social, Behavioral, and Economic Sciences	47.075	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		12,005
Louisiana Tech University		(7)
Education and Human Resources	47.076	
<u>Direct Awards:</u>		
Board of Regents		3,416,321
Louisiana Tech University		161,122
<u>Through: Monterrey Peninsula College</u>		
Nunez Community College		14,389
<u>Through: University of South Carolina</u>		
LSU and A&M College (Baton Rouge)		600
Adaptation of G Protein Coupled Signaling to Hydrostatic Pressure	47.RD.IBN-9407205	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		451
Adaptive Significance of Variations in Metabolic Rates of Mammals Using the Nine-Banded Armadillo	47.RD.IBN-9723065	
<u>Direct Awards:</u>		
University of New Orleans		65,460

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Amine Conversions CU Zeolites Prepared by Reductive Solid State Ion-Exchange	47.RD.CTS-9634754	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$31,395
Atomic Processes and Thermal and Mechanical Properties	47.RD.DMR-9412965	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		(8,162)
An Automated DNA Sequencer for Systematics, Evolutionary Biology, and Environment	47.RD.DBI-9729341	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		90,250
Bimetallic Cooperativity in Homogeneous Catalysis	47.RD.CHE-9700526	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		99,720
Biodiversity and Biological Collections	47.RD.DEB-9632672	
<u>Direct Awards:</u> University of New Orleans		19,526
The Carbon Dioxide Concentrating Mechanism of <i>Chlamydomonas reinhardtii</i>	47.RD.IBN-9632087	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		139,093
Career: Large-Scope Atomistic Simulations of Multiscale Material Phenomena	47.RD.ACI-9701504	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		69,419
Career: Nonlinear Output of Feedback Control of Constrained Multivariable Processes	47.RD.CTS-9501368	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		77,266
Career: Theory and Application of Hybrid Estimation	47.RD.ECS-9734258	
<u>Direct Awards:</u> University of New Orleans		3,768
Collaborative Research on Distributive Justice Norms Concerning Income	47.RD.SBR-9810473	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		21,657

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Collaborative Research: Dynamic Processes	47.RD.EAR-9725330	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$34,491
Collaborative Research: Initial Palynological Characterization of Cape Roberts	47.RD.OPP-9527075	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		27,713
Collaborative Research: Salinity of Groundwater in Continental Sedimentary Basin	47.RD.EAR-9805446	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		17,581
Collaborative Study of Analogs to Earthquake Mitigation <u>Through: University of Washington</u>	47.RD.CMS-9711192	
University of New Orleans		2,226
Computational Refinement and Existence Proofs for Singularities	47.RD.DMS-9701540	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		20,658
Conference on Human Cognitive Specializations	47.RD.SBR-9811063	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		7,496
The Cytoskeleton and Polarity in Pollen Development	47.RD.MCB-9726968	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		77,514
Detection-oriented Identification of Nonlinear Systems Using the NARMAX Model	47.RD.ECS-9753084	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		27,438
Development of Compensation Method for Loads With Non-Periodic Currents	47.RD.ECS-9810167	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		17,132
Development of Population Genetics Database Prototype	47.RD.DBI-9630311	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		50,186
Diffusion of a Social Innovation: Covenant Marriage	47.RD.SBR-9807379	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		30,077

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Disorder and Correlations in Novel Two-Dimensional Systems	47.RD.DMR-9501160	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$57,733
Dissertation Enhancement: Rural and Agricultural Restructuring	47.RD.INT-9722872	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		14,399
Doctoral Dissertation Research: Land-Cover Change Detection for the Tropics	47.RD.SBR-9627957	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,208
Dynamics of a Native Iris-Herbivore Association: Effects of Salinity Herbivory and Genetic Variations	47.RD.DEB-9632302	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		68,973
Dynamics of Rodlike Polymers in Complex Media	47.RD.DMR-9634713	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		72,058
Evolution of Reproductive Mode in Arctic Sea Stars	47.RD.OPP-9707806	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		3,942
Evolutionary Effects of Irradiation in Low-Mass Binaries	47.RD.AST-9720771	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		12,301
Experiment in Education in Environmental Chemistry	47.RD.CHE-9634060	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		147,330
Explicit Constructions of Asymptotically Good Algebraic-Geometric Codes	47.RD.CCR-9804973	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		45,292
Facilitating Maximum Likelihood Estimation of Phylogenetic Trees From Nucleotide Sequences	47.RD.DEB-9628835	
<u>Direct Awards:</u>		
University of New Orleans		11,947
The Fairweather-St. Elias Orogenic System: A Slip-Partitioned Transpressional Orogen	47.RD.EAR-9725035	
<u>Direct Awards:</u>		
University of New Orleans		52,349

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Forminiferal Response to Ice Shelf Collapse Since Last Glacial Maximum in Ross	47.RD.6112-97	
<u>Through: Geological Society of America</u> LSU and A&M College (Baton Rouge)		\$1,426
Functional and Structural Roles of Nucleolin in Vertebrates	47.RD.MCB-9727917	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		39,421
Generalized Hamming Weights of Algebraic-Geometric Codes and Asymptotically Good Algebraic-Geometric Codes	47.RD.NCR-9505619	
<u>Direct Awards:</u> University of Louisiana at Lafayette		79,252
Goal 1: Magnetic Thin Films for Data Storage	47.RD.DMR-9802278	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		31,773
Goal 1: Magnetic Thin Films for Information Storage	47.RD.DMR-9632171	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		(12)
Graduate Research Fellowship Program		
<u>Direct Awards:</u> University of Louisiana at Lafayette	47.RD.DGE-9452904	9,383
University of Louisiana at Lafayette	47.RD.DGE-9818389	16,273
High Energy Interactions and the Energy Spectra of Cosmic Rays	47.RD.PHY-9513997	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		90,071
High Precision Landau Quantum Oscillation Measurements	47.RD.DMR-9501419	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		25,458
Housing Policy in the Local Political Economy	47.RD.SBR-9896180	
<u>Direct Awards:</u> University of New Orleans		2,100
IARP Workshop on Autonomous Underwater Vehicles	47.RD.BES-97152565	
<u>Direct Awards:</u> University of Louisiana at Lafayette		11,596
An Information Resource for Curriculum Development and Program Enhancement	47.RD.DUE-9752482	
<u>Direct Awards:</u> University of Louisiana at Lafayette		53,932

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Integrating High Performance Computing Into Research in Physics and Astronomy	47.RD.DGE-9355007	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$92,235
Intergovernmental Personnel Act Agreement		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	47.RD.CMS-9818567	100,806
LSU and A&M College (Baton Rouge)	47.RD.DEB-9730252	36,720
Inter-individual Variation in Production of an Insect Defensive Secretion	47.RD.IBN-9701082	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		1,314
Investigations of Autonomous Yeast Oscillations	47.RD.BES-9522274	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		15,766
The IRRB and IRR1 Gene Products of <i>Deinococcus radiourans</i> RI	47.RD.MCB-9418594	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		20,207
The IRR1 Protein of <i>Deinococcus radiourans</i>	47.RD.MCB-9728404	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		155,686
Joint Workshop on Databases and the Internet With Singapore (National University of Singapore)	47.RD.INT-9817920	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		26,160
Lexen: Combining Culturing and Non-Culturing Approaches for the Insulation of Prok	47.RD.DEB-9714276	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		49,970
Light Scattering in Complex Ternary Polymer Solutions	47.RD.INT-9512700	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		8,971
Linear and Nonlinear Complex Differential Equations	47.RD.DMS-9970917	
<u>Direct Awards:</u>		
University of New Orleans		6,660
Lithium Isotope Studies of Continental Crystal Fluids	47.RD.EAR-9506390	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		39,597

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Long-Term Dynamics of the SW Indian Monsoon: New High-Resolution Paleoclimatic Study	47.RD.ATM-9410491	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		(\$38)
LSU Request for High Performance Connection to VBNS	47.RD.ANI-9871138	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		20,000
LTREB: The Long-Term Effects of Removing Insects and Ground Dwelling Mammals on Tropical Tree Diversity: A Community Level Experiment Test	47.RD.DEB-9527729	
<u>Through: University of Pittsburgh</u> University of New Orleans		4,544
Mathematical Problems in Low Dimensional Gauge Theories	47.RD.DMS-9800955	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		9,506
Mathematical Sciences: Harmonic Analysis on Casual Symmetry	47.RD.DMS-9626541	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		586
Mathematical Sciences: The Lie Theory of Semigroups	47.RD.DMS-9623724	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		947
Measuring Selection of Phenological Characteristics in Natural and Experimental Populations of <i>Lythrum salicaria</i>	47.RD.DEB-9419467	
<u>Direct Awards:</u> University of New Orleans		4,702
Mechano-Electric Properties of Anemone Hair Cells	47.RD.IBN-9807782	
<u>Direct Awards:</u> University of Louisiana at Lafayette		26,713
Membrane Lipid Biosynthesis in <i>Chlamydomonas reinhardtii</i>	47.RD.MCB-9603626	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		90,736
Mesozoic-Cenozoic Tectonic Evolution of the Mojave Desert	47.RD.EAR-9418834	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		51,716
Modeling, Design and Prototyping of a Multi-Degree-of-Freedom Robotic Gripper	47.RD.DMI-9701533	
<u>Direct Awards:</u> University of Louisiana at Lafayette		99,142

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Molecular Response to Hypoxia in Fish Support for Research Experiences for Undergraduates	47.RD.IBN-9723050	
<u>Direct Awards:</u> University of New Orleans		\$24,515
Molecular Studies of Cospecification in a Host-Parasite	47.RD.DEB-9527583	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		10,890
Multi-Product Flowline Design for a Flexible Manufacturer	47.RD.DMI-9622306	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		49,238
Natural Disasters and Industrial Activities in the Urban Environment: Potential Impacts of Joint Events and Preparedness for Industrial Accidents Caused by Natural Disasters	47.RD.CMS-9817771	
<u>Through: Tulane University</u> University of New Orleans		33,337
Neural Processing of Amino Acid Taste Information	47.RD.IBN-9221891	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		70,818
NOMAD: A Wireless and Mobile Laboratory	47.RD.DUE-9751414	
<u>Direct Awards:</u> University of Louisiana at Lafayette		12,153
Nonequilibrium Bynamical Systems	47.RD.DMR-9408634	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		4,086
Nonequilibrium Dynamical Systems	47.RD.DMR-9710608	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		37,488
NSF Inorganometallic Workshop for 1997/1998-2000		
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.RD.CHE-970447	(747)
LSU and A&M College (Baton Rouge)	47.RD.CHE-9731765	39,325
NSF Young Investigator Award		
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.RD.DMR-9258271	(3,882)
University of Louisiana at Lafayette	47.RD.SBR-9458111	73,282
University of New Orleans	47.RD.CMS-9696012	29,139

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
NYI: Languages, Compilers, and Runtime Systems for Parallel Architectures	47.RD.CCR-9457768	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$40,061
Object Identification, Classification and Avoidance in 3-D Underwater Automated Surveillance	47.RD.BES-9506771	
<u>Direct Awards:</u> University of Louisiana at Lafayette		7,162
Operation and Development of Gravitational Wave Detectors	47.RD.PHY-9511962	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		486,672
Operation Primary Physical Science	47.RD.ESI-9453926	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		489,573
Organometallic Complexes of Convex Hydrocarbons	47.RD.CHE-9420908	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		10,217
Photoelectron Spectra From Atoms and Molecules in Intense Laser Fields	47.RD.PHY-9733890	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		16,404
Phylogeny of Laboulbeniales (Ascomycetes)	47.RD.DEB-9615520	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		47,096
Powre: Role of Calcium-Binding Proteins in Synaptic Transmission Between Retina	47.RD.IBN-9753027	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		33,834
Protein-Protein Interactions in Photosystems II	47.RD.MCB-9604339	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		106,626
Public Involvement in Planning and Local Government Commitment to Hazard Mitigation	47.RD.CMS-9801155	
<u>Direct Awards:</u> University of New Orleans		58,191
Purchase of a Maldi-TOF Mass Spectrometer	47.RD.CHE-9808187	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		96,910

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
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For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Rapid Synthesis of Phosphonate and Phosphoramidate Peptides	47.RD.CHE-9500992	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$20,434
Rate Enhancement and Microstructure Control of Copper CVD	47.RD.CTS-9612157	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		61,683
Reconfiguration and Performance Issues in Software Distributed Shared Memory Systems	47.RD.CCR-9803505	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		1,528
Research Initiation Award: Multiple Model Estimation With Variable Structure	47.RD.ECS-9409358	
<u>Direct Awards:</u>		
University of New Orleans		894
RIA: Employing Instruction History in the Management of Shared Memory Coherent	47.RD.MIP-9410435	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		7,956
RIA: Theoretical and Laboratory Study of Increase in Bearing Capacity	47.RD.CMS-9410482	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		12,181
The Role of Transtension vs. Extension: Crystal Deformation in the Death Valley System	47.RD.EAR-9706233	
<u>Direct Awards:</u>		
University of New Orleans		44,875
The Role of Vacuolization in Rapid Fluid Secretion by Insect Malpighian Tubules	47.RD.IBN-9807948	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		41,491
RUI: Experimental Investigation of Ecological and Genetic Correlates	47.RD.DEB-9629287	
<u>Direct Awards:</u>		
University of New Orleans		28,379
The Scala System for Performance Modeling and Prediction	47.RD.ASC-9720215	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		32,153

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
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For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
SGER: Exploratory Evaluation of Using Introductions of MUS to Experimentally Assess Factors Affecting Population Visibility	47.RD.DEB-9907567	
<u>Direct Awards:</u> University of Louisiana at Lafayette		\$5,050
Signal Transduction of Anemone Hair Bundles	47.RD.MCD-9505844	
<u>Direct Awards:</u> University of Louisiana at Lafayette		50,913
Site Characterization and Assessment of <i>In Situ</i> State Properties of Geomaterials	47.RD.CMS-9531782	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		27,838
Social Networks, Social Resources, and Hurricane Georges	47.RD.SBR-9900911	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		58,035
Sociolinguistic Survey of Cajun French	47.RD.SBR-9514831	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		71,313
Soft X-Ray Molecular Spectroscopy: Dissecting the Continuum	47.RD.CHE-9616908	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		134,072
Solar Wind Particle Entry Into the Magnetosphere and Associated Thermal Dynamics	47.RD.ATM-9730230	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		51,615
Solid-State Alloying and Amorphization of Immiscible Elements	47.RD.DMR-9613865	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		3,501
Solution Thermochemical Investigations of Organometallic Complexes	47.RD.CHE-9631611	
<u>Direct Awards:</u> University of New Orleans		29,282
Stabilized Molecular Assemblies for Advanced Synthesis and Technologies	47.RD.CHE-9529770	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		53,788
Star Formation in Galaxies	47.RD.AST-9528424	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		44,828

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
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	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Studies of the Compositional and Temperature Effects on the Optical Properties	47.RD.CTS-9528598	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$42,040
Studies in Organized Media	47.RD.CHE-9632916	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		155,373
Taxonomic and Phylogenetic Study of Western Atlantic and Eastern Pacific Mioceneto	47.RD.EAR-9316363	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		8,925
Theoretical Nuclear Structure Physics	47.RD.PHY-9603006	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		56,549
Three Dimensional Visualization Methods and Database Storage Specifications for Phylogenetic Data	47.RD.DBI-9630313	
<u>Through: University of California at San Diego</u>		
University of New Orleans		4,430
Topological Minors of Graphs	47.RD.DMS-9700623	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		22,015
U.S. - Brazil Cooperative Research: Application of Solidification/Stabilization	47.RD.INT-9802427	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,111
U.S. - China Co-op Research: Formation and Thermodynamic Stability of Metastable Phases	47.RD.INT-9423738	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,538
U.S. - France Workshop: Population and Evolutionary Biology, January 6-10, 1998	47.RD.INT-9729521	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		8,227
U.S. - Germany Cooperative Research on Spectral Theory	47.RD.INT-9722779	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		4,281

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
U.S. - Japan Cooperative Science: Molecular Dynamics Simulation	47.RD.INT-9603264	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$16,051
U.S. - Mexico Cooperative Research: Pairing Correlations and the Pseudo-SU (3) Model	47.RD.INT-9500474	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		4,428
U.S. - Mexico Planning Visit: Foraminiferal and Molluscan Tracers of Ancient Seagrass	47.RD.INT-9802672	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,090
Workshop on Social Science Contributions to International Capacity Building	47.RD.SBR-9727860	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		5,914
Subtotal Research and Development Cluster		11,199,331
Total National Science Foundation		\$14,651,956
SMALL BUSINESS ADMINISTRATION		
Business Development Assistance to Small Business	59.005	
<u>Direct Awards:</u>		
McNeese State University		\$54
<u>Research and Development Cluster:</u>		
Small Business Development Center	59.037	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		1,222,473
Total Small Business Administration		\$1,222,527
TENNESSEE VALLEY AUTHORITY		
<u>Research and Development Cluster:</u>		
Biomass Energy Resources in Louisiana	62.RD.TV-200225	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$14,415

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
TENNESSEE VALLEY AUTHORITY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Development of An Environmentally Friendly Firelog From Agricultural and Wood Residue		
<u>Direct Awards:</u>		
LSU Agricultural Center	62.RD.97RKW-219695	\$14,027
LSU Agricultural Center	62.RD.98RE6-232151	17,530
Subtotal Research and Development Cluster		45,972
Total Tennessee Valley Authority		<u>\$45,972</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS		
Grants to States for Construction of State Home Facilities	64.005	
<u>Direct Awards:</u>		
Department of Veterans Affairs		<u>\$19,855</u>
Veterans State Domiciliary Care	64.014	
<u>Direct Awards:</u>		
Department of Veterans Affairs		<u>277,995</u>
Veterans State Nursing Home Care	64.015	
<u>Direct Awards:</u>		
Department of Veterans Affairs		<u>4,509,991</u>
Animal Care Resources - Caretaker Agreement	64.V667P-1553	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>1,192</u>
Disbursement for Fellow Stipends and Fringes	64.unknown	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>498,610</u>
Disbursement for House Staff Stipend and Fringes	64.unknown	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>852,916</u>
Gastro Physicians - Dies, Gholson, Wilder - IPA Agreement	64.unknown	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>40,641</u>
Neurosurgery IPA Agreement - B. Willis and A. Nanda	64.unknown	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>50,723</u>
Rural Health Science Education - Contract (Invoice)	64.467-MZ-801214	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>99,999</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF VETERANS AFFAIRS (CONT.)		
Veterans Education Contract - State Approving Agency Reimbursement Contract <u>Direct Awards:</u> Department of Education	64.V101(223B)	\$132,100
<u>Research and Development Cluster:</u>		
Brucella HTRA Protein and Pathogenesis: Brucella HTRA as a Vaccination <u>Direct Awards:</u> LSU Health Sciences Center (Shreveport)	64.RD.DAMD17-94-C-4054	7,909
Genetic Deletion Recombination in Nasiopharynse <u>Direct Awards:</u> LSU Health Sciences Center (New Orleans)	64.RD.PO671-D85003	11,453
National Cancer Institute: Serum Samples and Demographic Data <u>Direct Awards:</u> LSU Health Sciences Center (Shreveport)	64.RD.NIH-JS7275	3,563
Secondary Mutations Enhance and Stabilize Attenuation Brucella <u>Direct Awards:</u> LSU Health Sciences Center (Shreveport)	64.RD.DAMD17-98-C-8045	101,999
Veterans Affairs Cooperative Studies Program/NIH Subcontract <u>Direct Awards:</u> LSU Health Sciences Center (Shreveport)	64.RD.1Y-01-HC40204-01	132,443
Subtotal Research and Development Cluster		257,367
Total U.S. Department of Veterans Affairs		\$6,741,389
ENVIRONMENTAL PROTECTION AGENCY		
Air Pollution Control Program Support <u>Direct Awards:</u> Department of Environmental Quality	66.001	\$2,100,547
Water Pollution Control - State and Interstate Program Support <u>Direct Awards:</u> Department of Environmental Quality	66.419	1,597,603
State Public Water System Supervision <u>Direct Awards:</u> Office of Public Health	66.432	1,722,167
State Underground Water Source Protection <u>Direct Awards:</u> Department of Natural Resources	66.433	369,117

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Construction Management Assistance	66.438	
<u>Direct Awards:</u>		
Department of Environmental Quality		\$206,752
Water Quality Management Planning	66.454	
<u>Direct Awards:</u>		
Department of Environmental Quality		134,134
National Estuary Program	66.456	
<u>Direct Awards:</u>		
Department of Environmental Quality		466,780
Capitalization Grants for State Revolving Funds	66.458	
<u>Direct Awards:</u>		
Department of Environmental Quality		29,128,134
Nonpoint Source Implementation Grants	66.460	
<u>Direct Awards:</u>		
Department of Environmental Quality		1,589,715
Wetlands Protection - Development Grants	66.461	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		53,022
Department of Natural Resources		31,101
Subtotal Wetlands Protection - Development Grants		84,123
National Pollutant Discharge Elimination System		
Related State Program Grants	66.463	
<u>Direct Awards:</u>		
Department of Environmental Quality		92,690
Capitalization Grants for Drinking Water State Revolving Fund	66.468	
<u>Direct Awards:</u>		
Office of Public Health		573,162
Surveys, Studies, Investigations and Special Purpose Grants	66.606	
<u>Direct Awards:</u>		
Department of Environmental Quality		693,131
Department of Natural Resources		7,097,622
Subtotal Surveys, Studies, Investigations and Special Purpose Grants		7,790,753

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Consolidated Pesticide Enforcement Cooperative Agreements	66.700	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		\$301,836
LSU Agricultural Center		79,347
		<hr/>
Subtotal Consolidated Pesticide Enforcement Cooperative Agreements		381,183
		<hr/>
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	
<u>Direct Awards:</u>		
Department of Environmental Quality		141,851
		<hr/>
TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	66.707	
<u>Direct Awards:</u>		
Department of Environmental Quality		218,651
		<hr/>
Pollution Prevention Grants Program	66.708	
<u>Direct Awards:</u>		
Department of Environmental Quality		48,710
		<hr/>
Hazardous Waste Management State Program Support	66.801	
<u>Direct Awards:</u>		
Department of Environmental Quality		3,232,683
		<hr/>
Superfund State Site - Specific Cooperative Agreements	66.802	
<u>Direct Awards:</u>		
Department of Environmental Quality		2,395,408
		<hr/>
State Underground Storage Tanks Program	66.804	
<u>Direct Awards:</u>		
Department of Environmental Quality		211,713
		<hr/>
Leaking Underground Storage Tank Trust Fund Program	66.805	
<u>Direct Awards:</u>		
Department of Environmental Quality		852,284
		<hr/>
Solid Waste Management Assistance	66.808	
<u>Direct Awards:</u>		
Department of Environmental Quality		24,155
		<hr/>
CEPP Technical Assistance Grants Program	66.810	
<u>Direct Awards:</u>		
Department of Environmental Quality		41,444
		<hr/>
Environmental Education Grants	66.951	
<u>Direct Awards:</u>		
Executive Department		11,515
		<hr/>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Fellowship for Graduate Environmental Study	66.U-915156-01-0	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$11,969
Fellowship for Gwyn Puckett	66.U-915391-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		11,983
Special Purpose - Compost Demonstration	66.X996554-01-0	
<u>Direct Awards:</u>		
Department of Natural Resources		16,192
Special Purpose - Inappropriate Discharges to Stormwater Drainage	66.SPX CP-996231-01-3	
<u>Direct Awards:</u>		
Department of Environmental Quality		10,728
Technical Support for a Watershed Based Toxic TMDL Pilot Program Grants	66.X-996351-01-3	
<u>Direct Awards:</u>		
Department of Environmental Quality		19,345
<u>Research and Development Cluster:</u>		
Environmental Protection - Consolidated Research	66.500	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,153,347
LSU Health Sciences Center (New Orleans)		362,748
McNeese State University		600,828
Southern University and A&M College (Baton Rouge)		291,016
University of Louisiana at Monroe		145,932
<u>Through: Lamar University</u>		
LSU and A&M College (Baton Rouge)		73,480
Air Pollution Control Research	66.501	
<u>Direct Awards:</u>		
University of New Orleans		245,890
Solid Waste Disposal Research	66.504	
<u>Direct Awards:</u>		
University of New Orleans		245,890
Wastewater Pollution Control - Research, Development, and Demonstration	66.505	
<u>Direct Awards:</u>		
Department of Environmental Quality		16,184
LSU and A&M College (Baton Rouge)		(1,338)
University of New Orleans		245,891

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Surveys, Studies, Investigations and Special Purpose Grants	66.606	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$43,782
Louisiana Universities Marine Consortium		61,185
University of New Orleans		115,226
<u>Through: Jefferson Parish Government</u>		
LSU and A&M College (Baton Rouge)		2,306
<u>Through: Ohio State University Research Foundation</u>		
LSU and A&M College (Baton Rouge)		5,000
Environmental Education and Training Program	66.950	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		37,876
Environmental Education Grants	66.951	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		2,799
Assembly of Rapid - G C Column Heater - Fixed Price Contract	66.RD.7D-0675-NAEX	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		9,950
Bayou Lafourche Fresh Water Diversion Wetlands Restoration - Fixed Price Contract	66.RD.546-04	
<u>Through: Lee Wilson and Associates</u>		
LSU and A&M College (Baton Rouge)		5,000
Climatological and Hydrologic Conditions and Trends in the Upper Pontchartrain Basin	66.RD.X-996097-01	
<u>Through: Lake Pontchartrain Basin Foundation</u>		
LSU and A&M College (Baton Rouge)		14,185
Demonstration of An Advanced Process Analysis System for Pollution Prevention	66.RD.116LSU9582	
<u>Through: Lamar University</u>		
LSU and A&M College (Baton Rouge)		6,011
Effect of Oil Concentration and Weathering on Plant Response		
<u>Through: University of Cincinnati</u>		
LSU and A&M College (Baton Rouge)	66.RD.OSP 99138/T O #1	33,141
LSU and A&M College (Baton Rouge)	66.RD.OSP 99138/T O #2	4,227
Effects of the 1997 Bonnet Carre Opening on Nutrients in Lake Pontchartrain - Fixed Price Contract	66.RD.unknown	
<u>Through: Lake Pontchartrain Basin Foundation</u>		
LSU and A&M College (Baton Rouge)		83,186

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Evaluation of Placement and Effectiveness of Sediment Caps	66.RD.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(\$3,285)
Fellowship for Graduate Environmental Study	66.RD.U-915156-01-0	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		158
Gulf of Mexico Program, Water Quality Monitoring South Shore, Lake Pontchartrain	66.RD.MX994929-96-0	
<u>Direct Awards:</u>		
University of New Orleans		691
Hazardous Substance Research Consortium/South and Southwest	66.RD.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(2,166)
Laser Diagnostics of the Combustion Process Within a Rotary Kiln Incinerator	66.RD.016LSU2428	
<u>Through: Lamar University</u>		
LSU and A&M College (Baton Rouge)		8,716
A Nitrogen Budget for Lake Pontchartrain - Fixed Price Contract	66.RD.10194	
<u>Through: Lake Pontchartrain Basin Foundation</u>		
LSU and A&M College (Baton Rouge)		32,161
Pollutant Fluxes to Aquatic Systems Via Coupled Biological Physio Chemical	66.RD.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(16)
Sonochemical Treatment of Hazardous Chemicals	66.RD.027 LSU 3435	
<u>Through: Lamar University</u>		
LSU and A&M College (Baton Rouge)		53,457
Source Identification, Transformation and Transport Processes	66.RD.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(52)
Subtotal Research and Development Cluster		3,893,406
Total Environmental Protection Agency		\$57,378,897

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
NUCLEAR REGULATORY COMMISSION		
Cooperative Agreement - Local Public Document Room - Fixed Price Contract	77.NRC-10-87-360-Mod 15	
<u>Direct Awards:</u> University of New Orleans		\$734
Nuclear Energy Cooperative Agreement	77.NRC-31-83-669-23	
<u>Direct Awards:</u> Department of Environmental Quality		18,500
U.S. Nuclear Regulatory Commission - Cooperative Agreement - Fixed Price Contract	77.NRC-10-87-337	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		2,403
Total Nuclear Regulatory Commission		\$21,637
U.S. DEPARTMENT OF ENERGY		
State Energy Program	81.041	
<u>Direct Awards:</u> Department of Natural Resources		\$567,905
Weatherization Assistance for Low-Income Persons	81.042	
<u>Direct Awards:</u> Department of Social Services		1,154,904
Office of Science Financial Assistance Program	81.049	
<u>Direct Awards:</u> Southern University Board and System Administration		244
National Industrial Competitiveness Through Energy, Environment, and Economics	81.105	
<u>Direct Awards:</u> Department of Natural Resources		3,602
Assessment of Air Emissions	81.70057773	
<u>Direct Awards:</u> Department of Natural Resources		118,380
Design and Construction of Center for Energy Resource Management	81.DE-FG02-91CH10470	
<u>Direct Awards:</u> University of New Orleans		187,060
Environmental Analysis of Endocrine Disrupting Effects Through: Tulane CBR	81.FG07 98ER62306	
Nicholls State University		2,681

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
Petroleum Violation Escrow Funds		
<u>Direct Awards:</u>		
Department of Natural Resources		
Exxon	81.E2029	\$2,674,656
OHA	81.OHA2030	908,700
Stripper Well	81.SW2027	2,918,403
Warner	81.W2031	74,481
Subtotal Petroleum Violation Escrow Funds		6,576,240
Project to Enhance Student Science and Engineering at the Pre-College Level		
	81.DE-FG05-91ER15524	
<u>Direct Awards:</u>		
University of New Orleans		90,673
Southern States Energy Board Subgrant		
	81.DEFC04-93AL82966	
<u>Direct Awards:</u>		
Department of Environmental Quality		44,013
<u>Research and Development Cluster:</u>		
Office of Science Financial Assistance Program	81.049	
<u>Direct Awards:</u>		
Board of Regents		542,494
LSU and A&M College (Baton Rouge)		729,501
Louisiana Tech University		4,250
Southeastern Louisiana University		17,577
Southern University and A&M College (Baton Rouge)		216,616
<u>Through: Desert Research Institute-Univ System of Nevada</u>		
LSU and A&M College (Baton Rouge)		20,624
<u>Through: Lockheed Martin Energy Systems</u>		
Southern University and A&M College (Baton Rouge)		35,690
<u>Through: Oak Ridge Institute for Science and Education</u>		
Southern University and A&M College (Baton Rouge)		56,665
<u>Through: University of California</u>		
Southern University and A&M College (Baton Rouge)		18,946
Conservation Research and Development		
	81.086	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		209,404
Southern University and A&M College (Baton Rouge)		529,927
<u>Through: Clark-Atlanta University</u>		
Southern University and A&M College (Baton Rouge)		92,177
Fossil Energy Research and Development		
	81.089	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		27,920

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Environmental Restoration	81.092	
Through: <u>Pioneer Natural Resources</u> Southeastern Louisiana University		\$46,798
1998 Health Physics Faculty Research Award Program - Fixed Price Contract	81.RD.unknown	
Through: <u>Oak Ridge Institute for Science and Education</u> LSU and A&M College (Baton Rouge)		49,999
Advanced Machining Processes for Microfabrication	81.RD.BE-8338	
Through: <u>Sandia National Laboratory</u> Louisiana Tech University		5,425
Advanced Sulfur Control Concepts for Hot Gas Desulfurizing	81.RD.DE-AC21-94MC30012	
Direct Awards: LSU and A&M College (Baton Rouge)		15,616
Annual Plan (Year 4) for the PTTC's Central Gulf Region		
Through: <u>Petroleum Technology Transfer Council</u> LSU and A&M College (Baton Rouge)	81.RD.0495 (Year 4)	83,959
LSU and A&M College (Baton Rouge)	81.RD.0495 (Year 5)	147,244
Beam Tests Experiment at KEK	81.RD.D9291ER40679	
Through: <u>University of California</u> LSU and A&M College (Baton Rouge)		7,039
Berkeley Pit Innovative Technology Project - Phase III - Fixed Price Contract	81.RD.98-001-A-RC150	
Through: <u>Montana Tech of the University of Montana</u> LSU and A&M College (Baton Rouge)		24,256
Combining Steam-Methane Reforming, Water-Gas Shift, and CO ₂ Removal	81.RD.DE-FG02-97ER12208	
Direct Awards: LSU and A&M College (Baton Rouge)		102,270
Coupled Fluid Flow and Chemical Transport: Implications for Mineral Chemistry	81.RD.C75110017-3C	
Through: <u>University of California - Los Alamos National Laboratory</u> LSU and A&M College (Baton Rouge)		19,248
Design and Construction of the Information Technology Center and Ecosystems Modeling	81.RD.DE-FG02-97CH10883	
Direct Awards: University of Louisiana at Lafayette		206,919

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
The Design and Construction of the Muon Arm of Phoenix	81.RD.DE-FG02-97ER41037	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$22,118
Design of Electronics and Optical Fiber Cables for ICD	81.RD.503579	
<u>Through: Fermi National Accelerator Laboratory</u>		
Louisiana Tech University		57,465
Development of a Production Version of the Centrum Code - Fixed Price Contract	81.RD.49X-SW503V	
<u>Through: Lockheed Martin Energy Systems Inc.</u>		
LSU and A&M College (Baton Rouge)		86,268
Effects of Climate Change on Hypoxia in Coastal Waters	81.RD.TUL-035-95/96	
<u>Through: Tulane University</u>		
LSU and A&M College (Baton Rouge)		90,046
Energy and Environmental Technology Applications Program	81.RD.DE-FG02-97ER12220	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		1,732,443
Evaluation of Switchgrass Cultivars and Cultural Methods for Biomass Production	81.RD.438471-00001/S800026	
<u>Through: Texas A&M Research Foundation</u>		
LSU Agricultural Center		3,956
Fast Global Optimization Techniques for Computer Vision Network Learning - Fixed Price Contract	81.RD.19X-SX684V	
<u>Through: Lockheed Martin Energy Systems Inc.</u>		
LSU and A&M College (Baton Rouge)		20,000
Identification and Temporal Behavior of Radical Intermediates Formed During the Combustion and Pyrolysis of Gaseous Fuels: Kinetic Pathways to Soot Formation	81.RD.DE-FG02-97ER14780	
<u>Direct Awards:</u>		
University of New Orleans		95,997
Individual-Based and Matrix Modeling of Fish, Bird, and Mammal Populations	81.RD.19X-SZ890C	
<u>Through: Lockheed Martin Energy Systems Inc.</u>		
LSU and A&M College (Baton Rouge)		73,505
Inorganic Synthesis and Laser-Induced Photochemistry Releases	81.RD.TUL-010-93/94	
<u>Through: Tulane University - DOE</u>		
LSU and A&M College (Baton Rouge)		24,945

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards
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	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Interaction Between Land Cover/Land Use Dynamics and Climate Variability <u>Through: University of Kansas, Center for Research, Inc.</u> LSU and A&M College (Baton Rouge)	81.RD.FY1999-044	\$28,095
Jefferson Lab Personnel Support for Faculty Research <u>Through: Southeastern University Research Association</u> Louisiana Tech University	81.RD.SURA-96 D6359702	108,726
Landau Quantum Oscillation and Superlattice Studies of High- Temperature Superconductor - Fixed Price Contract <u>Through: Lockheed Martin Energy Systems Inc.</u> LSU and A&M College (Baton Rouge)	81.RD.19X-SZ561V	24,993
The Laser Microchemical Lathe: Application to ICF Target Fabrication <u>Through: Los Alamos National Laboratory</u> Louisiana Tech University	81.RD.W-7405-ENG-36	5,481
Micro-Manufacturing Planning, Construction, and Equipment <u>Direct Awards:</u> Louisiana Tech University	81.RD.DE-FG02-91CH10481	1,713,576
Molecular Dynamics Simulations of Nanostructured Material <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	81.RD.DE-FG02-96ER45570	78,681
PH-Neutral Concrete for Attached Microalgae and Enhanced Carbon Dioxide Fixation <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	81.RD.DE-AC26-98FT40411	50,635
Photoresist X-Ray Exposures <u>Through: Sandia National Laboratories</u> LSU and A&M College (Baton Rouge)	81.RD.BB-5066	7,798
Polynuclear Aromatic Hydrocarbons With Curved Surfaces: Models and Precursors <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	81.RD.DE-FG02-96ER14602	106,836
Reducing Energy Consumption and Pollution in Plastic Manufacturing Processes <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	81.RD.DE-FG02-96ER12201	138,842

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Scientific and Technical Information	81.RD.DE-Ap05-98OR51465	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		\$1,000
Sensitized Luminescence in Organized Media	81.RD.DE-FG05-93ER14367	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		17,725
Statement of Need for Underground Utility Location Technology	81.RD.FLC990007	
<u>Through: Federal Laboratory Consortium</u>		
Louisiana Tech University		1,392
Synthesis of Novel High Density Insensitive Energetic Materials	81.RD.W-7405-ENG-48	
<u>Through: University of California, Lawrence</u>		
Livermore National Laboratory		
University of New Orleans		63,227
Synthetic and Thermodynamic Investigations of Ancillary Ligand Influence on Organometallic Catalytic Systems	81.RD.DE-FG02-98ER45732	
<u>Direct Awards:</u>		
University of New Orleans		71,273
Weak Interactions in Nuclear Physics and Nuclear Astrophysics	81.RD.DE-FG02-96ER40985	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		55,129
West Hackberry Tertiary Project	81.RD.unknown	
<u>Through: Amoco Production Co.</u>		
LSU and A&M College (Baton Rouge)		53,343
Subtotal Research and Development Cluster		7,944,059
Total U.S. Department of Energy		\$16,689,761
UNITED STATES INFORMATION AGENCY		
1997 Edmund S. Muskie and Freedom Support Act Fellowship	82.unknown	
<u>Through: American Council of Teachers of Russian-Accels</u>		
LSU and A&M College (Baton Rouge)		\$17,169
Edmund S. Muskie and Freedom Support Act Graduate Fellowship	82.unknown	
<u>Through: Open Society Institute</u>		
LSU and A&M College (Baton Rouge)		7,735

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
UNITED STATES INFORMATION AGENCY (CONT.)		
<u>Research and Development Cluster:</u>		
Physiological Characteristics Related to Improved Productivity of Grainfed Rice	82.RD.21795	
<u>Through: Council for International Exchange of Scholars</u> LSU Agricultural Center		\$3,722
Total United States Information Agency		\$28,626
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act (SARA) of 1986	83.011	
<u>Direct Awards:</u> Department of Military Affairs		\$34,889
Community Assistance Program - State Support Services Element (CAP-SSSE)	83.105	
<u>Direct Awards:</u> Department of Military Affairs		125,162
State Disaster Preparedness Grants	83.505	
<u>Direct Awards:</u> Department of Military Affairs		50,625
Hurricane Program	83.520	
<u>Direct Awards:</u> Department of Military Affairs		98,070
Emergency Management - State and Local Assistance	83.534	
<u>Direct Awards:</u> Department of Military Affairs		1,791,398
Mitigation Assistance	83.535	
<u>Direct Awards:</u> Department of Military Affairs		233,069
Flood Mitigation Assistance	83.536	
<u>Direct Awards:</u> Department of Military Affairs		1,328,020
Individual and Family Grants	83.543	
<u>Direct Awards:</u> Department of Military Affairs		7,357,668
Public Assistance Grants	83.544	
<u>Direct Awards:</u> Department of Military Affairs		27,345,267

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
FEDERAL EMERGENCY MANAGEMENT AGENCY (CONT.)		
National Arson Prevention Initiative	83.546	
<u>Direct Awards:</u>		
Department of Military Affairs		\$12,000
First Responder Counter - Terrorism Training Assistance	83.547	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,649
Department of Military Affairs		68,120
Subtotal First Responder Counter - Terrorism Training Assistance		74,769
Hazard Mitigation Grant	83.548	
<u>Direct Awards:</u>		
Department of Military Affairs		2,627,278
National Dam Safety Program	83.550	
<u>Direct Awards:</u>		
Department of Transportation and Development		10,440
Project Impact - Building Disaster Resistant Communities	83.551	
<u>Direct Awards:</u>		
Department of Military Affairs		12,838
Total Federal Emergency Management Agency		\$41,101,493
U.S. DEPARTMENT OF EDUCATION		
Adult Education - State Grant Program	84.002	
<u>Direct Awards:</u>		
Department of Education		\$5,068,694
Title I Grants to Local Educational Agencies	84.010	
<u>Direct Awards:</u>		
Department of Education		191,555,516
Migrant Education - Basic State Grant Program	84.011	
<u>Direct Awards:</u>		
Department of Education		2,286,809
Title 1 Program for Neglected and Delinquent Children	84.013	
<u>Direct Awards:</u>		
Department of Education		1,025,101
Services for Children With Deaf-Blindness	84.025	
<u>Direct Awards:</u>		
Department of Education		55,854

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Special Education - Personnel Development and Parent Training	84.029	
<u>Direct Awards:</u>		
Department of Education		\$72,262
University of New Orleans		120,063
<u>Through: University of Virginia</u>		
Southern University and A&M College (Baton Rouge)		13,505
Subtotal Special Education - Personnel Development and Parent Training		205,830
Higher Education - Institutional Aid	84.031	
<u>Direct Awards:</u>		
Northwestern State University		267,980
Southern University and A&M College (Baton Rouge)		1,092,059
Southern University at New Orleans		1,490,100
Southern University at Shreveport-Bossier City		1,074,878
Subtotal Higher Education - Institutional Aid		3,925,017
Federal Family Education Loans	84.032	
<u>Direct Awards:</u>		
Office of Student Financial Assistance (Guaranty Agency)		25,131,630
Public Library Services	84.034	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		1,884,494
Library Education and Training	84.036	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		35,914
Library Research and Demonstration	84.039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		350,786
Vocational Education - Basic Grants to States	84.048	
<u>Direct Awards:</u>		
Department of Education		19,117,014
TRIO - Educational Opportunity Centers	84.066	
<u>Direct Awards:</u>		
Southeastern Louisiana University		249,514
Leveraging Educational Assistance Partnership	84.069	
<u>Direct Awards:</u>		
Office of Student Financial Assistance		363,655

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Special Education - Postsecondary Education Programs for Persons With Disabilities	84.078	
Through: <u>University of Tennessee - Postsecondary Education Consortium</u>		
LSU and A&M College (Baton Rouge)		\$24,759
Women's Educational Equity Act Program	84.083	
Direct Awards:		
LSU in Shreveport		113,201
Special Education - Program for Severely Disabled Children	84.086	
Direct Awards:		
University of New Orleans		56,925
Fund for the Improvement of Postsecondary Education	84.116	
Direct Awards:		
University of Louisiana at Lafayette		102,894
Minority Science and Engineering Improvement	84.120	
Direct Awards:		
LSU in Shreveport		11,847
Through: <u>University of Virginia</u>		
Southern University and A&M College (Baton Rouge)		11,051
Subtotal Minority Science and Engineering Improvement		22,898
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	
Direct Awards:		
Department of Social Services		56,650,585
Rehabilitation Long-Term Training	84.129	
Direct Awards:		
LSU in Shreveport		51,705
Louisiana Tech University		84,634
Department of Social Services		30,278
Southern University and A&M College (Baton Rouge)		3,600,627
Through: <u>University of Alabama</u>		
Southern University and A&M College (Baton Rouge)		11,493
Subtotal Rehabilitation Long-Term Training		3,778,737
Business and International Education	84.153	
Direct Awards:		
University of Louisiana at Lafayette		8,325
University of Louisiana at Monroe		31,569
Subtotal Business and International Education		39,894

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Public Library Construction and Technology Enhancement	84.154	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		<u>\$549,379</u>
Secondary Education and Transitional Services for Youth With Disabilities	84.158	
<u>Direct Awards:</u>		
University of New Orleans		<u>14,524</u>
Immigrant Education	84.162	
<u>Direct Awards:</u>		
Department of Education		<u>91,246</u>
Magnet Schools Assistance	84.165	
<u>Through: Monroe City School Board</u>		
University of Louisiana at Monroe		<u>43,842</u>
Eisenhower Professional Development - Federal Activities	84.168	
<u>Through: Southwest Educational Development Laboratory</u>		
Northwestern State University		<u>14,592</u>
University of Louisiana at Monroe		<u>15,423</u>
Subtotal Eisenhower Professional Development - Federal Activities		<u>30,015</u>
Independent Living - State Grants	84.169	
<u>Direct Awards:</u>		
Department of Social Services		<u>1,071,999</u>
Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	84.177	
<u>Direct Awards:</u>		
Department of Social Services		<u>109,492</u>
Special Education - Grants for Infants and Families With Disabilities	84.181	
<u>Direct Awards:</u>		
Department of Education		<u>6,463,757</u>
Substance Abuse Education and Prevention Program	84.183	
<u>Direct Awards:</u>		
LSU in Shreveport		<u>9,913</u>
Byrd Honors Scholarships	84.185	
<u>Direct Awards:</u>		
Department of Education		<u>712,325</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	
<u>Direct Awards:</u>		
Department of Education		<u>9,343,966</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Supported Employment Services for Individuals With Severe Disabilities	84.187	
<u>Direct Awards:</u>		
Department of Social Services		<u>\$1,116,096</u>
Bilingual Education Support Services	84.194	
<u>Direct Awards:</u>		
Department of Education		<u>39,604</u>
Education for Homeless Children and Youth	84.196	
<u>Direct Awards:</u>		
Department of Education		<u>629,908</u>
Even Start - State Educational Agencies	84.213	
<u>Direct Awards:</u>		
Department of Education		<u>2,529,335</u>
Even Start - Migrant Education	84.214	
<u>Direct Awards:</u>		
Department of Education		<u>11,012</u>
Fund for the Improvement of Education	84.215	
<u>Through: Council of Chief State School Officers</u>		
Department of Education		<u>26,578</u>
Capital Expenses	84.216	
<u>Direct Awards:</u>		
Department of Education		<u>1,551,837</u>
McNair Post-Baccalaureate Achievement	84.217	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		228,634
University of Louisiana at Lafayette		<u>189,164</u>
Subtotal McNair Post-Baccalaureate Achievement		<u>417,798</u>
Assistive Technology	84.224	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>788,007</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Tech-Prep Education	84.243	
<u>Direct Awards:</u>		
Department of Education		\$2,171,615
<u>Through: Bogalusa City Schools</u>		
Louisiana Technical College, Sullivan Campus		2,166
<u>Through: East Baton Rouge Parish School Board</u>		
Southeastern Louisiana University		23,064
<u>Through: East Feliciana Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		100
<u>Through: St. Tammany Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		2,506
<u>Through: Tangipahoa Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		1,117
<u>Through: Washington Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		11,485
Subtotal Tech-Prep Education		2,212,053
Urban Community Service	84.252	
<u>Direct Awards:</u>		
LSU in Shreveport		92,341
Literacy Program for Prisoners	84.255	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Corrections Services		383,563
Rehabilitation Training - Experimental and Innovative Training	84.263	
<u>Direct Awards:</u>		
Department of Social Services		114,572
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	
<u>Direct Awards:</u>		
Department of Social Services		128,479
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	
<u>Direct Awards:</u>		
Department of Education		10,448,937

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
School-to-Work Grant	84.278	
<u>Direct Awards:</u>		
Executive Department		\$8,540,909
<u>Through: Bogalusa City Schools</u>		
Louisiana Technical College, Sullivan Campus		23,880
<u>Through: East Feliciana Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		27,651
<u>Through: First Planning District - JTPA</u>		
Louisiana Technical College, Sullivan Campus		34,500
<u>Through: St. Helena Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		22,836
<u>Through: St. Tammany Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		117,093
<u>Through: Tangipahoa Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		67,799
<u>Through: Washington Parish School Board Office</u>		
Louisiana Technical College, Sullivan Campus		46,493
Subtotal School-to-Work Grant		8,881,161
Eisenhower Professional Development State Grants	84.281	
<u>Direct Awards:</u>		
Department of Education		5,609,140
Charter Schools	84.282	
<u>Direct Awards:</u>		
Department of Education		497,383
Foreign Language Assistance	84.293	
<u>Direct Awards:</u>		
Department of Education		35,968
Innovative Education Program Strategies	84.298	
<u>Direct Awards:</u>		
Department of Education		5,720,045
Technology Innovation Challenge Grants	84.303	
<u>Through: Natchitoches Parish School Board</u>		
Louisiana Systemic Initiatives Program		192,619
Technology Literacy Challenge Fund Grants	84.318	
<u>Direct Awards:</u>		
Department of Education		6,184,340
Special Education - Research and Innovation to Improve Services and Results for Children With Disabilities	84.324	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		63,515

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Special Education - Personnel Preparation to Improve Services and Results for Children With Disabilities	84.325	
<u>Direct Awards:</u>		
LSU in Shreveport		\$81,397
Advanced Placement Incentive Program	84.330	
<u>Direct Awards:</u>		
Department of Education		7,762
Grants to States for Incarcerated Youth Offenders	84.331	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Corrections Services		266,159
Comprehensive School Reform Demonstration	84.332	
<u>Direct Awards:</u>		
Department of Education		12,749
Arts in Education Very Special Arts Program	84.926	
<u>Through: Very Special Arts Education Office,</u>		
<u>John F. Kennedy Center for the Performing Arts</u>		
Department of Education		5,875
National Writing Project	84.928	
<u>Through: National Writing Project Corp.,</u>		
<u>University of California at Berkeley</u>		
LSU and A&M College (Baton Rouge)	84.92-LA02	11,814
Southeastern Louisiana University	84.92-LA05	13,013
LSU in Shreveport		15,113
University of New Orleans		9,871
Subtotal National Writing Project		49,811
Annual Interest Grant	84.D57R-7-00375	
<u>Direct Awards:</u>		
Louisiana Tech University		113,349
Task Order for Basic Participation for Louisiana	84.ED99CO0044	
<u>Direct Awards:</u>		
Department of Education		13,843
<u>Research and Development Cluster:</u>		
Special Education - Innovation and Development	84.023	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		3,673

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Rehabilitation Long-Term Training	84.129	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		\$130,109
Secondary Education and Transitional Services for Youth With Disabilities	84.158	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		353,932
Eisenhower Professional Development State Grants	84.281	
<u>Direct Awards:</u>		
Board of Regents		913,249
Goals 2000: Parental Assistance Program	84.310	
<u>Through: Greater Baton Rouge YWCA</u>		
Southeastern Louisiana University		7,895
Special Education - Research and Innovation to Improve Services and Results for Children With Disabilities	84.324	
<u>Through: University of Colorado - Denver</u>		
LSU Health Sciences Center (New Orleans)		75,926
Subtotal Research and Development Cluster		1,484,784
<u>Special Education Cluster:</u>		
Special Education - Grants to States	84.027	
<u>Direct Awards:</u>		
Department of Education		50,649,100
Special Education - Preschool Grants	84.173	
<u>Direct Awards:</u>		
Department of Education		5,671,671
Subtotal Special Education Cluster		56,320,771
<u>Student Financial Assistance Cluster:</u>		
Federal Supplemental Educational Opportunity Grants	84.007	
<u>Direct Awards:</u>		
Bossier Parish Community College		66,129
Delgado Community College		392,927
LSU and A&M College (Baton Rouge)		543,323
LSU at Alexandria		60,236
LSU at Eunice		67,858
LSU Health Sciences Center (New Orleans)		34,775
LSU in Shreveport		63,000
Louisiana Tech University		336,561

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
<u>Student Financial Assistance Cluster:</u> (Cont.)		
Federal Supplemental Educational Opportunity Grants (Cont.)	84.007	
<u>Direct Awards:</u> (Cont.)		
McNeese State University		\$191,422
Nicholls State University		131,887
Northwestern State University		161,122
Southeastern Louisiana University		531,027
Southern University and A&M College (Baton Rouge)		576,469
Southern University at New Orleans		196,705
Southern University at Shreveport-Bossier City		72,592
University of Louisiana at Lafayette		500,597
University of Louisiana at Monroe		311,481
University of New Orleans		286,797
Federal Work-Study Program	84.033	
<u>Direct Awards:</u>		
Bossier Parish Community College		49,299
Delgado Community College		472,057
LSU Agricultural Center		18,212
LSU and A&M College (Baton Rouge)		1,116,579
LSU at Alexandria		68,233
LSU at Eunice		104,525
LSU Health Sciences Center (New Orleans)		48,645
LSU in Shreveport		92,062
Louisiana Tech University		414,301
McNeese State University		290,147
Nicholls State University		224,080
Northwestern State University		281,472
Nunez Community College		71,308
Southeastern Louisiana University		716,468
Southern University and A&M College (Baton Rouge)		1,054,281
Southern University at New Orleans		368,386
Southern University at Shreveport-Bossier City		246,456
University of Louisiana at Lafayette		941,177
University of Louisiana at Monroe		841,140
University of New Orleans		746,065
Federal Perkins Loan Program - Federal Capital Contributions	84.038	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		4,351
LSU at Eunice		3,289
LSU Health Sciences Center (Shreveport)		56,962
Louisiana Tech University		74,748
McNeese State University		67,150
Northwestern State University		161,583
Southeastern Louisiana University		6,553
University of Louisiana at Lafayette		313,368
University of Louisiana at Monroe		89,533
University of New Orleans		93,539

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
<u>Student Financial Assistance Cluster:</u> (Cont.)		
Federal Pell Grant Program	84.063	
<u>Direct Awards:</u>		
Bossier Parish Community College		\$1,991,002
Delgado Community College		11,676,926
Department of Education		9,574,135
LSU and A&M College (Baton Rouge)		10,591,161
LSU at Alexandria		1,580,212
LSU at Eunice		2,676,357
LSU Health Sciences Center (New Orleans)		560,969
LSU in Shreveport		1,765,246
Louisiana Tech University		5,040,702
McNeese State University		4,300,998
Nicholls State University		3,650,274
Northwestern State University		7,769,580
Nunez Community College		1,924,091
Southeastern Louisiana University		11,782,953
Southern University and A&M College (Baton Rouge)		11,764,241
Southern University at New Orleans		5,852,823
Southern University at Shreveport-Bossier City		2,259,711
University of Louisiana at Lafayette		10,806,533
University of Louisiana at Monroe		9,157,364
University of New Orleans		8,181,425
Subtotal Student Financial Assistance Cluster		136,467,580
<u>TRIO Cluster:</u>		
TRIO - Student Support Services	84.042	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		237,016
LSU at Eunice		317,265
Nicholls State University		304,872
Northwestern State University		267,072
Southeastern Louisiana University		210,082
Southern University and A&M College (Baton Rouge)		242,341
Southern University at New Orleans		350,358
Southern University at Shreveport-Bossier City		248,385
University of Louisiana at Lafayette		386,002
University of New Orleans		184,784
TRIO - Talent Search	84.044	
<u>Direct Awards:</u>		
Southeastern Louisiana University		269,498
Southern University and A&M College (Baton Rouge)		362,713
Southern University at New Orleans		258,837
Southern University at Shreveport-Bossier City		279,741
University of Louisiana at Lafayette		333,008
University of Louisiana at Monroe		259,131
University of New Orleans		265,844

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
<u>TRIO Cluster:</u> (Cont.)		
TRIO - Upward Bound	84.047	
<u>Direct Awards:</u>		
Delgado Community College		\$205,053
LSU at Eunice		272,334
McNeese State University		252,469
Nicholls State University		270,775
Southeastern Louisiana University		1,082,254
Southern University and A&M College (Baton Rouge)		487,575
Southern University at New Orleans		286,619
Southern University at Shreveport-Bossier City		297,071
University of Louisiana at Lafayette		711,518
University of New Orleans		548,059
Subtotal TRIO Cluster		9,190,676
Total U.S. Department of Education		\$582,175,226
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		
National Historical Publications and Records Grants	89.003	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$3,140
Total National Archives and Records Administration		\$3,140
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	
<u>Direct Awards:</u>		
Office of Elderly Affairs		\$46,330
Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	
<u>Direct Awards:</u>		
Office of Elderly Affairs		63,200
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	
<u>Direct Awards:</u>		
Office of Elderly Affairs		230,671
Special Programs for the Aging - Title III, Part D - In-Home Services for Frail Older Individuals	93.046	
<u>Direct Awards:</u>		
Office of Elderly Affairs		146,513

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Special Programs for the Aging - Title IV - Training, Research and Discretionary Projects and Programs	93.048	
<u>Direct Awards:</u>		
Office of Elderly Affairs		\$2,460
Demonstration Grants for Residential Treatment for Women and Their Children	93.102	
<u>Direct Awards:</u>		
Department of Health and Hospitals		791,544
Food and Drug Administration - Research	93.103	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		3,415
Maternal and Child Health Federal Consolidated Programs	93.110	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		191,409
<u>Through: Tulane University, New Orleans, LA</u>		
LSU Health Sciences Center (Shreveport)		34,882
Subtotal Maternal and Child Health Federal Consolidated Programs		226,291
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	
<u>Direct Awards:</u>		
Office of Public Health		1,375,638
Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services - Technical Assistance Centers for Evaluation	93.119	
<u>Direct Awards:</u>		
Department of Health and Hospitals		115,909
Mental Health Planning and Demonstration Projects	93.125	
<u>Direct Awards:</u>		
Department of Health and Hospitals		26,522
Emergency Medical Services for Children	93.127	
<u>Direct Awards:</u>		
Office of Public Health		53,582
Primary Care Services - Resource Coordination and Development Primary Care Offices	93.130	
<u>Direct Awards:</u>		
Department of Health and Hospitals		139,452
Office of Public Health		505
Subtotal Primary Care Services - Resource Coordination and Development Primary Care Offices		139,957

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Injury Prevention and Control Research and State and Community-Based Programs	93.136	
<u>Direct Awards:</u>		
Office of Public Health		<u>\$171,705</u>
Financial Assistance for Disadvantaged Health Professions Students	93.139	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		<u>15,962</u>
Projects for Assistance in Transition From Homelessness (PATH)	93.150	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>304,157</u>
Health Program for Toxic Substances and Disease Registry	93.161	
<u>Direct Awards:</u>		
Office of Public Health		<u>53,014</u>
Grants for State Loan Repayment	93.165	
<u>Direct Awards:</u>		
Department of Health and Hospitals		149,971
Office of Public Health		<u>17,331</u>
Subtotal Grants for State Loan Repayment		<u>167,302</u>
Research Related to Deafness and Communication Disorders	93.173	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>15,043</u>
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	93.196	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>1,416,470</u>
Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Children	93.197	
<u>Direct Awards:</u>		
Office of Public Health		<u>162,383</u>
Hansen's Disease National Ambulatory Care Program	93.215	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		<u>74,532</u>
Family Planning - Services	93.217	
<u>Direct Awards:</u>		
Office of Public Health		<u>3,503,885</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Consolidated Knowledge Development and Application Program	93.230	
<u>Direct Awards:</u>		
Department of Health and Hospitals		\$52,164
Abstinence Education	93.235	
<u>Direct Awards:</u>		
Department of Health and Hospitals		398,284
Immunization Grants	93.268	
<u>Direct Awards:</u>		
Office of Public Health		2,135,990
Alcohol National Research Service Awards for Research Training	93.272	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		3,680
Drug Abuse National Research Service Awards for Research Training	93.278	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		70,591
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	
<u>Direct Awards:</u>		
Office of Public Health		1,030,654
Nurse Practitioner and Nurse-Midwifery Education Programs	93.298	
<u>Direct Awards:</u>		
Northwestern State University		381,683
Professional Nurse Traineeships	93.358	
<u>Direct Awards:</u>		
Northwestern State University		57,403
Southeastern Louisiana University		15,798
Subtotal Professional Nurse Traineeships		73,201
Family Preservation and Support Services	93.556	
<u>Direct Awards:</u>		
Department of Social Services		5,803,325
<u>Through: Caring Connections of Concordia Parish</u>		
LSU Agricultural Center		(106)
<u>Through: Volunteers of America of Greater New Orleans, Inc.</u>		
LSU Agricultural Center		15,635
Subtotal Family Preservation and Support Services		5,818,854
Temporary Assistance for Needy Families	93.558	
<u>Direct Awards:</u>		
Department of Social Services		84,251,188

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Child Support Enforcement	93.563	
<u>Direct Awards:</u>		
Department of Social Services		<u>\$18,989,184</u>
Refugee and Entrant Assistance - State Administered Programs	93.566	
<u>Direct Awards:</u>		
Department of Social Services		<u>893,781</u>
Low-Income Home Energy Assistance	93.568	
<u>Direct Awards:</u>		
Department of Social Services		<u>17,432,201</u>
Community Services Block Grant	93.569	
<u>Direct Awards:</u>		
Department of Labor		<u>11,929,313</u>
Community Services Block Grant Discretionary Awards -		
Community Food and Nutrition	93.571	
<u>Direct Awards:</u>		
Department of Labor		<u>63,331</u>
Refugee and Entrant Assistance - Discretionary Grants	93.576	
<u>Direct Awards:</u>		
Office of Public Health		<u>31,500</u>
Empowerment Zones Program	93.585	
<u>Direct Awards:</u>		
Department of Social Services		<u>2,068,941</u>
State Court Improvement Program	93.586	
<u>Direct Awards:</u>		
Supreme Court of Louisiana		<u>279,130</u>
Grants to States for Access and Visitation Programs	93.597	
<u>Direct Awards:</u>		
Department of Social Services		<u>333,341</u>
Head Start	93.600	
<u>Direct Awards:</u>		
Department of Social Services		156,824
<u>Through: Regina Coeli Child Development Center</u>		
Southeastern Louisiana University		18,218
<u>Through: University of Arkansas</u>		
LSU Health Sciences Center (New Orleans)		<u>17,041</u>
Subtotal Head Start		<u>192,083</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>\$1,440,275</u>
Children's Justice Grants to States	93.643	
<u>Direct Awards:</u>		
Department of Social Services		<u>165,778</u>
Child Welfare Services - State Grants	93.645	
<u>Direct Awards:</u>		
Department of Social Services		<u>5,869,339</u>
Social Services Research and Demonstration	93.647	
<u>Direct Awards:</u>		
Department of Social Services		<u>423</u>
Adoption Opportunities	93.652	
<u>Direct Awards:</u>		
Supreme Court of Louisiana		<u>229,334</u>
Foster Care - Title IV-E	93.658	
<u>Direct Awards:</u>		
Department of Social Services		<u>57,457,856</u>
Adoption Assistance	93.659	
<u>Direct Awards:</u>		
Department of Social Services		<u>5,611,978</u>
Social Services Block Grant	93.667	
<u>Direct Awards:</u>		
Department of Social Services		<u>33,452,919</u>
Child Abuse and Neglect State Grants	93.669	
<u>Direct Awards:</u>		
Department of Social Services		<u>354,204</u>
Child Abuse and Neglect Discretionary Activities	93.670	
<u>Direct Awards:</u>		
Department of Social Services		<u>532,744</u>
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	93.671	
<u>Direct Awards:</u>		
Office of Women's Services		930,574
<u>Through: Central State University</u>		
Southern University and A&M College (Baton Rouge)		<u>216,840</u>
Subtotal Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes		<u>1,147,414</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Independent Living	93.674	
<u>Direct Awards:</u>		
Department of Social Services		<u>\$1,277,161</u>
State Children's Insurance Program	93.767	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>5,797,580</u>
Health Care Financing Research Demonstrations and Evaluations	93.779	
<u>Direct Awards:</u>		
Department of Insurance		160,328
Southern University and A&M College (Baton Rouge)		<u>1,281</u>
Subtotal Health Care Financing Research Demonstrations and Evaluations		<u>161,609</u>
Health Careers Opportunity Program	93.822	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>145,222</u>
Kidney Diseases, Urology and Hematology Research	93.849	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>4,031</u>
Minority Access to Research Careers	93.880	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,845
LSU Health Sciences Center (Shreveport)		<u>26,978</u>
Subtotal Minority Access to Research Careers		<u>33,823</u>
Grants for Physician Assistant Training Program	93.886	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		<u>106,163</u>
Grants to States for Operation of Offices of Rural Health	93.913	
<u>Direct Awards:</u>		
Department of Health and Hospitals		78,603
Office of Public Health		<u>4,303</u>
Subtotal Grants to States for Operation of Offices of Rural Health		<u>82,906</u>
HIV Care Formula Grants	93.917	
<u>Direct Awards:</u>		
Office of Public Health		<u>9,034,123</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease	93.918	
<u>Direct Awards:</u>		
Medical Center of Louisiana at New Orleans		\$385,082
<u>Through: HAART</u>		
LSU Health Sciences Center (New Orleans)		11,594
		<hr/>
Subtotal Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease		396,676
		<hr/>
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	
<u>Direct Awards:</u>		
Office of Public Health		404,231
		<hr/>
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	
<u>Direct Awards:</u>		
Department of Education		203,319
		<hr/>
HIV Prevention Activities - Health Department Based	93.940	
<u>Direct Awards:</u>		
Office of Public Health		4,845,858
		<hr/>
HIV Demonstration, Research, Public and Professional Education Projects	93.941	
<u>Direct Awards:</u>		
Office of Public Health		170,991
		<hr/>
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	
<u>Direct Awards:</u>		
Office of Public Health		1,288,548
		<hr/>
Assistance Program for Chronic Disease Prevention and Control	93.945	
<u>Direct Awards:</u>		
Office of Public Health		102,951
		<hr/>
Block Grants for Community Mental Health Services	93.958	
<u>Direct Awards:</u>		
Department of Health and Hospitals		5,106,271
		<hr/>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	
<u>Direct Awards:</u>		
Department of Health and Hospitals		28,988,704
		<hr/>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	
<u>Direct Awards:</u>		
Office of Public Health		<u>\$1,294,990</u>
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	
<u>Direct Awards:</u>		
Office of Public Health		<u>85,372</u>
Preventive Health and Health Services Block Grant	93.991	
<u>Direct Awards:</u>		
Office of Public Health		<u>5,411,033</u>
Maternal and Child Health Services Block Grant to the States	93.994	
<u>Direct Awards:</u>		
Office of Public Health		<u>15,175,599</u>
Alcohol and Drug Abuse Data Collection Contract	93.283-97-9001	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>91,872</u>
Children and Tobacco	93.223-98-4824	
<u>Direct Awards:</u>		
Department of Revenue		<u>122,566</u>
Family Support Parent Education Program	93.unknown	
<u>Through: Caring Connections</u>		
LSU Agricultural Center		<u>2,971</u>
Food Inspection	93.223-98-4119	
<u>Direct Awards:</u>		
Office of Public Health		<u>14,432</u>
Gillis Long Center	93.unknown	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>68,409</u>
Home Visitation Parent Coach Program - Concordia Parish	93.unknown	
<u>Through: Caring Connections</u>		
LSU Agricultural Center		<u>(114)</u>
Nat Off Death Index	93.9830200/806032	
<u>Direct Awards:</u>		
Office of Public Health		<u>7,312</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
National Youth Sports Program		
Through: <u>National Collegiate Athletic Association</u>		
University of Louisiana at Monroe	93.98-498	\$7,903
University of Louisiana at Monroe	93.99-498	48,665
Subtotal National Youth Sports Program		56,568
Seafood Inspection	93.223-98-4119	
<u>Direct Awards:</u>		
Office of Public Health		28,485
SSA/SSI Referral and Monitoring Contract	93.0600-94-12734	
<u>Direct Awards:</u>		
Department of Health and Hospitals		565
State Demand and Needs Assessment Studies: Alcohol and Other Drugs		
<u>Direct Awards:</u>		
Department of Health and Hospitals	93.270-94-0028	139,202
Department of Health and Hospitals	93.270-97-7039	43,665
Department of Health and Hospitals	93.277-95-1036	160,458
Subtotal State Demand and Needs Assessment Studies: Alcohol and Other Drugs		343,325
Vital Stat Coop	93.200-95-7218A	
<u>Direct Awards:</u>		
Office of Public Health		189,020
Women's Health	93.985048B	
<u>Direct Awards:</u>		
Office of Public Health		6,732
<u>Aging Cluster:</u>		
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	
<u>Direct Awards:</u>		
Office of Elderly Affairs		5,023,604
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	
<u>Direct Awards:</u>		
Office of Elderly Affairs		7,105,699
Subtotal Aging Cluster		12,129,303
<u>Child Care Cluster:</u>		
Child Care and Development Block Grant	93.575	
<u>Direct Awards:</u>		
Department of Social Services		72,770,129

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Child Care Cluster:</u> (Cont.)		
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	
<u>Direct Awards:</u>		
Department of Social Services		\$28,916,761
Subtotal Child Care Cluster		101,686,890
<u>HIV Cluster:</u>		
HIV Emergency Relief Project Grants	93.914	
<u>Through: City of New Orleans</u>		
University of New Orleans		17,673
<u>Medicaid Cluster:</u>		
State Medicaid Fraud Control Unit	93.775	
<u>Direct Awards:</u>		
Department of Justice		781,506
State Survey and Certification of Health Care Providers and Suppliers	93.777	
<u>Direct Awards:</u>		
Department of Health and Hospitals		5,932,919
Medical Assistance Program	93.778	
<u>Direct Awards:</u>		
Department of Health and Hospitals		2,366,086,524
Subtotal Medicaid Cluster		2,372,800,949
<u>Research and Development Cluster:</u>		
Area Health Education Centers - Model Programs	93.107	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		47,912
Maternal and Child Health Federal Consolidated Programs	93.110	
<u>Direct Awards:</u>		
Office of Public Health		216,885
Biological Response to Environmental Health Hazards	93.113	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		140,130
LSU Health Sciences Center (New Orleans)		234,544
LSU Health Sciences Center (Shreveport)		186,292
Pennington Biomedical Research Center		266,771
University of Louisiana at Monroe		69,506
<u>Through: Tulane University Medical Center</u>		
LSU and A&M College (Baton Rouge)		41,620
<u>Through: University of Florida</u>		
LSU and A&M College (Baton Rouge)		26,080

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Applied Toxicological Research and Testing	93.114	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		\$7,926
Oral Diseases and Disorders Research	93.121	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		142,280
LSU Health Sciences Center (New Orleans)		792,664
LSU Health Sciences Center (Shreveport)		63,515
NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143	
<u>Through: University of Florida</u>		
LSU and A&M College (Baton Rouge)		34,325
AIDS Education and Training Centers	93.145	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		537,676
<u>Through: Desire NARC Rehabilitation Center</u>		
LSU Health Sciences Center (New Orleans)		(36)
<u>Through: University of Miami</u>		
LSU Health Sciences Center (New Orleans)		(214)
Health Program for Toxic Substances and Disease Registry	93.161	
<u>Direct Awards:</u>		
Office of Public Health		287,726
University of Louisiana at Monroe		58,445
Human Genome Research	93.172	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		576,126
Research Related to Deafness and Communication Disorders	93.173	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		119,845
LSU Health Sciences Center (New Orleans)		81,158
Pennington Biomedical Research Center		110,358
<u>Through: University of California - Irvine</u>		
LSU Health Sciences Center (New Orleans)		11,284
<u>Through: University of Maryland</u>		
Pennington Biomedical Research Center		76,420
Allied Health Project Grants	93.191	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		53,051

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Biological Models and Materials Research	93.198	
Through: <u>Indiana University</u>		
Pennington Biomedical Research Center		\$2
Mental Health Research Grants	93.242	
Direct Awards:		
LSU Health Sciences Center (New Orleans)		102,826
LSU Health Sciences Center (Shreveport)		531,912
Pennington Biomedical Research Center		418,753
University of New Orleans		61,645
Through: <u>Case Western University</u>		
LSU Health Sciences Center (New Orleans)		8,428
Through: <u>Hospital for Sick Child</u>		
LSU Health Sciences Center (New Orleans)		729
Occupational Safety and Health Research Grants	93.262	
Through: <u>University of Texas Health Center at Tyler</u>		
Southeastern Louisiana University		33,520
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	
Direct Awards:		
LSU Health Sciences Center (Shreveport)		71,196
Alcohol National Research Service Awards for Research Training	93.272	
Direct Awards:		
LSU Health Sciences Center (New Orleans)		34,637
Alcohol Research Programs	93.273	
Direct Awards:		
LSU Health Sciences Center (New Orleans)		969,409
LSU Health Sciences Center (Shreveport)		333,573
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	93.277	
Direct Awards:		
LSU Health Sciences Center (New Orleans)		196,278
Drug Abuse Research Programs	93.279	
Direct Awards:		
LSU and A&M College (Baton Rouge)		14,177
LSU Health Sciences Center (New Orleans)		868,936
LSU Health Sciences Center (Shreveport)		403,866
University of New Orleans		396,525
Through: <u>University of Toronto</u>		
LSU Health Sciences Center (New Orleans)		19,006

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Mental Health Research Career/Scientist Development Awards	93.281	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		\$49,765
LSU Health Sciences Center (Shreveport)		97,359
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	
<u>Direct Awards:</u>		
Office of Public Health		351,531
<u>Through: University of California, Los Angeles</u>		
LSU Health Sciences Center (New Orleans)		22,004
Comparative Medicine	93.306	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		26,475
LSU Health Sciences Center (Shreveport)		171,746
University of Louisiana at Lafayette		843,983
Clinical Research	93.333	
<u>Through: Tulane University</u>		
LSU Health Sciences Center (New Orleans)		63,543
Biomedical Research Support	93.337	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		571
LSU Health Sciences Center (New Orleans)		12,953
Professional Nurse Traineeships	93.358	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		50,412
Minority Biomedical Research Support	93.375	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		252,813
Research Infrastructure	93.389	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		40,451
Southern University and A&M College (Baton Rouge)		749,777
Academic Research Enhancement Award	93.390	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		26,725
University of Louisiana at Monroe		33,171

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Cancer Cause and Prevention Research	93.393	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$243,575
LSU Health Sciences Center (New Orleans)		866,770
LSU Health Sciences Center (Shreveport)		531,356
Cancer Detection and Diagnosis Research	93.394	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		94,825
<u>Through: Cornell University Medical College</u>		
LSU and A&M College (Baton Rouge)		108,300
Cancer Treatment Research	93.395	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		390,278
<u>Through: Cancer Treatment Research Center, San Antonio, TX</u>		
LSU Health Sciences Center (Shreveport)		147,551
<u>Through: Southwest Oncology</u>		
LSU Health Sciences Center (New Orleans)		71,073
<u>Through: Trustees of Indiana University</u>		
Pennington Biomedical Research Center		50,373
<u>Through: University of Alabama, Birmingham, AL</u>		
LSU Health Sciences Center (Shreveport)		2,707
<u>Through: University of California</u>		
LSU Health Sciences Center (New Orleans)		780
<u>Through: University of Pittsburgh</u>		
LSU Health Sciences Center (New Orleans)		28,246
Cancer Biology Research	93.396	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		61,992
LSU Health Sciences Center (Shreveport)		189,149
Cancer Centers Support	93.397	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		225,092
<u>Through: Cancer Treatment Research Center, San Antonio, TX</u>		
LSU Health Sciences Center (Shreveport)		14,996
Cancer Research Manpower	93.398	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		51,626
Cancer Control	93.399	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		758,550

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Developmental Disabilities University Affiliated Programs	93.632	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		\$274,084
Cell Biology and Biophysics Research	93.821	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		317,104
LSU Health Sciences Center (Shreveport)		287,041
Health Careers Opportunity Program	93.822	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		355,100
Area Health Education Centers	93.824	
<u>Through: Association of Teachers of Preventative Medicine,</u>		
<u>Washington, DC</u>		
LSU Health Sciences Center (Shreveport)		156,010
Heart and Vascular Diseases Research	93.837	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		783,371
LSU Health Sciences Center (Shreveport)		433,632
Pennington Biomedical Research Center		1,269,911
<u>Through: Centaur Pharmaceuticals</u>		
LSU Health Sciences Center (New Orleans)		12,862
<u>Through: University of Chicago</u>		
Louisiana Tech University		147,089
<u>Through: University of Texas, Houston</u>		
LSU Health Sciences Center (New Orleans)		209
Lung Diseases Research	93.838	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		468,353
LSU Health Sciences Center (Shreveport)		48,443
<u>Through: Johns Hopkins University</u>		
LSU and A&M College (Baton Rouge)		6,963
<u>Through: Long Beach Memorial Medical Center, Long Beach, CA</u>		
LSU Health Sciences Center (Shreveport)		71
<u>Through: Vanderbilt University</u>		
LSU Health Sciences Center (New Orleans)		2,739
Blood Diseases and Resources Research	93.839	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		195,246

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	
Through: <u>Hospital for Joint Diseases/Orthopedic Institute</u>		
<u>NYU Medical Center, New York City, NY</u>		
LSU Health Sciences Center (Shreveport)		\$2,341
Diabetes, Endocrinology and Metabolism Research	93.847	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		49,366
LSU Health Sciences Center (New Orleans)		385,884
LSU Health Sciences Center (Shreveport)		125,274
Pennington Biomedical Research Center		1,020,259
Through: <u>George Washington University</u>		
Pennington Biomedical Research Center		22,510
Through: <u>Neurocrine Biosciences, Inc.</u>		
Pennington Biomedical Research Center		180,148
Through: <u>University of Tennessee</u>		
Pennington Biomedical Research Center		8,776
Digestive Diseases and Nutrition Research	93.848	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		382,703
LSU Health Sciences Center (Shreveport)		1,563,627
Pennington Biomedical Research Center		1,153,729
Kidney Diseases, Urology and Hematology Research	93.849	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		159,261
LSU Health Sciences Center (Shreveport)		84,574
Clinical Research Related to Neurological Disorders	93.853	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		430,496
Biological Basis Research in the Neurosciences	93.854	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		949,475
University of New Orleans		105,170
Allergy, Immunology, and Transplantation Research	93.855	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		259,428
LSU Health Sciences Center (Shreveport)		216,343

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Microbiology and Infectious Diseases Research	93.856	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$212,499
LSU Health Sciences Center (New Orleans)		112,943
LSU Health Sciences Center (Shreveport)		825,883
<u>Through: Arizona State University</u>		
LSU Health Sciences Center (New Orleans)		28,583
<u>Through: GL Systhesis, Inc.</u>		
LSU Health Sciences Center (New Orleans)		11,405
<u>Through: Tulane Medical Center</u>		
LSU Health Sciences Center (New Orleans)		6,723
<u>Through: Tulane University</u>		
LSU Health Sciences Center (New Orleans)		163,616
<u>Through: University of Alabama</u>		
LSU Health Sciences Center (New Orleans)		29,457
<u>Through: University of Indiana</u>		
LSU Health Sciences Center (New Orleans)		94,530
Pharmacology, Physiology, and Biological Chemistry Research	93.859	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		269,755
LSU Health Sciences Center (Shreveport)		311,459
Genetics and Developmental Biology Research	93.862	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		7,900
LSU Health Sciences Center (Shreveport)		322,759
<u>Through: University of Utah</u>		
LSU Health Sciences Center (New Orleans)		4,902
Cellular and Molecular Basis of Disease Research	93.863	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		899
Center for Research for Mothers and Children	93.865	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		47,244
LSU Health Sciences Center (Shreveport)		333,651
Pennington Biomedical Research Center		387,888
<u>Through: Children's Mercy Hospital, Kansas City, MO</u>		
LSU Health Sciences Center (Shreveport)		150
<u>Through: McMaster University</u>		
LSU and A&M College (Baton Rouge)		8,149
Aging Research	93.866	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		462,895

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Vision Research	93.867	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$115,313
LSU Health Sciences Center (New Orleans)		3,419,039
<u>Through: Johns Hopkins University</u>		
LSU Health Sciences Center (New Orleans)		134,138
<u>Through: Miravant Medical Technology</u>		
LSU Health Sciences Center (New Orleans)		(42,509)
<u>Through: University of Missouri at Kansas City</u>		
LSU Health Sciences Center (New Orleans)		11,377
Minority Access to Research Careers	93.880	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		28,015
Alcohol Research Center Grants	93.891	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		1,335,203
Rural Outreach - Rural Network Development Program	93.912	
<u>Through: Concordia Substance Abuse Council</u>		
LSU and A&M College (Baton Rouge)		11,352
Fogarty International Research Collaboration Award	93.934	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		18,247
LSU Health Sciences Center (Shreveport)		34,095
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	
<u>Direct Awards:</u>		
Office of Public Health		65,453
<u>Through: Tulane University</u>		
LSU Health Sciences Center (New Orleans)		75,414
<u>Through: University of Alabama</u>		
LSU Health Sciences Center (New Orleans)		37,310
<u>Through: University of Georgia</u>		
LSU Health Sciences Center (New Orleans)		135,326
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978	
<u>Direct Awards:</u>		
Office of Public Health		515,820

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Senior International Fellowships	93.989	
<u>Direct Awards:</u>		
LSU Health Sciences Center (Shreveport)		\$3,275
Alterations in Signal Transduction Molecules	93.RD.MQ-803537	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		15,348
Analysis of Molecular Data to Map Genes	93.RD.263-MD-236138	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		9,107
Armadillo/Leprosy Contract - Fixed Price Contract	93.RD.258-96-0009	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		90,880
Audiologic/Genetic Studies of Jewish Families	93.RD.MD-737434	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		2,900
Black/White Differences in Cancer Patient Survivors	93.RD.PO#9869355	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		15,985
Determine Genetic Susceptibility to Lung Cancer	93.RD.N01-HG-65404	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		267,360
DNA Sequencing With Infrared Fluorescence Biomolecules	93.RD.unknown	
<u>Through: Li-Cor Inc.</u>		
LSU and A&M College (Baton Rouge)		32,272
Epidemiologic Study of Black/White Differences	93.RD.N01-PC-45175	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		140,875
Family Resource Center Project	93.RD.9217	
<u>Through: Volunteers of America</u>		
LSU and A&M College (Baton Rouge)		13,882
The Genetics of Speciation in Drosophila	93.RD.SUBK#975/ACT#4-22402	
<u>Through: Rutgers, The State University of New Jersey</u>		
LSU and A&M College (Baton Rouge)		110,343
Government Computer-Based Patient Record	93.RD.N01-LM-85611	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		62,635

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Graduate Level Certification Program	93.RD.200-96-0538	
Through: <u>Tulane University</u>		
LSU Health Sciences Center (New Orleans)		\$659
National AETC Workshop Plan	93.RD.103HR95104IP000	
Direct Awards:		
LSU Health Sciences Center (New Orleans)		918
National Institute of Health - Metabolic and Genetic Markers for Dietary Obesity	93.RD.R1DK45895B	
Direct Awards:		
Pennington Biomedical Research Center		217,314
Repair of Hair Bundles in Sea Anemones	93.RD.1 R01 GM52334-01A1	
Direct Awards:		
University of Louisiana at Lafayette		95,257
Screening of Compounds for Anti-Tuberculosis Activity - Fixed Price Contract		
Direct Awards:		
LSU and A&M College (Baton Rouge)	93.RD.258-95-0010	100,993
LSU and A&M College (Baton Rouge)	93.RD.258-99-0001	204,904
Sexually Transmitted Diseases Clinical Trial	93.RD.N01-AI-75329	
Through: <u>University of North Carolina</u>		
LSU Health Sciences Center (New Orleans)		137
Study of Slow, Latent and Temperate Infections of the Nervous Systems	93.RD.NO1-NS-5-2302	
Direct Awards:		
University of Louisiana at Lafayette		559,552
Suicide Substrates of Cytoch	93.RD.R01CA38192	
Through: <u>University of Tulane</u>		
LSU Health Sciences Center (New Orleans)		(977)
Teletrauma/Next Generation Internet	93.RD.N01-LM-85633	
Direct Awards:		
LSU Health Sciences Center (New Orleans)		71,429
TMJ Function and Mechanics: Experimental Models	93.RD.388743	
Through: <u>University of Washington</u>		
Louisiana Tech University		6,009
Subtotal Research and Development Cluster		38,693,757

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Student Financial Assistance Cluster:</u>		
Scholarships for Students of Exceptional Financial Need	93.820	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		\$39,905
Scholarships for Health Professions Students From Disadvantaged Backgrounds	93.925	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		7,396
Northwestern State University		148,395
Southeastern Louisiana University		69,600
Southern University and A&M College (Baton Rouge)		372,606
University of Louisiana at Lafayette		106,132
Subtotal Student Financial Assistance Cluster		744,034
Total U.S. Department of Health and Human Services		<u>\$2,868,919,753</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
Retired and Senior Volunteer Program	94.002	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		\$44,888
State Commissions	94.003	
<u>Direct Awards:</u>		
Office of Lieutenant Governor		198,917
Learn and Serve America - School and Community-Based Programs	94.004	
<u>Direct Awards:</u>		
Department of Education		499,144
Learn and Serve America - Higher Education	94.005	
<u>Direct Awards:</u>		
Nunez Community College		13,924
Southern University and A&M College (Baton Rouge)		7,806
Subtotal Learn and Serve America - Higher Education		21,730
AmeriCorps	94.006	
<u>Direct Awards:</u>		
Department of Education		36,472
Office of Lieutenant Governor		1,272,041
Subtotal AmeriCorps		1,308,513

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA**Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CONT.)		
Training and Technical Assistance	94.009	
<u>Direct Awards:</u>		
Office of Lieutenant Governor		\$67,185
<u>Foster Grandparent/Senior Companion Cluster:</u>		
Foster Grandparent Program	94.011	
<u>Direct Awards:</u>		
Pinecrest Developmental Center		261,056
Total Corporation for National and Community Service		\$2,401,433
EXECUTIVE OFFICE OF THE PRESIDENT		
Office of National Drug Control Policy - Louisiana		
Gulf Coast Initiative		
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services	95.17PGCP501	\$103,158
Department of Public Safety and Corrections - Public Safety Services	95.18PGCP501	146,132
Department of Public Safety and Corrections - Public Safety Services	95.18PGCP508	1,352
Department of Public Safety and Corrections - Public Safety Services	95.19PGCP501	6,159
Department of Public Safety and Corrections - Public Safety Services	95.19PGCP508	6,665
Subtotal Office of National Drug Control Policy - Louisiana Gulf Coast Initiative		263,466
Total Executive Office of the President		\$263,466

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	CFDA OR OTHER NUMBER	ACTIVITY
SOCIAL SECURITY ADMINISTRATION		
<u>Disability Insurance/SSI Cluster:</u>		
Social Security - Disability Insurance	96.001	
<u>Direct Awards:</u>		
Department of Social Services		<u>\$30,915,098</u>
<u>Research and Development Cluster:</u>		
Health Measurement Consultant	96.RD.600-96-27545	
<u>Direct Awards:</u>		
LSU Health Sciences Center (New Orleans)		<u>10,816</u>
Total Social Security Administration		<u><u>\$30,925,914</u></u>
TOTAL STATE OF LOUISIANA		<u><u>\$5,305,841,639</u></u>

(Concluded)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999****A. PURPOSE OF THE SCHEDULE**

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires a schedule of expenditures of federal awards showing total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number for each program when the CFDA number is not available. To comply with this requirement, the Executive Department, Division of Administration required each state agency, hospital, and university to prepare a schedule of expenditures of federal awards. These schedules were combined to form the Schedule of Expenditures of Federal Awards for the State of Louisiana.

B. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards includes all federal financial assistance received from federal agencies or pass-through entities that was expended or issued by the State of Louisiana during the year ended June 30, 1999. Pass-through entities include local governments, entities in other states, and private organizations and establishments that provided federal financial assistance to the state.

The audit of Grambling State University's federal award programs was not completed by the independent certified public accountant in sufficient time to be included in the Single Audit Report for the State of Louisiana. The Single Audit Report for Grambling will be submitted under separate cover upon its completion. A copy of the report may be obtained by contacting management at the following address:

Grambling State University
Post Office Drawer 588
Grambling, Louisiana 71245

C. BASIS OF ACCOUNTING

The Integrated Statewide Information Systems of the State of Louisiana currently do not have the capacity to provide expenditures of awards for each federal program in accordance with generally accepted accounting principles. Therefore, except as explained in the following paragraphs, expenditures of federal awards presented in the Schedule of Expenditures of Federal Awards represent cash disbursements of the individual programs. Consequently, certain expenditures (activity) are recognized when paid rather than when obligations are incurred. Accordingly, the information presented in the schedule is not intended to present federal program expenditures in conformity with generally accepted accounting principles.

Indirect Costs - Certain costs, such as those associated with budgeting, accounting, personnel administration, et cetera, benefit more than one program but are not readily assignable to the programs receiving the benefits. Some agencies, hospitals, and universities apply a federally approved indirect cost rate to direct program costs to recover a portion of these indirect costs

STATE OF LOUISIANA**Notes to the Schedule of Expenditures of Federal Awards****(Continued)**

from federal grants or contracts. Indirect costs charged to federal grants and contracts by means of approved indirect cost rates are recognized as disbursements or expenditures in the accompanying Schedule of Expenditures of Federal Awards.

Department of Labor - Significant transactions of the Department of Labor are processed through the department's electronic data processing cost accounting system, which produces information on the modified accrual basis of accounting, rather than through the state's Integrated Statewide Information Systems. Therefore, the information presented in the Schedule of Expenditures of Federal Awards for the Department of Labor was derived from the department's cost accounting system and represents expenditures of federal awards on the modified accrual basis of accounting. Consequently, expenditures are recognized when the related liability is incurred.

Public Institutions of Higher Education - Except as explained in the following paragraph, the expenditures of federal awards for the public institutions of higher education are presented on the full accrual basis of accounting. Consequently, expenditures are recognized when the related liability is incurred.

Fixed Price Contracts - These contracts provide that a specified amount of funds will be paid upon delivery of a product, generally, a report on the results of a research study. As a result, the amount of federal awards that may be expended under fixed price contracts is limited to the amount of funds received from the contracts, regardless of the amount of costs incurred to perform the contracts or the period in which those costs were incurred. Therefore, the information presented in the Schedule of Expenditures of Federal Awards for fixed price contracts represents federal funds received on the cash basis of accounting. Consequently, expenditures (activity) are recognized when the related asset is received and in the amount of the asset received, rather than when the obligation is incurred and in the amount of the obligation.

Donations - Activity of the Donation of Federal Surplus Personal Property Program is reported in the Schedule of Expenditures of Federal Awards at fair market value, which has been defined as 23.3% of the acquisition cost provided by the federal government when the property is received by the State of Louisiana.

Issues - Issues of the Food Stamp Program are reported in the Schedule of Expenditures of Federal Awards at the amount of food stamp benefits issued for food purchases to recipients that obtain their benefits through electronic benefit transfer. Issues of the commodities program are reported in the Schedule of Expenditures of Federal Awards at the federally assigned value of the commodities when they are issued to state agencies, public and private school systems, and nonprofit organizations. Issues of chemicals for the Boll Weevil Eradication Program are reported in the Schedule of Expenditures of Federal Awards at cost.

STATE OF LOUISIANA**Notes to the Schedule of Expenditures of Federal Awards
(Continued)****D. TRANSFERS OF FEDERAL FUNDS AMONG STATE
AGENCIES, HOSPITALS, AND UNIVERSITIES**

The accompanying Schedule of Expenditures of Federal Awards presents expenditures (activity) for the state agencies, including hospitals and universities that initially received the assistance. In some instances, assistance received by one agency is transferred to a subrecipient state agency, hospital, or university to be expended for the original program or when allowed by the original program, to be expended for other federal programs. In those instances, federal award expenditures (activity) are reflected for the agency that initially received the assistance from a federal, local, or other state government.

E. FEDERAL FAMILY EDUCATION LOANS

The Office of Student Financial Assistance (OSFA) guarantees 100% of the loans made to students under the Federal Family Education Loans Program (CFDA 84.032). The federal government reimburses OSFA a percentage of the defaulted claims payments to lenders on certain defaulted loans, and when defaulted loans are collected, OSFA returns a percentage of the amount collected to the federal government. During the year ended June 30, 1999, OSFA paid lending institutions \$28,416,464 for defaulted student loans, and the average federal participation in these default payments was 98.65%. New loans made to students during the year ended June 30, 1999, which are guaranteed by OSFA, amounted to \$165,992,923. As of June 30, 1999, the original principal on outstanding loans made under the Federal Family Education Loans Program, which are guaranteed by OSFA, amounted to \$1,123,489,902.

F. FEDERAL DIRECT STUDENT LOANS

The federal government provides loan capital directly to vocational, undergraduate, and graduate students and their parents under the Federal Direct Loan Program (CFDA 84.268). During the year ended June 30, 1999, loans totaling \$2,582,128, \$2,564,321, and \$189,606 were made to students at the campuses of Nunez Community College, Southern University at New Orleans, and Southern University at Shreveport-Bossier City, respectively.

G. UNEMPLOYMENT INSURANCE PROGRAM

The Unemployment Insurance Program (CFDA 17.225) is administered through a unique federal-state partnership that was founded upon federal law but implemented through state law. For the purposes of presenting the expenditures of this program in the accompanying Schedule of Expenditures of Federal Awards, both state and federal funds have been considered federal awards expended. The breakdown of the state and federal portions of the total program expenditures for fiscal year ended June 30, 1999, is presented in the following schedule:

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)

State Portion (Benefits Paid)	\$180,432,436
Federal Portion (Administrative Costs)	<u>26,842,668</u>
Total	<u><u>\$207,275,104</u></u>

H. PETROLEUM VIOLATION ESCROW FUNDS

Petroleum Violation Escrow Funds are monies that were provided to the state by the U.S. Department of Energy (DOE). These distributions were the result of legislative, administrative, and judicial actions involving violations of DOE's price and allocation controls in effect from August 1973 through January 1981. These controls applied to the allocation and pricing of crude oil and refined petroleum products. The funds include Warner Amendment funds, Exxon funds, and Multi-District Litigation (M.D.L.) Number 378 "Stripper Well" funds and are sometimes referred to as Federal Energy Settlement funds. Court orders and consent decrees relative to the lawsuits that resulted in these distributions imposed restrictions on the way the state can administer and use these monies.

I. NURSING STUDENT LOANS AND HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE LOANS/LOANS FOR DISADVANTAGED STUDENTS

Public institutions of higher education receive federal capital contributions under the Nursing Student Loans Program (CFDA 93.364) and the Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students Program (CFDA 93.342) to make low-interest loans to eligible students to assist them in meeting their educational needs. The amount of new loans made during the year and the outstanding balances of loans made under these programs as of June 30, 1999, are presented in the following schedule.

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)

Hospital/University	Nursing Student Loans		Health Professions Student Loans	
	Loans Made During the Year Ended June 30, 1999	Outstanding Balance June 30, 1999	Loans Made During the Year Ended June 30, 1999	Outstanding Balance June 30, 1999
LSU at Eunice		\$5,347		
LSU Health Sciences Center (New Orleans)	\$100,719	628,148	\$517,675	\$6,216,740
LSU Health Sciences Center (Shreveport)				715,722
Medical Center of Louisiana at New Orleans		70,449		
Nicholls State University		5,078		
Northwestern State University		122,389		
Southeastern Louisiana University		33,253		
University of Louisiana at Lafayette	6,600	237,610		
University of Louisiana at Monroe		62,330	193,250	1,202,336
Total	<u>\$107,319</u>	<u>\$1,164,604</u>	<u>\$710,925</u>	<u>\$8,134,798</u>

**J. FEDERAL PERKINS LOAN PROGRAM -
FEDERAL CAPITAL CONTRIBUTIONS**

Public institutions of higher education receive federal capital contributions under the Federal Perkins Loan Program - Federal Capital Contributions (CFDA 84.038) to make low-interest loans to eligible students to assist them in meeting their educational needs. The amount of new loans made during the year and the outstanding balances of loans made under this program as of June 30, 1999, are presented in the following schedule.

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)

University	Loans Made	
	During the Year Ended June 30, 1999	Outstanding Balance June 30, 1999
Delgado Community College		\$5,825
LSU and A&M College (Baton Rouge)	\$2,178,977	12,969,631
LSU at Eunice	109,652	549,232
LSU Health Sciences Center (New Orleans)	368,826	2,318,340
LSU Health Sciences Center (Shreveport)	212,210	1,116,722
Louisiana Tech University	1,022,352	7,187,859
McNeese State University	362,348	2,250,161
Nicholls State University	3,000	75,787
Northwestern State University	411,353	2,882,839
Southeastern Louisiana University	482,074	2,289,605
Southern University and A&M College (Baton Rouge)		2,259,333
Southern University at New Orleans		78,902
Southern University at Shreveport-Bossier City		628,488
University of Louisiana at Lafayette	1,146,432	8,614,241
University of Louisiana at Monroe	542,595	4,412,789
University of New Orleans	561,049	4,839,061
Total	<u>\$7,400,868</u>	<u>\$52,478,815</u>

K. FEDERAL PERKINS LOAN CANCELLATIONS

Students who received National Defense or Perkins Loans may have a portion or all of their loan balance canceled if they meet certain military or teacher service requirements. Under the Federal Perkins Loan Cancellations Program (CFDA 84.037), the federal government restores the total amount of canceled principal and interest to the universities' loan funds. The amounts canceled under this program during the year ended June 30, 1999, are presented in the following schedule.

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)

<u>University</u>	<u>Principal and Interest Canceled</u>
LSU and A&M College (Baton Rouge)	\$87,705
LSU at Eunice	6,436
LSU Health Sciences Center (New Orleans)	20,067
Louisiana Tech University	63,762
McNeese State University	85,556
Nicholls State University	896
Northwestern State University	93,176
Southeastern Louisiana University	35,227
University of Louisiana at Lafayette	176,730
University of Louisiana at Monroe	175,981
University of New Orleans	17,013
	<hr/>
Total	<u><u>\$762,549</u></u>

**L. COLLEGE HOUSING AND ACADEMIC
FACILITIES LOANS**

Public institutions of higher education receive loans from the federal government under the College Housing and Academic Facilities Loans Program (CFDA 84.142). These funds may be used to finance the construction, acquisition, and rehabilitation of student and faculty housing and related dining facilities or to finance the renovation or reconstruction of older undergraduate academic facilities. The outstanding balances of loans made under this program as of June 30, 1999, are presented in the following schedule.

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)

<u>University</u>	<u>Outstanding Balance June 30, 1999</u>
Delgado Community College	\$364,000
LSU and A&M College (Baton Rouge)	3,061,000
LSU Health Sciences Center (New Orleans)	400,000
Louisiana Tech University	49,000
McNeese State University	68,000
Nicholls State University	37,000
Southeastern Louisiana University	19,000
University of Louisiana at Monroe	205,000
Total	<u>\$4,203,000</u>

**M. SPECIAL SUPPLEMENTAL NUTRITION
PROGRAM FOR WOMEN, INFANTS,
AND CHILDREN (WIC PROGRAM)**

During the fiscal year ended June 30, 1999, the Louisiana Office of Public Health received cash rebates from infant formula manufacturers for \$35,419,420 from sales of formula to participants in the WIC Program (CFDA 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Dividing the rebates received by the net average food package cost per participant results in 1,023,979 more participants served as a result of the rebate collections. In the absence of a rebate contract, the average food package cost would increase and available federal funding would support approximately 600,000 less participants than were actually served during the fiscal year.

N. MAJOR FEDERAL AWARD PROGRAMS

The State of Louisiana's major federal award programs for the year ended June 30, 1999, were determined using the criteria established by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. OMB Circular A-133 requires major programs to be determined using a risk-based approach. The amount of federal awards expended was determined using actual federal program activity as described in note C (page A-133) and the outstanding loan balances for certain loan programs as of and for the year ended June 30, 1998. The state's Type A federal award programs for the year ended June 30, 1999, were all federally assisted programs for which program activity and the federal government's risk in the outstanding loan balances as of June 30, 1998, was equal to or greater than \$16,123,498.

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)

A total of 28 Type A programs were identified. Auditors designated six Type A programs as low-risk. These six Type A programs were not audited as major during the 1999 fiscal year. The six Type A programs identified as low-risk are as follows:

- 10.550 Food Distribution
- 10.565 Commodity Supplemental Food Program
- 14.228 Community Development Block Grant/State's Program
- 66.458 Capitalization Grants for State Revolving Funds

Disability Insurance/SSI Cluster:

- 96.001 Social Security - Disability Insurance

Child Nutrition Cluster:

- 10.553 School Breakfast Program
- 10.555 National School Lunch Program
- 10.556 Special Milk Program for Children
- 10.559 Summer Food Service Program for Children

OMB Circular A-133, Section 520 describes two options for identifying high-risk Type B programs to audit as major. Option 2 allows identification of high-risk Type B programs by selecting one high-risk Type B program for each low-risk Type A program identified. Because there were six Type A programs assessed as low-risk for the 1999 fiscal year, six high-risk Type B programs were identified and audited as major.

During the planning phase for the 1999 fiscal year, one federal program was estimated to be a Type A program because the 1999 total expenditures in that program exceeded the threshold amount from the prior year. The program was assessed as a high-risk Type A program. Once the actual threshold was calculated for 1999, this program fell below the threshold and became a high-risk Type B program. Because this program was audited as major, there are a total of seven high-risk Type B programs audited as major during the 1999 fiscal year as listed below.

- 10.500 Cooperative Extension Service
- 39.003 Donation of Federal Surplus Personal Property
- 84.186 Safe and Drug-Free Schools and Communities - State Grants
- 93.569 Community Services Block Grant
- 93.994 Maternal and Child Health Services Block Grant to the States

Employment Services Cluster:

- 17.207 Employment Service
- 17.801 Disabled Veterans' Outreach Program (DVOP)
- 17.804 Local Veterans' Employment Representative Program

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)TRIO Cluster:

- 84.042 TRIO - Student Support Services
- 84.044 TRIO - Talent Search
- 84.47 TRIO - Upward Bound

The major programs cumulatively account for approximately 90% of the state's expenditures/ issues/loans of federal award programs for the year ended June 30, 1999. The major programs and total federal awards expended per program as presented in the accompanying Schedule of Expenditures of Federal Awards and Notes are as follows:

CFDA Number	Program Name	Programs Included in Cluster	Total Activity	Amounts Provided to Subrecipients
10.500	Cooperative Extension Service		\$9,165,681	None
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		76,108,211	None
10.558	Child and Adult Care Food Program		44,089,538	\$43,807,209
17.225	Unemployment Insurance		207,275,104	None
20.205	Highway Planning and Construction		318,329,896	None
39.003	Donation of Federal Surplus Personal Property		1,681,219	721,381
83.544	Public Assistance Grants		27,345,267	20,613,213
84.010	Title I Grants to Local Educational Agencies		191,555,516	189,268,077
84.032	Federal Family Education Loans:			
	Administrative Expenditures		25,131,630	None
	Loan Expenditures		1,202,197,362	None
84.048	Vocational Education - Basic Grants to States		19,117,014	8,483,814
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States		56,650,585	***
84.186	Safe and Drug-Free Schools and Communities - State Grants		9,343,966	8,379,484
93.558	Temporary Assistance for Needy Families		84,251,188	***
93.563	Child Support Enforcement		18,989,184	***
93.568	Low-Income Home Energy Assistance		17,432,201	***
93.569	Community Services Block Grant		11,929,313	11,086,348
93.658	Foster Care - Title IV-E		57,457,856	***
93.667	Social Services Block Grant		33,452,919	***
93.959	Block Grants for Prevention and Treatment of Substance Abuse		28,988,704	10,402,101
93.994	Maternal and Child Health Services Block Grant to the States		15,175,599	294,636

*** Accurate information could not be provided by Department of Social Services.

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
(Continued)

CFDA Number	Program Name	Programs Included in Cluster	Total Activity	Amounts Provided to Subrecipients
Food Stamp Cluster:				
10.551	Food Stamps	\$464,491,143		***
10.561	State Administrative Matching Grants for Food Stamp Program	<u>36,766,039</u>	\$501,257,182	***
Employment Services Cluster:				
17.207	Employment Service	13,144,395		\$21,834
17.801	Disabled Veterans' Outreach Program (DVOP)	763,436		None
17.804	Local Veterans' Employment Representative Program	<u>705,583</u>	14,613,414	None
JTPA Cluster:				
17.246	Employment and Training Assistance - Dislocated Workers	23,355,669		19,429,222
17.250	Job Training Partnership Act	<u>44,623,842</u>	67,979,511	41,861,752
Student Financial Assistance Cluster:				
84.007	Federal Supplemental Educational Opportunity Grants	4,524,908		None
84.033	Federal Work-Study Program	8,164,893		None
84.038	Federal Perkins Loan Program - Federal Capital Contributions:			
	Administrative Expenditures	871,076		None
	Loan Expenditures	45,021,041		None
84.063	Federal Pell Grant Program	122,906,703		None
84.268	Federal Direct Loan: Loan Expenditures	5,336,055		None
93.342	Health Professions Student Loans, Including Primary Care Loans/ Loans for Disadvantaged Students:			
	Loan Expenditures	8,168,588		None
93.364	Nursing Student Loans: Loan Expenditures	1,471,399		None
93.820	Scholarships for Students of Exceptional Financial Need	39,905		None
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	<u>704,129</u>	197,208,697	None
Special Education Cluster:				
84.027	Special Education - Grants to States	50,649,100		44,387,920
84.173	Special Education - Preschool Grants	<u>5,671,671</u>	56,320,771	5,134,235
TRIO Cluster:				
84.042	TRIO - Student Support Services	2,748,177		None
84.044	TRIO - Talent Search	2,028,772		None
84.047	TRIO - Upward Bound	4,413,727	9,190,676	None
Child Care Cluster:				
93.575	Child Care and Development Block Grant	72,770,129		2,571,654/***
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	<u>28,916,761</u>	101,686,890	***

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
(Continued)

CFDA Number	Program Name	Programs Included in Cluster	Total Activity	Amounts Provided to Subrecipients
Medicaid Cluster:				
93.775	State Medicaid Fraud Control Units	\$781,506		None
93.777	State Survey and Certification of Health Care Providers and Suppliers	5,932,919		None
93.778	Medical Assistance Program	<u>2,366,086,524</u>	\$2,372,800,949	None
Research and Development Cluster:				
	Agency for International Development	46,279		None
	U.S. Department of Agriculture	10,049,601		\$103,053
	U.S. Department of Commerce	4,855,860		39,156
	U.S. Department of Defense	24,138,769		1,647,025
	Central Intelligence Agency	84,302		None
	U.S. Department of Housing and Urban Development	419,920		None
	U.S. Department of Interior	4,038,145		115,372
	U.S. Department of Justice	35,464		None
	U.S. Department of Transportation	68,060		None
	National Aeronautics and Space Administration	4,177,187		225,066
	National Foundation on the Arts and the Humanities	32,174		None
	National Science Foundation	11,199,331		723,286
	Small Business Administration	1,222,473		None
	Tennessee Valley Authority	45,972		None
	U.S. Department of Veterans Affairs	257,367		None
	Environmental Protection Agency	3,893,406		768,240
	U.S. Department of Energy	7,944,059		321,093
	United States Information Agency	3,722		None
	U.S. Department of Education	1,484,784		84,033
	U.S. Department of Health and Human Services	38,693,757		955,437
	Social Security Administration	<u>10,816</u>	<u>112,701,448</u>	<u>None</u>
Total Expenditures (Activity) of Major Programs			<u>\$5,889,427,491</u>	<u>\$411,444,641</u>

The Louisiana Department of Social Services (DSS) could not provide accurate information on the amount of major federal awards provided to subrecipients for the 1999 fiscal year; therefore, the amounts provided to subrecipients could not be presented in total for the following major programs administered by DSS:

84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
93.558	Temporary Assistance to Needy Families
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.658	Foster Care - Title IV-E
93.667	Social Services Block Grant
<u>Food Stamp Cluster:</u>	
10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
(Continued)

Child Care Cluster:

93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund

**O. COMPONENT UNITS AUDITED BY
EXTERNAL AUDITORS**

Other external auditors audited certain entities included in the State of Louisiana's *Comprehensive Annual Financial Report* for the year ended June 30, 1999. To obtain the latest audit report of a particular entity, contact the agency using the following list of addresses:

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards

(Continued)

Ascension-St. James Bridge and
Ferry Authority
Post Office Box 1566
Donaldsonville, Louisiana 70346

Fifth Louisiana Levee District
222 North Cedar Street
Tallulah, Louisiana 71282

Bayou D'Arbonne Lake Watershed District
Post Office Box 237
Farmerville, Louisiana 71241

* Foundation for Excellence in LPB
7860 Anselmo Lane
Baton Rouge, Louisiana 70810

Board of Examiners of Certified
Shorthand Reporters
Post Office Box 3257
Baton Rouge, Louisiana 70821

Greater Krotz Springs Port Commission
Post Office Box 155
Krotz Springs, Louisiana 70750

Bossier Levee District
Post Office Box 189
Benton, Louisiana 71006

* Greater New Orleans Expressway
Commission
Post Office Box 7656
Metairie, Louisiana 70010

Custodian of Notarial Records
of Orleans Parish
421 Loyola Avenue, Room B-4
New Orleans, Louisiana 70112

Harbor Police Employees' Retirement
System
2714 Canal Street, Suite 306
New Orleans, Louisiana 70119-5595

East Jefferson Levee District
203 Plache Court
Harahan, Louisiana 70123

* Jefferson Parish Human Services Authority
3101 West Napoleon Avenue, Suite 220
Metairie, Louisiana 70001

* Single Audit

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards

(Continued)

Joint Legislative Committee on
the Budget
Post Office Box 44294
Baton Rouge, Louisiana 70804

Louisiana Board of Examiners for Speech-
Language Pathology and Audiology
11930 Perkins Road, Suite B
Baton Rouge, Louisiana 70810

Lafourche Basin Levee District
Post Office Box 670
Vacherie, Louisiana 70090

Louisiana Catfish Promotion and
Research Board
Post Office Box 95004
Baton Rouge, Louisiana 70895

Lake Charles Harbor and
Terminal District
Post Office Box 3753
Lake Charles, Louisiana 70602

Louisiana Cemetery Board
2901 Ridgelake, Suite 212
Metairie, Louisiana 70002

Legislative Budgetary Control Council
Post Office Box 44305
Baton Rouge, Louisiana 70804

Louisiana Crawfish Promotion and
Research Board
Post Office Box 3334
Baton Rouge, Louisiana 70821-3334

Legislative Fiscal Office
Post Office Box 44097
Baton Rouge, Louisiana 70804

Louisiana Economic Development
Corporation
Post Office Box 94185
Baton Rouge, Louisiana 70802

Louisiana Auctioneers Licensing Board
8017 Jefferson Highway, Suite A-2
Baton Rouge, Louisiana 70809

Louisiana Educational Television Authority
7860 Anselmo Lane
Baton Rouge, Louisiana 70810

Louisiana Beef Industry Council
4921 I-10 Frontage Road
Port Allen, Louisiana 70767

Louisiana House of Representatives
Post Office Box 94062
Baton Rouge, Louisiana 70804

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
(Continued)

* Louisiana Housing Finance Agency
200 Lafayette Street, Suite 300
Baton Rouge, Louisiana 70801-1302

Louisiana School Employees' Retirement
System
Post Office Box 44516
Baton Rouge, Louisiana 70804-4516

Louisiana Licensed Professional
Counselors Board of Examiners
8631 Summa Avenue, Suite A
Baton Rouge, Louisiana 70809

Louisiana Senate
Post Office Box 94183
Baton Rouge, Louisiana 70804

Louisiana Licensed Professional
Vocational Rehabilitation Counselors
Board of Examiners
Post Office Box 41594
Baton Rouge, Louisiana 70835-1594

Louisiana Soybean and Grain Research
and Promotion Board
Post Office Box 95004
Baton Rouge, Louisiana 70890

Louisiana Motor Vehicle Commission
3519 Twelfth Street
Metairie, Louisiana 70002

Louisiana Stadium and Exposition District
1500 Poydras Street
New Orleans, Louisiana 70112

Louisiana Real Estate Appraisers
State Board of Certification
Post Office Box 14785
Baton Rouge, Louisiana 70898

Louisiana State Board for Hearing Aid Dealers
Post Office Box 6016
Monroe, Louisiana 71211-6016

Louisiana Real Estate Commission
Post Office Box 14785
Baton Rouge, Louisiana 70898

Louisiana State Board of Architectural
Examiners
8017 Jefferson Highway, Suite B-2
Baton Rouge, Louisiana 70809

Louisiana Rice Promotion Board
223 East Hutchinson
Crowley, Louisiana 70526

Louisiana State Board of Certified
Social Work Examiners
11930 Perkins Road, Suite B
Baton Rouge, Louisiana 70810

* Single Audit

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
(Continued)

Louisiana State Board of Chiropractic
Examiners
8621 Summa Avenue
Baton Rouge, Louisiana 70809

Louisiana State Board of Pharmacy
5615 Corporate Boulevard, Suite 8E
Baton Rouge, Louisiana 70808

Louisiana State Board of Embalmers
and Funeral Directors
Post Office Box 8757
Metairie, Louisiana 70011

Louisiana State Board of Physical
Therapy Examiners
2014 West Pinhook, Suite 701
Lafayette, Louisiana 70508

Louisiana State Board of Examiners
in Dietetics and Nutrition
11930 Perkins Road, Suite B
Baton Rouge, Louisiana 70810

Louisiana State Board of Practical Nurse
Examiners
3421 North Causeway Boulevard, Suite 203
Metairie, Louisiana 70002

Louisiana State Board of Examiners
of Interior Designers
8017 Jefferson Highway, Suite B-3
Baton Rouge, Louisiana 70809

Louisiana State Board of Registration
for Professional Engineers and
Land Surveyors
10500 Coursey Boulevard, Suite 107
Baton Rouge, Louisiana 70816-4045

Louisiana State Board of Massage
Therapy
Post Office Box 1279
Zachary, Louisiana 70791

Louisiana State Board of Veterinary
Medical Examiners
263 Third Street, Suite 104
Baton Rouge, Louisiana 70801

Louisiana State Board of Medical Examiners
Post Office Box 30250
New Orleans, Louisiana 70190-0250

Louisiana State Board of Wholesale
Drug Distributors
12046 Justice Avenue, Suite C
Baton Rouge, Louisiana 70816

Louisiana State Board of Optometry
Examiners
Post Office Box 555
Oakdale, Louisiana 71463

Louisiana State Employees' Retirement System
Post Office Box 44213
Baton Rouge, Louisiana 70804

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards

(Continued)

Louisiana State Law Institute
LSU Law Center, Room 382
Baton Rouge, Louisiana 70803

Natchitoches Levee and Drainage District
Post Office Box 1209
Natchitoches, Louisiana 71458-1209

Louisiana State Licensing Board for Contractors
Post Office Box 14419
Baton Rouge, Louisiana 70898-4419

Nineteenth Louisiana Levee District
Post Office Box 267
Colfax, Louisiana 71417

Louisiana State Plumbing Board
2714 Canal Street, Room 512
New Orleans, Louisiana 70119

North Bossier Levee District
Post Office Box 338
Benton, Louisiana 71006

Louisiana State Police Retirement System
Post Office Box 66614
Baton Rouge, Louisiana 70896-6614

North Lafourche Conservation, Levee,
and Drainage District
Post Office Drawer 230
Raceland, LA 70394

Louisiana State Radio and Television
Technicians Board
6554 Florida Boulevard, Suite 109
Baton Rouge, Louisiana 70806-4474

Office of the Legislative Auditor
Post Office Box 94397
1600 Riverside North
Baton Rouge, Louisiana 70804-9397

Louisiana Used Motor Vehicle and Parts
Commission
3132 Valley Creek Drive
Baton Rouge, Louisiana 70808

Pontchartrain Levee District
Post Office Box 426
Lutcher, Louisiana 70071

Louisiana Workers' Compensation
Corporation
2237 South Acadian Thruway, Suite 102
Baton Rouge, Louisiana 70808

Port of New Orleans
Post Office Box 60046
New Orleans, Louisiana 70160

Morgan City Harbor and Terminal District
Post Office Box 1460
Morgan City, Louisiana 70381

Radiologic Technology Board of
Examiners
3108 Cleary Avenue, Suite 207
Metairie, Louisiana 70002

STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
(Concluded)

Red River, Atchafalaya, and Bayou Boeuf
Levee District
Post Office Box 8235
Alexandria, Louisiana 71306

South Lafourche Levee District
Post Office Box 426
Galliano, Louisiana 70354

Red River Levee and Drainage District
Post Office Box 433
Coushatta, Louisiana 71019

South Tangipahoa Parish Port Commission
163 West Hickory Street
Ponchatoula, Louisiana 70454

Rice Research Board
c/o Don Earles, CPA
Post Office Box 1584
Crowley, Louisiana 70527-1584

Teachers Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123

Sabine River Authority
15091 Texas Highway
Many, Louisiana 71449

Tensas Basin Levee District
Post Office Box 68
Rayville, Louisiana 71269

* St. Bernard Port, Harbor and
Terminal District
Post Office Box 1331
Chalmette, Louisiana 70044-1331

* West Jefferson Levee District
Post Office Box 608
Marrero, Louisiana 70072-0608

* Single Audit

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Appendix B

Management's Corrective Action Plans and Responses to the Findings and Recommendations



STATE OF LOUISIANA

Management's Corrective Action Plans and
Responses to the Findings and Recommendations

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BRCC

January 27, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

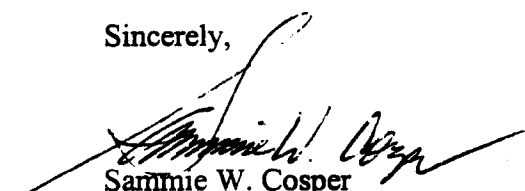
Dear Dr. Kyle:

Management of Baton Rouge Community College concurs with the finding and recommendation related to **Bank Account Not Reconciled To Accounting Records**.

Current management of Baton Rouge Community College recognizes the importance of timely preparation of bank reconciliations. As you are aware, the college has made some personnel changes in the accounting office. A new Director of Accounting was hired on December 20, 1999, with bank reconciliations being made a priority. We expect to have all reconciliations completed by February 18, 2000.

Should you have any questions regarding our response, please advise.

Sincerely,



Sammie W. Cospers
Interim Chancellor



BRCC

January 27, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

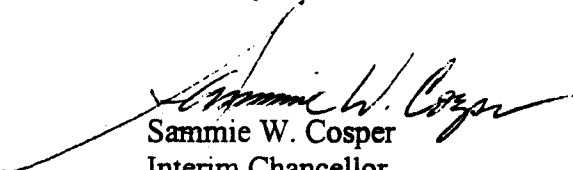
Dear Dr. Kyle:

Management of Baton Rouge Community College concurs with the finding and recommendation related to **Financial Reporting Weakness**.

Management of Baton Rouge Community College recognizes its responsibility to establish and maintain control systems to ensure that financial transactions are properly recorded, timely, complete, and accurately reported in the college's financial statements. The college is in the process of building an experience financial staff that will eliminate the weakness in controls over financial reporting disclosed in this finding.

If you have any questions regarding our response, please advise.

Sincerely,



Sammie W. Cosper
Interim Chancellor



BRCC

January 27, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

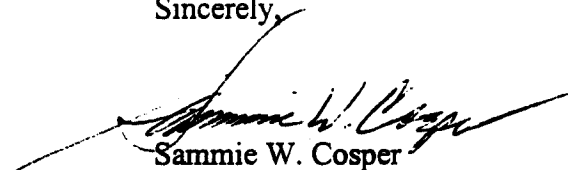
Dear Dr. Kyle:

Management of Baton Rouge Community College concurs with the finding and recommendation related to **Inadequate Administration of the Rehabilitation Services – Vocational Rehabilitation Grants to States Program.**

Management of Baton Rouge Community College recognizes its responsibility to provide sufficient oversight over federal, state, and local grants to ensure compliance with federal and state laws and regulations. The college recently made some personnel changes in the accounting office and job descriptions and responsibilities are being reviewed. Although, the college did not receive an award for the current fiscal year, we are developing policies and procedures that will ensure adequate oversight for future grants.

The person responsible for corrective action is Mark Trepagnier, Director of Accounting and Finance. If you have any questions regarding our response, please advise.

Sincerely,



Sammie W. Cosper
Interim Chancellor



BRCC

January 27, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

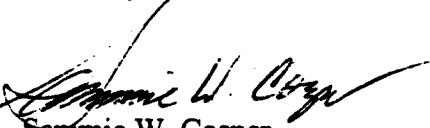
Dear Dr. Kyle:

Management of Baton Rouge Community College concurs with the finding and recommendation related to **Inadequate Administration of the Vocational Education – Basic Grants to States Program**.

Management of Baton Rouge Community College recognizes its responsibility to provide sufficient oversight over federal, state, and local grants to ensure compliance with federal and state laws and regulations. The college recently made some personnel changes in the accounting office and job descriptions and responsibilities are being reviewed. Although, the college did not receive an award for the current fiscal year, we are developing policies and procedures that will ensure adequate oversight for future grants.

The person responsible for corrective action is Mark Trepagnier, Director of Accounting and Finance. If you have any questions regarding our response, please advise.

Sincerely,



Sammie W. Cospers
Interim Chancellor



BRCC

January 27, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

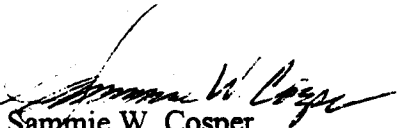
Dear Dr. Kyle:

Management of Baton Rouge Community College concurs with the finding and recommendation related to **Inadequate Controls Over Cash Receipts**.

Management of Baton Rouge Community College is in the process of developing fiscal policies and procedures that will ensure adequate controls over cash receipts, as well as other areas of finance.

If you have any questions regarding our response, please advise.

Sincerely,



Sammie W. Cospers
Interim Chancellor



BRCC

January 27, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

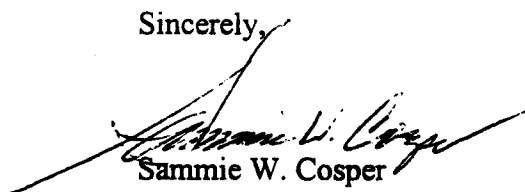
Dear Dr. Kyle:

Management of Baton Rouge Community College concurs with the finding and recommendation related to **Inadequate Segregation of Duties**.

Management of Baton Rouge Community College recognizes its responsibility to establish and maintain systems of internal controls to ensure adequate safeguards of assets. The college recently made some personnel changes in the accounting office. The Director of Accounting noted in the audit finding, is now the Assistant Director of Accounting. We have obtain data disclosing all access given to the previous director and are in the process of comparing such to the new responsibilities assigned not only to the previous director, but to all staff in the accounting office.

Should you have any questions regarding our response, please advise.

Sincerely,



Sammie W. Cospers
Interim Chancellor



BRCC

January 27, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Management of Baton Rouge Community College concurs with the finding and recommendation related to **Lack of Controls Over Student Accounts Receivable**.

Management of Baton Rouge Community College recognizes its responsibility to provide adequate internal controls over student accounts receivable that will include periodic reconciliations. Staff will be assigned to follow-up on the unreconciled difference noted in the finding. Also, policies and procedures relating to student accounts receivable are being developed to ensure adequate internal controls over student accounts receivable.

If you have any questions regarding our response, please advise.

Sincerely,


Sammie W. Cospers
Interim Chancellor

January 27, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397


Dear Dr. Kyle:

Management of Baton Rouge Community College concurs with the finding and recommendation related to **Noncompliance with Movable Property Regulations**.

Management of Baton Rouge Community College recognizes its responsibility to provide sufficient controls over movable property. With the assistance of the Internal Audit staff of the Louisiana Community and Technical Colleges System, the college is presently conducting a complete movable property inventory. Also, policies and procedures relating to movable property are being developed to ensure compliance with state and federal regulations.

The person responsible for corrective action is Mark Trepagnier, Director of Accounting and Finance. If you have any questions regarding our response, please advise.

Sincerely,



Sammie W. Cospers
Interim Chancellor

OFFICE OF THE CHANCELLOR

501 City Park Avenue
New Orleans, Louisiana 70119-4399
(504) 483-4085
FAX (504) 483-4088

November 19, 1999

Dr. Daniel G. Kyle
Legislative Auditor
1600 North Third St.
Post Office Box 94397
Baton Rouge, LA 70804-9397

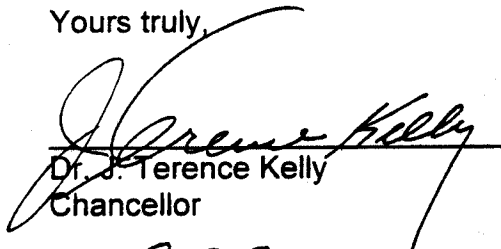
Dear Dr. Kyle:

Listed below is Delgado Community College's response to the finding listed in the 1997-98 and 1998-99 Bi-Annual Audit:

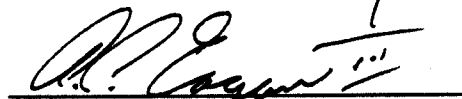
Theft of Student Loan Checks

The College agrees with the finding and will ensure that our internal control procedures in place are being followed.

Yours truly,



Dr. J. Terence Kelly
Chancellor



A. C. Eagan, III
Vice Chancellor for Business Affairs

JTK:ACE,III/sgb



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 30, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) partially concurs with the finding related to Inadequate Controls for the Safe and Drug Free Schools and Communities (SDFSC) Program. The SDE offers the following information.

Advance payment to fiscal agents.

The Department partially concurs with the finding related to advance payment of Safe and Drug Free Program funds to fiscal agents for the Regional Service Centers. Regardless of the procedures utilized to make these funds available, they were either expended on allowable activities or the fiscal agents returned them to the Department. Therefore, the Department feels the \$292,941 in federal expenditures noted should not be questioned costs. A number of improvements in the fiscal agent process were implemented in 1999-2000 and review for additional improvements is on-going.

Individuals responsible for corrective actions are Ann Faulkner, Steve Parker, and Kitty Littlejohn. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

A handwritten signature in cursive script, reading "Marlyn J. Langley".

Marlyn J. Langley
Deputy Superintendent
Management and Finance

Approved:

A handwritten signature in cursive script, reading "Cecil J. Picard".

Cecil J. Picard
State Superintendent of Education

MJL:s

"An Equal Opportunity Employer"



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 16, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) does not concur with the finding related to Inadequate Audit Resolution. The SDE offers the following information.

Of the twenty-four findings issued in 1998-99, the SDE concurred with five, partially concurred with seven and did not concur with twelve. As you expressed concerns with the growing number of findings, we express concern over the quality of the audit and the growing number of findings that do not appear reportable or material.

There were approximately eleven findings relating to internal control weaknesses. The Department concurred with two, partially concurred with five and did not concur with four. One was a repeat finding and ten were new. The majority of the internal control findings were specific to certain aspects of an individual program's administration. The SDE is diligently continuing to address weaknesses with specific emphasis on major internal control systems such as movable property, payroll and information management. Additionally, in some cases, controls were in place, but specific employees failed to adequately perform their duties. Personnel actions have been taken in those cases.

There were approximately nine findings related to noncompliance with federal and state laws and regulations. Of the nine, the SDE concurred with three, partially concurred with one and did not concur with five. Three of these findings were repeats in which the SDE did not concur. The SDE is continuing efforts to redesign compliance measurement procedures and align activities to improve effectiveness and efficiency of operations.

The SDE disagrees with the designation of "questionable" cost assigned to selected expenditures. There were four findings in this category of which the SDE partially concurred with one and did not concur with three. In all cases, the SDE does not consider the cost to be "questionable." The circumstances surrounding these findings are complex, may involve obsolete procedures that have been in place for many years, and/or may involve interpretation of federal program criteria during a federal transition period. Nevertheless, management strongly feels the cited expenditures were in order and appropriate actions were taken.

"An Equal Opportunity Employer"

There were seven repeat findings. Of the seven findings, the SDE partially concurred with two and did not concur with five. Four were third year repeat findings and three were second year repeat findings. It should be noted that this is an ongoing problem and frustration for our agency. Given the complexity of the operations and programs administered by the SDE and the time-frame for implementing a solution once a reportable weakness has been identified, it is not unusual for corrective actions to cover a two or three year period before an acceptable remedy is operational. For example, a weakness identified in the 1997-98 audit is reported in the first or second quarter of 1998-99. If a remedy were put into effect immediately, the finding would still be reported in 1998-99, creating a second year repeat finding. If the remedy were more complex and could not be developed or implemented until some time in the next fiscal period, the finding would be a repeat for the third year.

This is a problem of timing and does not in any way indicate that the Department does not immediately respond to identified weaknesses. Furthermore, these repeat findings do not reflect the management effort expended within our control to resolve internal control or compliance weaknesses. Findings identified as unresolved as a ratio of the number of findings from the prior year for the years questioned were 23.1% in 1997, 77.8% in 1998 and 50% in 1999. Given the nature of these findings during the Department's reorganization year of 1997-98, these findings do not reflect a breakdown of the SDE's complex control environment. The SDE is committed to continuously improving the internal control procedures and processes used to fulfill our responsibilities. The SDE position is: (1) there were controls in place in 1998-99 for the findings in which we did not concur; (2) there were new controls put in place in 1998-99 to resolve the second year findings; and (3) these controls will resolve 1998-99 repeat findings for 1999-2000.

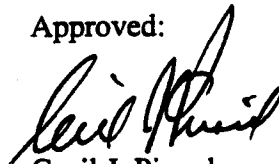
The persons responsible for corrective actions are Marlyn Langley, Deputy Superintendent for Management and Finance, Carole Wallin, Deputy Superintendent of Education and Cecil Picard, State Superintendent of Education. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,



Marlyn J. Langley
Deputy Superintendent
Management and Finance

Approved:



Cecil J. Picard
State Superintendent of Education

MJL:s



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) does not concur with the finding related to Inadequate Collection Procedures. The SDE does have collection procedures in place.

The Community-Based Tutorial Program (CBTP) staff did, in fact, make follow-up telephone calls to those subrecipients not responding to the letter dated March 19, 1999. As of this date, the CBTP has received affidavits or reimbursement from 147 of the 195 (75%) subrecipients. The CBTP, in cooperation with the Bureau of Internal Audit, continues to pursue the collection of monies or affidavits from the remainder. Further program funding has been eliminated for those subrecipients which were still active in the program and did not respond to the original request or follow-up. It is intended to refer accounts not collected by December 30, 1999 to the Attorney General.

Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 17, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) does not concur with the finding Inadequate Controls for Federal Cash Management. Regarding this finding, the SDE offers the following:

The SDE agrees the collection of subgrantee cash management was implemented April 1, 1999. Since April 1, however, the SDE has fully complied with collection and review of this information. The following caused the delay in implementation:

1. The SDE did not receive the original audit finding until well after the beginning of the current fiscal year.
2. The SDE worked with the Division of Education Finance to include these changes in the Quick Reference Funding Guidelines that apply to all funds. This was done to ensure all subrecipients received consistent, written requirements from the SDE. A coordinated approach to financial requirements is the cornerstone of the SDE's fiscal reorganization.
3. The changes in school district information submittal was presented to the Education Finance Advisory Committee in March 1999. All changes to budget and claims forms are presented to this committee prior to general release.

Due to midyear implementation, accountants contacted all subgrantees omitting cash on hand information; noted the individual providing the missing information; and noted the date of contact on the claim form. This procedure was utilized to avoid returning the claim to the subrecipient, thus causing significant delay in reimbursement. Effective with FY 2000, all claims will be returned to the subrecipient for missing information without additional payment processing.

The SDE asserts that procedures implemented address the Legislative Auditor's concerns and this area should not be cited as a repeat finding. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) does not concur with the finding entitled Inadequate Controls for Improving America's Schools Act Programs. Regarding the individual points in the finding:

No evidence was found that the SDE had assigned personnel to monitor LEA applications for compliance with the 90% rule.

The program staff did send out the forms and collected the necessary data for the calculation of the 90% rule. At that time, the responsibility was still with the program staff. Since reorganization, it has been determined this task will be performed by the Office of Management and Finance.

The SDE reimbursed \$259,131 in total to Caldwell and Madison Parish School Boards, in violation of the 90% rule.

According to the information the SDE is utilizing to calculate the 90% rule, neither Madison nor Caldwell were out of compliance with this requirement, and therefore, no monies were reimbursed improperly.

No evidence was found that the SDE took action on LEA applications when data regarding fiscal effort on the applications appeared incorrect.

Information provided on the applications is always an estimate. Recognizing this, the SDE collects audited financial data in a separate data collection process to utilize in the calculation of the 90% rule.

The SDE reimbursed Ascension Parish School Board \$215,190 in excess of the authorized 15% carryover limit and did not grant a waiver for carryover of excess funds. Management did not implement necessary controls or adequately train its employees as to applicable federal regulations.

The Department does not agree that the Ascension Parish School Board was reimbursed \$215,190 in excess of the authorized 15% carryover limit. Due to the date of two payments, the Legislative Auditor staff assumed the \$91,347.56 and \$435,661.57 (paid 5/17/99 and 07/28/99 respectively), were carryover obligations. However, these payments were correctly charged to the original FY 98 allocation and approved budget, and were not part of the school district's approved carryover project for FY 98.

The Department utilizes both automated system and manual controls to permit payment only within the allowable grant period in compliance with federal regulations and continues to provide training regarding the period of availability of funds to all financial staff. Additionally, the U.S. Department of Education has automated controls to prevent the release of funds to the Department beyond the authorized period of funding for Title I.

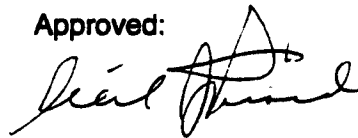
If you require additional information, please contact me.

Sincerely,



Marlyn Langley
Deputy Superintendent
Office of Management and Finance

Approved:



Cecil J. Picard
State Superintendent of Education

ML/BCS/djgjr

cc: Carole Wallin
Dudley Garidel
Beth Scioneaux
Kitty Littlejohn

J:\MF\EF\ADMSEC\SHARON\BETH\LEGAUDIT\IASAFIND.WPD



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) partially concurs with the finding related to Inadequate Controls in Starting Points Program. Regarding this finding, the SDE offers the following:

The SDE is currently revising the Interagency Agreement with the Department of Social Services (DSS) to address parts one and three of your finding by changing monitoring requirements for sites with less than ten participants and changing the due date for the final invoice to DSS.

The SDE does not concur with that part of your finding related to program responsibilities. The SDE does, in fact, have assigned responsibilities for this program as delineated in the SDE organization. The Division of Student Standards and Assessments handles programmatic responsibilities for the program; and the Office of Management and Finance is assigned fiscal responsibilities.

The persons responsible for corrective action are Mary Louise Jones, Section Supervisor, Division of Student Standards and Assessment and Kitty Littlejohn, Director, Appropriation Control. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Mariyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

October 1, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) concurs with the finding Inadequate Controls Over Contracts and Cooperative Endeavor Agreements. Regarding this finding, the SDE offers the following:

The SDE cooperative endeavor agreement (CEA) has been modified to include Section 15B requirements from Act 10 of the 1999 Regular Session, as well as language requiring an evaluation and audit of services provided. The SDE will require evaluation reports be submitted in accordance with Louisiana Revised Statutes §39:1500.

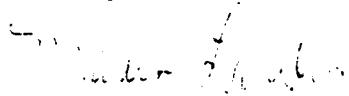
The SDE will no longer disburse CEA funds by lump-sum payments. Future CEA's will require the return of all unexpended funds, which will be determined by the SDE upon receipt of the final audit report for each agreement. The SDE will obtain the refund of \$39,272 noted in the finding.

The SDE will implement internal controls to ensure no funds will be disbursed which are contingent upon a site visit, receipt of an audit engagement letter, and receipt and acceptance of a prior year audit report. The SDE will ensure all required semiannual programmatic and expense reports are received on a timely basis.

The SDE has submitted a request to exempt all CEA's associated with legislative line-item appropriations from Civil Service approval. The response from Civil Service is pending, and the SDE will ensure all CEA's which have not received a specific exemption will receive Civil Service approval.

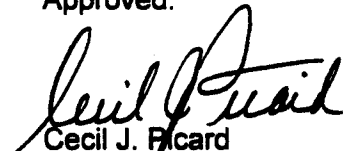
The person responsible for this corrective action is Steve Parker, Director of Management and Budget. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,


Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

MJL:DJGJr

Approved:


Cecil J. Picard
State Superintendent of Education



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education does not concur with the finding entitled Inadequate Controls Over Data in the Minimum Foundation Program. The SDE offers the following:

The SDE does not audit the Local District Revenue Data.

The SDE does not concur with this finding. The SDE is reconciling all Ad Valorem and Sales tax revenue used in the fiscal year 1999 MFP formula and reported in the districts' Annual Financial Reports (AFRs) to the revenues reported in the Comprehensive Annual Reports (CAFRs) for fiscal year 1998. Adjustments for revenues reported in error in the 1997-98 Annual Financial Report will be made in the January 2000 MFP Budget Letter equalization distribution.

The SDE does not audit the Budgeted Personnel Data.

The SDE does not concur with this finding. The SDE is conducting audits of the October 1, 1998 budgeted personnel data reported by the school districts. All districts are scheduled to be audited over the next nine months. Audit adjustments will be made as a result of these audits, beginning in the January 2000 Budget Letter. The SDE is considering other repayment options for those audits not completed in time for inclusion in the January 2000 Budget Letter.

The SDE does not audit the financial data and does not use audited data to determine the 70% Requirement of local general funds for instruction.

The SDE does not concur with this finding. The Annual Financial Report is prepared based on the school district's financial records as a whole which are audited each year. In fact, in a number of districts the Annual Financial Report is prepared at the time the independent audit is completed. The annual independent audit report demonstrates that the accounting system produced reliable financial records. Hence, reports based on this data can be viewed as reliable and accurate. The independent auditors suggest necessary adjustments to the accounting records so transactions are reflected accurately. At this time, some of these adjustments are not captured in the fall data collection period. To capture all of this information in the financial data reported by the school districts to the SDE, a plan is being developed to institute new procedures for the FY 1999-2000 data reporting cycle.

The SDE does not utilize variance analyses to determine validity of information submitted by local school districts.

The SDE does not concur with this finding. The SDE does utilize a variance analysis to determine validity of financial information. This analysis is part of a larger review of the district financial information. A portion of this review is designed to identify reporting errors. The school districts are required to correct all errors. The second portion of the review of the financial data is aimed at identifying for the school districts possible data errors. The school district business managers are instructed to review these analyses, including a year to year variance analysis and determine if any large differences indicate errors. If errors are detected, then these must be corrected. In the past, most large variances were the result of changes in revenue collections or spending patterns.

SDE did not finalize audits of Oct. 1, 1998 student data before June 30, 1999:

The SDE does not concur with this finding in that there is no requirement that the audits be finalized before June 30, 1999. The audits of the student data are completed within a twelve month period allowing for the complexity, volume of audits, and state-wide location of records. Normally, the preparation of the MFP Budget Letter in January of each year

is the due date for the completion of the audits. However, with the expansion of audit coverage, timelines for recovery of audit adjustments may be extended.

The SDE funded 71 students twice in the student count utilized in the Minimum Foundation Program formula. In addition, the SDE permits students with the same phonetic first name, last name, birth date and sex but different identification numbers to be funded.

The SDE does not concur with this finding. This decision to fund students in the MFP Budget Letter who are counted in two different districts or similar students in the same or different districts and later audit these circumstances to adjust funding was a policy decision made by the Board of Elementary and Secondary Education. It was the opinion of BESE that districts should not be penalized before the special circumstance surrounding these situations could be examined in detail by the SDE auditors. With only approximately a month between the identification of these students with the completion of the student data collection and the preparation of the MFP Budget Letter, the SDE is precluded from completing reviews of these errors prior to making allocations. Instead, each error is reviewed during the detailed audits completed over the next 12 months and adjustments are made in the next year's MFP Budget Letter. The approximate value of these students in FY 1998 was \$254,957 or .00012 of the total \$2,187,213,147 of the MFP. Although BESE has stood by this policy since 1992-93, the SDE plans to bring this issue to BESE in the near future so they may reaffirm or revise this policy.

The SDE does not consistently audit the weighted membership counts.

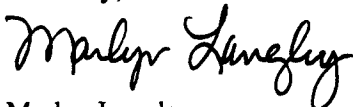
The SDE does not concur with this finding. The MFP weighted categories are all audited on a 3 year cycle. A copy of the schedule was presented to the Legislative audit staff. In addition to the scheduled cycle of audits of weighted membership, SDE audit staff uses an annual risk analysis for areas identified with problems. This has resulted in expanded audits of the weighted membership counts, in some cases resulting in audits of 100% of the weighted membership counts.

The SDE has not developed a policy regarding no-shows and excessive absences.

The SDE does not concur with this finding. BESE has chosen to instruct districts on how students with excessive absences should be handled through Bulletin 741. Section 1.055.00 states that each district must establish an attendance policy. If this policy is complied with then a student is considered enrolled and in attendance. Many unusual circumstances surround situations in which students are absent for extended periods. BESE has chosen to be sensitive to such issues. Therefore, if a student is considered in compliance with this policy they may be counted for MFP purposes. Although BESE has stood by this policy since 1992-93, the SDE plans to bring this issue to BESE in the near future so they may reaffirm or revise this policy.

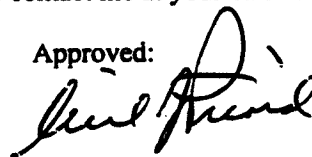
Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,



Marlyn Langley
Deputy Superintendent
Office of Management and Finance

Approved:



Cecil J. Picard
State Superintendent of Education

ML/BCS/jh



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) concurs with the finding--Inadequate Controls Over Vocational Education Program.

This program was transferred to the Louisiana Community and Technical College System (LCTCS) effective July 1, 1999; therefore resolution is now the responsibility of that Board. The SDE calculated the adjustments necessary and notified LCTCS in a letter dated August 25, 1999 of recommended corrective actions per discussions with personnel at the U. S. Department of Education (USDOE). In the letter to LCTCS, the situation related to funds not returned by subrecipients was also described with the recommendation that in the future any amounts not obligated during the fiscal or program year be returned. Reallocation of funds should be made under the appropriate rules and regulations in effect for that fiscal year.

The SDE Financial Management reporting unit contacted the USDOE by telephone for guidance on correct classification of expenditures for the Vocational Education program for the report period. Acting on USDOE verbal instruction, the local expenditure in question was classified to Post Secondary, which was in error. Your representatives advised us, however, the classification error is immaterial.

The Financial Management reporting unit will submit an amended SF-269 to correctly classify this expenditure to Secondary on the report. Additionally, all future clarification issues will be submitted to the USDOE in writing. However, it should be noted if the USDOE fails to provide timely clarification, financial status reports could potentially be submitted beyond the due dates.

Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
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November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle,

The Department of Education (SDE) partially concurs with the finding Inadequate Information Systems Controls. There were a number of items noted in the finding which the SDE was aware of and working to resolve--please see attached detailed response to each item. The SDE continues to implement remedies and anticipates all deficiencies should be corrected by December 1, 1999. There are, however, two exceptions noted below.

Exception 1

Due to a recommendation by the State Fire Marshall, the SDE is currently unable to restrict physical access to the Information Technology Services (ITS) computer room. The computer room is a main path for emergency evacuation of staff and visitors. ITS will continue to evaluate emergency evacuation routes, but has no other alternative at this time.

Exception 2

The Bureau of Internal Audit (BIA) had, in fact, scheduled a review of system controls, which was to begin in October 1998. Upon learning your staff had also scheduled such a review, the BIA opted to delay its review in order to reduce the possibility of duplicated audit effort.

The person responsible for corrective action is Bobby Franklin, Director of Planning, Analysis, and Information Resources. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) does not concur with the finding Inadequate Monitoring for Child and Adult Care Food Program.

The United States Department of Agriculture previously submitted a letter to the SDE, provided to your staff, which stated audit resolution occurs when a management decision has been made regarding an individual overclaim. Based on this letter, therefore, an overclaim is resolved when the SDE makes a management decision to submit it to the Attorney General for collection. Except for overclaims submitted to the Attorney General for collection, all information requested by your staff was available at the SDE.

7CFR Part 226.6(c) requires "...the State agency shall afford an institution every reasonable opportunity to correct problems before terminating the institution for being seriously deficient...".

The time frame for sending a second demand letter will be suspended for a number of reasons, not the least of which is if the institution files an appeal regarding the first demand letter. In such cases, as were the cases cited in your finding, the second demand letter cannot be sent until the appeals officer decision has been properly served.

Your finding contains factual errors in both the first and second parts in which you state second demand letters must be submitted "...within 30 days..." or "...within 60 days...", which is incorrect. In fact, the regulations you cited state second demand letters are to be submitted AFTER thirty or AFTER sixty calendar days, as may be the case.

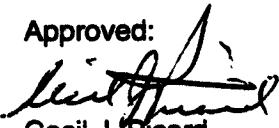
In addition, the two overclaims you cite as not having been remitted to the Attorney General in a timely manner represent only 1.2% of the overclaim dollars your staff tested. This amount is neither material nor even significant in comparison to the overclaim dollars tested as a whole. The SDE believes this is a nonreportable condition as defined in Generally Accepted Governmental Audit Standards.

Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,


Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:


Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle,

The Department of Education (SDE) partially concurs with the finding Inadequate Subrecipient Monitoring. The SDE was in the process of implementing new internal controls over the awarding of federal funds to local education agencies in FY 1998-99. The new control system should resolve issues noted in the finding. Additionally, the SDE has taken these specific actions:

1. A letter was distributed to all involved in working with federal awards with guidance as to procedural changes which should be made related to federal awards.
2. The Bureau of Internal Audit is conducting a department-wide management assistance project for all staff involved with federal awards related to procedures required by Office of Management and Budget Circular A-133 for subrecipients.
3. An addendum to all FY 1999/00 applications and budgets will be mailed to grantees listing items to be completed and information to be furnished to adequately administer federal funds as a pass through entity. Beginning in FY 2000/01 applications and budgets will include this item.
4. For FY 1999/00 the Division of Education Finance will require applicants to provide the amount of federal funds received for the current year and prior year before approving audit costs in any budget request.

The SDE does not concur with that part of the finding related to "middle management signed" because the approvals were for participation in Child Nutrition Programs. As provided by the National School Lunch Act, as amended, these programs are entitlement programs which guarantee a fixed reimbursement rate for services provided to participants and have no associated dollar amounts. Entitlement programs are not competitive or formula-driven to allocate or distribute funds, thus are not viewed as an award or allocation of federal funds. Participation in these programs is voluntary, and the US Department of Agriculture dictates in the Code of Federal Regulations (7 CFR 210-245) how these program funds are reimbursed. It is, therefore, only necessary to list the approval of the Director of the Division of Nutrition Assistance.

The persons responsible for these corrective actions are Dudley J. Garidel, Jr., Director, Bureau of Internal Audit, Beth Scioneaux, Director of Education Finance, and Kitty Littlejohn, Director of Appropriation Control.

Sincerely,


Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:


Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

August 20, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) concurs with the finding--Noncompliance with Year 2000 (Y2K) Regulations as regards placing a Y2K compliance statement on purchase orders in excess of \$5,000. Regarding this finding, the SDE offers the following:

Computer hardware and software obtained through the purchase orders identified in the audit will be verified for Y2K compliance. Corrective action will be taken as may be necessary. In addition, the SDE will ensure Y2K compliance requirements are stated on all future bids and/or purchase orders for computer-related hardware and software.

The person responsible for corrective action is Linda Montagnino, Director of Purchasing and Contracts. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

November 12, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) does not concur with the finding related to Unallowable Costs in Special Education Program. Regarding this finding, the SDE offers the following:

The Code of Federal Regulations (34CFR 80.11) required the SDE to submit a state plan before receiving the grant in question for the 1994-96 years. The SDE complied with this requirement. The CFR also provided for an amendment to the plan, "...whenever necessary to reflect a material change" (my emphasis).

The Division of Special Populations (formerly Office of Special Education Services) previously contacted the United States Department of Education (USDOE) by letter, dated July 13, 1998, to clarify the criteria as to what constitutes a "material" change for state plans. The SDE does not believe the six positions to which the finding refers constitute a "material" change. To date, the SDE has not received a response from the USDOE concerning this matter.

Additionally, amendments to the Individuals with Disabilities Act of 1997 (IDEA) no longer require a State Plan to be submitted. On April 26, 1999, required budget information and amendments were submitted to the USDOE which rendered moot the sections of the 1994-96 plan in question. The State Plan no longer authorizes positions, but, rather, a percentage of IDEA dollars which can be charged for administrative and/or state level activities. The SDE Office of Management and Finance, through budgetary oversight, will ensure adherence to the percentage of IDEA dollars approved for administrative and/or support services.

The person responsible for corrective action is Virginia Beridon, Director, Division of Special Populations. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr

State of Louisiana



**PATIENTS' COMPENSATION FUND
OVERSIGHT BOARD
OFFICE OF THE EXECUTIVE DIRECTOR
650 NORTH SIXTH STREET
BATON ROUGE, LA 70802
(504) 342-6052
FAX (504) 342-6053**

September 9, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P O Box 94397
Baton Rouge, LA 70804-9397

RE: Inadequate Fund Balance – Patient's Compensation Fund

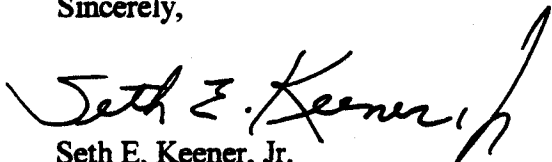
Dear Dr. Kyle:

As requested, the Patient's Compensation Fund Oversight Board (Board) submits herein its response to the above-captioned finding.

The Board concurs with the finding. The corrective action plan is attached. The undersigned is the contact person responsible for the corrective action. At the present time there is no anticipated completion date.

Please call if you have any questions.

Sincerely,


Seth E. Keener, Jr.
Acting Executive Director

LEGISLATIVE AUDIT - PATIENT'S COMPENSATION FUND - 1999

Inadequate Fund Balance

In answer to the specific finding, the following information is offered. In October 1998, the Louisiana Patient's Compensation Oversight Board proposed a rate increase of 15% per year for the next four years based on information supplied by our actuary. It was the actuary's finding that this 15% increase per year for four years would bring the Fund to the point that there would be no continuing escalation of the unfunded liabilities. After it had addressed the issue of stopping the escalation of unfunded liabilities, it was the plan of the Patient's Compensation Fund Oversight Board to continue with increases to reduce the unfunded liabilities, and thus achieve an adequate level of surplus over a period of four years.

Due to opposition from the Louisiana Medical Society, and the individual doctors, to the Louisiana Insurance Rating Commission, the Rating Commission denied the rate increase. As a result of the disapproval of the requested rate increase by the Louisiana Insurance Rating Commission, no increase in rates was granted for this year (1999). We are now in the process of getting new actuarial figures to recommend an appropriate rate increase for the upcoming year, with hope again, that we can come up with a figure which will eliminate the escalation of the unfunded liabilities within four years. The Patient's Compensation Fund Oversight Board is attempting to have the necessary documentation for an October presentation to the Louisiana Insurance Rating Commission.



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
LOUISIANA PROPERTY ASSISTANCE AGENCY

September 10, 1999
A-99-061

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

Dr. Daniel G. Kyle, CPA, CFE
LEGISLATIVE AUDITOR
1600 North Third Street
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Re: Response to Legislative Auditor Finding
Re Inadequate Sub-recipient Monitoring

Attached is the response to your request of August 24, 1999 regarding audit findings at the Louisiana Federal Property Assistance Agency (LFPAA). We were under the impression that the Schedule 8-3 submitted to your office on September 3, 1999, was a sufficient response to these findings.

Should you desire additional information, please do not hesitate to contact us.

Sincerely,

Irene Babin
Director

IB/MMc/jmc

Attachment

B-31

Response to Legislative Auditor Finding re Inadequate Sub-recipient Monitoring

The Louisiana Federal Property Assistance Agency does not concur with this finding.

In a meeting held at LFPAA on May 21, 1999, auditors from the Legislative Auditors Office and LFPAA management agreed that LFPAA would require agencies receiving over \$300,000 FMV of federal surplus property provide LFPAA with a copy of their audited financial statement as required by OMB Circular A-133.

During the 1998-99 fiscal year, there were no recipients that received federal surplus property in excess of \$300,000 FMV.

LFPAA does not agree with the Legislative Auditor's interpretation of OMB Circular A-133. We do not believe that LFPAA is required to monitor and maintain a file of audited Financial reports for agencies that receive federal funding in excess of \$300,000 from all federal sources. However, LFPAA will advise all recipients of federal surplus property of their responsibility to provide LFPAA with an audited financial statement if their combined federal funding exceeds \$300,000.



State of Louisiana
PATIENTS' COMPENSATION FUND

May 6, 1999

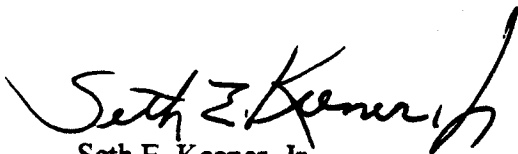
Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804

Dear Dr. Kyle:

This will acknowledge receipt of the audit findings relative to the controls over medical malpractice premiums. The Patient's Compensation Fund Oversight Board's response to the itemized deficiencies is attached.

It is felt that with additional personnel and the implementation of the new computer system, there will be no further findings of deficiencies in these areas.

Sincerely,



Seth E. Keener, Jr.
State Risk Director

SEK,Jr./l

May 3, 1999

RESPONSE TO LEGISLATIVE AUDIT FINDINGS OF APRIL 27, 1999

Contact Persons responsible for corrective action:

Lorraine LeBlanc, Claims Manager
Cheryl Jackson, Medical Malpractice Director
Sandra Alford, Accountant II

- **One person with multiple duties – Concur with finding.**

We were already aware of the problem with the handling of the receipts of and posting of the payments. Due to lack of personnel, corrective action was delayed. The 1998-1999 budget included an additional person, an accountant technician, who was to be given some of these duties. This position was filled on 2/15/99 and the responsibility for receipt of the checks has been transferred to the new person.

Corrective action taken: As of 2/16/99, all checks are being sent daily to the account tech, who then prepares the batch list and copies the checks. The actual checks are given to the accountant who prepares the deposit lists and sends the checks to the Treasurer's office. The tech then sends the batch list, copies of the checks and any documentation that was sent with the checks, back to the administrative specialist. The specialist records the payments to the appropriate health care provider's record in the computer. The specialist reconciles the computer records with the batch list upon completion of posting. The accountant sends the medical malpractice director the monthly ledger system printout and this is reconciled with the payments posted during that month. Further, the billing statements will be done by the statistical tech as of May 1, 1999. Thus, the incompatible duties have now been segregated

- **Checks not deposited – Concur.**

Disciplinary action has been taken towards the individual responsible for this task. She was well aware of the three-day timeframe allowed for checks to be received and deposited. A student worker had been assigned to her in November 1998 due to the volume of work she was expected to handle. She stated she thought her supervisor was aware of the backlog. Her supervisor was not aware that checks were not being sent.

Corrective action taken: These duties were reassigned 2/16/99. Checks are now sent daily to the executive office where the account tech copies them, prepares the batch list and gives the checks directly to the accountant for timely deposit. With the addition of the account tech and the segregation of duties, the checks are deposited timely.

- **17 receipts not recorded – Concur**

This is the result of a lack of sufficient personnel to accomplish all the duties of the office. It was also due to the lack of computer capabilities, as the system being used at the time of the audit did not allow for more than one person to enter receipts at a time.

Corrective action taken - An additional person was added 2/15/99 in an effort to remove some duties from the person responsible for recording receipts, thus allowing more time for the posting. Also, the new system does not restrict the number of persons posting. On April 19, 1999, two additional staff members were trained on posting in an effort to catch up; however, this is being done in addition to their other duties. The person that posts the receipts must also verify that the proper amount has been paid. It is a time consuming task and too much for one person, especially when it is not their sole duty. The 1999 – 2000 budget calls for two additional positions, one of which will share these duties with the current specialist. However, due to the paperwork and procedures necessary to fill a new position, it is not anticipated that the position will be occupied until September 1999. It is felt that this addition will allow the duties of posting to be done timely.

- **Lack of documentation in the file – Concur**

There is no permanent position assigned to the duty of filing. Thus, the filing is extremely behind. The office has student workers to file; however, this is on a part-time basis and is inadequate for the volume of mail received within this office. Office personnel have worked on Saturdays in an attempt to reduce the backlog of filing that needs to be done.

- Corrective Action taken: The 1999-2000 budget includes the addition of a full time position to handle the filing, in addition to student workers. It is felt this will allow the files to contain current information. However, due to the paperwork and procedures necessary to obtain a new position, it is anticipated that the position will not be occupied until September 1999. Student workers will be working full time during the summer months and will be filing.

Basically, the negative audit findings revolve around the lack of personnel and proper computer programs. The Fund has grown over the years and the total number of necessary staff has not kept up with the volume of work. We have added staff each of the

past 3 years in an effort to ensure the Fund is run efficiently. We have hired emergency personnel, restricted personnel and authorized overtime to the extent our budget allows.
Page 3

We are currently in the process of a computer conversion, which is expected to be completed by May 12, 1999 (although the original completion date was December 15, 1998, then March 31, 1999) but numerous problems have been encountered with the program conversions. The new computer system should simplify some of the procedures and allow the office to be run more effectively and efficiently.



STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



David W. Hood
SECRETARY

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

September 21, 1999

Daniel G. Kyle, PH.D., CPA, CFE
Office of Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

In reference to the finding , **Audits of Federal Subrecipients and State Contractors Not Obtained and Findings Not Resolved Timely**, DHH concurs in the finding and plans to implement the following correction plan, immediately, to those contractors listed in the audit finding.

1. Letters from the Assistant Secretaries or the Undersecretary to those contractors on the attached list requesting either the audit or resolution within a specified time period.
2. This will be monitored by Mike Johnston, DHH Fiscal, to ensure that the letters are sent and if the audit report or audit resolution is not received in the designated time period, then DHH Fiscal will recommend that payments be suspended until audit or the audit resolutions have been received. Also, DHH Fiscal will notify the DHH Contract Committee of the delinquent status, so no more contracts will be renewed until the audit or audit resolution is received.

Sincerely yours,


Stan Mead, Director
Division of Fiscal Management

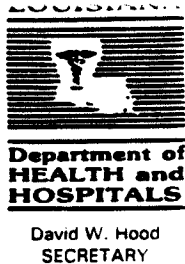
cc David Hood, Secretary
John LaCour, Deputy Secretary
Charles Castille, Undersecretary
Assistant Secretaries

OFFICE OF MANAGEMENT AND FINANCE • DIVISION OF FISCAL MANAGEMENT
1201 CAPITOL ACCESS ROAD • P. O. BOX 3797 • BATON ROUGE, LOUISIANA 70821-3797
PHONE#: 504/342-9326 • FAX#: 504/342-4419
"AN EQUAL OPPORTUNITY EMPLOYER"



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

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



September 23, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We have received your audit finding "Failure to Reimburse Federal Share of Provider Overpayments". We concur that the overpayment was not recorded and reported timely; however, we believe that controls and procedures have been developed for the proper reconciliation of the accounts as outlined in our corrective action plans for the previous findings.

The department was aware of the judgement against the provider; however, an earlier judgement against another principal of the provider business had been previously recorded. When the questioned judgement against the owner of the provider business was received, it was not clearly evident that it was a separate account. Department staff subsequently determined that both judgements should have been recorded, and the federal financial participation for this overpayment was returned to the Health Care Financing Administration.

We believe that as a result of the actions previously taken, there are no further corrective actions necessary. Any questions concerning these actions should be directed to Mr. Ken Corkern, Administrator Financial Management Section.

Should you have any questions regarding our response, please advise.

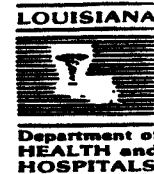
Sincerely,

Stan Mead
Director

SM:KC:aud99:overpymt



STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



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

David W. Hood
SECRETARY

September 10, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Audit Finding

Dear Dr. Kyle:

Please refer to your letter of August 19, 1999 in which you cite the following audit finding.

DEPARTMENT OF HEALTH AND HOSPITALS

Medicaid Provider Enrollment Procedures Not Always Followed

The Department of Health and Hospitals (DHH) has not enrolled providers in the Medical Assistance Program (CFDA 93.778, Medicaid) in accordance with federal and state laws and regulations and departmental policies and procedures. In order to participate in the Medicaid Program and receive Medicaid payments, providers of medical services must be licensed in accordance with federal, state, and local laws and regulations and certain providers must submit various other forms required by DHH.

We concur with the individual finding and recommendation. In order to ensure that the Department of Health and Hospitals does not make payments on behalf of Medicaid recipients to providers who do not meet federal and state guidelines, the department will review the provider enrollment process and establish a corrective action plan as documented on the attached page. The primary contact person with the Department of Health and Hospitals is Cindy Bride, Manager of the Provider Enrollment Unit. An additional contact person is Jennifer Boothe, Supervisor of the Provider Enrollment Unit.

CORRECTIVE ACTION PLAN:

RECORDS CITED

Corrective action on the records cited will be implemented immediately. Requests for license verification and/or closure as appropriate will be completed by October 1999. Provider enrollment forms will be forwarded to participating providers where applicable to assure that active Medicaid files contain all required documentation.

Dr. Daniel G. Kyle, CPA, CFE

Page 2

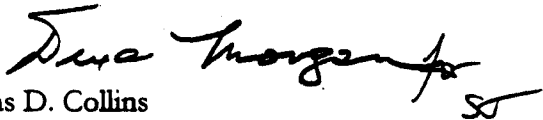
September 10, 1999

REVIEW PROVIDER ENROLLMENT PROCEDURES: The Provider Enrollment manual of procedures was reviewed and updated after the 1998 Legislative Audit findings. The manual is being updated to include the actual maintenance location of some required documentation. We have found that guidelines for enrollment require updating on a recurring basis.

PURGE INACTIVE PROVIDERS: Steps to initiate a system for purging the files began in December 1998. Plans have been drafted and circulated within several units in the department. Comments and suggestions have been reviewed and requested revisions have been made. We will close inactive files as opposed to purging. A design Change Request form is being prepared. A team from DHH and Unisys, the fiscal intermediary for the agency, will meet to implement a plan to insure that all needs are met. A newsletter article has been written and will be published in the October 1999 Medicaid newsletter *Provider Update*. A projected date of completion is December 31, 1999. Additionally, we have plans to update the provider enrollment form PE-50 which is used at the time of enrollment. A statement regarding the initiation of automatic closure of provider files due to non-participation in a 24-month period will be added to the enrollment form.

Thank you for the opportunity to present our plans.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas D. Collins", with a stylized flourish at the end.

Thomas D. Collins
Medicaid Director

TDC/DA/ST/CB/wp

cc: Stan Mead
Dexa Alexander
Susan Wagner
Susan Taskin
File-OLA



JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

November 19, 1999

P.O. Box 94397
Baton Rouge, Louisiana 70804-9397
Phone: (225) 342-6900
Fax: (225) 342-3078
<http://www.doi.state.la.us>

Daniel G. Kyle, PH.D., CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Inadequate Planning for Year 2000 Computer Issues

Dear Dr. Kyle:

We concur that the planning for Year 2000 issues at the Louisiana Receivership Office (LRO) is not adequate; however, it should be noted that LRO is not under the direct control of the Department of Insurance (DOI). While LRO is technically a part of DOI, it was removed some years ago from the direct control of the Department, and placed under the jurisdiction of the 19th Judicial District Court. The court appointed LRO administrator has consistently asserted that the independence of the LRO precludes any administrative supervision or review of LRO by DOI personnel. This has prevented any access by DOI to determine Year 2000 readiness at LRO.

In light of changes in LRO personnel recently ordered by the Court, DOI has every reason to anticipate a much more cooperative attitude by LRO in future matters concerning oversight. DOI Information Technology personnel will now begin a corrective action plan to assist the newly appointed coordinator, Mr. Barry W. Karns, in LRO's Y2K planning effort. This newfound spirit of cooperation should allow adequate Y2K planning to be implemented by year-end.

The department is committed to Year 2000 readiness in all systems and in resolving all concerns expressed by your office.

Sincerely,

Craig S. Johnson
Deputy Commissioner
Office of Management & Finance

CSJ/RC/s

cc: James H. "Jim" Brown, Commissioner



State of Louisiana
DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
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M.J. "MIKE" FOSTER, JR.
GOVERNOR

GAREY FORSTER
SECRETARY

October 19, 1999

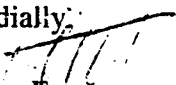
Dr. Daniel Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, La. 70804-9397

Dear Dr. Kyle:

This is in response to your audit finding regarding Improper Charging of Payroll Expenditures to Federal Programs.

We must technically concur with the finding. The Department has reorganized its structure and is also undergoing a change in its accounting system. We are converting to the State ISIS and Uniform Payroll Systems. Once the reorganization and conversion are completed this problem should be corrected.

Cordially,


Garey Forster
Secretary of Labor

JB/



LOUISIANA WORKS
DEPARTMENT OF LABOR

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

Garey Forster
Secretary

October 29, 1999

OFFICE OF THE SECRETARY

Dr. Daniel Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

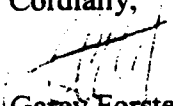
The Louisiana Department of Labor concurs with the Inadequate Compilation Process Finding dated October 20, 1999. The department's Annual Financial Report for the year ended June 30, 1999 was based on information derived from the ICESA/ Financial Accounting Reporting System (FARS). The department consulted the Office of Statewide Reporting to request an extension for the report due to the department's workload as a result of its conversion to the Division of Administration's Accounting System, ISIS and the Uniform Payroll System. We were told there would be no extensions granted this year.

The additional workload placed on the Fiscal Staff for the conversions, and processing problems, resulted in the late processing of June FARS Accounting Reports. When the Fiscal Staff began its compilation of information for the Annual Financial Report, errors were discovered, requiring the reprocessing of the reports, in August.

The department is disappointed that it did not receive an extension, which it believed was certainly merited in light of its heavy workload, converting to ISIS, UPS and operating in dual accounting systems.

The department realizes its responsibility to provide accurate financial statements and a great attempt was made to do so under the most stressful circumstances and a compressed timeframe. The Fiscal Staff have been made aware of the errors addressed in this finding and the need to assure they are corrected. The department plans to do an interim statement, based on the ISIS information and consult with the OSRAP Staff. Written instructions and procedures are being drafted. The proper supervisory review will be performed and become a part of the procedures.

Cordially,


Garey Forster
Secretary of Labor

GF/KS

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

Garey Forster
Secretary

October 27, 1999

OFFICE OF THE SECRETARY

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Reference is made to Mr. William Burch's letter of October 20, 1999 concerning audit findings for the Louisiana Department of Labor. The following is our response to the listed findings:

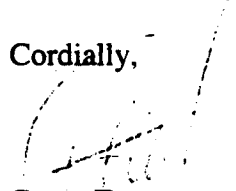
Inadequate control over Monitoring of JTPA Subrecipient Audits

Response: The Department maintains an audit control log for tracking the status, including resolution of any questioned costs or findings for JTPA subrecipient audit reports. In regard to the instances cited where the Department did not always ensure that audit reports are received and that findings and questioned costs are resolved in a timely and proper manner, please be advised that corrective action will be taken, where possible, to resolve the noted deficiencies and appropriate staff will be notified of the Department's written audit resolution procedures, as well as, the necessity for adherence to these procedures.

With respect to the finding regarding the Department not communicating CFDA titles and numbers to subrecipients of JTPA programs, we have issued a memorandum to all JTPA subrecipients informing them of the Titles and numbers. Further, all JTPA subrecipients are furnished copies of the JTPA Regulations which contain the CFDA titles and numbers.

If you have any questions concerning this response, please contact us.

Cordially,


Garey Forster
Secretary of Labor

GJF/ACW/jg

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LOUISIANA WORKS

DEPARTMENT OF LABOR

October 27, 1999

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

Garey Forster
Secretary

OFFICE OF THE SECRETARY

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Reference is made to Mr. William Burch's letter of October 20, 1999 concerning audit findings for the Louisiana Department of Labor. The following is our response to the listed findings:

Inadequate Control over On-Site Monitoring of JTPA Subrecipients

- Finding: The JTPA office did not have a comprehensive monitoring tracking system.

Response: We concur with the finding. A monitoring tracking system that identifies all subrecipients and appropriate dates has now been developed and implemented.

- Finding: There was no evidence of risk evaluation in planning on-site monitoring reviews.

Response: We concur with the finding. We are scheduled to review every program during the current program year. The size of the awards, performance, and problems previously identified through our Management Information System and analysis of data are now considered when scheduling reviews.

- Finding: Three (3) Title II/III subrecipients (SDAs) and eight (8) Shipbuilding National Reserve Grant subrecipients were not monitored during the year.

Response: We concur with the finding. Our monitoring unit was staffed by only 3 monitors as of January 1999 when the Office of Workforce Development was reorganized. Subsequent to this reorganization, four (4) new monitors were hired and trained. Their training was completed in September 1999 and their monitoring began in October 1999. The eight (8) National Reserve Grant programs that were not monitored last year were all monitored during October 1999. The three (3) subrecipients that were not monitored last year are at the top of our schedule and will be completed by December 31, 1999.

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- **Finding:** Nine (9) subrecipients that were monitored in May and June of 1999 have not had reports issued.

Response: We concur with the finding. Reports have now been issued on the nine (9) subrecipients monitored in May and June of 1999 for whom reports had not been issued.

- **Finding:** Ten (10) subrecipients were not monitored adequately in all cases to ensure compliance with various OMB Circular A-133 compliance features including allowable costs, cash management, equipment management, suspension and debarment, and program income, among other requirements.

Response: We do not concur with the finding as stated. The items identified here are not contained in OMB Circular A-133. Appropriate requirements in A-133 subsection D. with respect to Pass-Through Entity Responsibilities will be listed in our review guide to assure that they receive adequate emphasis.

- **Finding:** The monitoring review guide used by the monitors had not been updated to reflect current OMB circulars.

Response: We do not concur entirely with this finding. OMB Circulars A-87 and A-102 are not applicable to our JTPA program. Appropriate requirements in A-133 subsection D. with respect to Pass-Through Entity Responsibilities will be listed in our review guide to assure that they receive adequate emphasis.

- **Finding:** In seven (7) instances monitors did not include working papers or use the monitoring review guide or other appropriate guidance.

Response: We concur in part with this finding. While our monitors use the review guide to conduct their reviews, this document was not always made a part of their work papers and submitted to our administrative office. Our monitors have been instructed to always include the completed guide in their work papers and to submit all work papers with their report to the administrative office.

- **Finding:** In fifteen (15) instances the monitor did not initial or date work papers and in twelve (12) instances there was no evidence of supervisor review.

Response: We concur with this finding. Our monitors are now required to initial and date all work papers. They have also been instructed to submit all work papers to the administrative office for supervisor review. Work papers are now being submitted and reviewed.

- Finding: In eleven (11) instances the work papers did not support all conclusions made in the report.

Response: We concur that in some instances this did occur. We are now reviewing work papers to confirm that they support all findings.

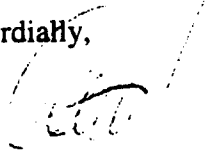
- Finding: In five (5) instances there was no evidence that findings or questioned costs were resolved or corrective action implemented.

Response: We concur that in some instances this did occur. Our new monitoring tracking system includes items on findings and resolution of findings. Our technical assistance unit will be notified when findings are not reported in a reasonable period of time as resolved.

Most of the corrective actions described above were being planned and designed at the time of the audit as a part of reorganization of this office. Our monitoring unit is now fully staffed and trained and our monitoring schedule and tracking system have been implemented.

If you have further questions concerning this response, please contact us.

Cordially,



Garey Forster
Secretary of Labor

GJF/ACW/jg



LOUISIANA WORKS
DEPARTMENT OF LABOR

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

Garey Forster
Secretary

OFFICE OF THE SECRETARY

November 9, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

In reference to the letter dated October 26, 1999, signed by Mr. William M. Burch, CIA, CGFM concerning the audit finding of "Inadequate Documentation and Monitoring for Information System Access," we concur in part. The reasons we concur in part are as contained in the following response:

The Department of Labor does have a comprehensive policy for security administration, including standardized procedures for authorizing and documenting user access and centralized records which define users by name or social security number. All accesses assigned to a user ID may be obtained through a RACF report on a user-by-user basis. All changes to accesses are logged. Changes made by Cost Center Managers/Designees are logged through CICS journaling; all RACF changes are logged to SMF datasets. RACF is now set to automatically revoke inactive user IDs after a period of 90 days. The Internal Security unit now receives a monthly report of all separations. This report is reviewed when received, and action is taken to delete any user IDs which may have been overlooked in the separation process. The Internal Security unit is currently reviewing the Cost Center Manager/Designee accesses, and will take action to reduce the number of employees who have been granted this access. The current plan is to recommend that the Regional Managers function as the backup to each Cost Center Manager under their supervision, thereby eliminating a large number of backup designees.

The Internal Security Unit currently receives reports on a daily basis of all access violations, including unsuccessful repeated sign-on attempts. In addition, the Department has re-activated weekly reports that list 1) all Cost Center Manager/Designee access, 2) all accesses by application/functional group, 3) all accesses by non-Department employees, and 4) a complete list of all accesses by Cost Center.

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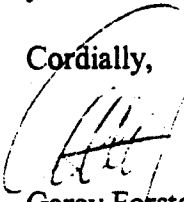
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The Department, through the Internal Security Unit, is currently organizing a user committee which will meet semi-annually to review the security environment. This committee will review the structure (i.e., grouping of resources), the policies, and all procedures related to ensuring that access to critical resources is defined and maintained on a business-need-only basis. The initial planning meeting will be held in November. One item which will receive priority during this first meeting is to formalize signoff procedures to oversee the activities of individuals performing security administration duties.

The ICESA/FARS accounting system has been replaced by ISIS. Deficiencies related to this system are no longer applicable.

The corrective action plan is as stated in the above narrative and the anticipated completion date is November 30, 1999. Please contact Wayne Knight, Audit Director, if you need further information.

Cordially,



Garey Forster
Secretary of Labor

GF/jm



M.J. "MIKE" FOSTER, JR.
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(225) 342-3011

GAREY FORSTER
SECRETARY

October 19, 1999

Dr. Daniel Kyle, CPA
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Louisiana Department of Labor does not fully concur with the audit finding that the department had inadequate internal controls over the disbursements of the Office of Workforce Development. There were controls in place to safeguard the department's assets and give reliability of the financial records. There were procedures in place to provide that the transactions were completed in accordance with authorization, and recorded properly in FARS accounting. A review of the disbursements and supporting documentation by the department has determined the following:

There were 192 checks included in the review totaling \$13.7 million, which were determined to be issued for the correct amount and made payable to the correct vendor.

Of the 192 checks reviewed by the department, 134 totaling \$10.3 million, the disbursement showed the intent to comply with the department's procedures. There were 82 checks, totaling \$8.5 million, disbursed with one or two lines of coding with the supporting document attached which easily conveys that the correct amount was paid. The evidence of correct review is apparent by the correct invoice being stapled to the correct check. There were no "check marks" on the documentation to verify the review, however. The department has adopted this procedure. There were 52 checks, totaling \$1.8 million did indicate evidence of verification of the accuracy of the payment, had original invoices and accurate documentation. Most had supporting documentation marked paid. However, there were instances when the invoice was not stamped paid. The department's procedure to staple the invoice to the copy of the check and place it in the file does not lend itself to having the invoice detached and paid for the second time. The probability of such an occurrence is small, in the department's opinion. However, the department has adopted the procedure of stamping all invoices paid.

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The disbursements made without the review of the budget officer was the result of the Undersecretary temporarily assuming these duties. This was changed back as a result of discussions with the legislative auditor on last November and the budget officer has been reviewing all purchases for the availability of funds since then.

The current procedure relies on the cost center manager's coding and approval of the disbursements prior to payment by Fiscal. The department will advise cost center managers of the need to expedite the approved invoices to Fiscal. The department's conversion to ISIS should provide a greater control over the coding, with Fiscal verifying the reasonableness of coding. A review of the department's payment processing procedures is currently taking place to improve its efficiency. The department noted that this finding represents 4.44% of the disbursements tested. Review of invoices begins with the cost center manager. However, Fiscal assumes its responsibility to verify the invoices for accuracy. The department noted that of the \$18.8 million tested, this finding represents 4.32% of the disbursements tested.

The department agrees that payments should be made from an original invoice. However, there are instances where the original is lost and the department is trying to comply with the required 90-day timeframe, requiring the use of a copy after a determining payment is outstanding. The \$675,315 determined paid in this manner represents 3.59% of the disbursements tested.

The department recognizes that there are instances when the exact amount of the disbursement is unknown at the time an order is placed, and allows payment when the payment is within a 10% tolerance. It was noted that this amount was 2.02% of the disbursements tested. This facilitates timely payment to vendors and reduces the need to do Change Orders. The department places the Cost Center managers responsible for approving the payment of maintenance on their equipment and will require them to timely notify Office Services when equipment is surplus. The department will notify the cost center managers and review procedure to determine the feasibility of revising forms to include this reminder. Cancelled checks should be available in fiscal at the time of a review; however, a copy is available from the bank for an indefinite period. The implementation of the procedure to sign out for documents removed from the files should decrease this occurrence.

The department recognizes the auditor's review of these disbursements as a means to determine the level of internal controls. The department believes that there was evidence of internal controls with the successful outcome of payments being made to the correct vendors. The department's errors and omissions, leading to the inconsistencies in following procedures, are attributable to turnovers in almost all the key management

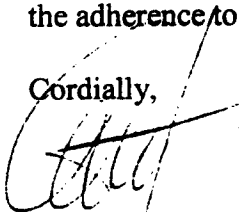
Dr. Kyle
Page 3
October 19, 1999

positions in fiscal and the additional work and turmoil of converting to the state accounting system (ISIS) during this timeframe. The department's decision to conversion to ISIS should provide the training and support needed to operate successfully. The department's payments procedures will be revised to incorporate the suggestions from this audit. Additional accounting training, planned for Fiscal, should assist in reducing the types of errors included in this audit. New leadership is in place to assist in the implementation of these new procedures.

Corrective Action Plan:

The new Fiscal Director is responsible for the implementation of the corrective action. A memorandum, dated July 16, 1999 was sent to the new supervisors of Accounts Payable outlining the internal controls that should be established or re-established in the payments procedures. Written procedures will be prepared and given to each employee in the Accounts Payable Unit, by November 30, 1999. In addition, the supervisors will periodically review payments, to assure procedures are followed. The performance planning session for the Accounts Payable employees will include statements requiring the adherence to these procedures.

Cordially,



Garey Forster
Secretary of Labor

GF:KS



LOUISIANA WORKS

DEPARTMENT OF LABOR

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

Garey Forster
Secretary

OFFICE OF THE SECRETARY

November 12, 1999

Mr. Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Kyle:

This is in regard to Mr. William M. Burch's letter of October 26, 1999 concerning your office's audit of the Louisiana Department of Labor's Community Services Block Grant (CSBG) program. Specific findings are addressed as follows:

Finding: Program monitors did not identify and resolve question costs totaling \$25,053 in a timely fashion.

Response: We concur with this finding.

Finding: Of the \$25,053, a total of \$1,547 has not been collected from the subrecipient and \$9,066 has not been resolved.

Response: We concur that the amounts in question have not been collected from the subgrantee or totally resolved. The CSBG Unit issued its final determination regarding these amounts subsequent to the audit review. However, the subrecipient has appealed that determination.

Finding: Of the \$25,053, the disposition of repaid disallowed costs totaling \$3,162 was not communicated to the CSBG Accountant.

Response: We concur in part with this finding. We inadvertently failed to provide to the CSBG Accountant with copies of reports noting the disallowed costs. However, memos from the CSBG Unit to our Fiscal Unit, transmitting repayment checks identified the program year for the disallowed costs.

Finding: Program monitors and their supervisor was not consistent in making decisions and documenting approval to allow questioned costs.

Response: We concur that we were not consistent in documenting how we made decisions to allow or disallow questioned costs. However, we do not concur with that part of the finding that indicates we were not consistent in making decisions on whether to allow or disallow questioned costs. Before questioned costs are allowed or disallowed we look at the circumstances and take several factors into consideration.

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Finding: Monitors did not always require corrective action plans from subrecipients or conduct follow-up reviews to ensure deficiencies had been corrected.

Response: We concur that we did not always require corrective action plans. In some cases corrective action plans may not have been warranted. We do not concur with that part of the finding concerning follow-up reviews. Part of our monitoring procedure requires that we follow-up on findings that were reported in a review when we conduct our next monitoring review. This was done.

Finding: The Department does not have adequate written procedures for reporting, tracking, and resolving questioned and disallowed costs and program monitors are not adequately supervised.

Response: We concur that we do not have adequate written procedures as noted in this finding. We do not concur with the part that indicates monitors are not adequately supervised. However, we do agree that the CSBG Supervisor position was vacant from September 1998 until September 1999. The CSBG Director assumed the duties of the CSBG Supervisor during this period.


Corrective Action Plan:

1. We have issued a memo to CSBG staff reminding them that copies of all reports that require the repayment of disallowed costs must be sent to the CSBG Accountant.
2. Work with the Legislative Auditor to develop written procedures to ensure that questioned and disallowed costs are adequately reported, tracked and resolved in a timely manner. This will include procedures for corrective action plans and follow-up reviews.
3. Have a written procedure in place to correct these deficiencies by June 30, 2000.

Mr. Ivan Chatelain is the contact person who will oversee the following CSBG corrective action plan. His telephone number is 342-3053.

Should you have any questions or need further information concerning this matter, please contact us.

Cordially,


Garey Forster
Secretary of Labor

GJF/IC/maw



M.J. "MIKE" FOSTER, JR.
GOVERNOR

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GAREY FORSTER
SECRETARY

October 19, 1999

Dr. Daniel Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

This is in response to your audit finding regarding Noncompliance with the Unemployment Insurance Program Requirements.

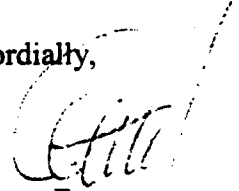
We must technically concur with the finding, but would like to show how the charges could be correct.

The \$1,823,516 was charged directly against the Unemployment Insurance Program and could be justified. If you take the \$1,823,516 and apply the U. I. computer usage of 80% to the amount directly allocated this would be \$1,458,812. The remaining \$364,704 would then be allocated against all the various codes. Another 80% or \$291,762 would then be charged against the U. I. Program for its portion. This leaves a balance of \$72,942 in question. This could be justified by actual direct usage of the product by the U. I. Program.

Because of our staff turnover, our conversion to the ISIS system, and our running a dual system, we have not been able to research the exact reason for the charges. The question is how much should we spend on the adjustment of \$72,942? Is it worth the addition cost or should we just take corrective action to prevent this from recurring in the future?

To prevent this from happening again we have instructed every Cost Center Manager to indicate the exact usage of the service or product. The manager will be held responsible for the charges. This should prevent this from happening again in the future.

Cordially,


Garey Forster
Secretary of Labor

GF/JB

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DEPARTMENT OF LABOR

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

Garey Forster
Secretary

November 10, 1999

OFFICE OF THE SECRETARY

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804

Dear Dr. Kyle:

The Louisiana Department of Labor submits this response to concur with the findings and recommendations regarding the "Unemployment Insurance Tax and Wage Reports Not Reconciled". The following corrective action plans shall be timely developed and implemented to remedy the stated conditions within the current system:

1) Reconciliation and correction of tax reports with wage reports:

- An exchange and comparison study with other states shall be conducted to ascertain the most effective and accurate reconciliation system.
- A compatible and comprehensive procedure shall be adopted and implemented to detect and enforce consistency in reporting.
- Advancement in the means of employer reporting through the Internet is being approached for development to efficiently enhance our ability for reconciliation of the tax system

2) Identification and location of missing or inaccurate tax and wage information:

- A reporting procedure shall be developed and implemented to identify missing or incomplete wage or tax information.
- Automation shall be enhanced to generate reports to identify and notify employers for accuracy or failure to submit wage reports. Preparation for implementation of these procedures is underway.
- Current automation presently identifies employers who fail to submit tax reports and notifies such employers through delinquent notices.

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- Measures to counter employers' non-reporting of taxes and wage information shall be explored.

3) Reconciliation of reports with UI databases:

- The accuracy and completeness of the UI mainframe information are reliant upon input from the wage and tax reports. The above corrective action plans shall have the positive effect of matching reports with the UI data screens.
- The archiving and retrieval of data shall be significantly improved through the implementation of an imaging system presently targeted to be in place by the end of this calendar year. Records shall accordingly be made readily available to the department on demand, thereby eliminating the present cumbersome process.

For more information please contact Marianne Sullivan, Program Compliance Manager, (225) 342-7103; Michael Delafosse, UI Tax Chief, (225) 342-2992; Karen Salvant, Fiscal Director, (225) 342-3103 and Raj Jindal, Assistant Secretary/Office of Occupational Information Services, (225) 342-3222.

Cordially,



Gary Forster
Secretary of Labor

GF:GJ:ae



Health Care
Services
Division

September 20, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: Preliminary Audit Finding -- Inadequate Controls Over
Restricted Fund Expenditures

Dear Dr. Kyle:

This letter is our response to the above audit finding resulting from your audit of Louisiana State University Health Sciences Center, Health Care Services Division (LSUHCS-HCSD) for the year ended June 30, 1999. We concur with your finding to the extent that:

- Equipment purchased with restricted funds on the 6 purchases identified during examination and testing by your office was not tagged within the required 45 days after receipt,
- Monthly reports were not filed in accordance with internal policies and procedures for the period examined, and
- Office policies and procedures were not adequately maintained to ensure proper monitoring of funds for the period examined.

The Restricted Fund reporting and monitoring requirements is relatively new to the LSUHSC-HCSD. Over the course of the period examined, we were developing and implementing procedures for allocation, purchasing, payment processing, and monitoring of Restricted Fund activity. Procedures were not communicated adequately to appropriate staff in the Central Office as well as at the hospital level in the early stages of the process, which is when most of the exceptions were noted in your examination.

B-58

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Corrective actions taken, or being taken, are as follows:

1. Tagging of Movable Property Purchased from the Restricted Fund

- For equipment purchases originating out of the Central Office and delivered to the remote hospitals, the purchasing agent provides a copy of the purchase order to the property control manager in the Central Office. The Central Office property control manager then forwards a copy of the purchase order to the property control manager of the affected hospitals. Therefore, the hospital property control manager knows to be looking for the equipment so it can be tagged upon receipt. Along with better communication at the hospital, this procedure should ensure proper tagging of equipment purchases from the Restricted Fund through the Central Office.
- Hospital Chief Financial Officers, procurement staff, and property control managers have been reminded that Restricted Fund equipment purchases from the hospitals should be handled just like Operating Fund equipment purchases for tagging and accounting purposes.

It should be noted that even though proper procedures were not always followed, all equipment purchased through the Restricted Fund was physically located and accounted for.

2. Internal Policies and Procedures for Restricted Funds

- Internal policies and procedures were written during the past fiscal year, after the on-set of the Restricted Funds, for allocation, purchasing, payment processing, and monitoring of Restricted Fund activity. The monthly monitoring report has not been used in most cases. Also, it took time to gain connectivity to LSUHSC's internal accounting system to access Restricted Fund activity and to learn its control features. We now have that access and are monitoring allocations and expenditures on a monthly basis. The Restricted Fund policies and procedures are currently under review to determine what reporting and monitoring mechanisms should be continued or revised based upon Legislative Auditor's recommendations.

- Use of "Direct Pay Check Requests" with authorized signatures is now required and a current list of authorized individuals is maintained by the LSUHSC Comptroller's Office in New Orleans.

It should be noted that even though the "Direct Pay Check Request" was not used in all cases, approval was granted through a properly authorized memo format which, in our opinion, was an acceptable alternative.

3. Monitoring of Restricted Fund Expenditures

- LSUHSC-HCSD's Central Office currently maintains files on each project assigned to the Central Office. Each individual hospital maintains files on each project assigned to them.
- As previously stated in #2, we now have access into LSUHSC's internal accounting system and are monitoring Restricted Fund allocations and expenditures on a monthly basis. The Restricted Fund policies and procedures are currently under review to determine what reporting and monitoring mechanisms should be continued or revised.

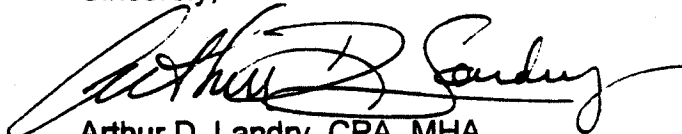
It should also be noted that no Restricted Fund projects were over expended despite some oversight in the monitoring process.

The revisions for the Restricted Fund policies and procedures should be completed by June 30, 2000. Nona Westmoreland and Judy Albin are the contact persons for this corrective action plan.

Dr. Daniel G. Kyle
September 20, 1999
Page 4

If you need any additional information or clarification, please contact Judy Albin or me at 922-2265.

Sincerely,

A handwritten signature in black ink, appearing to read "Arthur D. Landry", written in a cursive style.

Arthur D. Landry, CPA, MHA
Comptroller

AL:JA:mf

xc: Don Elbourne
Joy Barnett
Nona Westmoreland
Judy Albin
Bruce Janet

063099RestrictedFundResponse

**LOUISIANA STATE UNIVERSITY
MEDICAL CENTER**

Suite Number 811
433 Bolivar Street
New Orleans, LA 70112-2223
Telephone: (504) 568-6300
FAX: (504) 568-7399



LSUMC

Office of the Vice Chancellor
for Administration and Finance

November 19, 1999

Re: Response to Audit Finding: Fraudulent Student Worker Timesheets

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge LA 70804-9397

Dear Dr. Kyle,

I concur with the finding as presented.

SITUATION:

On May 12, 1999, the LSU Health Sciences Center-New Orleans Student Financial Aid Office determined that a student worker participating in the Federal Work-Study Program had submitted timesheets to the Financial Aid Office for payment with a forged supervisor's signature. The student's supervisor stated that the student had not worked during the last 6 months and the department had not submitted a timesheet for the student during this period. However, the Financial Aid Office had processed bi-weekly payrolls for the student based upon timesheets submitted by the student directly to the Financial Aid Office.

Subsequently, the Internal Audit Department reviewed all of the time sheets submitted by the student worker and identified 19 timesheets with payroll payments of \$4,056 which were submitted with fraudulent approval signatures. The student admitted to forging the supervisor's signature on the 19 timesheets and on July 13, 1999, the student repaid the Center the entire \$4,056 fraudulently obtained. The Center forwarded the report of investigation to the U. S. Department of Education Office of the Inspector General on June 15, 1999, and to the Office of the District Attorney, New Orleans, Louisiana, on August 2, 1999. Also, the student was denied readmission to the School for the Fall 1999 session.

As a result of deficiencies noted in the investigation, the Internal Audit Department completed an audit of time keeping procedures of all students participating in the Federal Work-Study Program at the Center. While minor errors and inconsistencies were noted, no additional fraudulent situations were discovered.

B-62

CORRECTIVE MEASURES:

The internal audit of the Federal Work-Study Program (FW-SP), and the case of work record falsification that prompted it, have highlighted the prudence of developing clear concise guidelines for FW-SP employees and supervisors. To this end, The Student Financial Aid Office is developing a FW-SP Guide for distribution to FW-SP employees and supervisors.

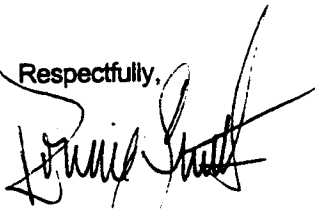
The Guide will include sections describing the FW-SP program, the development and structure of FW-SP jobs, and student worker/supervisor responsibilities. A separate section will standardize time sheet maintenance, submission, and retention procedures.

The time sheet section of the Guide will include the recommendations in the Internal Audit report, with some extensions and minor modifications, as enumerated below.

1. Supervisors and/or their full-time departmental designees will maintain possession of the FW-SP time sheets at all times. The supervisor or designee will deliver the time sheets in person directly to the Student Financial Aid Office FW-SP coordinator. By prior arrangement, the department may fax the time sheets to the coordinator and send the originals via campus mail. The coordinator will call the supervisor to verify any faxed time sheets, and any time sheets delivered to another Financial Aid Office staff member.
2. Supervisors will maintain time sheets as sign in/out logs. Students will list the standard clock time when they report for duty, and when they leave the work site for anything other than departmental errands or reasonable rest room needs. Thus, a single day may have several separately listed work periods.
3. The employing department and the Student Financial Aid Office will each keep time sheets for a minimum of six years. The department will keep copies, while the Student Financial Aid Office will keep originals and verified fax transmissions.
4. The supervisor will list time worked for each log in/out period in hours and minutes, and list the total worked for the pay period in hours and minutes.
5. The Financial Aid Office FW-SP coordinator will check the total, and round to the nearest half-hour worked for the payroll report.
6. Time sheet alterations will be initiated and initialed by the supervisor, and will be subject to verification by the FW-SP coordinator.
7. Time sheets will be signed by the student and the supervisors (or, in the supervisor's absence, by another departmental designee).

The Student Financial Aid Office plans to implement the guide by November 15, 1999. Management and oversight for this plan of action is the responsibility of Mr. Patrick Gorman, Director of Financial Aid.

Respectfully,



Ronnie Smith
Vice Chancellor for Administration and Finance

cc: Mervin L. Trail, M.D.
Joseph M. Moerschbaeher, Ph.D.
Patrick Gorman
David Dotter



DANIEL LEMOINE
Director

STATE OF LOUISIANA
Louisiana Technical College
CHARLES B. COREIL CAMPUS
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Ville Platte, Louisiana 70586
Telephone: (318) 363-2197
LINC: 328-5720
FAX: (318) 363-7984



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Occupational Education

June 21, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Audit Finding: Inadequate Internal Control Over Cash

Dear Dr. Kyle:

I concur with the finding and recommendations set forth by the legislative auditor's office.

A corrective action plan is presently in place to correct this finding of noncompliance. This plan includes the Director, Assistant Director, and the Accountant II of the campus. This plan is set forth as follows:

1. As of May 10, 1999, all outstanding receipt books were turned in to the Accountant II. She turned these over to the legislative auditors. The remaining supply of receipt books was inventoried by the auditor. The accountant II then issued receipt books to specified campus personnel who first completed a receipts register. With each issuance of receipt books, a receipts log is also opened. This system will provide for internal control of receipt books and receipts issued.
2. At the end of each day, any monies collected and matching receipts are turned in to the accountant for deposit. The accountant verifies the numeric order of receipts and the total cash collected to the total receipts issued. The receipts log is then updated and initialed by the both parties. Once the deposit is completed, the receipt log is updated again with deposit information and initialed by the accountant.
3. Blank checks for the Zero Balance Cash Account is housed in the Accountant II's office, under lock. The accountant prepares the checks. Personnel now authorized to sign these checks are the Director and/or Assistant Director of the campus.

Dr. Daniel G. Kyle, CPA, CFE

Page 2

June 21, 1999

The above-named internal control actions are now in place and will continue until mandated changes are issued by authorized personnel.

I hope that this letter satisfies your request of an official response to the finding.

Sincerely,

A handwritten signature in black ink, appearing to read "Danny Lemoine", with a stylized flourish at the end.

Danny Lemoine
Director



M. J. MURPHY
Director

**LOUISIANA TECHNICAL COLLEGE
SULLIVAN CAMPUS**
1710 Sullivan Drive, Bogalusa, Louisiana 70427
Phone (504) 732-6845
[FAX - (504) 732-6603]
Established 1930



DEBRA L. TAYLOR
DAN HARDY
Assistant Directors

May 11, 1999

Dr. Daniel C. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
Kenner, LA 70062

Dear Dr. Kyle:

This letter is in response to the auditors finding of "Improper Administration of the Ability-to-Benefit Test". We concur with the finding that our test administrator was not certified by the test publisher, was a former employee and did score the test himself.

It was never our intent to disregard federal regulations as this former employee resigned several years ago to return to the Tangipahoa Parish school system. He then later obtained his present employment with the Washington Correctional Institute. Our sole purpose for administering the Ability to Benefit test was to assist those students most in need of technical training, those without the basic minimum qualifications of a high school diploma.

The federal student financial aid handbook 1998-1999 (chapter 2, page 11) states: A test is also considered to be independently administered if it is given at an assessment center. An assessment center is located at an eligible degree-granting school or public vocational institution, and is responsible for evaluating students for multiple purposes, such as course placement. It must not have administering ability to benefit tests as its primary purpose. The assessment center must be staffed by professionally trained personnel and be independent of the admissions and financial aid process. An assessment center may score students test, unless its agreement with the test publisher prohibits it. We felt that we met this criteria. Our tester has over 30 years as an educator and has administered numerous test through out his career. He has not been in our employment for over 4 years and has no vested financial interest or otherwise in Louisiana Technical College-Sullivan Campus. We did not feel that we were in violation of federal regulations.

B-67

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Page 2

Dr. Daniel C. Kyle

Office of Legislative Auditor

Since the auditors finding, we have temporarily suspended ability to benefit testing. We have contacted the test publisher and are in the process of having personnel certified by the test publisher. These personnel will not be former employee's or relatives of employees. The test will be mailed directly to the test publisher for scoring.

We feel these measures meet both the spirit and the letter of the federal regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "M. J. Murphy", written in a cursive style.

M. J. Murphy
Director

MJM:kbs

cc: Mr. Wayne Meaux



**Health Care
Services
Division**

September 8, 1999

Daniel G. Kyle, Ph.D., CPA
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Legislative Audit Response
 Medical Center of Louisiana
 Electronic Data Processing Controls

Dear Dr. Kyle:


Management concurs with the finding related to Electronic Data Processing (EDP) Control Weaknesses.

In order to resolve these control issues the following actions will be taken:

- 1) Written procedures will be finalized and issued.
- 2) LSU Health Sciences Center (LSUHSC)-HCSD Information Systems will take control of the entire security administration process. All other hospitals adopted this procedure. Control will transfer to LSUHSC-HCSD IS within 2 weeks from this response.
- 3) Future plans are for security administration for SMS accounts to be placed under the Security group at LSU Health Sciences Center (LSUHSC). LSUHSC already has a group dedicated to this function. Last year, in an audit response concerning security administration for HCSD we indicated a desire to create such a group in Baton Rouge or New Orleans for the HCSD hospitals. To leverage economies of scale, and the experience LSUHSC has in enterprise security administration, we will propose the creation of one to two additional positions to service the security needs of HCSD. When approved, control will transfer to this group.

Greg Speyer, Chief Information Officer, LSUHC-HCSD, will be responsible for the implementation of these procedures.

Respectfully,


John S. Berault
Chief Executive Officer
Medical Center of Louisiana

cc: Helen Bates
 Ed Booker
 Greg Speyer

Ken Laney
Debbie Zimmerman

B-69

Medical Center of Louisiana

Charity Hospital • 1532 Tulane Avenue • New Orleans, LA 70112-2860 • (504) 568-2311
University Hospital • 2021 Perdido Street • New Orleans, LA 70112-1396 • (504) 588-3000



HealthCare
Services
Division

September 8, 1999

Daniel G. Kyle, Ph.D., CPA
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Response to Legislative Audit Finding
Medical Center of Louisiana
Inaccurate Patient Charges

Dear Dr. Kyle:

We do not concur with this legislative audit finding.

Your finding indicates that 30 bills were audited by the Revenue Enhancement Department to determine if billings were accurate. The overall variance of the total lost charges, which for the purposes of this document are defined as the net over/under charges, was 1% of total charges. According to the results of your testing, MCL was performing well within our Hospital Policy which states:

"Even though every effort shall be made to ensure accurate and timely patient billing, late and lost charges will unfortunately occur. The acceptable level of late charges at MCL shall not exceed 10% of MCL's gross revenue. This level will be monitored monthly by the Late and Lost Charges Committee."

Additionally, MCL has placed emphasis on reducing the total of late and lost charges through the Late and Lost Charge Committee. During the period of August, 1998 through July, 1999, MCL decreased total late and lost charges by over 50%. Numerous other accomplishments have been achieved by the Committee and we feel that it demonstrates our on-going commitment to resolution of this issue. Specific details of the challenges and accomplishments of the Committee are outlined in the attached document.

Sincerely,


John S. Beraud
Chief Executive Officer

cc: Helen Bates
Ed Booker

Ken Laney
Debbie Zimmerman

B-70

Medical Center of Louisiana

Charity Hospital • 1532 Tulane Avenue • New Orleans, LA 70112-2860 • (504) 568-2311
University Hospital • 2021 Perdido Street • New Orleans, LA 70112-1396 • (504) 588-3000

**LOST AND LATE CHARGE COMMITTEE SUMMARY
MINUTES AND ACCOMPLISHMENTS
FISCAL YEAR 1999**

OVERVIEW

MCL established a Late Charge Committee in August of 1998 to resolve the issues surrounding late and lost charges. The mission of the committee is to determine the underlying factors causing late charges and the reasons for lost charges. The committee is comprised of Helen Bates, Acting CFO, Bob Nugent, Assistant Administrator - Diagnostic Services, Laurie Lombard Smith - Director of Planning, Roy Clay - Acting Chief Information Officer, Lewis Hughes, Assistant Administrator - Nursing Services, Dolores Toby - Director of Patient Accounting, Diane Sympton - CDM and Revenue Enhancement Director and other on an as needed basis. The committee has scheduled meetings on the second and fourth Wednesday of each month. Since the inception of the committee, overall late/lost charges on inpatient and outpatient accounts have decreased 64% and 51% respectively.

While overall late/lost charges have decreased significantly, there are still some remaining issues to be addressed to further improve the system. As of July, 1999, approximately 80% of the late/lost charges occurring have been isolated to specific departments and their specific causes have been identified and are currently being addressed. The following are some of the achievements of the committee and some of the remaining issues that are currently being addressed.

**LOST AND LATE CHARGE COMMITTEE ACHIEVEMENTS
PROCEDURAL ISSUES**

HIV Outpatient Clinic (HOP)

In April, 1998, the committee met with SMS and personnel from the HIV Outpatient Clinic (HOP) to determine the cause of late and lost charges. During this review session, it was discovered that the Hospital Admission Technicians (HATs) in the HOP did not possess the system access to both enter charges and charge codes. The HATs had the ability to enter the clinic charges but then had to batch the charge slips so the procedure codes could be entered by another source. This process was fragmented and cumbersome causing many late and lost charges. The following solutions were enacted to alleviate these problematic issue:

- The HOP HATs were given the ability to enter both clinic charges and procedure codes. Hospital Information Systems (HIS) was brought into the project with the specific tasks of activating the embossers, installing the necessary wiring, passwords and computer terminals needed to accomplish this goal.
- The responsibility of entering charges and procedure codes was moved from the fragmented system of partial charging by the HATs and partial charging by Batch Control to the total responsibility of the Director of HOP. As of June 1, 1999, the entering of both charges and procedure codes began in the HOP clinic as one process.
- HOP's late charges have dropped from a high of \$32,849 in October 1998 to \$70 in July, 1999. This equates to 9.43% of the HOP's average weekly revenue

Rehabilitation Services

In March 1999, met with SMS and the Director of Rehabilitation Services to review the patient charge process for the Department of Rehabilitation Services.

- Rehabilitation Services experience chronic late charges. Therapists often turned in charge slips months after patient visits and/or after patients had completed their regime of treatment causing very late charges. Developed a system whereby the clerk verified that all charges are entered each day by checking the charges against the daily patient visit listing. If a patient was on the daily patient visit list and the clerk had not received a charge slip for the patient, the clerk would contact the therapist for the charge slip. Therapists were also asked to submit charges to the clerk twice a day so that the clerk could enter these charges timely. The therapists were also instructed as to the importance of accurately charging each patient each day. Late charges dropped from a high of \$4,840 in September, 1998 to \$402 in July, 1999. This equated to a 9.41% of the average weekly revenue.
- Outpatient charges were late on the Charity Campus due to the absence of HATs within this area to register outpatients prior to their treatment. If a patient came in for treatment and did not have a valid account number, the patient could not be charged. The clerk in the outpatient physical therapy area often had to hold patient's charges until a valid account number could be obtained. Now, when a HAT is not available in this area, one is sent from another location with the hospital to accommodate patient registration. Late charges dropped from a high of \$32,302 in January, 1999 to \$3,683 in July, 1999. This equates to 5% of the average weekly revenue.

Respiratory Therapy

Prior to September, 1998, respiratory therapy did not have a process for ensuring charge entry on weekends and holidays. These charges would have to wait until the next available workday for input. Initiatives were put into place so charges could be input each day, even weekends and holidays. Late charges have dropped from a high of \$83,372 in December, 1998 to \$50,786 in July, 1999. These equates to 15% of Respiratory Therapy's average weekly revenue.

Anesthesiology

Prior to September, 1998, Anesthesiology did not have a process for ensuring charge entry on weekends and holidays. Nor did this department have a back-up mechanism in place to enter charges when clerical staff took time off. Initiatives such as: (1) Hiring three (3) restricted appointment employees to bring anesthesiology charges current from the 4 month backlog to present, and, (2) hiring permanent clerical staff who will rotate throughout the weekends and holidays to accomplish charge entry each day were put in place to ensure that patient charges were entered appropriately. Late charges have dropped from a high of \$61,200 in August, 1998 to \$4,407 in July, 1999. This equates to 1% of Anesthesiology's average weekly revenue.

Operating Room

Met with the Nursing Administrator over the Operating Room to discuss their charge entry process. Clerical staff was hired dedicated to charge entry and processes were added to monitor charge entry activity. The operating room recorded late charges as high as \$23,696 in August, 1998 dropping to \$528 in July, 1999. This equates to .05% of the Operating Room's average weekly revenue.

SYSTEM ISSUES

Pharmacy

In August, 1998, Pharmacy experienced a large quantity of group format errors (GFEs) which caused Pharmacy charges to post late creating many late charges. Several initiatives were added such as:

- a microwave connection
- installation of a new, larger file server dedicated specifically to Pharmacy
- moving the Pharmacy from the token ring network to the Ethernet
- upgrading the system to Novel 5.0 in an effort to increase the bandwidth of data transfer and to facilitate faster throughput and more accurate throughput of data

Late charges dropped from a high of \$711,553.83 in September, 1998 to \$366,093 in August, 1999. This equates to 20% of Pharmacy's average weekly revenue.

LAB

Laboratory Services experienced a variety of issues to the interface between the clinical and financial databases resulting in late and lost charges. Presently, the Lab manually inputs all outpatient charges due to a lack of resource scheduling in the ambulatory patient care areas. Additionally, due to the Non-Indexed Account Conversion of May 1, 1999, the Lab experienced an increase in late charges. This system problem is a focus of the SMS Strategic Assessment Team. This system problem will also be addressed with the Sunquest implementation, which is scheduled to go live in September, 1999.

Radiology

The Department of Radiology experienced routing problems with the onset of SMS Orders on the Charity Campus. Orders for Radiology services often printed at an incorrect location and/or printed in a delayed time frame, resulting in duplicate orders and the necessity to issue numerous credits. This system problem is another of the focuses of the SMS Strategic Assessment Team.

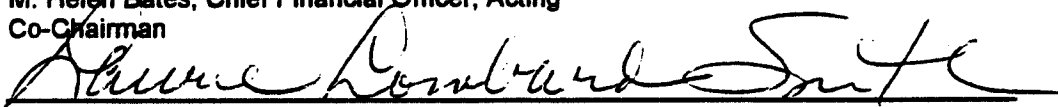
SOLUTIONS

MCL has contracted with SMS to assist in the correction to these systems issues. The contract with SMS has two main goals:

- Complete a strategic assessment of the system problems. The team remained on-site for a period of four weeks to analyze and identify the source of the charge capture issues and make recommendations for the resolutions. This SMS engagement is completed.
- Based on SMS's assessment, MCLNO has engaged SMS's assistance with the development of the implementation plan and the corrective actions necessary to correct system issues. This work is in progress. SMS reports progress weekly to the CFO.



M. Helen Bates, Chief Financial Officer, Acting
Co-Chairman



Laurie Lombard Smith, Director of Planning
Co-Chairman



M.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

DEPARTMENT OF NATURAL RESOURCES

November 24, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9387

RE: Inaccurate Financial Report

Dear Dr. Kyle:

The Department of Natural Resources concurs with the finding entitled " Inaccurate Financial Reporting" and offers the following comments:

We agree that there was a limited review process performed on the June 30, 1999 financial statements which resulted in a number of errors. This process will be improved in the future.

The Department did encounter difficulties in completing Note Q. The contract for the construction of Davis Pond was signed in 1993 obligating the state for twenty-five percent (25%) of the cost of that project. At that time, the cost was estimated to be \$70 million. Our most recent estimate of the cost of that project at today's dollars is \$108 million. We concur that the full state obligation on \$108 million is the appropriate encumbrance for this project. This will be corrected on the AFR for this year.

There was a misunderstanding with reference to the reporting of the Federal Receivable. The \$7,004,472 reported as due from the Federal Government on Statement A of the Annual Financial Report is what we estimate is due the state from contribution toward CWPPRA projects. The state share of these projects were reduced from 25% to 15% and 10% on December 1, 1997. None of the cost share agreements have been amended.

To address these problems, we are working to have all cost share agreements amended by June 30, 2000 prior to the completion of the fiscal year 1999/2000 financial report.

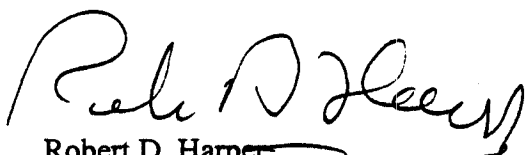
B-75

FISCAL SERVICES DIVISION . P.O. BOX 44277 . BATON ROUGE, LOUISIANA 70804-4277
AN EQUAL OPPORTUNITY EMPLOYER

We are implementing a more comprehensive training and review process which will include the Accountant Manager and the Accountant Administrator as a final review team. Verlie L. Wims, Accountant Administrator, is the Department employee responsible for implementing these procedures.

Should you have any questions about this response, you may call me at 342-4534.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert D. Harper".

Robert D. Harper
Undersecretary

RDH/jmk



ALJ. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

DEPARTMENT OF NATURAL RESOURCES

October 25, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

RE: Error in Classification of Mineral Income

Dear Dr. Kyle:

The Department of Natural Resources concurs with the finding entitled "Errors in Classification of Mineral Income" and offers the following comment:

These errors were detected and properly classified prior to the close of the fiscal year, so the financial statements were not impacted. The Department collected in Fiscal Year 1998-99 in excess of \$215,000,000 from major state revenues. This error amounted to 2.2% of the total revenues collected by this Department.

Our current Internal Auditor, Lori Bonds, will work with Joyce Parker, Accounts Receivable Supervisor, to devise internal review procedures that will ensure the errors in classification of major state revenues are minimal and are detected and corrected in a timely manner.

Should you have any questions concerning this response, please call me at 342-4534.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert D. Harper', is written over a horizontal line.

Robert D. Harper
Undersecretary

RDH/mg

B-77



M.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

DEPARTMENT OF NATURAL RESOURCES

October 25, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

RE: Untimely Deposits

Dear Dr. Kyle:

The Department concurs with the finding entitled "Untimely Classification of Revenue" and offers the following comment:

There were no centralized policies for the timely deposit of revenue nor were receipt dates recorded.

The Department is implementing procedures which will assure that all checks received are deposited within the prescribed period recently defined by the Division of Administration and State Treasurer Policies and Procedures Manual with appropriate controls for audit purposes.

Specifically, with the state's recent contract with Bank-One, we are implementing procedures which allow the area offices to make deposits at local Bank-One locations. In the past checks collected in District Offices were mailed to the Fiscal Division for deposit with the State Treasury.

Our Internal Auditor, Lori Bonds, will perform quarterly reviews during Fiscal Year 1999/2000, and semi-annual reviews thereafter to assure compliance with policies as promulgated by the Division of Administration.

Should you have questions concerning this response, please contact me at 342-4534.

Sincerely,

Robert D. Harper
Undersecretary

RDH/mg

B-78

OFFICE OF MANAGEMENT AND FINANCE P.O. BOX 94396 BATON ROUGE, LOUISIANA 70804-9396

AN EQUAL OPPORTUNITY EMPLOYER



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

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



David W. Hood
SECRETARY

July 22, 1999

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Xerox Centre, Suite 260
2400 Veterans Blvd
Kenner, LA 70062

Dear Mr. Kyle:

This letter is in response to the legislative auditor finding that our facility is not Y2K compliant by July 1, 1999 as required by Executive Order MJF 98-04.

We concur with the finding that we are not Y2K compliant because our hardware/software was not compliant on July 1, 1999.

The facility began taking corrective action to resolve this problem in March of 1999. We met with D. H. H. officials and submitted request for funding of our needed equipment. We have met with Pat Potier, Director of Information Technology, he has reviewed and approved our Y2K plan. We ordered most of the hardware for Y2K compliance and will receive it by July 23, 1999. The hardware/software for the consumable inventory is being reviewed by D. H. H. and the time clock / payroll equipment is out on bid and should go to D. H. H. for approval by August 15, 1999. Once approval is given, we should be able to have all systems upgraded by the end of the year.

Evelyn Henry, our purchasing agent is coordinating the bids and purchases of the equipment. Aaron Bowlware, information technology and Kevin Comboy, Human Resources Director formulated the plan and are carrying it out. Pat Potier and Clich Dawkins, D. H. H. are responsible for approvals at the D. H. H. level.

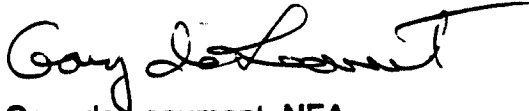
B-79

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PHONE #: 504/896-1315 • FAX #: 504/896-1329
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Our contingency plan for inventory and payroll is to return to a manual inventory and payroll system if funding is not available.

Should you have any further questions, please contact me.

Sincerely,

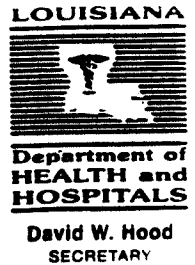
A handwritten signature in black ink, appearing to read "Gary de Leumont". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Gary de Leumont, NFA
LTC Hospital Administrator



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

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



David W. Hood
SECRETARY

September 9, 1999

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Xerox Centre, Suite 260
2400 Veterans Blvd
Kenner, LA 70062

Dear Mr. Kyle:

This letter is in response to the legislative auditor finding that we did not have adequate controls over cash receipts and disbursements associated with resident trust.

We concur with the finding that we did not have adequate controls over cash receipts and disbursements associated with resident trust.

This is a small facility with a large turnover. We were without various staff positions and continue to work with limited staff and resources in our fiscal office. We have reviewed every position in the fiscal office and are setting up a system of cross training that should assist in adequate segregation of duties. Each individual in the fiscal department has been made aware of their responsibilities and need to report to Administration any inequities in procedures in the office.

Administration has asked for training in budget and accounting procedures from DHH, so they will be more familiar with accounting functions and overview. DHH will also be encouraged to audit the fiscal program more regularly.

Administration though, must have a high regard for its executive team and their integrity. With limited training in accounting procedures we must depend on internal audits to point out weaknesses in procedures. With staff shortages, due to turnover, small offices will always have the potential for inadequate segregation of duties.

NOHRC management reported to both the DHH Legal Department (Region 1 and Baton Rouge) as well as to the Internal Audit Department immediately on discovering the fraud. We were assured throughout this investigation that DHH Legal was handling the investigation and were pursuing legal action. DHH Legal has not reported the misappropriation of funds to the Orleans Parish District Attorney at this time because they are waiting to see if the restitution agreement is satisfied.

NOHRC management also reported this information to DHH Health Standards as required by law on December 28, 1998 and again on April 22, 1999. We do not know if the Attorney General's office will pursue any charges.

We will do our best to review approval authorizations and to segregate responsibilities within the office and reaffirm with staff the need for vigilance in following procedures and the ability to report inequities to Administration.

Should you have any further questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary de Leaumont". The signature is fluid and cursive, with the first name "Gary" being the most prominent part.

Gary de Leaumont, NFA
LTC Hospital Administrator



November 29, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

RE: Over Award of Title IV Aid

Dear Dr. Kyle:

In response to the above referenced audit finding, the university concurs with the finding and will implement the following actions to address this issue:

Management will establish and implement the controls necessary to ensure that all sources of financial aid for a particular student are considered in determining student award packages.

Corrective actions, a manual and automated review, proposed in response to the 1997/1998 audit finding concerning the Over Award of Title IV Aid were fully implemented by management in the Office of Student Financial Aid. Upon review of these corrective actions during a site visit by Carolyn Dalton, an Institutional Improvement Specialist in the Dallas office of the U. S. Department of Education, management was advised that these corrective actions properly addressed over awards. With the application of these procedures, adjustments were made where over awards were detected. These adjustments were made until the second disbursement of all Title IV aid for the award period. At this point, management was advised of an additional interpretation which resulted in the implementation of the additional corrective actions described below.

Corrective Action:

- On March 3, 1999, the Director of the Student Financial Aid Office requested from the Computer Center that a program to detect over awards, known as BKSAUD7, be added to the Financial Aid Menu to be generated a minimum of four times a semester and as needed. This report will detect potential over awards by listing each student's cost of attendance, expected family contribution and total aid awarded.

In addition to the 1997/1998 corrective action, the following two actions have been implemented:

- To establish the students' unmet need for the period of enrollment for which a loan will be made, management will consider all Title IV funds in projected amounts for the entire award period.
- To establish the students' unmet need for the period of enrollment for which a loan will be made, management will consider all other financial resources in projected amounts for the entire award period.

Management will direct staff to make any necessary adjustments to the Title IV award before disbursement of the funds to the student.

Corrective Action:

- Management will run the BKSAUD7 report to evaluate students' award packages to determine if over awards exists. Upon detecting an over award situation, the second disbursement of the student loan will be reduced accordingly. Or, if funds have already been disbursed, the over award will be charged accordingly to the student account and returned to the appropriate lender.

Corrective action is the responsibility of the Director of Student Financial Aid, Director of Enrollment Services, Vice President for Student Affairs and Director of Computer Center.

Sincerely,

Randall J. Webb
President

RJW/pw



September 21, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

RE: University Failed to Calculate Refunds and Repayments

Dear Dr. Kyle:

In response to the above referenced audit finding, the university concurs with the finding and will immediately implement the following actions to address this issue:

Management will work closely with the Computer Center and Registrar's Office to establish and implement the controls necessary to identify, in a timely manner, students that unofficially withdraw from the university.

Corrective Action:

- The Registrar's Office will provide the attendance report, to the Student Financial Aid Office, at least two times a semester from the instructors.
- The Student Financial Aid Office will run a query to determine those students who finished the semester with failing grades and received Title IV aid. The attendance record will be reviewed to determine whether refund and/or repayment is due. Appropriate action will be taken in accordance with Title 34 CFR §682.607.

Corrective action is the responsibility of the Director of Student Financial Aid, Director of Enrollment Services and Vice President for Student Affairs.

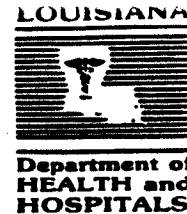
Sincerely,

Randall J. Webb
President

RJW/pc



STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



David W. Hood
SECRETARY

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

September 27, 1999

Dr. Dan Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
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

B-85

M. J. "MIKE" FOSTER, JR., GOVERNOR



DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

RICHARD L. STALDER, SECRETARY

September 20, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: *Wardens' Residences*

Dear Dr. Kyle:

Regarding your repeat finding concerning the Wardens of Louisiana State Penitentiary (LSP) and Dixon Correction Institute (DCI) not residing on prison grounds, the Department reviewed the housing arrangements at these facilities and determined that the Department is meeting its needs in terms of on-sight availability of management personnel at these two facilities. The current allocation of housing is efficiently addressing the broad spectrum of executive, security, medical, and maintenance staffing requirements.

LSP currently has 105 houses. Many are occupied by various levels of security personnel, including a Deputy Warden 5, 8 Assistant Wardens, 7 Colonels and 2 Lieutenant Colonels. The continued utilization of available resources in making necessary repairs to staff housing rather than rebuilding the warden's residence at LSP will provide the State with a greater return on the investment, in the department's opinion.

DCI currently has three houses. The limited amount of state-owned housing at DCI does not allow for housing assignments for senior level security staff to be on the grounds. Warden Cain's residing at DCI helps to alleviate this problem by being available to assist Warden LeBlanc in addressing potential security problems at DCI. The security experience and support provided to DCI by Warden Cain far outweighs the additional commuting costs that are incurred.

Additionally, Warden LeBlanc has a personal residence within approximately seven miles of the institution. This distance is not significantly greater than the state housing for the institution, which is approximately five miles from the prison grounds. Because of this, Warden LeBlanc's ability to respond to emergencies is not impaired and no significant additional commuting costs are incurred by his utilizing his private residence.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bernard E. Boudreaux, III".

Bernard E. "Trey" Boudreaux, III
Undersecretary

BEB:dsh

cc: Richard Stalder, Secretary
Johnny Creed, Assistant Secretary/Office of Adult Services
Ron Granier, Chief Fiscal Officer

B-86

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STATE OF LOUISIANA
DEPARTMENT OF REVENUE

M. J. "MIKE" FOSTER, JR.
GOVERNOR

December 15, 1999

BRETT CRAWFORD
SECRETARY

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

The audit finding entitled *Inadequate Controls Over Financial Reporting* has been reviewed by the Department of Revenue (DOR). We concur in part with the finding.

The finding states that the DOR does not adequately supervise or review the financial statement compilation process. The Controllers Division is responsible for the compilation of the annual financial statements, and its employees are properly supervised and their work is reviewed.

The majority of the errors noted in your finding related to the footnotes to the financial statements. The most material error made in the footnotes was a result of key employee turnover in the Controllers Division and the lack of clearly documented procedures relating to the calculation of estimated refunds payable at the end of the accrual period. Other material errors were a result of incorrect data furnished to the Controllers Division by other divisions regarding moveable property additions and the estimated liability for escheat property.

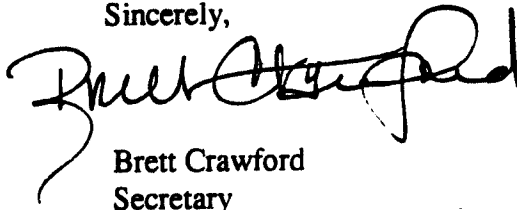
The DOR has taken the following corrective action to help ensure accurate data is furnished to the Controllers Division for disclosure in the footnotes to the financial statements:

- The Controllers Division will properly document the procedures required to accurately compile the data needed to estimate the refunds payable at the end of the accrual period. The Controllers Division will closely review the footnotes. The director of the Controllers Division is the contact person who is responsible for the corrective action relating to footnote disclosures.
- The Property control function has been transferred from the Support Services Division to the Controllers Division, effective September 1, 1999, in order to provide closer supervision over the function. The director of the Controllers Division is the contact person who is responsible for the corrective action relating to moveable property.

Dr. Daniel G. Kyle, CPA, CFE
Page 2 of 2
December 15, 1999

- The Personal Income Tax Division plans to have more than one person thoroughly examine the estimated liability calculation for escheat property, and it will be reviewed by the Controllers Division before being reported. The assistant director of the Personal Income Tax Division is the contact person who is responsible for corrective action relating to the annual estimated liability calculation for escheat property.

Sincerely,

A handwritten signature in black ink, appearing to read "Brett Crawford", written over the printed name and title.

Brett Crawford
Secretary



STATE OF LOUISIANA
DEPARTMENT OF REVENUE

M. J. "MIKE" FOSTER, JR.
Governor

BRETT CRAWFORD
Secretary

September 2, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
P O Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

In reference to the audit finding for the Department of Revenue entitled, " Information Systems Control Weaknesses", we offer the following response.

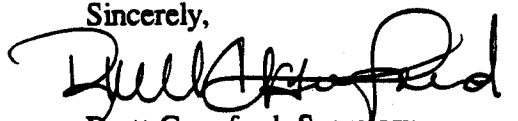
We concur with this audit finding and are taking the necessary steps to address these areas. This general finding refers to specific issues that were outlined in an EDP Audit also conducted this past fiscal year by the Legislative Auditors Staff.

The EDP Audit noted items of potential control deficiencies in Information Systems. Approximately 50% of these issues have been completely addressed. Activities are in progress for corrective actions on the remaining.

We anticipate that all of these items will be sufficiently addressed by the end of this fiscal year. Greg Montagnino, Information Services Director, is the contact person responsible for these corrective actions. He can be reached at 925-7604.

If you would like to further discuss this finding, please contact Greg or myself.

Sincerely,


Brett Crawford, Secretary
Louisiana Department of Revenue

cc: Mr. Kenneth Comeaux, Deputy Undersecretary
Mr. Greg Montagnino, Director Information Services
Ms. Phyllis Walker Perry, Director Internal Audit

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State of Louisiana
-- DIVISION OF ADMINISTRATION
OFFICE OF RISK MANAGEMENT

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

September 16 , 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
State of Louisiana
Baton Rouge, LA 70804-9397

RE: Response to Legislative Audit Findings

Dear Dr. Kyle:

This is to thank you for the recent comprehensive legislative audit we received conducted by your capable staff. Since it is our desire at ORM to operate this agency effectively and efficiently, we appreciate outside review and recommendations.

Response to the finding detailed in your audit

1. Overstatement of Reserves for Claim Payments

Although the finding is a surprise to me because I thought this issue had been taken care of last year, I do concur with the finding. Of the claims audited (148) only 2.7% were found to be overstated. Although the percentage is low, the dollar amount \$122,450 is certainly significant.

The adjusters have already been instructed to set the Second Injury Claims at the statute level for Second Injury, which is \$7,500. In order to insure that reserves are properly set, a procedure will be developed whereby the supervisor will conduct a quarterly review of Second Injury claims to determine that these reserves are set properly. A report on the review will be sent to the Director and Assistant Director.

ORM has already added a 13th factor to every employee's Performance Evaluation that grades on whether or not an employee is the cause of a Finding being rendered against the agency.

B-90

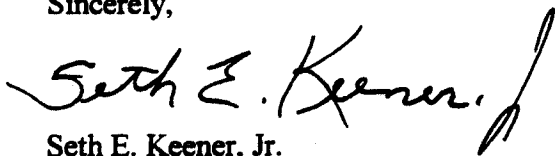
Dr. Daniel G. Kyle
September 16, 1999
Page 2

This review will be ongoing on a quarterly basis and will be conducted by the following supervisors:

Page Feller
Bertha Meisner

Should you have any further questions, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Seth E. Keener, Jr." followed by a large, stylized flourish.

Seth E. Keener, Jr.
State Risk Director

SEK/ELW/tb



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES
ADMINISTRATIVE

M.J. "MIKE" FOSTER, JR.
GOVERNOR

J. RENE AUSTIN-DUFFIN
SECRETARY

P. O. BOX 3927 - PHONE - 225/342-4247 FAX # 225/342-4220
BATON ROUGE, LOUISIANA 70821-3496

November 29, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The following is the official response to the finding of the Single Audit of the Department of Social Services, Office of Family Support:

Child Support Enforcement Program – Untimely Obligation of Non-custodial Parents

The Office of Family Support concurs with the finding and recommendation. We will implement the following corrective action plan:

Responsible Person: Gordon Hood, Director, Child Support Enforcement Program

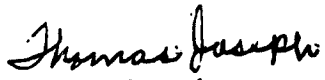
Corrective Action: The Child Support Enforcement Program has a management system in place to notify the Specialist when a case needs locate action, paternity establishment, order establishment, or enforcement of support and medical orders. The Louisiana Automated Support Enforcement System (LASES) provides this management system and alerts workers when action is necessary. The cases indicated in the audit report were reviewed; it was established that the workers were alerted to the action that should have been taken; however, they failed to take appropriate action. All three of these cases are assigned to the Lake Charles SES Regional Office. That office has been notified to submit a corrective action plan to the SES State Office.

Anticipated Completion Date: The Lake Charles SES Regional Office will be expected to complete its corrective action by January 31, 2000.

Child Support Enforcement Program Audit Finding Response
page 2

Please advise if any additional information is required.

Sincerely,


Thomas Joseph
Director



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES
ADMINISTRATIVE

RENEA AUSTIN-DUFFIN
SECRETARY

M. J. "MIKE" FOSTER, JR.
GOVERNOR

333 LAUREL STREET - 4TH FLOOR
P. O. BOX 3927 - PHONE - 504/342-4247 - FAX # 504/342-4220
BATON ROUGE, LOUISIANA 70821-3496

December 22, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 North Third Street
Baton Rouge, La. 70804

Dear Dr. Kyle:

The following represents the Office of Community Services' official response to the legislative audit concerning the agency's mainframe Tracking (not Transaction as cited in audit) Information and Payment System (TIPS) internal controls. Our response is organized and presented in the order of the findings.

Inadequate Control and Insufficient Corrective Action Regarding Vendor Reimbursements

Control Weaknesses

- 1 Inadequate segregation of duties exists in the Foster Care-Title IV-E program. Caseworker Assistants are allowed to shop for the children and also have the capability to input requests for vendor reimbursements (TIPS 212).

Response: OCS concurs that there should exist, to the degree possible, adequate segregation of duties related to procurement and payment. Towards this end OCS has always had in place policy which requires multi-level review. Despite multi-level review OCS understands that an additional procedure of requiring a physical separation of staff and duties could enhance fraud deterrence.

As many OCS Offices have only one Caseworker Assistant, the segregation of purchasing articles for clients and clerical data entry duties is unable to be accomplished without involving professional staff to do one of the caseworker's civil service job functions. As OCS does not have the T/O to provide two such positions in the smaller offices, we will issue policy which changes the payment processing from a review by professional staff to a process which stipulates segregation. Policy will specifically state the purchaser of an article can not be the data enterer for payment issuance.

Lastly, OCS proposes to establish a Surveillance and Utilization system whereby selected state office and regional administrative staff will review a periodic sample of paid claims to verify adherence to correct payment procedures. Suggested review procedures will determine if proper segregation of purchase and payment exist; if proper documents and invoices were reviewed and filed; and contact with provider to confirm service/item delivery.

It is recognized that staff awareness of additional and more frequent audit activity of payment processes will heighten attention to following proper procedures. Each local office will be directed to evaluate local TIPS payment processing procedures and to take corrective action as necessary to adhere to all payment related policies including forthcoming segregation verbiage. March 1, 2000 is target date for issuance of finalized policy and July 1, 2000 is anticipated date for implementation of Surveillance and Utilization function and generation of first periodic sample for review.

- 2 Inadequate review and approval procedures exist for the TIPS 212 documents and the service authorizations. TIPS is not designed for on-line approvals; therefore, supervisors must manually approve all TIPS 212 documents and service authorizations. Caseworker assistants then input all information into TIPS. Input validation procedures at the parish/regional office level do not include a comparison of input to source documents to ensure that all transactions were properly authorized.

Response: OCS concurs that improvement in determination of staff adherence to review and approval procedures can be made. OCS contends TIPS was designed and implemented with a comprehensive system of administrative controls in accordance with audit standards. We do recognize that since its initial payment in 1988, use of automated controls and processes have evolved to a higher standard and corresponding auditor expectations have risen. TIPS does have on-line approvals but agency policy also requires supervisors to manually approve documents before TIPS input. There is policy requiring comparison of source documents and input for validation of properly authorized transactions. As pointed out in response to item 1 above, the creation of a system to monitor adherence via periodic sample audit reviews should minimize the opportunity for fraud.

- 3 Inadequate security and accountability over the TIPS 212 documents exists at the parish/regional office. The TIPS 212 documents are stored in the supply room with open access to all parish/regional employees. There is no accounting for the numerical sequence of the TIPS 212 documents.

Response: OCS concurs that creating a specific procedure for accounting for the TIPS 212 documents will decrease an opportunity for fraud. OCS will publish policy guidelines to instruct local offices to institute the creation of a log to control access and record sequence of documents used. Such policy should be in place by 3/1/2000.

- 4 OCS does not require the foster parent to sign an itemized invoice acknowledging receipt of purchases on behalf of the foster child.

Response: OCS concurs that in our efforts to minimize the number of forms required of foster parents we avoided creating one specific to this finding. To comply with this finding we will develop new procedures to instruct staff to have foster parents sign receipts for verification of itemized receipt of purchases made on behalf of foster children. Procedures are scheduled to be in place by 3/1/2000.

- 5 Prior to August 1999, OCS did not require vendors to identify OCS employees by their state identification cards prior to purchases. Even though the new policy requires employees to present state identification cards OCS does not notify vendors of employees that are authorized to purchase good on behalf of the department.

Response: OCS concurs that procedures can be improved to enhance the vendor's responsibility to assure proper purchases by properly identified OCS staff is in place. It should be noted that the fraud reported by OCS to auditors which prompted this finding concerned staff that were authorized as purchasers. In that virtually all OCS local office professional staff are authorized to make purchases it is considered by OCS to procedurally be more effective to request vendors to follow typical business procedures by requiring purchasers to show proper id and to sign for purchases. Policy has been in place, even prior to the inception of TIPS, to require staff to use Form 449 (Authorization of Purchases for Children in Foster Care) whenever making purchases. The August 1999 additional procedures involved use of specific state id cards to assist in identification.

- 6 TIPS does not provide adequate preventative measures, such as computer generated warnings, reports, or rejection edits, to prevent overspending of maximum allowances in certain client service codes.

Response: OCS concurs that preventative measures to prevent overspending is advantageous and has computer generated warnings, reports and rejection edits related to this matter. Although TIPS does have some computer generated edits, warnings, and reports, OCS welcomes specific suggestions and requests identification of example occurrences of maximums being exceeded to adequately address concerns.

- 7 In January 1999, the department's Office of Management and Finance (OMF) transferred the TIPS 212 review function to OCS in an effort to improve the effectiveness of the function. However, this reassignment created a lack of segregation of duties within the OCS Information Management Unit. This unit is now responsible for authorizing, entering, and reviewing TIPS transactions, as well as authorizing TIPS computer program changes, testing and user sign-off, addition or modification of provider records, addition of worker records, and modification of security access.

Response: OCS was required to absorb the transfer of the TIPS 212 review function along with other payment processing functions without a commensurate transfer or increase in staff. Due to the timing of the transfer, the skill set required to perform the transferred functions and the need to keep payments flowing timely OCS's best solution was to assign to Information Management staff. Although OCS did not seek the TIPS 212 workload transfer, it is now OCS's contention that accountability and accurate payment procedures have significantly improved by the new configuration.

Insufficient Corrective Action

Failure to establish adequate internal controls resulted in the alleged misappropriation of assets and falsification of department documents by two caseworker assistants who were responsible for shopping and for inputting TIPS 212 documents. Interviews of OCS management disclosed the following:

- 8 OCS management failed to adequately address and timely implement corrective action. OCS now requires employees to identify themselves to vendors using their state identification card prior to purchases. This corrective action was implemented in August 1999, nearly one year after the discovery of the alleged fraud. Furthermore, the transfer of responsibility for reviewing the TIPS 212 from OMF to OCS to improve the effectiveness of the review function was not made until three months after the discovery.

Response: The transfer of TIPS 212 review from OMF to OCS finding appears to be based on the premise that it was a direct result of the alleged fraud. It was not. OCS does contend that timely corrective action was taken concerning the employees. The specific policy change to require state identification cards may appear to have been delayed as the TIPS Section dealt with inheritance of new payment review processes, multiple concurrent legislative audit requests, responses arising from legislative session, new federal ASFA requirements and Y2K mandated initiatives.

- 9 OCS management failed to assess the risk and magnitude of the alleged theft. The department did not expand the investigation to determine the time frame or full dollar amount of the misappropriations. Instead, the department sought only to support a personnel action for dismissal for cause. In addition, the department did not determine if other employees of the East Baton Rouge Parish office or other OCS offices had perpetrated similar abuses.

Response: OCS, at the advice of legal counsel, undertook an investigation that was considered adequate to ascertain a sufficient threshold that fraud had occurred. Employees were suspended with pay while being investigated to preserve integrity of documents and evidence and to assure lack of access. Upon investigation conclusion employees were terminated and the matter was referred to the District Attorney. It would appear that it would be a criminal matter to ascertain the potential full dollar misappropriation and consequences. As regards other employees potential perpetration of similar abuses, there was no evidence, allegation, suspicious documentation or behavior to support cause to arbitrarily challenge the integrity of staff.

- 10 OCS management failed to notify and request assistance from either the Fraud and Recovery or the Internal Audit sections within the department to investigate the alleged theft at the East Baton Rouge Parish/Regional office.

Response: OCS did informally contact Fraud and Recovery. As an OFS Section, Fraud and Recovery can not carte blanche take on OCS allegations of misconduct and fraud. OCS will develop procedures to refer any instance of future fraud to DSS Management and Legislative Auditors. OCS will seek to explore with the Department for resources to undertake such investigations.

- 11 OCS management failed to seek restitution from the employees involved in the alleged theft. Based on information provided by the supervisors, the internal investigation disclosed a total of \$5,365 in questionable transactions. According to the department's legal counsel, the matter has been referred to the District Attorney's Office.

Response: In this matter OCS considers involuntary restitution to be a legal issue for addressing by the judicial system. Referral to the District Attorney was considered the most appropriate avenue given one staff member denied allegations. As the two employees terminated earned \$1863 and \$1349 monthly, the likelihood of full and prompt recoupment was remote. The ability to recover the goods (clothing) to obtain replacement value was also considered to be a legal matter with minimal to no gains for the effort.

- 12 OCS management failed to determine the funding sources of the fraudulent transactions and refund the federal government its portion of the costs. Questioned costs have been identified as follows: Foster Care-Title IV-E (CFDA 93.658), \$4,884; Family Preservation and Support Services (CFDA 93.556), \$1,493; and Social Services Block Grant (CFDA 93.667), \$226.

Response: OCS concurs it is proper to credit the appropriate federal funding sources and will do so. It should be noted that no Family Preservation and Support Services (CFDA 93.556) funding was involved. The applicable funding source which should have been cited is from the Title IV-B Part 1 (CFDA 93.645).


In general, OCS recognizes with the resources made available to administer the mandated programs comes the responsibility to adequately assess risk in Foster Care and TIPS program operations and develop policies and procedures that would reduce that risk to an acceptable level. OCS is also faced with balancing its limited resources to provide services without "excessive" controls and procedures which not only diverts resources from services to administration but delays payments and frustrates vendors and state staff alike.

Dr. Daniel G. Kyle, CPA, CFE
December 22, 1999
Page 7

OCS concurs the department should adequately assess areas of risk in the operation of each program, then establish and implement internal control procedures to ensure that department employees comply with all established regulations and that department assets are safeguarded from loss or theft. Management should take timely action to re-assess risk and change those procedures when control weaknesses are identified. However, no system or strict procedures can prevent all fraud or every theft/loss. With the upcoming SACWIS project to redesign TIPS an opportunity to incorporate newer, sound and more automated audit principles exists.

Should additional information or clarification be required, please advise.

Sincerely,


Thomas Joseph, CPA, Director
Division of Fiscal Services

TJ:SBG:TJS



**State of Louisiana
Department of Social Services
OFFICE OF FAMILY SUPPORT**

**P. O. BOX 94065
755 THIRD STREET
PHONE - 225-342-3950 - FAX 225/342-4252
BATON ROUGE, LOUISIANA 70804-9065**

**M.J. "MIKE" FOSTER, JR.
GOVERNOR**

**J. RENE AUSTIN-DUFFIN
SECRETARY**

February 15, 2000

**Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397**

Dear Dr. Kyle:

The following is the official response to the finding of the Single Audit of the Department of Social Services, Office of Family Support:

Inadequate Control Over Temporary Assistance for Needy Families Program

The Office of Family Support concurs with the finding and recommendation, with the following exceptions and comments:

- **In 2 of 31 cases, case documentation was not sufficient to verify citizenship of the members of the client assistance unit.**

According to program policy, verification is required only when citizenship is questionable.

- **In 5 of 31 cases, client information in the L'AMI database did not agree with documentation in the client's file.**

Case 1: Incapacity had been established by the AP/FS Program Specialist's approval on two Form 90's. The first was approved on 12-4-97 for 12-97 through 11-98. The second was approved on 9-4-98 for 12-98 through 11-99. The second exemption period had not been correctly entered on L'AMI. This has now been corrected. The client was exempt from Time Limits for the period of 12-97 through 11-99.

Case 3: Audit findings were correct as of the time of the review. We have determined from available information, however, that the client did not actually exceed the time limit because she has been exempted from the time limit due to incapacity from 11-98 through 4-00. Medical documentation has been approved by the AP/FS Program Specialist.

- **FIND Work - In 5 of 31 cases, client information in the JAS data base did not agree with the documentation in the client's FIND Work file and/or the L'AMI data base.**

Case 1: Audit findings are correct. The child has been removed from JAS.

Case 2: The finding states that a child should be added to JAS. However, the JAS and FITAP cases were closed on 11/2/98, so the child cannot and should not be added to JAS at this time.

Case 3: The audit finding states that the FITAP case was closed 12/14/98 and the JAS case was not closed until 6/30/99. Although the parish does not have complete documentation, they state that the JAS case was kept open in 02 status (payments only) in order to make a transitional payment in 2/99. There is no indication in the record to indicate the reason for the JAS case to remain open until 6/99.

Case 4: Audit findings are correct.

Case 5: The audit finding states that there are no entries in the case record since 8/13/97. The parish contends that they possess the documentation and other information, but they failed to file it in the case record and they failed to make appropriate entries.

- **FIND Work - In 7 of 31 cases, the client did not meet the weekly minimum number of work activity participation hours, or documentation in the FIND Work file and computer data base (JAS) was not sufficient to make that determination. Also, documentation was not sufficient to determine if the Case Manager verified work activity hours.**

Case 1: Audit findings are correct. The client had heart surgery in 3/98 and was granted "good cause" from participating at that time. However, the client's doctor released the client to allow participation in 10/98, but there is no documentation as to why the client did not begin participating at that time.

Case 3: The audit finding states that there is no information on work activities after 8/98, which is when the client's child reached age 1. Although this is correct, the parish states that when the client lost her FIND Work exemption in 8/98, the Case Manager began scheduling assessment interviews, but the client did not keep these appointments. The client then requested case closure in 10/98 and the FITAP and JAS cases were closed on 11/2/98. Correct policy was applied, but the case record was not adequately documented.

Case 4: The audit finding states that there are no entries in the case record for 7/22/98-11/98 and for 6/99. The parish states that the entries were in the FITAP case record instead of the FIND Work case record.

Case 7: The audit finding states that there are no entries in the case record since 8/13/97. The parish contends that they possess the documentation and other information, but they failed to file it in the case record and they failed to make appropriate entries. Also, the parish states that the client attended her WEP activity from 2/99-6/99, but she did not attend enough hours to be countable.

We will implement the following corrective action plan: ...

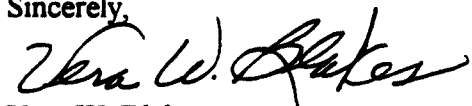
Responsible Person: Vera W. Blakes, Assistant Secretary, Office of Family Support

Corrective Action: See attached plan.

Completion Date: January 31, 2000

Please advise if any additional information is required.

Sincerely,

A handwritten signature in black ink, appearing to read "Vera W. Blakes". The signature is fluid and cursive, with the first name "Vera" being the most prominent.

Vera W. Blakes
Assistant Secretary
Office of Family Support

copy: Thomas Joseph

CORRECTIVE ACTION:

- The AP/FS Program Specialists have already been advised to instruct the field to take appropriate action immediately to correct the deficiencies noted by the audit. Any overpayments that may have occurred will be reported to the Agency's Fraud and Recovery Section. The AP/FS Specialists have also been advised to include the specific month(s) for which an incapacity decision is approved, rather than a decision for a certain number of months.
- A statewide Corrective Action Memorandum will be released advising all staff involved in the administration of the TANF Program of the results of your audit and reminding staff of the proper policy and procedures to address the deficiencies cited. Staff responsible for second level case reviews will be instructed to focus on problem areas, the school attendance policy in particular, to assure compliance in the future. Supervisory staff will be mandated to have unit meetings to discuss the audit findings and plan steps to be undertaken to assure that the staff understands policy and will apply policy correctly in the future. This Corrective Action Memorandum should be released no later than January 1, 2000.
- We also plan an additional measure to address the problem the field is experiencing in applying the school attendance policy. A committee of two AP/FS Program Specialists and a Division of Financial Assistance Policy Section representative has been formed to develop a training package on school attendance policy and procedures. This committee will also study the current School Attendance Tracking Form, CR 10, to determine if modifications could be made to the form to improve its effectiveness as a tracking tool. This committee will meet the third week of December 1999 and will develop this training package in an expeditious manner. The training package will then be disseminated and trained to the supervisory staff by the AP/FS Program Specialists.
- A reference guide was recently developed by one of the AP/FS Program Specialists to instruct field staff on correctly entering exemptions to the 24 month time limit due to "actively seeking employment" on the L'AMI system. This guide was distributed to the AP/FS Program Specialists in a November 8, 1999 meeting and has now been distributed to the field. Use of the guide should assist field staff with accurately documenting and tracking those clients seeking an exemption for this reason and result in better compliance with this eligibility factor.

CORRECTIVE ACTION:

- The parish offices have been advised to make the necessary corrections to any of these cases that are currently active. Some of the cited errors have already been corrected. It should be noted that the errors cited in item #5 did not impact-benefits.
- A statewide Corrective Action Memorandum has been released advising all staff involved in the administration of the TANF Program of the results of the audit and reminding staff of the proper policy and procedures to address the deficiencies cited. FIND Work Program Specialists and FIND Work State Office staff have been advised to focus their mandatory case readings on the deficient areas cited in this audit report.



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES
ADMINISTRATIVE

P.O. Box 3927-Phone - 225/342-4247 FAX # 225/342-4220
Baton Rouge, Louisiana 70821-3496

J. RENE AUSTIN-DUFFIN
SECRETARY

February 10, 2000

Dr. Daniel G. Kyle, Ph. D., CPA, CFE
Legislative Auditor
1600 N. 3rd Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Inadequate Control Over Vocational Rehabilitation Grants to States Program

Dear Dr. Kyle:

In response to the above-referenced audit finding, the Department of Social Services submits the following:

REVIEW OF INTERNAL CONTROLS:

FINDING #1:

RESPONSE:

The Agency agrees with this finding.

CORRECTIVE ACTION:

Regional managers have received training and are accountable for monitoring and ensuring that fiscal data related to obligations, payments, and cancellations by regional field staff are entered accurately and timely into the system database. The Fiscal Section will monitor fiscal data inputted by field personnel into the database during periodic on-site case reviews.

FINDING #2:

RESPONSE:

The Agency agrees with this finding.

CORRECTIVE ACTION:

The Agency discovered this initial situation during a review of the counselor's caseload and has established guidelines to address this issue. The Agency also completed a statewide review to determine if there were additional counselors serving relatives and discovered two other cases. In all cases, a transfer to other counselors have been processed.

In addition to these guidelines, the LRS training section has recently covered this issue in training presented in each region.

FINDING #3:

RESPONSE:

The Agency does not concur with this finding. The Rehabilitation Counselor Associate enters the obligations in accordance with the services authorized by the Rehabilitation Counselor for the cost associated with the assessment or the Individualized Plan of Employment.

CORRECTIVE ACTION:

As stated in the letter dated November 19, 1998, to the Legislative Auditors' office from the Department of Social Services (DSS), the corrective action was to have the Regional Managers hold an in-service training no later than January 29, 1999, to review these guidelines with the appropriate staff. The Agency has documents which include the agenda and the signatures of the staff attending this training. This type of training was to be ongoing and another in-service training specifically with the Rehabilitation Counselor Associates was completed by State Office staff.

In addition, Rehabilitation Counselors are not assigned BRIS User I.D.'s which enable them to enter obligations or process payments. These User I.D.'s are assigned to Rehabilitation Counselor Associates who are required to sign the attached agreement. A memorandum will be sent to the Regional Managers requiring them to conduct in-service training in order to review the agreement. This is part of a formal audit control process to ensure segregation of duty and will be an annual certification.

REVIEW OF CLIENT FILES

RESPONSE:

The Agency agrees with this finding.

CORRECTIVE ACTION:

The Agency training unit recently provided statewide training and this was included as part of the training. This also has been and will continue to be a part of the Academy of Rehabilitation Counselors Training.

If you have any questions, please feel free to contact this office.

Sincerely,

A handwritten signature in cursive script that reads "Thomas Joseph".

Thomas Joseph, CPA
Director

TJ:MN:jms

Attachment

ON-LINE USERID REQUEST FORM
(Please type or print)

USER INFORMATION

Name(last, First, Middle Initial):

Agency:

Job Title:

Office Telephone(area code)

Office Name & Address:

Office Contact Person:

TYPE OF REQUEST

USERID TYPE(TSO, DHHR, SYSM ,NDM, ETC)

DHHR TRANSACTIONS NEEDED:

Delete Userid:

Add Capabilities:

Effective Date:

COMPUTER USER AGREEMENT

1. Users shall not obtain information from the DSS computer for purposes other than official business.
2. Users shall not share any information that is obtained from the DSS computer, except in the official performance of their duties with agency co-workers, without official authorization.
3. Users shall not remove STATE-owned information containing confidential data (computer print-outs, etc.) from the work place without official authorization.
4. Each user is responsible for selecting a computer password.
5. Users must log on and establish their password within 15 calendar days after userid creation or it will be
6. Userids not used in a nine month period will be deleted from the system. Users who have only occasional need for their userids can keep them current by logging on briefly at regular password intervals.
7. Each user is responsible for the confidentiality of his or her computer password. At no time shall a user "sign on" any terminal for use by someone else. Terminals must be "signed off" immediately when not in use.
8. Each user is responsible for all computer activity logged against his/her userid, regardless of who input the transaction.
9. If the user has any reason to believe his/her password has been compromised, a new password shall be selected immediately.
10. Users agree to immediately report to their supervisor and/or the Information Services Security Section any information they become aware of regarding unlawful or fraudulent activities concerning department Data.
11. Any questions regarding this agreement may be directed to the Information Services Security Section at (504) 342-4177, 342-0811.

USER STATEMENT

I certify that I have read, and understand, the computer security policy for users of the DSS computer and have received a copy of the password guidelines.I agree to abide by this policy and understand that non-compliance with any part of the policy may constitute grounds for any action listed below to be administered by the appropriate appointing authority.

- (1) Written reprimand
- (2) Suspension without pay
- (3) Reduction in pay .

- (4) Involuntary Demotion
- (5) Dismissal
- (6) Recommended criminal prosecution

User Signature:

Date:

SUPERVISOR STATEMENT

I do hereby certify that I have discussed this agreement with the above named user and answered any questions pertaining to the agreement.

Signature:

Date:

USERID ASSIGNED:

Etc:

SIGNATURE:

DSS APPROVAL

USERID:

DATE:

SECURITY OFFICER:

COMPLETE THIS FORM FOR ALL DSS COMPUTER USERS REQUESTING ACCESS TO ANY DSS COMPUTER SYSTEM. SEND THE ORIGINAL TO: DSS INFORMATION SERVICES, SECURITY SECTION, 755 THIRD ST., RM 410 BATON ROUGE, LA. 70802.
B-109



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES
ADMINISTRATIVE

M. J. "MIKE" FOSTER, JR.
GOVERNOR

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BATON ROUGE, LOUISIANA 70821-3496

J. Renea Austin-Duffin
SECRETARY

January 6, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 N. Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: Inadequate Monitoring of Federal Subrecipients
And State Contractors

Dear Dr. Kyle:

The Department of Social Services (DSS) concurs in part with above referenced finding. Our comments for each affected office are as follows:

Office of Management and Finance (OM&F)

We do not concur with the comments made. On May 28, 1996, we wrote your office requesting assistance on the revision of DSS Contract Clause No. 3 in anticipation of the pending OMB Circular A-133 revisions. No response was received, and a follow-up letter was sent on May 28, 1996. Finally, we received a response on July 9, 1996. Comment was deferred, and reference was made to two attached **PPC Nonprofit Update** publications. On November 13, 1996, a letter was sent to your office posing specific questions raised by the \$300,000 threshold and R.S. 24:513, the State Audit Law. On May 7, 1997, a letter was sent to your office about audit costs for audited cost reports, originally mandated by your office. On July 9, 1997, a letter was sent to you directly concerning the audit clause, alternative procedures, and audit costs for audited cost reports. On July 16, 1997, a letter was received from your office reciting excerpts from clause 230(b)(2) of the newly-revised OMB Circular A-133, and proposing increased monitoring efforts and/or agreed-upon procedures. Finally, on August 5, 1997, a letter from DSS was sent to

the Commissioner of Administration, outlining prior correspondence, explaining problems with alternatives identified in your July 16th correspondence, and requesting assistance in dealing with the advent of OMB Circular A-133.

On December 5, 1997, we sent a copy of our proposed changes to the contract clause to the Audit Manager. On December 16, 1997, you responded by saying that your interpretation of the clause did not require a subrecipient contractor to obtain a single audit if he expends more than \$300,000 in federal funds. This was changed in accordance with your observation.

On March 11, 1998, which was the exit conference for the 96/97 period, a spirited discussion was held with representatives from your office about F97-AG-DSS1-Audit Reports Not Monitored. At that time, a partial chronology of events was presented to your staff indicating an unwillingness to assist us at all in dealing with this problem, and the fact that audit reports were never actually examined, as evidenced, by a scheduled of audit reports being left behind after the 96/97 audit had been completed. The Director of Financial Audits for your office, and the Assistant Director stated that in order to alleviate their concern, all we had to do was to amend DSS Contract Clause No. 3 to require that every provider notify us whether or not they will have a Single Audit. This was done, along with incorporating the guidance offered in the Louisiana Government Audit Guide for those entities whose total federal funds fall below \$300,000.

In spite of following what directives your staff proffered, another finding was made in 1998. In our response, we pointed out that the OM&F External Audit Section would make all determinations, and that 30-day and 60-day letters would be generated at the end of each contract, and if no responses were received, then an exception report would be prepared and sent to the Assistant Secretaries for further action. Your office gave no indication one way or the other as to the acceptability or unacceptability of the actions taken.

Now, with respect to the findings shown in this current-year's audit, a number of assumptions are made which are misleading to the reader. Bullet No. 1 under item No. 1 reads, in part, as follows:

"Eleven of 46 contracts (24%) examined were identified as federal subrecipients...even though the contracts were 100 percent state-funded."

Dr. Daniel G. Kyle, CPA, CFE

Page 3

January 6, 2000

We acknowledge that our staff was unaware of the fact that many of Louisiana Rehabilitation Services' contracts were wholly state-funded, and that an erroneous assumption was used in filling out the checklists originally furnished to us by your office. However, with respect to subrecipients, we fail to see what difference that makes from an entity standpoint, that is, just because our grant is wholly state-funded, does not mean that all of the provider's contracts are State-funded. As you will readily acknowledge, the determination as to whether an A-133 audit is needed is made at the entity level, and not on the basis of any one contract .

This finding was shown under the following description:

"The department does not have reliable procedures in place to ensure the proper identification...."

Apparently, what is being said here is that the federal /state designation is tantamount to any other consideration. Is your office saying that no form of financial reporting is required for state-funded subrecipients?

With regard to failure to make a determination and enter into the tracking system two contracts totaling \$4.5 million dollar. The contract for \$4.1 million was designated as a subrecipient. The \$428,341 contract is not a contract but an Inter Agency Transfer Agreement, which in our opinion does not meet level of a standard contract.

We do agree the Schedule of Non – State Subrecipients of Major Federal Programs was not prepared properly.

Office of Community Services (OCS)

OCS Subrecipients for which this finding was made:

CFMS # 528389	Lincoln Parish Police July/HELP
CFMS # 528393	North Centrala, Inc.
CFMS # 528399	St. Bernard Parish Government
CFMS # 524233	City of Shreveport

For the above-identified subrecipient contracts, the specific deficiency in monitoring procedures entailed failure to obtain or receive an audit report from the subrecipient. Other attributes of required monitoring procedures examined in the audit were fulfilled.

OCS Response: We concur with the finding that an audit report was not received from all subrecipients on a timely basis. Subsequent to the audit review, all missing audit reports for contractors in the audit sample were secured.

Corrective Action: OCS is revising its procedures to ensure that required audit reports from subrecipients contractors are received on a timely basis. A tracking system had previously been initiated for monitoring compliance with applicable timelines for receipt of engagement letter and audit reports from OCS contractors. This procedure is to be more stringently and rigorously implemented. Furthermore, in designing the OCS Contract Database (Visual Basic on an Oracle Platform) currently under development, the tracking of contract monitoring requirements (including receipt of audit reports) shall be an important element of the database's functions.

OCS Subrecipients for which this finding was made:

CFMS#515920 Caddo Community Action Agency, Inc.

OCS Response: We concur with the finding that the audit finding was not resolved on a timely basis. The finding has been resolved.

Corrective Action: OCS is revising its procedures to ensure that required audit reports from subrecipients contractors are received and issues resolved on a time basis. A tracking system had previously been initiated for monitoring compliance with applicable timelines for receipt of engagement letters and audit reports from OCS contractors. This procedures is to be more stringently and rigorously implemented. Furthermore, in designing the OCS Contracts Database (Visual Basic on an Oracle platform) currently under development, the tracking of contract monitoring requirement (including receipt and resolution of audit reports) shall be an important element of the database's functions.

OCS Subrecipients for which this finding was made.

CEMS # 515912	ASSIST
CFMS # 515916	Assumption Parish Police Jury
CFMS # 515931	Natchitoches Office of Community Services
CFMS # 515920	Caddo Community Action Agency

For the above-identified subrecipient contracts, it was found that notification of federal award information was insufficient, i.e. the written notification of funding allotments did not include the CFDA number (93,568) for the Low-Income Home Energy Assistance Program (LIHEAP) **OCS Response:** We concur with the finding that the LIHEAP CFDA number was omitted from notification of federal award information to the LIHEAP contractors.

Corrective Action: All future notifications of federal award information under programs administered by OCS shall include the CFDA number of the respective federal funding source.

Office of Family Support

The department did not perform monitoring procedures for eleven of the subrecipients.

Seven of the subrecipients were Family Independence Work Program contracts.. ALL FIND Work contracts were subject to an on-site state-level monitoring review by FIND Work State Office staff which was programmatic in nature. The remaining contracts noted were Child Care Assistance Program contracts, which were review by the Head Start-State Collaboration Unit, which pulled and evaluated the eligibility determination activities performed by contractors on a sample of cases.

Effective 10/99, the Contract Accountability Review Team (CART) was assigned FIND Work and Child Care Assistance contract monitoring responsibilities which consist of an extensive and complete review of financial and billing records as well as on-site monitoring and a programmatic review.

With respect to timely informing eleven subrecipients of the department's decision on the monitoring and/or audit findings, and failure to ensure timely corrective measures were taken by the subrecipients.

The Child Care Assistance Program will contact Jefferson Council On Aging requesting an audit be forwarded to Office of Management and Finance as soon as possible. No desk findings concerning the remaining subrecipient were received for this time period. Therefore, no further corrective action is necessary.

Dr. Daniel G. Kyle, CPA, CFE
Page 6
January 6, 2000

The contact person by each office is as follows:

Office	Contact Person	Telephone Number
Office of Management & Finance	Joseph Green	(225) 342-4911
Office of Community Services	Bob Hand	(225) 342-4016
Office of Family Support	Linda Beauvais	(225) 342-2603

Respectfully,



Thomas Joseph, CPA
Fiscal Director

TJ/dt

c: J. Renea Austin-Duffin
Paula M. Roddy
Al Sanford
Vera Blakes
Shirley Goodwin
Joe Green
Bob Hand
Linda Beauvais
Linda Robinson
Ronald Patty



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
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M. J. "MIKE" FOSTER, JR.
GOVERNOR

J. Renea Austin-Duffin
SECRETARY

December 14, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 N. Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: Non-Compliance with the Cash Management
Improvement Act Agreement (CMIA)

Dear Dr. Kyle:

Development of Clearance Patterns

The Department does not concur that our methodology used in developing our clearance pattern violate CMIA policy.

- A.) The Department developed the clearance patterns based on the checks issued by the subsystem as they clear the bank. Each of the subsystems, with the exception of Tracking Information Payment System (TIPS), represents a single federal program. The payments made by the subsystems are for services provided to groups of eligible recipients determined by federal program guidelines. Even though the TIPS subsystem has various funding sources, this does not indicate that the recipients or vendors are varied. The recipients and vendors are similar in that they provide services to Foster Care clients. Foster Care is a federal program that may be funded by various federal funds. These clearance patterns have been federally certified in CMIA since 1990

We do however, concur that we did not develop a new clearance pattern when a change was made to the Jobs Automated Subsystem. We now have submitted a revised clearance patterns for certification.

Dr. Daniel G. Kyle, CPA, CFE
Page 2
December 14, 1999

Use of Funding Techniques

We concur in part. Each of the subsystems, with the exception of TIPS, represent a single federal program. All of DSS' administrative costs are funded by means of a federally approved Cost Allocation Plan. Funding for administrative expenditures are determined using reports produced in the Integrated Statewide Information System on a monthly basis. TIPS represents the Foster Care program and provides funding for services rendered to Foster Care Clients.

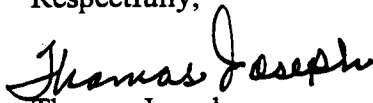
Administration and Payroll should be funded using actual and adjusted estimate. The technique for the payroll and administration component of Basic Support was changed in error when the CMIA was amended for the Department of Education. We are submitting an amendment to Office of Statewide Reporting and Accounting Policy to correct.

Unless and until we have more information it is not feasible or reasonable for the Department to alter our methodology.

The Department has not paid any interest nor penalties for non-compliance

If further information is required, please contact Cheryl Sullivan at (225) 342-4375.

Respectfully,


Thomas Joseph
Director

TJ/dt

c: J. Renea Austin-Duffin
Paula M. Roddy
Al Sanford
Kathleen Morales
Linda Robinson
Ronald Patty



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
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ADMINISTRATIVE

M. J. "MIKE" FOSTER, JR.
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BATON ROUGE, LOUISIANA 70821-3496

J. Renea Austin-Duffin
SECRETARY

December 7, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

**Re: Untimely Eligibility Re-Determinations and
Re-Certification in the Foster Care Program**

Dear Dr. Kyle:

Attached, please find our response to the finding of the Legislative Auditor as it relates to the above referenced subject.

Respectfully,

A handwritten signature in cursive script that reads "Thomas Joseph".

Thomas Joseph, CPA
Fiscal Director

TJ/dt

c: J. Renea Austin-Duffin
Paula M. Roddy
Al Sanford
Shirley Goodwin
Bob Hand
Linda Robinson
Ronald Patty

DEPARTMENT OF SOCIAL SERVICES

Untimely Eligibility Re-Determinations and Re-Certification in the Foster Care Program

State Agency Response

The Office of Community Services concurs with the findings and recommendations. The agency plans the following corrective action plans to minimize the potential for errors in these areas in future reviews:

1. Financial eligibility for Title IV-E is a function of the agency that supports its federal claim. Foster care staff are contacted prior to the scheduled re-determination to ascertain the child's ongoing eligibility for these benefits. To assure that the workers are notified when the re-determination is due, the agency previously relied on the scroll generated by the now obsolete Welfare Information System. This system has now been replaced by the Medicaid Eligibility Determination System (MEDS). The eligibility staff continue to receive scrolls of cases that require a redetermination. However, included with the system upgrade is the capacity for the eligibility supervisors to identify cases whose re-determinations are overdue. The eligibility staff are now engaged in a clean-up of the data converted from the WIS to MEDS. Once the converted data clean-up is completed, the highlighting of overdue re-determinations will be activated. This supervisory/management tool should facilitate enhanced monitoring of the eligibility determination process.
2. Re-certification of foster homes is an important issue for the agency. The agency will issue a Regional Administrators Memorandum reminding staff of the importance of completing this process in a timely manner. In addition, the regions that had the deficiencies will be contacted and required to submit a corrective action plan.

The contact person for the corrective action plan for the financial re-determination process is Carmen Weisner, Assistant Division Director, Division of Field Services. The anticipated completion date is December, 1999.

The contact person for the corrective action plan for the foster home certification issue is Jean Pittman, Section Administrator, Division of Program Development. The anticipated completion date is December, 1999.



SOUTH LOUISIANA COMMUNITY COLLEGE

February 2, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

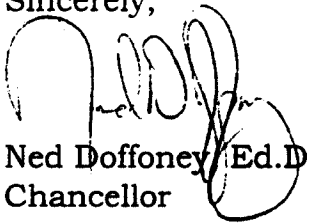
Dear Dr. Kyle:

The management of South Louisiana Community College concurs with the finding and recommendations related to **Account Control Weaknesses**.

The management of South Louisiana Community College recognizes its responsibility to establish and maintain accounting controls to ensure complete and accurate financial records. The College is in the process of developing fiscal policies and procedures that will ensure adequate controls over cash receipts/revenues, payroll, expenditures, as well as other areas of finance.

Thank you for providing us with this opportunity to address problems germane to our fiscal operation and control. Please advise if you need additional information.

Sincerely,



Ned Doffoney Ed.D.
Chancellor

A Member of the Louisiana Community and Technical College System

1606 Johnston St. Lafayette, LA 70503 *

Phone: (318) 262-1870

Fax: (318) 262-1873

908 Ember Dr., New Iberia, LA 70560 *

Phone: (318) 373-0185

Fax: (318) 373-0187

1013 Perret St., Franklin, LA 70538

Phone: (318) 413-8146

Fax: 413-8145

B-120



SOUTH LOUISIANA COMMUNITY COLLEGE

February 2, 2000

Dr. Daniel Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

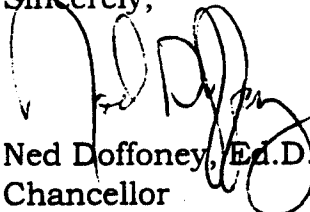
Dear Dr. Kyle:

The management of South Louisiana Community College concurs with the finding and recommendations related to **Inadequate Financial Reporting**.

The management of South Louisiana Community College recognizes its responsibility to establish and maintain control procedures over the preparation of the financial statements. The College is in the process of building an experienced financial staff that will eliminate the weaknesses in controls over financial reporting disclosed in this finding. The College's annual financial statements for the year ending June 30, 2000, will be a part of the system wide financial statements of the Louisiana Community and Technical College System and will include all revenues and expenditures of the College. Transactions will be complete and reported in the appropriate fund type, and accurate note disclosures will be presented.

Thank you for providing us with this opportunity to address problems germane to our fiscal operation and control. Please advise if you need additional information.

Sincerely,



Ned Doffoney, Ed.D.
Chancellor

A Member of the Louisiana Community and Technical College System

1606 Johnston St. Lafayette, LA 70503	* 908 Ember Dr., New Iberia, LA 70560	* 1013 Perret St., Franklm. LA 70538
Phone: (318) 262-1870	Phone: (318) 373-0185	Phone: (318) 413-8146
Fax: (318) 262-1873	Fax: (318) 373-0187	Fax: 413-8145



SOUTH LOUISIANA COMMUNITY COLLEGE

February 2, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

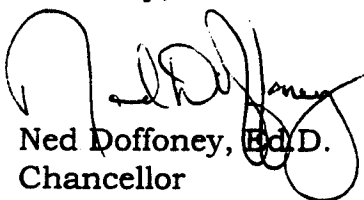
Dear Dr. Kyle:

The management of SLCC concurs with the finding and recommendations related to **Violation of Record Retention Laws.**

As of this date, the College has instituted corrective procedures including sequentially-numbered receipts and receipt number control through the business office. In addition to pre-numbered receipts, the business office now keeps a log and inventory of all receipts secured, along with deposit records, in a fire-proof filing cabinet. SLCC is also in the process of developing policies and procedures that will include a policy related to record retention which will insure compliance with the applicable laws as cited in the audit finding.

Thank you for providing us with this opportunity to address problems germane to our fiscal operation and control. Please advise if you need additional information.

Sincerely,



Ned Doffoney, Ed.D.
Chancellor

A Member of the Louisiana Community and Technical College System

1606 Johnston St., Lafayette, LA 70503	* 908 Ember Dr., New Iberia, LA 70560	* 1013 Perret St., Franklin, LA 70538
Phone: (318) 262-1870	Phone: (318) 373-0185	Phone: (318) 413-8146
Fax: (318) 262-1873	Fax: (318) 373-0187	Fax: 413-8145

B-122



Office of the Chancellor
P. O. Box 9374
[225] 771-5020
FAX [225] 771-2018

December 14, 1999

Dr. Daniel G. Kyle, CPA, CPE
Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

Attention to Ms. Marshall Guedry

Dear Dr. Kyle:

Submitted herewith are the University's responses to the audit findings cited by Bruno and Tervalon CPA auditors entitled, "**Satisfactory Academic Progress**" and "**Federal Workstudy Program**."

If you need additional information, please let me know.

Sincerely,

Edward R. Jackson
Chancellor

/brs

B-123

**SOUTHERN UNIVERSITY AT BATON ROUGE
CORRECTIVE ACTION PLAN
SINGLE AUDIT REPORT
FOR YEAR ENDED JUNE 30, 1999**

FINDING 99-02

Federal Work Study Program

Independent auditors noted that the University is presently performing an investigation of the receipt of Federal work study funds by ineligible employees.

PROPOSED CORRECTIVE ACTION

The University will complete the investigation to determine the methodology utilized and the extent of Federal work study funds received by ineligible individuals, if any.

PROJECTED COMPLETION DATE

June 30, 2000

PERSON(S) RESPONSIBLE

Ms. Gloria Thompson, Internal Auditor

Mr. Reginald Gaines, Chief of Police - SUBR Campus

**SOUTHERN UNIVERSITY AT BATON ROUGE
CORRECTIVE ACTION PLAN
SINGLE AUDIT REPORT
FOR YEAR ENDED JUNE 30, 1999**

FINDING 99-03

Satisfactory Academic Progress

Independent auditors noted during their audit that two of seventy students tested were awarded and received financial aid although they did not meet the University's standards for achieving satisfactory academic progress.

PROPOSED CORRECTIVE ACTION

Southern University at Baton Rouge will adhere to established policies and procedures and ensure that students who receive financial aid meet the satisfactory academic progress requirements.

PROJECTED COMPLETION DATE

May 2000

PERSON(S) RESPONSIBLE

Ms. Debra Ephrom, Financial Aid Director



SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM

BATON ROUGE, LOUISIANA 70813
(225) 771-2011

Baton Rouge, New Orleans,
Shreveport/Bossier City
LOUISIANA

Office of the President
(225) 771-4680

Fax Number
(225) 771-5522

October 28, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
STATE OF LOUISIANA
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

I am writing in reply to your audit finding concerning the Improper handling of License Plate fees by the former Chancellor of the Southern University at Baton Rouge. I concur with the audit finding as reported. The following steps have been made to correct the deficiencies cited in the audit.

1. A System Account was established in January 1998 for the administration of funds by the Board of Supervisors.
2. A Southern University System scholarship policy was implemented in November 1997.

All scholarship funds awarded since these policy changes have been made are in compliance with the scholarship policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Leon R. Tarver II".

Leon R. Tarver II, Ph. D.
President

LRT/rdc

cc: **Honorable Myron K. Lawson**
Tolor E. White
Flandus McClinton, Jr.



SOUTHERN UNIVERSITY AT NEW ORLEANS

6400 Press Drive
New Orleans, LA 70126
(504) 286-5311
FAX (504) 284-5500

OFFICE OF THE CHANCELLOR

December 13, 1999

Dr. Daniel G. Kyle, CPA, CFE
Office of the Legislative Auditor
State of Louisiana
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

ATTN: Marsha Guedry

Dear Dr. Kyle:

Attached, please find responses on the Corrective Action to the Schedule of Findings and Questioned Cost ending June 30, 1999. We are also attaching an update to the Schedule of Prior Federal Audit Findings for Southern University at New Orleans.

If there are other questions and concerns, please do not hesitate to advise.

Sincerely,


Gerald C. Peoples
Chancellor

/lh

Attachments

c:\Kyle.AuditFindings\99

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
CORRECTIVE ACTION TO SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999**

December 9, 1999

AUDIT FINDING	PROPOSED CORRECTIVE ACTION	PROJECTED COMPLETION DATE	CONTACT PERSON
<p>1. 99-04 AID EXCEEDED DOCUMENTED NEED</p> <p>The Independent Auditors noted that one (1) student out of seventy (70) tested received financial aid in excess of the student's documented need.</p>	<p>Southern University at New Orleans will adhere to its established procedures in order to ensure that the total amount of financial aid awarded to a student will not exceed the documented need.</p>	<p>December 8, 1999</p>	<p>Dr. Melody Pierce Ms. Kathy G. Woods</p>

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
CORRECTIVE ACTION TO SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999**

December 9, 1999

AUDIT FINDING	PROPOSED CORRECTIVE ACTION	PROJECTED COMPLETION DATE	CONTACT PERSON
<p>2. <u>99-05 STUDENTS' CREDIT BALANCES</u></p> <p>The Independent Auditors noted that the refunds of students' credit balances were not performed within the required fourteen (14) day period. Also, subsequent to the June 30, 1999-audit, the Independent Auditors noted that the University experienced computer problems that delayed refunds to students.</p>	<p>Policies and procedures are being implemented by management to ensure that Student Financial Aid credit balances are properly disbursed in accordance with the required time frame.</p> <p>In addition to the computerized software that was purchased earlier to assist in the refunding of students' credit balances, the Administration has asked the director of the Information Technology Center and the associated computer technicians to make every effort to ensure proper and adequate operation of the new computer systems.</p>	<p>January 19, 2000</p>	<p>Mr. Ellsworth Harris Dr. Gerald Williams</p>

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS**
CORRECTIVE ACTION TO SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999

December 9, 1999

AUDIT FINDING	PROPOSED CORRECTIVE ACTION	PROJECTED COMPLETION DATE	CONTACT PERSON
<p>3. 99-06 FEDERAL PERKINS LOAN</p> <p>The Independent Auditors noted that approximately \$9,000 in Perkins Loan repayments were erroneously deposited into the operating cash account, and that the University did not calculate and return any of the collections to either the Department of Education or the University.</p>	<p>The University has taken the appropriate steps to ensure that funds received as repayment of Perkins Loans are retrieved from the general operating cash account and distributed to the Federal Government on behalf of the program as required.</p> <p>In addition, funds collected in the Perkins Loan Program will be deposited into the Perkins Loan Cash Account as required.</p>	<p>December 17, 1999</p>	<p>Mr. Junius Robinson Mr. Gerald Williams</p>

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
CORRECTIVE ACTION TO SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999
December 2, 1999

AUDIT FINDING	PROPOSED CORRECTIVE ACTION	PROJECTED COMPLETION DATE	CONTACT PERSON
<p>4. <u>99-07 STUDENT ACCOUNT HISTORY</u></p> <p>The Independent Auditors noted that students' histories had either inaccurate dates and/or inaccurate amounts.</p>	<p>The University will follow the required policies and procedures that have been established for recording and disbursing student financial aid in a timely manner. The Office of Student Financial Aid, the Comptroller's Office and the Information Technology Center have been asked to work closely together to ensure that historical information is properly and timely posted.</p>	<p>December 17, 1999</p>	<p>Dr. Melody Pierce Dr. Gerald Williams Mr. Ellsworth Harris Ms. Kathy G. Woods</p>



SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM

BATON ROUGE, LOUISIANA 70813

(504) 771-2011

Baton Rouge, New Orleans,
Shreveport/Bossier City
LOUISIANA

September 8, 1999

Fax Number:
(504) 771-5522

Office of the President
(504) 771-4680

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
STATE OF LOUISIANA
1600 North Third Street
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We concur with your finding entitled *Improper Collection of Funds and Unauthorized Bank Account* on the Southern University New Orleans campus.

We have recovered the funds associated with the golf tournament that were disbursed without the proper documentation and deposited the funds into the SUNO Scholarship fund.

Appropriate action will be taken to ensure that the university employees comply with the Southern University System's Administrative and Fiscal policies and procedures.

The contact person responsible for corrective action is Vice President Ralph Slaughter.

Please let me know if you have any questions or need additional information.

Sincerely,

Leon R. Tarver II, Ph. D.

President

Southern University System

LRT/rdc



SOUTHERN UNIVERSITY AT NEW ORLEANS

6400 Press Drive
New Orleans, LA 70126
(504) 286-5311
FAX (504) 284-5500

OFFICE OF THE CHANCELLOR

December 3, 1999

Dr. Daniel G. Kyle, CPA, CFE
Office of the Legislative Auditor
State of Louisiana
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Finding: Lack of Controls Over Cash Receipts

Southern University at New Orleans concurs with the Audit Finding siting inadequate internal controls over the collection and depositing of cash receipts at the Student Center.

Corrective Action Proposed:

The University has developed new policies and procedures for collecting and/or depositing of monies received from students for billiards, video games and bowling; inclusive of having vendors remit checks directly to the Comptroller's Office. Please see the attached.

Contact Persons Responsible for Corrective Action:

Dr. Melody Pierce
Dr. Gerald Williams
Mr. Junius W. Robinson

Implementation date:

September 27, 1999

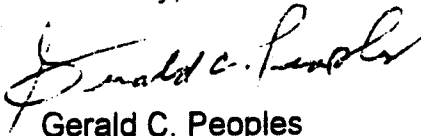
Policy and Procedures:

The investigation associated with unreported cash receipts handled by the Student Union has been completed by the State Legislative Auditor Investigative Team. The person found to be responsible for this condition has been terminated, effective December 3, 1999.

Dr. Daniel G. Kyle, CPA, CFE
December 3, 1999
Page 2

If there are questions, please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gerald C. Peoples".

Gerald C. Peoples
Chancellor

lh

Attachment

s:\Kyle Lock Control-Cash Receipts

Southern University at New Orleans

Procedures for Handling Cash Receipts in the Student Union

Daily Cash Receipts - By the Shift

- | | |
|----------------|---|
| Supervisor | <ul style="list-style-type: none">- Checks the beginning reading (if available) at the start of business to make certain that the start numbers are accurate. |
| Shift Operator | <ul style="list-style-type: none">- Reviews start numbers for accuracy.- Enters all cash sales into the cash register at each point of sale - making sure that the appropriate keys are executed to identify the type of sales, etc.- Removes all cash from the cash register at the close of the shift or business activity and sorts, counts and records by denominations on the required cash count form. <p style="margin-left: 40px;">If change was advanced to the operator at the start of the shift, the total amount that was received must be removed. The remaining amount should equal to the total cash sales.</p> <ul style="list-style-type: none">- Adds (foots) cash receipts listed on the cash count form; and signs the cash count form.- Turns cash, cash count form and other related documents over to the supervisor for verification. |
| Supervisor | <ul style="list-style-type: none">- Reads/clears the cash register and computes the cash sales for that particular shift. <p style="margin-left: 40px;">Usually, this is done by subtracting the beginning reading (number) from the ending reading (number).</p> <p style="margin-left: 40px;">Other methods may be used to determine cash sales for a particular shift and/or cashier when the procedures are written and approved by the Comptroller and the Vice Chancellor for Administration.</p> |
| Supervisor | <ul style="list-style-type: none">- Compares cash sales reported with cash count. Note any differences, if any, which could be a cash overage or a cash shortage. |

- Signs report and prepares for submitting to the Comptroller's Office.
- Supervisor - Places cash, cash count form, sales report and other available support documents into a cash bag that is equipped with lock and key.
- Supervisor - Delivers cash bag to the Cashier's section of the Comptroller's Office for further processing.

If the reports are prepared after the cashier's activities have been closed, the cash and reports are to be locked in the vault for safekeeping until the following day.

Cash and cash reports are to be delivered to the Cashier's section of the Comptroller's Office by 10:00 a.m. the following work day.

- Supervisor - Obtains the office copy of the cash deposit receipt issued by the Cashier's Office and returns it to the Office for filing.
- Supervisor - Attaches the cash deposit receipt to the day's cash count and shift's report, and places in the office files.

Files are to be maintained under lock and key for review by audits and others as required.

Comptroller's Office

Procedure for handling cash receipts and reports from the Student Union:

- Cashier - Receives cash, cash count, and cash sales reports and other documents for day's or shift's activities from the Student Union.
- Verifies cash receipts by counting all the cash and tying back to the amounts listed on the cash count.
- Verifies the sales calculations (by checking the cash register tapes and/or other related documents).
- Cashier - Compares cash receipts with sales calculations.
- Enters/Posts cash sales in the Cashier's Receipting System.

- Issues receipts showing cash sales deposited.
- Cashier
 - Advises the Student Union Supervisor of any differences immediately.
 - Advises the Comptroller immediately if differences are not resolved.
- Cashier
 - Files report documents in the daily cashier's report bag for that day.
 - Records any discrepancies discovered when policies and procedures change.

Cash Collected from Contract Vendor

Supervisor/Shift Operator

- Works along side contract vendors when coin machines are being emptied.
- Observes the counting of cash removed from the coin machines.
- Verifies cash removed from the coin machines.
- Signs cash report prepared by the Vendor, maintaining a copy for the Office files and verifies the amount returned to the Student Union as earnings.

The Vendor will keep a copy of the report and the amount earned by the Student Union will be remitted to the Comptroller's Office by check.

Comptroller's Office/Cashier

- Receives check from the contract vendor.
- Posts receipts to the Student Union Account.
- Issues a receipt of deposit (made to the Student Union).
- Union Supervisor
 - Receives receipt of deposit from the cashier.

- Compares receipt with report.
- Attaches cashier's receipt to vendor file if there are no errors.
- Files in the permanent record folder and maintains under lock and key for audit review and other requirements.

When errors occur with cash received from contract vendors, the supervisor is to contact the contract vendor and notify the Comptroller's Office immediately.



SOUTHERN UNIVERSITY AT NEW ORLEANS

6400 Press Drive
New Orleans, LA 70126
(504) 286-5311
FAX (504) 284-5500

OFFICE OF THE CHANCELLOR

August 26, 1999

Dr. Daniel G. Kyle, CPA, CFE
Office of the Legislative Auditor
State of Louisiana 1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Finding: Lack of Signed Contracts:

Southern University at New Orleans concurs with the Audit Finding siting the University for not having a signed contract for the University Bookstore and Video Game Machines in the Student Center.

Corrective Action Proposed:

- | | | |
|------------|---|--|
| Bookstore | - | The University is in the final stage of getting a signed contract for the University Bookstore. It is anticipated that a signed contract will be completed by September 30, 1999. |
| Video Game | - | The University will bid the Video Game activities in the Student Center. A temporary agreement will be executed to continue the game activities until a fully executed contract can be obtained. |

The University will also develop procedures for the execution and renewal of contracts.

Contact Persons Responsible for Corrective Action:


Ms. Carolyn Rainey
Ms. Sherrye Carradine
Mr. Junius W. Robinson, Jr.

Anticipated Completion Date:

The completion date for fully executed contract is November 30, 1999.

If there are questions, please advise.

Sincerely,


Gerald C. Peoples
Chancellor



*Celebrating 30 Years of
Excellence in Higher Education*

Southern University *at* Shreveport-Bossier City
Office of Fiscal Affairs & Administration

December 8, 1999

Office of the Legislative Auditor
1600 North Third Street
Baton Rouge, LA. 70804

ATTENTION: MS. MARSHA GUIDRY

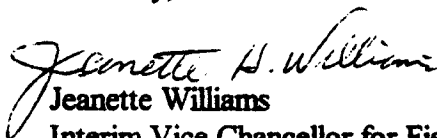
Dear Ms. Guidry:

I have enclosed for you, the responses to two audit findings in the report of Bruno & Tervalon CPAS for the fiscal year ended June 30, 1999. The two findings are:

- Satisfactory Academic Progress 99-08
- Student Credit Balances 99-09

If you have any questions regarding these responses please contact either myself or Bobby Gray, Director of Accounting Services (318)674-3371.

Sincerely,


Jeanette Williams

Interim Vice Chancellor for Fiscal Affairs
& Administration

B-140

SOUTHERN UNIVERSITY AT SHREVEPORT

Corrective Action Plan

Single Audit Report

Year Ended June 30, 1999

FINDING	PROPOSED CORRECTIVE ACTION	PROJECTED COMPLETION DATE	PERSON(S) RESPONSIBLE
<p><u>SATISFACTORY ACADEMIC PROGRESS 99-08</u></p> <p>Independent auditors noted during their audit that 3 of 60 students tested were awarded and received financial aid although they did not meet university standards for achieving satisfactory academic progress.</p>	<p>Southern University at Shreveport will adhere to established policies and procedures and ensure that students who receive financial aid meet the satisfactory academic progress requirements.</p>	<p>January 2000</p>	<p>Dr. Ray Belton, Interim Vice Chancellor for Student Affairs</p>

SOUTHERN UNIVERSITY AT SHREVEPORT

Corrective Action Plan

Single Audit Report

Year Ended June 30, 1999

FINDING	PROPOSED CORRECTIVE ACTION	PROJECTED COMPLETION DATE	PERSON(S) RESPONSIBLE
<p><u>STUDENT CREDIT BALANCES 99-09</u> Students whose accounts contained credit balances and whose refunds were not disbursed to the student within the 14 day requirement. Fifty-seven of sixty students had refunds that were not disbursed within the 14 day requirement.</p>	<p>In an effort to resolve the 14 day refund requirement, a Corrective Action Plan is being developed. Once this has been accomplished, Southern University at Shreveport will adhere to the established requirement.</p>	<p>Projected implementation date March 2000.</p>	<p>Mrs. Jeanette Williams, Interim Vice Chancellor for Fiscal Affairs and Administration, Mr. Bobby Gray, Director of Accounting Services, Ms. Patricia Flanagan, Financial Aid Director, Dr. Ray L. Belton, Interim Vice Chancellor for Student Affairs, Dr. Gabriel Fagbeyiro, Director of MIS, and Ms. Aubra Ganitt, Interim Registrar.</p>



-- W. FOX MCKEITHEN
SECRETARY OF STATE
STATE OF LOUISIANA

JANE T. JONES
UNDERSECRETARY

P. O. Box 94125
BATON ROUGE, LOUISIANA 70804-9125
(504) 922-1211
(504) 922-0430

November 29, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

The following is the Department of State's official response to the reportable audit finding, **"Inadequate Controls Over Property Resulting in a Theft."**

The Department of State concurs in part with this finding. The State Archives currently maintains more than 30,000 cubic feet of archival records and artifacts. This represents a repository of millions of documents. The State Archives, like most archival institutions, catalogues its repository by records series. It would be impractical to undertake creation of a database of individual documents because of staffing and time restrictions. Our inventories provide basic information relative to our individual collections such as size of collection, location of collection, subject matter, date received and catalogued, whether collection is public or non-public, inclusive dates, and origins of donor. This is standard archival procedure. Accordingly, it is impossible for the State Archives, given the volume of records within its repository, to conduct a document by document audit. We realize this situation creates certain risks for our archival program. Archival repositories throughout the United States face this same dilemma.

Though we cannot execute a document by document audit of our archival holdings, the Department of State can conduct a "box by box" inventory to determine whether any boxes are missing or improperly filed. We considered conducting such an audit in the past, but such an undertaking would have adversely affected patron service. However, in light of the aforementioned audit finding, I have instructed Archivist Supervisor Troy Hayes to begin immediately a "box by box" audit of our archival repository. All non-boxed items such as artifacts, oversized maps, architectural plans, and paintings will be included in this audit. We anticipate concluding this audit by March 15, 2000. We plan to conduct this audit annually during the fourth quarter of each fiscal year beginning in 2001. In addition, the State Archives will also

conduct three "spot audits" each fiscal year to further ensure the integrity of our archival repository has not been compromised.

Dominick Dinecola, State Archives building manager, has been instructed to change the locks on the doors leading to the second floor archival stacks by no later than December 15, 1999. Keys to the second floor stacks will be issued only to employees assigned to the archives' acquisitions staff, to our building manager and his assistant, to the Department of State's security director, to the State Archives' security supervisor and her assistant, and one each to the Archives Administrator and his assistant. All keys will be stamped **"Do Not Duplicate"** as an added security precaution. Furthermore, employees and non-employees, excepting those assigned to the State Archives' acquisitions section, will henceforth be required to notify the acquisitions section supervisor prior to gaining access to the second floor stacks for any reason. Furthermore, these individuals, while in the stacks, will be accompanied by an employee of the acquisitions staff. Beginning December 1, 1999, all individuals accessing the second floor stacks will be instructed to sign a log prior to entering this area. On this log they will indicate their reason for being in the stacks, the time they entered the stacks, and the time they left. This log will be maintained by the acquisitions staff and reviewed daily. A similar log will be placed outside the freight elevator on the third floor to monitor persons conducting business in that area. That log too will be maintained by the acquisitions staff and likewise will be reviewed daily.

To further enhance security on the second and third floors, the Department of State recently installed cameras on those floors to monitor the activities of persons utilizing these areas. These cameras also provide surveillance for the vaults located on each of these floors. A state-of-the art 360-degree exterior security camera has also been installed to allow us to monitor activities in our two parking lots. We are further upgrading our security by ordering security key locks for our passenger and freight elevators. This system will allow us to limit access to the second, third, and fourth floors. Keys to these elevators will be assigned only to essential personnel. Persons not assigned keys will have to contact our security staff prior to gaining admission to any restricted area. Finally, as an additional security measure, I have instructed our security staff to increase the number of their daily patrols of the State Archives building and parking lot.

I should say the Department of State has always been cognizant of the importance of security. More than once we have sought budgetary assistance to purchase additional surveillance cameras for the State Archives building. Funding for these cameras was not granted until this past year. In addition, the agency will be using existing funds to install security key locks on the State Archives' two elevators.

Relative to the matter of unsupervised access to our vaults, employees assigned to the acquisitions section have always been allowed unmonitored access to the second floor vault. The person responsible for the aforementioned property theft was assigned to this section and therefore had access but not the combination to this vault. The only other State Archives employee provided unattended access to the vault was our document conservator who required infrequent access to check temperature and humidity levels and other environmental conditions. All other employees and non-employees (contractors, visitors, etc.) have always been accompanied while in

employees and non-employees (contractors, visitors, etc.) have always been accompanied while in the vault by an acquisitions section employee, a member of our security staff, or by the building manager or his assistant.

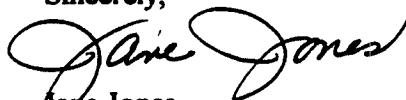
In light of this audit finding, beginning December 1, 1999, anyone seeking admission to the second and third floor vaults must be accompanied by a second person while in these areas. This includes employees assigned to the acquisitions section and our exhibits program. A log book will also be maintained inside both vaults that individuals must sign upon entering and leaving these areas. These individuals must also state their purpose for being in the vaults.

I should add we have upgraded our security for the second and third floor vaults by installing a security camera to monitor those accessing those vaults. The elevator security system that will be installed will also help restrict access to these vaults by unauthorized persons. Our security staff will periodically check to assure these vaults are secure when not being accessed.

The nature of the work performed by the State Archives requires we express a certain degree of trust in our individuals. Employees are often required to work independently of direct supervision. Unfortunately, the former employee responsible for the aforementioned property theft betrayed that trust we extended him. That incident has caused us tremendous embarrassment and grief. However, the perverse activities of one employee should not reflect negatively upon the many dedicated individuals within our agency. Every employee of the Department of State shares in a common grief because of his actions.

Thank you for the opportunity to respond to the aforementioned finding of your audit report. Please do not hesitate to call upon me at your convenience if I can provide additional information that may help clarify questions raised by your audit team. The Department of State is committed to providing the highest level of service to its patrons, and the agency appreciates any suggestions and comments that may enable us to become more efficient in the execution of our mandated duties.

Sincerely,

A handwritten signature in cursive script that reads "Jane Jones". The signature is fluid and elegant, with the first and last names clearly distinguishable.

Jane Jones

Undersecretary



State of Louisiana

BOARD OF TRUSTEES
STATE EMPLOYEES GROUP BENEFITS PROGRAM
P.O. BOX 44036, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804

July 21, 1999.

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804

Dear Dr. Kyle:

We have received an audit finding regarding *Noncompliance with Year 2000 Regulations*.

We concur with this finding. The agency has determined that the existing claims imaging system is noncompliant. As a result, we have begun the process to purchase a new imaging system that will be Year 2000 compliant to ensure that there is no disruption in operations.

Sincerely,

Jack W. Walker
Chief Executive Officer

B-146

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New Orleans 504-838-5136 Toll Free 1-800-335-6208 • Shreveport 318-676-7026 Toll Free 1-800-813-1574
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State of Louisiana

BOARD OF TRUSTEES
STATE EMPLOYEES GROUP BENEFITS PROGRAM
P.O. BOX 44036, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804

December 17, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804

Dear Dr. Kyle:

We have received an audit finding regarding ***Inadequate Information System Controls.***

We have addressed each deficiency separately.

- ***SEGBP does not have adequate backup and disaster recovery procedures for its claims imaging system.***

We concur that a segment of the imaging system is not duplicated. The database that drives the imaging system is backed up nightly, along with the data files on the Novell network. The part of the system, which is not duplicated, is the platters that store the actual images.

This deficiency will be eliminated by the new imaging system. The implementation of the new imaging system will require converting the existing images from the current platters to a newer technology. At this time, a duplicate of the platters will be made for archival purposes. The new system allows for the creation of duplicate platters for backup purposes.

- ***SEGBP does not have adequate security procedures to ensure that employees do not have access to data greater than their business needs.***

We concur with this finding. Our Information Systems Security Department reviewed the individuals deemed to have had access beyond their business needs. While those individuals did have access to applications that may be deemed beyond their business need, there were security restrictions with regards to the financial transactions that could be affected by these employees. If any of these employees had executed a transaction within their minimal financial capabilities, the system would have forwarded the executed transaction to the appropriate department for auditing.

- ***SEGBP does not have written procedures that require security administrators to regularly review user access in the ISIS systems.***

We concur with this finding. We are implementing written procedures that will require security administrators to regularly review user access in the AFS and AGPS systems.

B-147

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TDD (Baton Rouge) 225-925-6770 Toll Free 1-800-259-6771

- *The COO has unrestricted access to the computer room.*

According to the text of the finding, the COO of SEGBP does not possess a legitimate business need to access the computer center. We do not concur with this finding for the following reasons:

The CEO and the COO are responsible for all areas of operation of this agency including personnel and facility management. Restricting access to the computer center or other areas within the agency would prevent the CEO and/or the COO from properly monitoring activities within, and the condition of, SEGBP facilities.

The CEO and COO do not have unrestricted access to the computer center. With the exception of certain holidays, the computer center is staffed 24 hours a day 7 days a week with operating personnel. Access to and activities within the computer center are monitored by the operating personnel. Furthermore, a key card system records entry to the computer center. If the CEO or the COO enter the computer center, the event is logged and monitored for reference if needed.

Access to the computer center by the CEO or COO should not increase the risk of inadvertent or deliberate damage to computer equipment to any greater degree than current personnel who are hired without background checks to work in the computer center and Department of Corrections inmates who clean and maintain the area.

The risk of inadvertent or deliberate damage to computer equipment is limited by security controls both internal and external to the computer center. Security clearances and passwords are needed to access and manipulate data contained in equipment within the computer center. The security clearances and passwords issued to the CEO and COO are in conformance with agency IS internal controls policies.

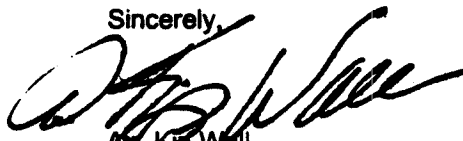
- *SEGBP does not have an IS auditor.*

We concur with this finding. This position was filled on October 26.

- *SEGBP does not have adequate transaction input procedures to ensure that claims and eligibility data are entered accurately.*

We concur with this finding. Quality control procedures were implemented in the CBE and CASSS units in May and June 1999, respectively. Eligibility currently validates a sample of the transactions that are entered daily. We agree that the use of batch totals to verify data entry and changes made to the master files is ideal, however the claims processing system does not provide for this. It is not feasible due to limited staffing to manually implement batch controls. We do acknowledge the validity of the use of batch controls throughout these processes and will review to determine the options.

Sincerely,



A. Kip Wall
Interim Chief Executive Officer



M. J. "MIKE" FOSTER, JR.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
P. O. Box 94245
Baton Rouge, Louisiana 70804-9245



KAM K. MOVASSAGHI
SECRETARY

August 30, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

FINDING: Failure to Monitor Preliminary Engineering Projects

Dear Mr. Kyle:

The Department concurs with the finding. Letters addressing each of the cited eight projects have been sent to the Federal Highway Administration (FHWA) Division office, with appropriate justification, requesting extensions to the ten year limit contained in the provisions of 23 CFR 630.307 (copies attached). All eight of these projects have projected letting dates within the next several years.

The one remaining project cited, the Huey P. Long Bridge, is a Transportation Infrastructure Model for Economic Development (TIMED) project. With the passage of Act 64 of 1998, the Louisiana Legislature extended funding for the program such that sufficient state funds will now be available to complete this project. Federal funds currently earmarked for the project will be refinanced using TIMED funds and the resulting federal funds reallocated to the next project in the highway priority program.

The Department is in the process of acquiring a comprehensive project scheduling/tracking system to upgrade the existing system. Presentations/negotiations are underway with a number of potential vendors, and funds to purchase the system are being made available. It is currently envisioned that full implementation of the new system is several years away, however the Department is committed to its acquisition. In the interim, the Department will use its existing system, and check to insure compliance with 23 CFR 603.307 as it develops its Statewide Transportation Improvement Plan (STIP) each year.

The Department's point of contact is Mr. Robert Boagni, Project Development Division Chief, 225-379-1304.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kam K. Movassaghi', with a stylized flourish at the end.

Kam K. Movassaghi, Ph.D., P.E.
Secretary

JBjr:mab



STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
P. O. Box 94245
Baton Rouge, Louisiana 70804-9245



M. J. "MIKE" FOSTER, JR.
GOVERNOR

August 30, 1999

KAM K. MOVASSAGHI
SECRETARY

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

FINDING: Untimely Closing of Projects

Dear Mr. Kyle:

The Department concurs with the finding. As noted, the Department has taken the corrective actions outlined in last year's management letter. The Department thoroughly staffed the issue and revised its procedures in conjunction with our federal partners. The revised policy was signed on June 9, 1999. The Department is conducting a review of the effected projects and will close out by default those that meet the established criteria. Release of federal funds will be timed to occur not earlier than October 1, 1999 (beginning of new federal fiscal year), in order to allow maximum time to have additional projects ready to re-obligate these funds.

Again consistent with last year's management letter concerning this finding, the Department was successful in gaining approval from the Division of Administration and the Legislature to increase its table of organization (T.O.) and create a cash management position. The new T.O. was effective on July 1, 1999. A position description and SF-1 is being prepared for submission to civil service. Once approved, the position will be posted and filled. The new position will have responsibility for, among other things, monitoring the timely close out of projects.

The Department's point of contact is Mr. Jimmy Little, 225-379-1503.

Sincerely,

Kam K. Movassaghi, Ph.D., P.E.
Secretary

JBjr:mab

B-151

AN EQUAL OPPORTUNITY EMPLOYER
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Administration Building, Room 1005
New Orleans, LA 70148-2050
(504) 280-6603
(504) 280-3973 FAX

September 1, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 North Third Street
Baton Rouge LA 70804-9397

Dear Dr. Kyle:

Please find below our management response to the FY 1998-99 audit finding of "Failure to Perform Due Diligence Collection Procedures" for our Perkins Loan program.

The University concurs with the finding.

The University has aggressively pursued collection on recently defaulted Perkins loans, especially those that affect our cohort default rate. We had realized earlier in this fiscal year that we did not have sufficient resources in house to pursue collection on all of our defaulted loans. We researched viable collection agencies with which to place these accounts, and found that only a very few agencies are competent to comply with all federal regulations regarding Perkins Loans collections. One such agency is the Louisiana Department of Justice – Collections Section.

We are currently in the process of placing all of our defaulted Perkins loans with the Department of Justice. The Department has informed us that they are very familiar with all federal regulations regarding Perkins collections, and that they are fully prepared to bring unresponsive defaulters into litigation on our behalf. We will continue to place all delinquent loans with this agency after exhausting our own in house collection efforts.

It is our sincere belief that by placing our defaulted loans with the Department we will satisfy all of the collection requirements imposed by federal regulations, and bring the University into full regulatory compliance by the end of this fiscal year.

Sincerely,



Daryl Hankel
Director



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

August 27, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804

Dear Dr. Kyle:

Re: Single Audit Finding-Improper Use of Recurring Revenue

Please be advised that we continue to not concur in the aforementioned finding for the same reasons we enumerated in the prior three fiscal periods in which this finding was presented. First, this issue and process was highly publicized and widely discussed through various public forums (which included legislative and executive branch participants) over an extended period of time. It was also reviewed extensively by various legal entities to assure that the mandates of the constitution were followed and that no legal challenges were made in accordance with the law. It is abundantly clear that all constitutionally mandated parties involved in this decision clearly fulfilled their constitutional and statutory requirements in accordance with the law.

To provide ultimate assurance as to this fact when this finding was originally presented in the prior fiscal period I requested, on December 10, 1996, an Attorney General's Opinion on this issue. On December 12, 1996, the Attorney General issued his opinion 96-519 which fully supported the position that the utilization of the undesignated fund balance for purposes of a current defeasement was proper and legal in all respects. By your recitation on an opinion which in no respect addresses the issue at hand, you are attempting to exercise an executive and legislative prerogative which is not supported. Your further recitations at determining intent are based upon your opinion and not fact or law.

I would further note that while your office is entitled to its opinion, it is the Attorney General who, as head of the Department of Justice, serves as the chief legal officer of the state, and ultimately the Judiciary who determines "intent" as it relates to statute or Constitutional law.

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Dr. Daniel G. Kyle, CPA, CFE
August 27, 1999
Page 2

It is also clear that based on your statement that *"paying short-term debt service requirements with non-recurring revenue makes the expected benefit of the Constitutional Amendment requiring defeasement 'in addition to the existing amortization requirement, 'unrealizable.' (Italics added),* that your staff has failed to consider the cost of the negative economic outcomes on the delivery of vital state services this action prevents. Further, your finding fails to disclose that over the last two years the defeasance actions sponsored and approved by the Executive and Legislative leadership resulted in debt reductions totaling \$621.5 million dollars over a five year period (FY 97-98 \$148,317,262; FY 98-99 \$155,087,833; FY 99-00 \$223,548,196; FY 00-01 \$64,295,708; FY 01-02 \$10,262,370).

Finally, as we noted in the prior year finding that the entities that ultimately generated and approved this process were entities outside of the Executive Branch of government, and therefore, the finding (which in our opinion is erroneous) is improperly cast against the Executive Office.

Sincerely,



Mark C. Drennen
Commissioner of Administration

MCD/sm

c: The Honorable Randy Ewing
President of the Senate

The Honorable Hunt Downer, Jr.
Speaker of the House of Representatives

The Honorable Tom Schedler
Chairman, Audit Advisory Committee

The Honorable Francis Thompson
Vice-Chairman, Audit Advisory Committee



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

September 27, 1999

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Re: Single Audit Finding-Inconsistent Application of the Statewide Cost Allocation Plan

We concur with the finding that due to the manner in which property and casualty insurance premiums were allocated to participating entities the potential for inequitable federal funding participation does exist for the period in question. We would also note that due to budgetary timeframes, corrective action could not be taken in time that would have assured that this potential also does not exist for FY 1999-00.

Members of this office met with representatives of the appropriate federal entities in January 1999, advising them of the potential problem and obtaining their desired direction for remediation (if required) of the past problem. Pursuant to their direction the following corrective action steps have been taken:

As stated, Mr. Whitman Kling and Mr. Howard Karlton of my staff met with the Director of DHHS's Division of Cost Allocation to discuss the issue and proposed a course of action to resolve the issue. DHHS desires to resolve the issue by February 28, 2000.

DOA has contracted with DMG-MAXMIUS, Inc. (DMG) to assist the State in the resolution of the issue.

DMG has developed fund balances by line of insurance in accordance with Federal cost recovery policies and procedures for fiscal years 1997 and 1998. Fund balances for FY 1999 will be developed after ORM has developed FY 1999 financial statements.

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DMG has developed for each year by line of insurance by agency the difference between ORM budgeted premiums and actual billings authorized by the Office of Planning and Budget.

A Risk Management Federal-funding questionnaire was developed and distributed to All State agencies. The questionnaire requested information on the source of funding for each line of insurance billed to each agency during FY 1997, 1998, and 1999.

Questionnaire responses are being reviewed and analyzed by DMG. Agencies receiving large Federal funding and/or agencies with questionable responses will be contacted by DMG for clarification and additional information.

Results of questionnaires and interviews will be utilized to determine a Federal participation percentage for each agency for each line of insurance for each year.

Federal participation percentages will be utilized to determine by agency by line of insurance the difference in federal funding between budgeted premiums and actual billed premiums.

Results of the Federal funding analysis will be reviewed with DHHS and, if necessary, a settlement amount and method for reimbursing the Federal government will be negotiated.

Finally, we would point out three factors, which should be noted in the finding, namely,

1. That the finding title is a misnomer, while the submitted data was as stated in the finding, the actual plan development and preparation was not inconsistent.
2. Prior to the fiscal period in question, the allocation of premiums favored agencies having federally funded programs.
3. It is our sincere belief that any negative impact, if one does exist, will be negligible.

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
September 27, 1999
Page 3

Thank you for the opportunity to reply. Should you have any questions, please contact Mr. Whitman Kling, Deputy Undersecretary at 342-7085.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark C. Drennen", written over a horizontal line.

Mark C. Drennen
Commissioner of Administration

MCD/WJK/sm



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 18, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Single Audit Finding – Internal Audit Function

We concur in part with the finding that additional internal audit resources are needed in all departments. At the same time we do not concur with that part of the finding which makes a subjective judgment statement that all entities named within the finding have an ineffective internal audit function. Further, the finding fails to delineate or reference the areas of departmental improvement made over the last reporting period.

This office continues to evaluate current internal audit needs and existing resource levels to ascertain the additional level of funding needed to provide that resource and works to find and provide those resources to the agencies. However, due to a lack of financial resources and this administration's stated objectives to do more with less, it will be incumbent upon each department to identify current resources which can be reallocated to be utilized for the internal audit function.

Sincerely,

Mark C. Drennen
Commissioner of Administration

MCD/WJK/sm

B-158



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 23, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

**RE: Single Audit Finding - Noncompliance with State's Moveable
Property Regulations**

The Division of Administration concurs with the finding regarding moveable property. An overwhelming majority of the findings at the agencies were for noncompliance with time limitations on tagging and reporting receipt of property into the state master inventory control system. While the nature of these findings is considered a serious matter, the Louisiana Property Assistance Agency does not believe that these findings merit that punitive sanctions against those agencies be imposed at this time. The Division of Administration and the Louisiana Property Assistance Agency has, and will continue to pursue corrective actions to ensure that these findings are not repeated. Mr. Floyd Rector, Acting Compliance Program Manager, is responsible for the corrective action.

A corrective action plan has been implemented wherein the affected agencies have been assigned to the Program Compliance Audit staff who have been assigned the responsibility to assist and monitor the agencies to bring them into compliance. The Louisiana Property Assistance Agency auditors will monitor the compliance of the affected agencies and advise agency management of any non-compliant situations that occur. The audit staff conducted six (6) statewide property training seminars in June and July, 1999 in which over 500 state property personnel were trained. The audit staff will continue to conduct training seminars and individual training for property personnel.

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Dr. Daniel G. Kyle
February 22, 1999
Page 2

It is our belief that with increased compliance effort, additional training, and more one-on-one contact with all agencies, there should be a reduction in future audit findings. Due to the size and moveable aspects of the state property inventory and the high turnover rate of agency property managers it is impossible for us to guarantee that there will be no future findings; however, this agency is dedicated to keeping any future findings to a minimum.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark C. Drennen', with a stylized flourish at the end.

Mark C. Drennen
Commissioner of Administration

MCD/FDR/jcc

Appendix C

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STATE OF LOUISIANA
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Appendix D

Summary Schedule of Prior Federal Audit Findings





LEGISLATIVE AUDITOR

STATE OF LOUISIANA Summary Schedule of Prior Federal Audit Findings

Fiscal Year	Single Audit Page Number	Finding Number	Finding Title	CFDA Number
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Findings Covering More Than One Federal Agency

Department of Education:

1998	65	F-98-CC-EDUC-2	Inadequate Controls for the Cash Management Improvement Act Agreement	Various
1998	55	F-98-CC-EDUC-1	Inadequate Controls Over Reimbursements to Subrecipients	10.558/84.Variou

Executive Department/OSRAP:

1998	66	F-98-CC-EXEC-2	Inadequate Monitoring of Cash Management Improvement Act Programs	Various
1998	56	F-98-CC-EXEC-1	Inconsistent Application of the Statewide Cost Allocation Plan	Various

Department of Health and Hospitals:

1998	59	F-98-CC-DHH-1	Audits of Federal Subrecipients and State Contractors Not Obtained	10.557/93.Variou
1997	77, 110	F-97-AG,HHS-DHH-1	Audits of Federal Subrecipients and State Contractors Not Obtained	10.Variou/93.Variou

Department of Social Services:

1998	64	F-98-CC-DSS-1	Failure to Perform Cost Allocation Samples Timely	10.561/93.Variou
1997	80, 119	F-97-AG,HHS-DSS-1	Audit Reports Not Monitored	10.561/93.658
1997	81, 120	F-97-AG,HHS-DSS-2	Failure to Perform Cost Allocation Samples Timely	10.561/93.Variou

U.S. Department of Agriculture

Louisiana School for the Deaf:

1997	82	F-97-AG-LSD-1	Internal Controls Over Meal Counts	10.553/10.555
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University Medical Center:

1998	69	F-98-AG-UMC-1	Inadequate Controls Over Food Instruments	10.557
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U.S. Department of Interior

Department of Wildlife and Fisheries:

1998	70	F-98-INT-DWLF-1	Vehicles Acquired With Federal Funds Used for Unallowed Activities	15.611
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(Continued)

Appendix D

State Agency	Questioned Costs	Current Status Per Auditee	Page No.	
Education	N/A	Fully corrected	D-11	
Education	\$214,211	QC unresolved; partially corrected	D-12	
Executive/OSRAP	N/A	Fully corrected	D-13	
Executive/OSRAP	Cannot Determine	Not corrected; repeat in 1999, p. 72	D-15	
Health and Hospitals	N/A	Partially corrected; repeat in 1999, p. 75	D-18	
Health and Hospitals	N/A	Partially corrected; Finding repeated in 1998, p. 59	*****	No schedule required.
Social Services	N/A	Fully corrected	D-19	
Social Services	N/A	Partially corrected; Finding repeated in 1998, p. 100	*****	No schedule required.
Social Services	N/A	Partially corrected; Finding repeated in 1998, p. 64	*****	No schedule required.
La. School for the Deaf	N/A	From 1997; fully corrected	D-20	
University Medical Center	N/A	Will audit in 2000.		
Wildlife and Fisheries	\$102,653	Will audit in 2000.		

LEGISLATIVE AUDITOR

STATE OF LOUISIANA Summary Schedule of Prior Federal Audit Findings

Fiscal Year	Single Audit Page Number	Finding Number	Finding Title	CFDA Number
<u>U.S. Department of Labor</u>				
Department of Labor:				
1998	61	F-98-CC-LABR-1	Improper Charging of Payroll Expenditures to Federal Programs	17.250/93.569
1998	62	F-98-CC-LABR-2	Inadequate Monitoring of JTPA and CSBG Subrecipients	17.246/17.250/93.569
<u>U.S. Department of Transportation</u>				
Department of Transportation and Development:				
1998	71	F-98-DOT-DOTD-1	Failure to Monitor Preliminary Engineering Projects	20.205
1998	72	F-98-DOT-DOTD-2	Untimely Closing of Projects	20.205
<u>General Services Administration</u>				
Executive Department/LFPAA:				
1998	73	F-98-GSA-EXEC-1	Inadequate Subrecipient Monitoring	39.003
1998	74	F-98-GSA-EXEC-2	Inaccurate Federal Financial Reports	39.003
<u>U.S. Department of Education</u>				
Board of Elementary and Secondary Education:				
1997	87	F-97-ED-BESE-1	Improper Payroll Records and Expenditures for Federal Grant Program	84.048
Department of Education:				
1998	75	F-98-ED-EDUC-1	Improper Administration of Joint Conference	84.027
1998	89	F-98-ED-EDUC-5	Inadequate Controls for Federal Cash Management	84.Various
1998	79	F-98-ED-EDUC-4	Unallowable Costs in Special Education	84.027
1998	76	F-98-ED-EDUC-2	Inadequate Controls for the Safe and Drug-Free Program	84.186
1998	78	F-98-ED-EDUC-3	Unallowable Costs for Trip to Italy	84.027
1997	88	F-97-ED-EDUC-1	Improper Administration of Joint Conference	84.027
1997	104	F-97-ED-EDUC-4	Inadequate Controls for Federal Cash Management	84.Various
1997	91	F-97-ED-EDUC-3	Unallowable Costs in Special Education Program	84.027

(Continued)

Appendix D

State Agency	Questioned Costs	Current Status Per Auditee	Page No.
Labor	\$174,959	Finding not corrected; repeat in 1999, p. 77; QC unresolved	D-21
Labor	N/A	Partially corrected; repeat in 1999, p. 90	D-22
Transportation and Development	\$820,445	Finding not corrected; QC resolved; repeat in 1999, p. 94	D-23
Transportation and Development	N/A	Finding not corrected; repeat in 1999, p. 95	D-24
Executive/LFPAA	N/A	Auditee does not concur; repeat in 1999, p. 97	D-25
Executive/LFPAA	N/A	Fully corrected	D-26
Bd of Elem and Sec Educ	\$39,423	From 1997; QC resolved; fully corrected	D-27
Education	\$7,815	QC unresolved; fully corrected	D-28
Education	N/A	Partially corrected; repeat in 1999, p. 103	D-29
Education	\$158,921	QC unresolved; partially corrected; repeat in 1999, p. 108	D-30
Education	\$142,461	QC unresolved	D-31
Education	\$10,592	QC resolved; No further action needed	D-32
Education	\$13,845	Partially corrected; QC unresolved; repeated in 1998, p. 75	D-33
Education	N/A	Partially corrected; repeat in 1998, p. 89	*****
Education	\$319,321	Finding unresolved; QC unresolved; repeat in 1998, p. 79	D-34

No schedule required.

LEGISLATIVE AUDITOR

STATE OF LOUISIANA
Summary Schedule of Prior Federal Audit Findings

Fiscal Year	Single Audit Page Number	Finding Number	Finding Title	CFDA Number
U.S. Department of Education (Cont.)				
Northwestern State University:				
1998	81	F-98-ED-NSU-1	Overaward of Title IV Aid	84.007/84.032/038
1997	93	F-97-ED-NSU-2	Student Financial Aid Deficiencies	84.032/84.033/84.063
1997	92	F-97-ED-NSU-1	Satisfactory Academic Progress Standards Not Adequately Monitored	84.007/032/038/063
1996	181	96-E-181-nsu5	Overaward - Financial Need Exceeded	84.032
1996	179	96-E-179-nsu11	Improper Title IV Refunds and Repayments	84.032/84.063
Nunez Community College:				
1998	80	F-98-ED-NUNEZ-1	Student Refunds and Enrollment Status	84.063/84.268
1996	162	96-E-162-nunez2	Financial Aid Not Coordinated	Various
Department of Social Services:				
1998	82	F-98-ED-DSS-1	Inadequate Controls Over Vocational Rehabilitation Grants to States Program	84.126
Southern University and A&M College (Baton Rouge):				
1998	86	F-98-ED-SUBR-1	Satisfactory Academic Progress	84.007/84.032/033/063
1998	87	F-98-ED-SUBR-3	Aid in Excess of Documented Need	84.032
1998	86	F-98-ED-SUBR-2	Federal Family Education Loan Limits	84.032
1997	100	F-97-ED-SUBR-1	Satisfactory Academic Progress	84.007/032/033/063
1997	102	F-97-ED-SUBR-3	Aid Exceeded Documented Need	84.007/032/033/063
Southern University at New Orleans:				
1998	87	F-98-ED-SUNO-1	Title IV Refunds	84.032/84.063
Southern University at Shreveport-Bossier City:				
1998	88	F-98-ED-SUSH-1	Title IV Refunds	84.063
Office of Student Financial Assistance:				
1998	83	F-98-ED-OSFA-1	Failure to Maintain Current Records	84.032

(Continued)

State Agency	Questioned Costs	Current Status Per Auditee	Page No.
Northwestern	\$10,209	Change of Corrective Action in 1999; QC unresolved; repeat in 1999, p. 111	D-35
Northwestern	\$4,200	QC unresolved; partially repeated in 1998, p. 81	D-36
Northwestern	\$60,883	Fully corrected; QC unresolved	D-37
Northwestern	\$711	Change of Corrective Action; QC resolved in 1999; repeated in 1997, p. 93	D-38
Northwestern	\$1,090	Change of Corrective Action; QC resolved	D-39
Nunez Community College	\$705	Will audit in 2000.	
Nunez Community College	\$1,332	Will audit in 2000.	
Social Services	\$257	QC unresolved; Change of Corrective Action; partially corrected; repeated in 1999, p. 113	D-40
Southern (Baton Rouge)	\$7,288	QC refunded in 1999; repeated in 1999, p. 116	D-41
Southern (Baton Rouge)	\$1,862	QC refunded in 1999; fully corrected in 1999	D-42
Southern (Baton Rouge)	\$5,908	QC refunded in 1999; fully corrected in 1999	D-43
Southern (Baton Rouge)	\$25,008	QC refunded in 1999; fully corrected in 1999 unresolved, repeated in 1998, p. 86	D-44
Southern (Baton Rouge)	\$6,900	QC still in negotiation; partially corrected in 1999; finding unresolved; repeated in 1998, p. 87	D-45
Southern (New Orleans)	N/A	Fully corrected	D-46
Southern (Shreveport)	N/A	Fully corrected	D-47
Student Fin Asst	N/A	Fully corrected	D-48

LEGISLATIVE AUDITOR

STATE OF LOUISIANA Summary Schedule of Prior Federal Audit Findings

Fiscal Year	Single Audit Page Number	Finding Number	Finding Title	CFDA Number
U.S. Department of Health and Human Services				
Delgado Community College: Through: United Brotherhood of Carpenters Health & Safety Fund				
1997	106	F-97-HHS-DELG-1	Excess Reimbursement of Expenditures in the Minority Worker Training Program	93.142
Department of Education:				
1998	91	F-98-HHS-EDUC-1	Inadequate Controls Over the Church-Based Tutorial Network	93.575
1997	107	F-97-HHS-EDUC-1	Inadequate Administration of the Church-Based Tutorial Network	93.575
Department of Health and Hospitals:				
1998	94	F-98-HHS-DHH-1	Failure to Reimburse Federal Share of Provider Overpayments	93.778
1998	97	F-98-HHS-DHH-4	Medicaid Third Party Liability Errors	93.778
1998	101	F-98-HHS-DHH-6	Medicaid Cash Management Errors	93.778
1998	96	F-98-HHS-DHH-3	Medicaid Provider Enrollment Procedures Not Always Followed	93.778
1998	98	F-98-HHS-DHH-5	Untimely Filing and Payment of Medicaid Bills	93.778
1998	95	F-98-HHS-DHH-2	Laboratory Services Payment Errors	93.778
1997	113	F-97-HHS-DHH-3	Failure to Reimburse Federal Share of Provider Overpayments	93.778
1997	125	F-97-HHS-DHH-8	Medicaid Cash Management Errors	93.778
Department of Public Safety and Corrections - Corrections Services:				
1998	103	F-98-HHS-DOC-1	Inadequate Controls Over Federal Program Reports and Expenditures	93.658
Department of Social Services:				
1998	100	F-98-HHS-DSS-2	Inadequate Monitoring of Subrecipients	93.558
1998	99	F-98-HHS-DSS-1	Inadequate Controls Over Foster Care Program	93.658
1998	104	F-98-HHS-DSS-3	Inadequate Controls Over Temporary Assistance to Needy Families Program	93.558
1998	105	F-98-HHS-DSS-4	Noncompliance With Cash Management Improvement Act - Excess Federal Funds	93.667
1997	121	F-97-HHS-DSS-3	Inadequate Documentation of Foster Care Payments	93.658

(Concluded)

Appendix D

State Agency	Questioned Costs	Current Status Per Auditee	Page No.
Delgado	\$26,776	From 1997; QC resolved; fully corrected	D-49
Education	\$51,788	QC unresolved; partially corrected; not repeated in 1999	D-50
Education	\$53,963	Partially corrected; QC unresolved; repeated in 1998, p. 37, 91	D-51
Health and Hospitals	\$3,032,637	QC refunded; partially corrected; repeat in 1999, p. 123	D-52
Health and Hospitals	\$68,496	QC resolved; fully corrected	D-53
Health and Hospitals	N/A	Partially corrected; Not repeat in 1999	D-54
Health and Hospitals	N/A	Partially corrected; repeat in 1999, p. 124	D-55
Health and Hospitals	\$843	QC refunded; fully corrected	D-56
Health and Hospitals	\$639	QC refunded; fully corrected	D-57
Health and Hospitals	\$428,292	Partially corrected; QC refunded; repeated in 1998, p. 94	D-58
Health and Hospitals	N/A	Finding unresolved; repeated in 1998, p. 101	*****
No schedule required.			
Public Safety - Corrections	N/A	Fully corrected	D-59
Social Services	N/A	Partially corrected; repeated in 1999, p. 81	D-60
Social Services	\$1,612	QC refunded; partially corrected; repeated in 1999, p. 131	D-61
Social Services	N/A	Fully corrected	D-62
Social Services	N/A	Fully corrected	D-63
Social Services	\$2,136	Repeated in 1998, p. 99; QC refunded in 1999; partially corrected in 1999	D-64

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**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Inadequate Controls for the Cash Management Improvement Act Agreement

Reference Number (from attached schedule of findings): F-98-CC-EDUC-2

Amount of Questioned Costs in Finding: \$ NONE

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☐

Initial Year of Finding: 1998

Page Number (from previous year Single Audit Report): 65

Program Name(s): Various

Federal Grantor Agency(s): United States Departments of Agriculture, Education, Labor, and Health and Human Services

CFDA Number(s): 10.553, 10.555, 10.558, 17.250, 84.010, 84.027, and 84.048

Status of Finding (check one):

Fully Corrected ☒ X

Not Corrected ☐

Partially Corrected ☐

No Further Action Needed ☐

Change of Corrective Action ☐

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The SDE developed a check clearance pattern for three consecutive months for each fund source and draw component which was submitted to the Office of Statewide Reporting and Accounting Policy (OSRAP). The SDE requested the development of an ad hoc report for CMIA draw information by fund source and draw component.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature

Dudley J. Haindel Jr

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Inadequate Controls Over Reimbursements to Subrecipients

Reference Number (from attached schedule of findings): F-98-CC-EDUC-1

Amount of Questioned Costs in Finding: \$ 214,211

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☒

Initial Year of Finding: 1998

Page Number (from previous year Single Audit Report): 55

Program Name(s): Various

Federal Grantor Agency(s): United States Departments of Agriculture and Education

CFDA Number(s): 10.558, 84.010, 84.048, 84.151, 84.027, 84.173

Status of Finding (check one):

Fully Corrected ☐

Partially Corrected ☒

Change of Corrective Action ☐

Not Corrected ☐

No Further Action Needed ☐

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The SDE conducted training for all payment managers related to regulatory requirements for liquidating FY 98/99 and future payments. The SDE conducted follow-up training for all payment staff related to unallowable items and estimated costs. The Federal Aid Subsystem was fully implemented in ISIS in July 1998. The SDE expects this subsystem to act as a substantial control over payments made beyond the boundary dates.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J. Laidley Jr.

Telephone Number: (225) 342-1518

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:

LA Executive Department/OSRAP

For the Year Ended June 30, 1999

Finding Title: Inadequate Monitoring of Cash Management

Improvement Act Programs

Reference Number (from attached schedule of findings): F-98-CC-Exec-2

Amount of Questioned Costs in Finding: \$ ---

Status of Questioned Costs (check one): Resolved x Unresolved:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

N/A

Page Number (from Single Audit Report): 66

Program Name(s): See attached

Federal Grantor Agency: Various

CFDA Number(s): See attached

Status of Finding (check one):

Fully Corrected

X

Not Corrected

Partially Corrected

No Further Action Needed

Change of Corrective Action

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

OSRAP began checking clearance patterns which agencies submitted and returning
those found defective for corrections. OSRAP also notified agencies to report
errors. This notification to the agencies took the form of a memo to the CMIA
agencies as well as an addition to the Policy and Procedure Manual which was
also given agencies.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [Signature]

Phone Number: (225) 342-7058

SCHEDULE 8-3 (CONT.)**F-98-CC-EXEC-2 – Inadequate Monitoring of Cash Management
Improvement Programs****Program Names, Federal Grantor Agencies, and CFDA Numbers:****U.S. Department of Agriculture:**

10.558 Child and Adult Care Food Program

Child Nutrition Cluster:

10.553 School Breakfast Program

10.555 National School Lunch Program

Food Stamp Cluster:

10.561 State Administrative Matching Grants for Food Stamp Program

U.S. Department of Interior:**Fish and Wildlife Cluster:**

15.605 Sport Fish Restoration

15.611 Wildlife Restoration

U.S. Department of Labor:

17.225 Unemployment Insurance

JTPA Cluster:

17.246 Employment and Training Assistance – Dislocated Workers

17.250 Job Training Partnership Act

U.S. Department of Transportation:

20.205 Highway Planning and Construction

U.S. Department of Education:

84.010 Title I Grants to Local Educational Agencies

84.048 Vocational Education – Basic Grants to States

84.126 Rehabilitation Services – Vocational Rehabilitation Grants to States

Special Education Cluster:

84.027 Special Education - Grants to States

U.S. Department of Health and Human Services:

93.558 Temporary Assistance for Needy Families

93.575 Child Care and Development Block Grant

93.658 Foster Care - Title IV-E

93.667 Social Services Block Grant

93.959 Block Grants for Prevention and Treatment of Substance Abuse

Medicaid Cluster:

93.778 Medical Assistance Program

Social Security Administration:

96.001 Social Security – Disability Insurance

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:

LA Executive Department/OSRAP

For the Year Ended June 30, 1999

Finding Title: Inconsistent Application of the Statewide

Allocation Plan

Reference Number (from attached schedule of findings): F-98-CC-Exec-1

Amount of Questioned Costs in Finding: \$ cannot determine

Status of Questioned Costs (check one): Resolved _____ Unresolved: X

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?

Are they still in negotiation?

An outside contractor is working to determine what, if anything, is owed.

Page Number (from Single Audit Report): 56

Program Name(s): See attached

Federal Grantor Agency: Various

CFDA Number(s): See attached

Status of Finding (check one):

Fully Corrected _____

Partially Corrected _____

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

X

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The state contracted with D. M. Griffith/Maximus to study the finding and
determine what, if anything, was due to the federal government. As of 10/14/99,
the contractor feels he is about 90% complete. He has promised a preliminary
draft in one month for management discussions. In his study, he is breaking the
billings/payments down by year, agency, and line of insurance. We feel we will
have a corrective action plan in place before the 2/2000 deadline.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [Signature]

Phone Number: (225) 342-7058

Filename: u:\home\marsha\99singau\sumsched\form.doc

Date: 5/11/99

SCHEDULE 8-3 (CONT.)**F-98-CC-EXEC-1 – Inconsistent Application of the Statewide
Cost Allocation Plan****Program Names, Federal Grantor Agencies, and CFDA Numbers:****U.S. Department of Agriculture:**

10.550 Food Distribution

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

10.558 Child and Adult Care Food Program

Food Stamp Cluster:10.551 Food Stamps

10.561 State Administrative Matching Grants for Food Stamp Program

Research and Development Cluster:Various Programs

U.S. Department of Interior:**Fish and Wildlife Cluster:**15.605 Sport Fish Restoration

15.611 Wildlife Restoration

Research and Development Cluster:Various Programs

U.S. Department of Labor:17.225 Unemployment Insurance

JTPA Cluster:17.246 Employment and Training Assistance – Dislocated Workers

17.250 Job Training Partnership Act

Research and Development Cluster:Various Programs

U.S. Department of Transportation:20.205 Highway Planning and Construction

Research and Development Cluster:Various Programs

General Services Administration:39.003 Donation of Federal Surplus Personal Property

Environmental Protection Agency:66.458 Capitalization Grants for State Revolving Funds

Research and Development Cluster:Various Programs

SCHEDULE 8-3 (CONT.)**F-98-CC-EXEC-1 – Inconsistent Application of the Statewide
Cost Allocation Plan****U.S. Department of Education:**

84.010	Title I Grants to Local Educational Agencies
84.048	Vocational Education – Basic Grants to States
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.186	Safe and Drug-Free Schools and Communities - State Grants
<u>Student Financial Assistance Cluster:</u>	
84.007	Federal Supplemental Educational Opportunity Grants
84.032	Federal Family Education Loans
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan Program - Federal Capital Contributions
84.063	Federal Pell Grant Program
84.268	Federal Direct Loan
<u>Special Education Cluster:</u>	
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
<u>Research and Development Cluster:</u>	
Various Programs	

U.S. Department of Health and Human Services:

93.558	Temporary Assistance for Needy Families
93.569	Community Services Block Grant
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658	Foster Care - Title IV-E
93.667	Social Services Block Grant
93.959	Block Grants for Prevention and Treatment of Substance Abuse
<u>Student Financial Assistance Cluster:</u>	
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students
93.364	Nursing Student Loan
93.820	Scholarships for Students of Exceptional Financial Need
<u>Medicaid Cluster:</u>	
93.775	State Medical Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers
93.778	Medical Assistance Program
<u>Research and Development Cluster:</u>	
Various Programs	

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:

Department of Health and Hospitals

For the Year Ended June 30, 1999

Finding Title: Audits of federal subrecipients and state contractors
not obtained.

Reference Number (from attached schedule of findings): F-98-CC-DHH-1

Amount of Questioned Costs in Finding: \$ _____

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☐

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Page Number (from Single Audit Report): 59

Program Name(s): Various Programs

Federal Grantor Agency: DHHS, Agriculture

CFDA Number(s): 10.557, 93.196, 93.268, 93.630, 93.917, 93.940, 93.958, 93.959, 93.994

Status of Finding (check one):

Fully Corrected ☐

Partially Corrected ☒

Change of Corrective Action ☐

Not Corrected ☐

No Further Action Needed ☐

{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The department is continuing to monitor progress towards correcting this finding.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. you should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corleum

Phone Number: (225) 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department of Social Services

For the Year Ended June 30, 1999

Finding Title: Failure to Perform Cost Allocation Samples-Timely

Reference Number (from attached schedule of findings): F-98-CC-DSS-1

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Briefly described the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Page Number (from '98 Single Audit Report): 64

Program Name(s): State Administrative Matching Grants for Food Stamps, Temporary Assistance
for Needy Families, Child Care Block Grant, Foster Care IV-E, Social Services
Block Grant

Federal Grantor Agency: USDA, DHHS

CFDA Number(s): 10.561, 93.558, 93.575, 93.658, 93.667

Status of Finding (check one):

Fully Corrected X
Partially Corrected
Change of Corrective Action

Not Corrected
No Further Action Needed
(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: (225) 342-4164

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT-FINDINGS**

Department/University or College/Commission/District: _____

Louisiana School for the Deaf

For the Year Ended June 30, 1998

Finding Title: Internal Controls Over Meal Counts

Reference Number (from attached schedule of findings): F-97-AG-LSD-1

Amount of Questioned Costs in Finding: \$0

Status of Questioned costs (check one): Resolved X Unresolved: _____

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 82

Program Name(s): School Breakfast Program; National School Lunch Program

Federal Grantor Agency: Louisiana Department of Education

CFDA Number (s): 10.533; 10.555

Status of Finding (check one):

Fully Corrected X

Not Corrected _____

Partially Corrected _____

No Further Action Needed _____

Change of Corrective Action _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Michael J. Feduccia

Phone Number: 769-8160

D-20

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:
Department of Labor

For the Year Ended June 30, 1999

Finding Title: Improper Charging of Payroll Expenditures to Federal Programs

Reference Number (from attached schedule of findings): F98 CC-LABR-1

Amount of Questioned Costs in Finding: \$ 174,959

Status of Questioned Costs (check one): Resolved _____ Unresolved: x

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

LDOL has not heard from USDOL regarding refund.

Page Number (from Single Audit Report): 3

Program Name(s): CSBG & JTPA

Federal Grantor Agency: USDOL

CFDA Number(s): 93:569 (CSBG) 17:250 (JTPA)

Status of Finding (check one):

Fully Corrected _____

Partially Corrected _____

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed x

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

We are still working on a resolution.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [Signature]

Phone Number: 342-2103

Filename: unhome\marsh\98singa\sumsched\form.doc
Date: 5/11/99

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:
LABOR

For the Year Ended June 30, 1999

Finding Title: Inadequate Monitoring of JTPA and CSBG Subrecipients

Reference Number (from attached schedule of findings): F-98-CC-LABR-2

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one): Resolved _____ Unresolved: x

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

N/A

Page Number (from Single Audit Report): 62-63

Program Name(s): JTPA and CSBG

Federal Grantor Agency: U.S. Dept. of Labor and U.S. Dept. of Health & Human Services

CFDA Number(s): JTPA-17.246 & 17.250 CSBG - 93.569

Status of Finding (check one):

Fully Corrected _____

Partially Corrected x

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The department issued memorandum to monitoring staff regarding the need for
preparation review and retention of work papers. The department will continue
issuing policy and procedures regarding monitoring of JTPA and CSBG subrecipients.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [Signature]

Phone Number: (225) 342-3103

Filename: u:\home\marsha\99singau\sumschedform.doc
Date: 5/11/99

Department / University or College / Commission / District:

Department of Transportation and Development

For the Year Ended June 30, 1999

Finding Title: Failure to Monitor Preliminary Engineering Projects

Reference Number (from attached schedule of findings): F-98-DOT-DOTD-1

Amount of Questioned Costs in Finding: \$ 820,445

Status of Questioned Costs (check one): Resolved: X Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

There were ten (10) preliminary engineering projects with questioned costs. One (1) project went to construction, two (2) were granted an extension, and seven (7) were withdrawn and cost returned to the grantor.

Page Number (from Single Audit Report): 71

Program Name(s): Highway Planning and Construction Program

Federal Grantor Agency: Federal Highway Administration

CFDA Number(s): 20.205

Status of Finding (check one)

Fully Corrected _____

Partially Corrected _____

Change of Corrective Action _____

Not Corrected X

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The Department is in the process of acquiring a comprehensive project scheduling/tracking system to upgrade the existing system. Presentations/negotiations are underway with a number of potential vendors, and funds to purchase the system are being made available. It is currently envisioned that full implementation of the new system is several years away, however the Department is committed to its acquisition. In the interim, the Department will use its existing system, and check to insure compliance with 23 CFR 603.307 as it develops its Statewide Transportation Improvement Plan (STIP) each year.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Patty D. Parsons

Phone Number: 374-1676

Department / University or College / Commission / District:
Department of Transportation and Development
For the Year Ended June 30, 1999

Finding Title: Untimely Closing of Projects

Reference Number (from attached schedule of findings): F-98-DOT-DOTD-2

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved: _____ Unresolved: X

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Of the 107 projects noted in the finding 44 projects were closed and 63 projects remain open.

Page Number (from Single Audit Report): 72

Program Name(s): Highway Planning and Construction Program

Federal Grantor Agency: Federal Highway Administration

CFDA Number(s): 20.205

Status of Finding (check one)

Fully Corrected _____

Not Corrected X

Partially Corrected _____

No Further Action Needed _____

Change of Corrective Action _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The Department concurs with the finding. As noted, the Department has taken the corrective actions outlined in last year's management letter. The Department thoroughly staffed the issue and revised its procedures in conjunction with our federal partners. The revised policy was signed on June 9, 1999. The Department is conducting a review of the effected projects and will close out by default those that meet the established criteria. Release of federal funds will be timed to occur not earlier than October 1, 1999 (beginning of new federal fiscal year), in order to allow maximum time to have additional projects ready to re-obligate these funds.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Lately D. Parsons

Phone Number: 378-1676

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

LOUISIANA FEDERAL PROPERTY ASSISTANCE

For the Year Ended June 30, 1999

Finding Title: Inadequate Subrecipient Monitoring

Reference Number (from attached schedule of findings): F-98-GSA-EXEC-1

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one): Resolved: _____ Unresolved: X

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Page Number (from '98 Single Audit Report): 73

Program Name(s): Donation of Surplus Federal Property

Federal Grantor Agency: USGSA

CFDA Number(s): 39.003

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The Louisiana Federal Property Assistance Agency does not concur with this finding. In a meeting at LFPAA on May 21, 1999, auditors from the Legislative Auditors Office and LFPAA management agreed that LFPAA would require agencies receiving surplus federal property valued in excess of \$300,000 FMV to provide LFPAA with an audited financial statement as required by OMB Circular A-133. During the 1998-99 fiscal year there were no recipients that received federal surplus property in excess of \$300,000 FMV.

LFPAA does not agree with the Legislative Auditor's interpretation of OMB Circular A-133. Agency management does not believe that LFPAA is required to monitor and maintain a file of audited financial reports for agencies that receive funding in excess of \$300,000 from federal sources other than LFPAA.

However, LFPAA will advise all recipients of their responsibility to provide LFPAA with an audited financial report if their combined federal funding exceeds \$300,000.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature:

Phone Number:



(504) 342-0700

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

LOUISIANA FEDERAL PROPERTY ASSISTANCE

For the Year Ended June 30, 1999

Finding Title: Inaccurate Federal Financial Reports

Reference Number (from attached schedule of findings): F-98-GSA-EXEC-2

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one): Resolved: X Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Page Number (from '98 Single Audit Report): 74

Program Name(s): Donation of Surplus Federal Property

Federal Grantor Agency: USGSA


CFDA Number(s): 39.003

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature:

Phone Number:


(504) 342-0700

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:

Board of Elementary and Secondary Education

For the Year Ended June 30, 1998

Finding Title: Improper Payroll Records and Expenditures for
Federal Program

Reference Number (from attached schedule of findings): F-97-ED-BESE-1

Amount of Questioned Costs in Finding: \$ 39,423

Status of Questioned Costs (check one): Resolved x Unresolved:

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 87

Program Name(s): Carl Perkins

Federal Grantor Agency: Department of Education

CFDA Number(s):

Status of Finding (check one):

Fully Corrected x

Partially Corrected

Change of Corrective Action

Not Corrected
No Further Action Needed

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Starting with the pay period 4/21/97 all employees that work
on any Carl Perkins activities report on variable time sheets
for the purpose of charging Salaries and Related Benefits.

Ineligible expenses totaling \$5,765.53 were returned in the next
fiscal year by reducing a drawdown of Carl Perkins funds by that
same amount.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: (504) 342-5846 George Griffith

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Improper Administration of Joint Conference

Reference Number (from attached schedule of findings): F-98-ED-EDUC-1

Amount of Questioned Costs in Finding: \$ 7,815

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☒

Initial Year of Finding: 1998

Page Number (from previous year Single Audit Report): 75

Program Name(s): Special Education – Grants to States

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.027

Status of Finding (check one):

Fully Corrected ☒

Not Corrected ☐

Partially Corrected ☐

No Further Action Needed ☐

Change of Corrective Action ☐

{see OMB A-133 Section 315 (b)(4)}

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The SDE—Division of Special Populations no longer enters into agreements with nonprofit organizations to cosponsor conferences. The SDE voided the agreement to cohost the Louisiana Association of Special Education Administrators Conference and have sought to clarify with the USDOE 34 CFR § 80.25 related to program income and allowable costs.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Inadequate Controls For Federal Cash Management

Reference Number (from attached schedule of findings): F-98-ED-EDUC-5

Amount of Questioned Costs in Finding: \$ NONE

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☐

Initial Year of Finding: 1998

Page Number (from previous year Single Audit Report): 89

Program Name(s): Various

Federal Grantor Agency(s): United States Department of Education

CFDA Number(s): 84.010, 84.011, 84.027, 84.048, 84.181, 84.196, 84.276, 84.281, 84.298

Status of Finding (check one):

Fully Corrected ☐
Partially Corrected ☒ X
Change of Corrective Action ☐

Not Corrected ☐
No Further Action Needed ☐
(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The SDE standard claim form has been revised to include cash balance on-hand. Funding guidelines for school districts were developed and released in July 1998. SDE instructions for adjustment of claims for cash balances on-hand at the district level has been scheduled for discussion at the November 1998 Education Finance Advisory Committee meeting, after which the instructions will be distributed to all school districts. The Expenditure Control staff will verify deduction of reported cash on-hand when processing claims for payment.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Unallowable Costs in the Special Education Program

Reference Number (from attached schedule of findings): F-98-ED-EDUC-4

Amount of Questioned Costs in Finding: \$ 158,921

Status of Questioned Costs (check one): Resolved Unresolved X

Initial Year of Finding: 1998

Page Number (from previous year Single Audit Report): 79

Program Name(s): Special Education – Grants to States

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.027

Status of Finding (check one):

Fully Corrected

Partially Corrected X

Change of Corrective Action

Not Corrected

No Further Action Needed

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The SDE contacted the United States Department of Education (USDOE) to clarify the criteria as to what constitutes a "material" change for state plans. Amendments to the Individuals with Disabilities Act of 1997 (IDEA) no longer require a State Plan to be submitted. Required budget information and amendments were submitted to the USDOE on April 26, 1999, which rendered moot the sections of the 1994-96 plan in question. The State Plan no longer authorizes positions, but, rather, a percentage of IDEA dollars which can be charged for administrative and/or state level activities. The SDE Office of Management and Finance will ensure adherence to the percentage of IDEA dollars approved for administrative and/or support services.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Inadequate Controls for the Safe and Drug-Free Program

Reference Number (from attached schedule of findings): F-98-ED-EDUC-2

Amount of Questioned Costs in Finding: \$ 142,461

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☒

Initial Year of Finding: 1998

Page Number (from previous year Single Audit Report): 76

Program Name(s): Safe and Drug-Free Schools and Communities -- State Grants

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.186

Status of Finding (check one):

Fully Corrected ☒

Not Corrected ☐

Partially Corrected ☐

No Further Action Needed ☐

Change of Corrective Action ☐

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The particular program to which this finding referred was transferred back to the Office of the Governor effective July 1, 1998. The SDE no longer has any relationship with the program.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J. Gaird

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Unallowable Costs for Trip to Italy

Reference Number (from attached schedule of findings): F-98-ED-EDUC-3

Amount of Questioned Costs in Finding: \$ 10,592

Status of Questioned Costs (check one): Resolved X Unresolved

Initial Year of Finding: 1998

Page Number (from previous year Single Audit Report): 78

Program Name(s): Special Education - Grants to States

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.027

Status of Finding (check one):

Fully Corrected

Partially Corrected

Change of Corrective Action

Not Corrected

No Further Action Needed X

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The trip took place in September 1996. Since then no further trips of this nature have occurred. In addition, the SDE received correspondence from the USDOE dated August 5, 1999 which stated the USDOE believes the travel expenses may be allowable costs. Accordingly, the SDE considers this matter resolved.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Improper Administration of Joint Conference

Reference Number (from attached schedule of findings): F-97-ED-EDUC-1

Amount of Questioned Costs in Finding: \$ 13,845

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☒

Initial Year of Finding: 1997

Page Number (from previous year Single Audit Report): 88

Program Name(s): Special Education – Grants to States

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.027

Status of Finding (check one):

Fully Corrected ☐

Partially Corrected ☒

Change of Corrective Action ☐

Not Corrected ☐

No Further Action Needed ☐

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The Department of Education—Division of Special Populations no longer enters into agreements with nonprofit organizations to cosponsor conferences. We have voided the agreement to cohost the 18th Louisiana Association of Special Education Administrators Conference and have sought to clarify with the USDOE 34 CFR § 80.25 related to program income and allowable costs. There is a repeat finding in the current year because the prior year finding was received too late to cancel the 17th Louisiana Association of Special Education Administrators Conference held at the beginning of the 97/98 fiscal year.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J. Haidel Jr

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Unallowable Costs in the Special Education Program

Reference Number (from attached schedule of findings): F-97-ED-EDUC-3

Amount of Questioned Costs in Finding: \$ 319,321

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☒

Initial Year of Finding: 1997

Page Number (from previous year Single Audit Report): 91

Program Name(s): Special Education – Grants to States

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.027

Status of Finding (check one):

Fully Corrected ☐

Not Corrected ☒

Partially Corrected ☐

No Further Action Needed ☐

Change of Corrective Action ☐

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The SDE contacted the United States Department of Education (USDOE) to clarify the criteria as to what constitutes a "material" change for state plans. Amendments to the Individuals with Disabilities Act of 1997 (IDEA) no longer require a State Plan to be submitted. Required budget information and amendments were submitted to the USDOE which rendered moot the sections of the 1994-96 plan in question. The State Plan no longer authorizes positions, but, rather, a percentage of IDEA dollars which can be charged for administrative and/or state level activities. The SDE Office of Management and Finance will ensure adherence to the percentage of IDEA dollars approved for administrative and/or support services.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: _____

Dwight J. Gaudel Jr.

Telephone Number: (225) 342-1518

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District: Northwestern State University

For the Year Ended June 30, 1999

Finding Title: Overaward of Title IV Aid

Reference Number (from attached schedule of findings): F-98-ED-NSU-1

Amount of Questioned Costs in Finding: \$ 10,209

Status of Questioned Costs (check one): Resolved: _____ Unresolved: X

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Resolution awaiting receipt of determination letter to determine if the university will be requested to repay.

Page Number (from Single Audit Report): 81

Program Name(s): Federal Supplemental Educational Opportunity Grants, Federal Family Education Loans, Federal Perkins Loan Program - Federal Capital Contributions

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.007; 84.032; 84.038

Status of Finding (check one):

Fully Corrected _____

Partially Corrected _____

Change of Corrective Action X

Not Corrected _____

No Further Action Needed _____

{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Response provided in November 6, 1998 letter addressed to Dr. Daniel G. Kyle describes corrective actions taken to prevent the overaward of Title IV aid. The steps described in the corrective actions were implemented as of the date of the aforementioned letter. Additional corrective action as a result of the 1999 Audit Finding: On March 3, 1999, management requested a program to detect overawards, known as the BKSAUD7, to be added to the Financial Aid Menu. The report will evaluate students' award packages to determine if overawards exist by listing each student's cost of attendance, expected family contribution and total aid awarded. If an overaward exists, the second disbursement of the student loan will be reduced accordingly. If funds have already been disbursed, the overaward will be charged accordingly to the student account and returned to the appropriate lender. Furthermore, management will consider all Title IV funds and all other financial resources in projected amounts for the entire award period. (See attached documents.)

Note: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [Signature]

Phone Number: 318-357-5286

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District: Northwestern State University

For the Year Ended June 30, 1999

Finding Title: Student Financial Aid Deficiencies

Reference Number (from attached schedule of findings): F-97-ED-NSU-2

Amount of Questioned Costs in Finding: \$ 4,200

Status of Questioned Costs (check one): Resolved: _____ Unresolved: X

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

The intentions of the federal government as to repayment of the questioned cost have not been addressed in a Final Determination Letter.

Page Number (from Single Audit Report): 93

Program Name(s): Federal Family Education Loans, Federal Work-Study Program, Federal Pell Grant Program

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.032; 84.033; 84.063

Status of Finding (check one):

Fully Corrected X
Partially Corrected _____
Change of Corrective Action _____

Not Corrected _____
No Further Action Needed _____
{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

1) Northwestern has reviewed its policy and procedures in regard to entrance interviews and is using the SCT Financial Aid Management (FAM) screens to monitor a student's entrance and exit interview forms. A student must complete the entrance interview prior to his/her student loan check being transferred to the Business Affairs Office for disbursement. On completion of the entrance interview, a flag on the FAM system is set which indicates to the loan clerk that the entrance interview has been completed. This process has been in effect during the 1997-98 financial aid year. When a student resigns from the university, he/she is given an exit interview upon returning the exit form to the Financial Aid Office for signature. At this time the exit flag is set on the FAM system to indicate that the exit interview has been completed. If the student does not bring the resignation form to the Financial Aid Office, the Financial Aid Office will mail the student an exit interview packet once the automated form is received from the Registrar's Office. These actions have been in effect for the 1997-98 financial aid year. 2) Financial aid for the student in question was reduced to cover the overaward and charged back to the student's account and the overaward amount was repaid by the student. All changes to a student's budget are now received by financial aid officers and the changes are logged on the budget screen on the FAM system. The documentation is filed in the student's financial aid folder with all other federal documentation. This has been in effect for the 1997-98 financial aid year.

Note: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [Signature]
Phone Number: 318-357-15286

D-36

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District: Northwestern State University

For the Year Ended June 30, 1999

Finding Title: Satisfactory Academic Progress Standards Not Adequately Monitored

Reference Number (from attached schedule of findings): F-97-ED-NSU-1

Amount of Questioned Costs in Finding: \$ 60,883

Status of Questioned Costs (check one): Resolved: ☐ Unresolved: ☒

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

The intentions of the federal government as to repayment of the questioned cost have not been addressed in a Final Determination Letter.

Page Number (from Single Audit Report): 92

Program Name(s): Federal Supplemental Educational Opportunity Grants, Federal Family Education Loans, Federal Perkins Loan Program - Federal Capital Contributions, Federal Pell Grant Program

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.007; 84.032; 84.038; 84.063

Status of Finding (check one):

Fully Corrected ☒

Not Corrected ☐

Partially Corrected ☐

No Further Action Needed ☐

Change of Corrective Action ☐

{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The university has adopted and implemented revised policies and procedures for monitoring and determining academic progress for financial aid eligibility. All computer programming has been checked to insure that all students are monitored at the end of each academic year for continued eligibility or at the end of the semester where the student's aid was continued as a result of an appeal. Northwestern's policy is in compliance with the newly adopted standards developed by the University of Louisiana System Board of Supervisors. Northwestern has completed its first run of the new revised progress program as of May, 1998 and has notified students who failed to make academic progress in accordance with university policy.

Note: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: 318-357-5286

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District: Northwestern State University

For the Year Ended June 30, 1999

Finding Title: Overaward - Financial Need Exceeded

Reference Number (from attached schedule of findings): 96-E-181-nsu5

Amount of Questioned Costs in Finding: \$ 711

Status of Questioned Costs (check one): Resolved: X Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

As per the Final Determination Letter dated January 30, 1998, questioned costs were refunded to the lender on February 26, 1998, check number 0246006 in the amount of \$711 payable to Central Bank.

Page Number (from Single Audit Report): 181

Program Name(s): Federal Family Education Loans

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.032

Status of Finding (check one):

Fully Corrected _____
Partially Corrected _____
Change of Corrective Action X

Not Corrected _____
No Further Action Needed _____
{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Response provided in November 6, 1998 letter addressed to Dr. Daniel G. Kyle describes corrective actions taken to prevent the overaward of Title IV aid. The steps described in the corrective actions were implemented as of the date of the aforementioned letter. Additional corrective action as a result of the 1999 Audit Finding: On March 3, 1999, management requested a program to detect overawards, known as the BKSAUD7, to be added to the Financial Aid Menu. The report will evaluate students' award packages to determine if overawards exist by listing each student's cost of attendance, expected family contribution and total aid awarded. If an overaward exists, the second disbursement of the student loan will be reduced accordingly. If funds have already been disbursed, the overaward will be charged accordingly to the student account and returned to the appropriate lender. Furthermore, management will consider all Title IV funds and all other financial resources in projected amounts for the entire award period. (See attached documents.)

Note: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: 318-357-5286

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District: Northwestern State University

For the Year Ended June 30, 1999

Finding Title: Improper Title IV Refunds and Repayments

Reference Number (from attached schedule of findings): 96-E-179-nsu11

Amount of Questioned Costs in Finding: \$ 1090

Status of Questioned Costs (check one): Resolved: X Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

The questioned costs were included and refunded to the federal government under repayment agreement EDNOTE99001 paid in full with interest by check number 0265597 in the amount of \$239,641.70 and check number 0271123 in the amount of \$231,076.55, both payable to the United States Department of Education.

Page Number (from Single Audit Report): 179

Program Name(s): Federal Pell Grant Program

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.063

Status of Finding (check one):

Fully Corrected _____
Partially Corrected _____
Change of Corrective Action X

Not Corrected _____
No Further Action Needed _____
{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable): The Questioned costs included improper refunds for five (5) students. Refunds have been calculated and as per final determination letter dated August 31, 1998, have been repaid. The Registrar's Office will provide the attendance report to the Student Financial Aid Office three times a semester from the instructors. The Student Financial Aid Office will run a query to determine those students who finished the semester with failing grades and received Title IV aid. The attendance record will be reviewed to determine whether refund and/or repayment is due. Appropriate action will be taken in accordance with Title 34 CFR 5682.607.

Note: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: 318-357-5286

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department of Social Services

For the Year Ended June 30, 1999

Finding Title: Inadequate Controls over Vocational Rehab. Grants to State Program

Reference Number (from attached schedule of findings): F-98-ED-DSS-1

Amount of Questioned Costs in Finding: \$ 257

Status of Questioned Costs (check one): Resolved _____ Unresolved: X

Briefly described the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Unable to determine the specific case to which cost relates based on the absence of purchase order. Purchase order requisitions are not required for general medical or basic evaluations.

Page Number (from '98 Single Audit Report): 82

Program Name(s): Basic Support

Federal Grantor Agency: Department of Education

CFDA Number(s): 84.126

Status of Finding (check one):

Fully Corrected _____

Partially Corrected X (1) _____

Change of Corrective Action X (2) _____

Not Corrected _____

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN

1) Mandated regional in-service training on the Legislative Auditor's report. Was completed and documented through sign-in-sheets for all counselors and counselor support staff from November 20, 1998 through January 25, 1999.

2) A BRIS case review will be conducted by a State Office Quality Assurance team by 10/29/99. BRIS case review will become annual procedure. One-on-one in-service training will be conducted by supervisors for counselors and whose cases were found to have compliance issues by December 31, 1999.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: (225) 342-4164

D-40

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:
Southern University - Baton Rouge Campus

For the Year Ended June 30, 1999

Finding Title: Satisfactory Academic Progress

Reference Number (from attached schedule of findings): F-98-KD-SUHR-1

Amount of Questioned Costs in Finding: \$ 7,288

Status of Questioned Costs (check one): Resolved X Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

The University has repaid the questioned costs to the federal government.

Page Number (from Single Audit Report): 86

Program Name(s): Federal Pell, FFEL, FWS, FSEOG

Federal Grantor Agency: The Department of Education

CFDA Number(s): 84.063, 84.032, 84.033, 84.007

Status of Finding (check one):

Fully Corrected X

Not Corrected _____

Partially Corrected _____

No Further Action Needed _____

Change of Corrective Action _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The questioned costs have been repaid and the University will adhere
to established policies and procedures to ensure that students who
receive financial aid meet the Satisfactory Academic Progress policy.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Debra L. Eghron

Phone Number: (225) 771-2790

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:
Southern University - Baton Rouge Campus

For the Year Ended June 30, 1999

Finding Title: Aid in Excess of Documented Need

Reference Number (from attached schedule of findings): F-98-ED-SUBR-3

Amount of Questioned Costs in Finding: \$ 1.862

Status of Questioned Costs (check one): Resolved X Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

The University has repaid the questioned costs to the federal government.

Page Number (from Single Audit Report): 87

Program Name(s): FFEL

Federal Grantor Agency: The Department of Education

CFDA Number(s): 84.032

Status of Finding (check one):

Fully Corrected

X

Not Corrected

Partially Corrected

No Further Action Needed

Change of Corrective Action

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to established procedures to ensure that students do not receive aid in excess of documented need.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Debra L. Ephron

Phone Number: (225) 711-2790

Filename: u:\home\marshals@ingsu\sumched\form.doc
Date: 5/11/99

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:
Southern University - Baton Rouge Campus

For the Year Ended June 30, 1999

Finding Title: Federal Family Education Loan Limits

Reference Number (from attached schedule of findings): F-98-ED-SUBR-2

Amount of Questioned Costs in Finding: \$ 5,908

Status of Questioned Costs (check one): Resolved ☒ Unresolved: ☐

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

The University has repaid the questioned costs to the federal government.

Page Number (from Single Audit Report): 86

Program Name(s): FFEL

Federal Grantor Agency: The Department of Education

CFDA Number(s): 84.032

Status of Finding (check one):

Fully Corrected

Partially Corrected

Change of Corrective Action

☒

☐

☐

Not Corrected

No Further Action Needed

(See OMB A-123 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to established procedures and monitor the aggregate loan limits through the information supplied by the National Student Loan Data System (NSLDS). The University will also ensure that the SCT software stops award entries on students that have reached the aggregate limit.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Delora L. Ephron

Phone Number: (225) 771-2790

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:
Southern University - Baton Rouge Campus

For the Year Ended June 30, 1999

Finding Title: Satisfactory Academic Progress

Reference Number (from attached schedule of findings): F-97-ID-SUBR-1

Amount of Questioned Costs in Finding: \$ 25,008

Status of Questioned Costs (check one): Resolved ☒ Unresolved:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

The University has repaid the questioned costs to the federal government.

Page Number (from Single Audit Report): 100

Program Name(s): Federal Pell, FFEK, FWS, FSEOG

Federal Grantor Agency: The Department of Education

CFDA Number(s): 84.063, 84.032, 84.033, 84.007

Status of Finding (check one):

Fully Corrected

☒

Not Corrected

Partially Corrected

No Further Action Needed

Change of Corrective Action

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The questioned costs have been repaid and the University will adhere
to established policies and procedures to ensure that students who
receive financial aid meet the Satisfactory Academic Progress policy.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Delora L. Egghorn

Phone Number: (225) 771-2790

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:
Southern University - Baton Rouge Campus

For the Year Ended June 30, 1999

Finding Title: Aid in Excess of Documented Need

Reference Number (from attached schedule of findings): F-97-SUBR-3

Amount of Questioned Costs in Finding: \$ 6,900

Status of Questioned Costs (check one): Resolved _____ Unresolved: X

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

The questioned costs are still under negotiation.

Page Number (from Single Audit Report): 102

Program Name(s): Federal Pell, FFEL, FWS, PSEOG

Federal Grantor Agency: The Department of Education

CFDA Number(s): 84.063, 84.032, 84.033, 84.007

Status of Finding (check one):

Fully Corrected _____

Partially Corrected X

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The University has established procedures to monitor all awards to ensure that students do not receive aid in excess of documented need.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Debra L. Eghon

Phone Number: (225) 771-2790

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:

SOUTHERN UNIVERSITY AT NEW ORLEANS

For the Year Ended June 30, 1999

Finding Title: Title IV Refunds

Reference Number (from attached schedule of findings): F-98-ED-SUNO-1

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved N/A Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

N/A

Page Number (from Single Audit Report): 87

Program Name(s): Federal Pell and FFEL

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.063, 84.032

Status of Finding (check one):

Fully Corrected

X

Partially Corrected

Change of Corrective Action

Not Corrected

No Further Action Needed

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to established policies and procedures; and will ensure that refunds are calculated properly and remitted in a timely manner.

The University calculated properly and distributed the noted refunds as required, and performed the repayment calculations for the three (3) students noted in this finding.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: _____

Phone Number: (504) 286-5117

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:
Southern University at Shreveport-Bossier City

For the Year Ended June 30, 1999

Finding Title: Title IV Refunds

Reference Number (from attached schedule of findings): F-98-ED-SUSH-1

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one): Resolved N/A Unresolved: N/A

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Page Number (from Single Audit Report): 88

Program Name(s): PELL

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.063

Status of Finding (check one):

Fully Corrected X

Partially Corrected

Change of Corrective Action

Not Corrected

No Further Action Needed

(See OMB A-133 Section 3100.413)

Description of Status: Include corrective action planned and anticipated completion date, if applicable:

The university has established procedures for processing Title IV
refunds within prescribed time frames. Those procedures call for
timely submissions of notices of withdrawal; calculation of applicable
refunds/repayments; and adjustments to student records. These
procedures are applicable to appropriate personnel in the Registrar's
Office, the Financial Aid Office, and the Business Office.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number: (318) 674-3481

Department/University or College/Commission/District:
Office of Student Financial Assistance

For the Year Ended June 30, 1999

Finding Title: Failure to Maintain Current Records

Reference Number (from attached schedule of findings): F-98-ED-OSFA-1

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved Unresolved:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

No questioned costs

Page Number (from Single Audit Report): 83

Program Name(s): Federal Family Education Loans

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.032

Status of Finding (check one):

Fully Corrected XXX

Partially Corrected

Change of Corrective Action

Not Corrected

No Further Action Needed

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Mella Hillman

Phone Number: 922-1043

Filename: u:\home\marsh\99sings\sumsched\form.doc
Date: 5/11/99

Schedule 8-3

Summary Schedule of Prior Federal Audit Findings

Department/University or College/Commission/District: Delgado Community College

For the Year Ended: June 30, 1998

Finding Title : Excess Reimbursement of Expenditures in the Minority Worker Training Program

Reference Number (from attached schedule of findings): F-97-HHS-DELG-1

Amount of Questioned Costs in Finding: \$ 26,776

Status of Questioned Costs (check one): Resolved X Unresolved _____

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 106

Program Name(s): Minority Worker Training Program

Federal Grantor Agency: United Brotherhood of Carpenters Health & Safety Fund

CFDA Number(s): 93.042

Status of Finding (check one):

Fully Corrected X

Partially Corrected _____

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

Description of Status(include corrective action planned & anticipated completion date, if applicable):

Corrective action was taken.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: (504) 483-4403

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Inadequate Controls Over the Church-Based Tutorial Network

Reference Number (from attached schedule of findings): F-98-HHS-EDUC-1

Amount of Questioned Costs in Finding: \$ 51,788

Status of Questioned Costs (check one): Resolved _____ Unresolved X

Initial Year of Finding: 1998

Page Number (from previous year Single Audit Report): 91

Program Name(s): Child Care and Development Block Grant

Federal Grantor Agency(s): Health and Human Services (HHS)

CFDA Number(s): 93.575

Status of Finding (check one):

Fully Corrected _____

Partially Corrected X

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

All movable property related to this finding, previously contained in the SDE property records, has been transferred to the participating entity, after approval by the Division of Administration. Unresolved movable property instances have been referred to the State Attorney General for resolution. The SDE is in the process of recovering payroll taxes paid in error. In addition, procedures will be established to train coordinators at operating sites in remitting payroll taxes to appropriate authorities. The program staff have conferred with the SDE Office of Management and Finance in order to develop procedures to verify claims supported by actual expenditures.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J. Harrell

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education (SDE)

For the Year ended June 30, 1999

Finding Title: Inadequate Administration of the Church-Based Tutorial Network

Reference Number (from attached schedule of findings): F-97-HHS-EDUC-1

Amount of Questioned Costs in Finding: \$ 53,963

Status of Questioned Costs (check one): Resolved _____ Unresolved X

Initial Year of Finding: 1997

Page Number (from previous year Single Audit Report): 107

Program Name(s): Child Care and Development Block Grant

Federal Grantor Agency(s): Health and Human Services (HHS)

CFDA Number(s): 93.575

Status of Finding (check one):

Fully Corrected _____

Partially Corrected X

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(see OMB A-133 Section 315 (b)(4))

Description of Status (include corrective action planned and anticipated completion date, if applicable):

As of the current fiscal year (97/98), the Church-Based Tutorial Network is no longer funded with federal funds. In addition, referral centers and nonpublic alternative schools are no longer funded. Finally, the program is currently attempting to conduct a complete audit of all sites to reconcile property inventories listed by the sites with Department records. The Department responded by letter dated July 1, 1997 to USHHS regarding questioned costs. As of this date, there has been no further communication from USHHS regarding the questioned costs.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J. Haridel Jr

Telephone Number: (225) 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:
Department of Health and Hospitals

For the Year Ended June 30, 1999

Finding Title: Failure to Reimburse Federal Share of Provider
Overpayments.

Reference Number (from attached schedule of findings): F-98-HHS-DHH-1

Amount of Questioned Costs in Finding: \$ 3,032,637

Status of Questioned Costs (check one): Resolved x Unresolved _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Funds refunded to federal government.

Page Number (from Single Audit Report): 94

Program Name(s): Medical Assistance Program

Federal Grantor Agency: DHHS

CFDA Number(s): 93.778

Status of Finding (check one):

Fully Corrected _____

Partially Corrected x

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Procedures with Attorney General's office were corrected. Due to misunderstanding about status of litigation involving 1 (one) provider we failed to record receivable timely in 1999 and finding was repeated.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. you should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corke

Phone Number: (225) 342-4379

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:
Department of Health and Hospitals

For the Year Ended June 30, 1999

Finding Title: Medicaid Third Party Liability Errors

Reference Number (from attached schedule of findings): F-98-HHS-DHH-4

Amount of Questioned Costs in Finding: \$ 68,496

Status of Questioned Costs (check one): Resolved ☒ Unresolved ☐

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Files adjusted where required and TPL claims sent to contractor for collection.

Page Number (from Single Audit Report): 97

Program Name(s): Medical Assistance Program

Federal Grantor Agency: HHS-HCFA

CFDA Number(s): 93.778

Status of Finding (check one):

Fully Corrected ☒

Partially Corrected ☐

Change of Corrective Action ☐

Not Corrected ☐

No Further Action Needed ☐

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. you should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corke

Phone Number: (225) 342-4379

SCHEDULE 8-3

Department/University or College/Commission/District:
Department of Health and Hospitals

For the Year Ended June 30, 1999

Finding Title: Medicaid Cash Management Errors.

Reference Number (from attached schedule of findings): F-98-HHS-DHH-6

Amount of Questioned Costs in Finding: \$_____

Status of Questioned Costs (check one): Resolved _____ Unresolved _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Page Number (from Single Audit Report): 101

Program Name(s): Medical Assistance Program

Federal Grantor Agency: DHHS

CFDA Number(s): 93.778

Status of Finding (check one):

Fully Corrected

Partially Corrected

Change of Corrective Action

Not Corrected

No Further Action Needed

{See OMB A-133 Section 315(b)(4)}

Description of Status: (Include corrective action planned and anticipated completion date, if applicable):

Department has implemented EFT on provider payments. This has reduced the volume of draws and allows more time for review so that when errors occur they are identified much sooner.

Corrections resulted in Exit comment in 1999.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. you should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corke

Phone Number: (225) 342-4379

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:
Department of Health and Hospitals

For the Year Ended June 30, 1999

Finding Title: Medicaid Provider Enrollment Procedures Not Always Followed

Reference Number (from attached schedule of findings): F-98-HHS-DHH-3

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved ☐ Unresolved ☐

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Page Number (from Single Audit Report): 96

Program Name(s): Medical Assistance Program

Federal Grantor Agency: DHHS - HCFA

CFDA Number(s): 93.778

Status of Finding (check one):

Fully Corrected ☐

Partially Corrected ☒

Change of Corrective Action ☐

Not Corrected ☐

No Further Action Needed ☐

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Non active cases will be closed by December 1999.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. you should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corbett

Phone Number: (225) 342-4379

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:
Department of Health and Hospitals

For the Year Ended June 30, 1999

Finding Title: Untimely Filing and Payment of Medicaid Bills

Reference Number (from attached schedule of findings): F-98-HHC-DHH-5

Amount of Questioned Costs in Finding: \$ 843

Status of Questioned Costs (check one): Resolved ☒ Unresolved ☐

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Recovered from providers and refunded to federal government.

Page Number (from Single Audit Report): 98

Program Name(s): Medical Assistance Program

Federal Grantor Agency: DHHS-HCFA

CFDA Number(s): 93.778

Status of Finding (check one):

Fully Corrected ☒

Partially Corrected ☐

Change of Corrective Action ☐

Not Corrected ☐

No Further Action Needed ☐

{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. you should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corbin

Phone Number: (225) 342-4379

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:

Department of Health and Hospitals

For the Year Ended June 30, 1999

Finding Title: Laboratory Services Payment Errors

Reference Number (from attached schedule of findings): F-98-HHS-DHH-4

Amount of Questioned Costs in Finding: \$ 639

Status of Questioned Costs (check one): Resolved ☒ Unresolved ☐

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Claims recycled and overpayments refunded to federal government.

Page Number (from Single Audit Report): 95

Program Name(s): Medical Assistance Program

Federal Grantor Agency: DHHS

CFDA Number(s): 93.778

Status of Finding (check one):

Fully Corrected

☒

Not Corrected

Partially Corrected

No Further Action Needed

Change of Corrective Action

{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. you should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkum

Phone Number: (225) 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:
Department of Health and Hospitals

For the Year Ended June 30, 1999

Finding Title: Failure to Reimburse Federal Share of Provider
Overpayments.

Reference Number (from attached schedule of findings): F-97-HHS-DHH-3

Amount of Questioned Costs in Finding: \$ 428,292

Status of Questioned Costs (check one): Resolved x Unresolved _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Funds refunded to federal government.

Page Number (from Single Audit Report): 113

Program Name(s): Medical Assistance Program

Federal Grantor Agency: DHHS

CFDA Number(s): 93.778

Status of Finding (check one):

Fully Corrected _____

Partially Corrected x

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Procedures established with Attorney General's office were not put into place soon enough and finding was repeated in 1998. Procedures involving the Attorney General were not repeated in 1999.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. you should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corbin

Phone Number: (225) 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District: Department of Public Safety and
Corrections - Corrections Services

For the Year Ended June 30, 1999

Finding Title: Inadequate Controls over Federal Program Reports and Expenditures

Reference Number (from attached schedule of findings): F-98-HHS-DOC-1

Amount of Questioned Costs in Finding: \$—

Status of Questioned Costs (check one): Resolved ☒ Unresolved: ☐

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Administrative Cost were estimated instead of using actual cost this resulted in an overpayment of \$8,131.
Allowable rates used for some residential care facilities were inadequate documentation by the DOC resulting in
overpaying by \$1,369 to one facility.
Corrected Invoice for Title IV-E Administrative expenses were forwarded to DSS for the FY 1998.
Corrected Title IV-E maintenance reimbursements were forwarded to DSS for the FY 1998.

Page Number (from Single Audit Report): 103

Program Name(s): Foster Care - Title IV-E Program

Federal Grantor Agency: US. Health and Human Services

CFDA Number(s): 93.658

Status of Finding (check one):

Fully Corrected ☒

Partially Corrected ☐

Change of Corrective Action ☐

Not Corrected ☐

No Further Action Needed ☐

{See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

Correction action implemented. Finding resolved.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Susan J. Roche

Phone Number: 225-342-6554

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department of Social Services

For the Year Ended June 30, 1999

Finding Title: Inadequate Monitoring of Subrecipients (Formerly Audit Reports Not Monitored)

Reference Number (from attached schedule of findings): F-98-HHS-DSS-2

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Briefly described the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Page Number (from '98 Single Audit Report): 100

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: DHHS

CFDA Number(s): 93.558

Status of Finding (check one):

Fully Corrected _____

Partially Corrected X

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN.

Implemented a computerized process for subrecipients monitoring of audit reports. Revised contract clause to include requiring the provider to notify the Department at the end of each contract period if an audit is due. Programmatic monitoring of subrecipients will vigorously continue until compliance is achieved.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: James Dawson

Phone Number: (225) 342-4164

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department of Social Services

For the Year Ended June 30, 1999

Finding Title: Inadequate Documentation of Foster Care Program

Reference Number (from attached schedule of findings): F-98-HHS-DSS-1

Amount of Questioned Costs in Findings: \$1612

Status of Questioned Costs (check one): Resolved: X Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Refunded to Federal Government.

Page Number (from '98 Single Audit Report): 99

Program Name (s): Foster Care IV-E

Federal Grantor Agency: DHHS

CFDA Number(s): 93.658

Status of Findings (check one):

Fully Corrected _____

Partially Corrected X _____

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (Include corrective action planned and anticipated completion date, if applicable):

The agency completed the following corrective action plans in response to this finding: 1. A fiscal adjustment was made to the federal claim. 2. A reminder directive in the form of a pop up window for the TIPS that alerts staff to print and file the 106 service authorization in the case record has been added to the computer program logic. 3. A corrective action policy training was conducted for eligibility staff. 4. An administrative memorandum was issued to staff statewide alerting them to the findings in this area.

NOTE:

Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: _____

Janice Dawson

Phone Number: _____

(225) 342-4164

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department of Social Services

For the Year Ended June 30, 1999

Finding Title: Inadequate Controls over Temporary Assistance to Needy Families Program

Reference Number (from attached schedule of findings): F98-HHS-DSS-3

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Briefly described the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Page Number (from '98 Single Audit Report): 104

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: DHHS

CFDA Number(s): 93.558

Status of Finding (check one):

Fully Corrected X

Partially Corrected

Change of Corrective Action

Not Corrected

No Further Action Needed

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Janice Dawson

Phone Number: (225) 342-4164

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department of Social Services

For the Year Ended June 30, 1999

Finding Title: Non-Compliance with Cash Management Improvement Act-Excess Federal Funds

Reference Number (from attached schedule of findings): F-98-HHS-DSS-4

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Briefly described the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Page Number (from '98 Single Audit Report): 105

Program Name(s): Social Services Block Grant

Federal Grantor Agency: DHHS

CFDA Number(s): 93.667

Status of Finding (check one):

Fully Corrected X

Not Corrected _____

Partially Corrected _____

No Further Action Needed _____

Change of Corrective Action _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: (225) 342-4164

SCHEDULE 8-5
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department of Social Services

For the Year Ended June 30, 1999

Finding Title: Inadequate Documentation of Foster Care Program

Reference Number (from attached schedule of findings): F-97-HHS-DSS-3

Amount of Questioned Costs in Findings: \$2136

Status of Questioned Costs (check one): Resolved: X Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Refunded to Federal Government.

Page Number (from '97 Single Audit Report): 121

Program Name (s): Foster Care IV-E

Federal Grantor Agency: DHHS

CFDA Number(s): 93.658

Status of Findings (check one):

Fully Corrected _____

Partially Corrected X _____

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

(See OMB A-133 Section 315(b)(4))

Description of Status: (Include corrective action planned and anticipated completion date, if applicable):

The agency completed the following corrective action plans in response to this finding: 1. The agency refunded the federal agency the amount of the finding. 2. The local offices were reminded of the procedures that they are to follow in terms of case record documentation relative to claims payment. 3. The issues identified were brought to the TIPS Committee in the State Office of Community Services that continually reviews audits, edits, and worker protocol relative to TIPS.

NOTE:

Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: James Dawson

Phone Number: (225) 342-4164

Acknowledgments



ACKNOWLEDGMENTS

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All other audit staff assistants

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