

DEPARTMENT OF EDUCATION

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Management Letter
Issued May 21, 2025

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Department of Education



May 2025

Audit Control # 80240058

Introduction

As a part of our audit of the State of Louisiana's Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2024, we performed procedures at the Department of Education (DOE) to provide assurances on financial information that is significant to the state's Annual Comprehensive Financial Report; evaluate the effectiveness of DOE's internal controls over financial reporting and compliance; and determine whether DOE complied with applicable laws and regulations.

In addition to the procedures noted above, we also performed certain other procedures for the period July 1, 2023, through June 30, 2024.

We also determined whether management has taken actions to correct the findings reported in the prior year.

Results of Our Procedures

Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in DOE's management letter dated May 8, 2024. We determined that management has resolved the prior-year findings related to Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act and Untimely Approvals of LaCarte Card and Travel Card Purchases.

Current-year Findings

Weakness in Controls over Payroll

DOE employees did not follow established payroll policies and procedures for the certification and approval of timesheets. Failure to follow established payroll policies and procedures increases the risk that payroll errors and/or fraud could occur and not be detected in a timely manner.

In a review of 13,937 timesheets processed between July 1, 2023, and June 30, 2024, we identified the following exceptions:

- 843 (6%) timesheets were certified by employees between one and 321 days after the payroll posting date.
- 1,896 (14%) timesheets were approved by supervisors between one and 470 days after the payroll posting date.
- 406 (3%) timesheets were not certified by employees.
- 706 (5%) timesheets were not approved by supervisors.

DOE utilizes electronic timesheets in the Cross-Application Time Sheet (CATS) system. DOE's time and attendance policy requires employees to certify their timesheets in CATS by the last day of the biweekly payroll period, supervisors to approve timesheets by the Wednesday following the end of the biweekly payroll period (payroll posting date), and agency timekeepers to ensure timesheets are certified and approved. DOE management indicated that this was caused by a lack of oversight.

Management should provide supervisory oversight to ensure that employees comply with existing policies and procedures, including certifying and approving timesheets in a timely manner. Management concurred with the finding and provided a plan of corrective action (see Appendix A, pages 1-2).

Weaknesses in Controls over Movable Property

DOE employees did not ensure that all purchases of movable property were properly recorded in the state property system in accordance with state property regulations. Failure to comply with state property regulations could result in inaccurate financial reporting and increases the risk that assets may be misreported, lost, or stolen.

A test of assets entered into the state property system disclosed the following:

- 174 (86%) of 203 assets with acquisition costs totaling \$1,271,590 that were acquired between July 1, 2023, and June 26, 2024, were entered into the state property system from 46 to 262 days after the required 60-day period.
- 1,980 assets with acquisition costs totaling \$3,877,693 that were acquired prior to July 1, 2023, were entered into the state property system from 168 to 6,150 days after the required 60-day period.
- The acquisition cost entered into the state property system for one asset purchased during fiscal year 2024 was overstated by \$117,002.

DOE management stated that these issues occurred due to human error and limited staff during a time when there was a significant increase in assets purchased during the COVID-19 pandemic for nonpublic schools.

The Louisiana Administrative Code and DOE's movable property policy require that all movable property having an acquisition cost of \$1,000 or more be tagged with a uniform state of Louisiana identification tag and all pertinent inventory information be forwarded to the Louisiana Property Assistance Agency within 60 calendar days after receipt of the item.

DOE management should provide supervisory oversight to ensure movable property records are accurate, complete, and timely entered into the state property system, and ensure that the correct acquisition cost is entered in the state property system for the asset that was previously reported incorrectly. Management concurred with the finding and provided a plan of corrective action (see Appendix A, pages 3-4).

Annual Comprehensive Financial Report – State of Louisiana

As a part of our audit of the Annual Comprehensive Financial Report for the year ended June 30, 2024, we considered internal control over financial reporting and examined evidence supporting certain account balances/classes of transactions, as follows:

Agency 681 – Subgrantee Assistance

- Federal revenues
- Expenditures

Agency 695 – Minimum Foundation Program

- Expenditures

Based on the results of these procedures, we did not report any findings. In addition, the account balances and classes of transactions tested are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2024, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on DOE's major federal programs, as follows:

- Title I Grants to Local Educational Agencies (Assistance Listing 84.010)
- Student Support and Academic Enrichment Program (Assistance Listing 84.424)

Those tests included evaluating the effectiveness of DOE's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether DOE complied with applicable program requirements. In addition, we performed certain procedures on information submitted by DOE to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA) and on the status of the prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings, as required by Uniform Guidance.

Based on the results of these procedures, we did not report any findings. In addition, DOE's information submitted for the preparation of the state's SEFA and the state's Summary Schedule of Prior Audit Findings is materially correct.

Other Procedures

In addition to the Annual Comprehensive Financial Report and Single Audit procedures noted above, we performed certain procedures that included obtaining, documenting, and reviewing DOE's internal control and compliance with related laws and regulations over the Student Scholarships for Educational Excellence Program, LaCarte purchasing card and Travel card expenditures, payroll certifications, and movable property.

Based on the results of these procedures, we reported findings related to Weakness in Controls over Payroll and Weaknesses in Controls over Movable Property, as described previously.

Trend Analysis

We compared the most current and prior-year financial activity using DOE's Annual Fiscal Reports and/or system-generated reports and obtained explanations from DOE's management for any significant variances.

Other Reports

On May 15, 2024, and December 11, 2024, reports were issued by Louisiana Legislative Auditor's Performance Audit Services to evaluate DOE's risk-based monitoring of special education services and DOE's oversight of the use of seclusion and restraint for students with disabilities and the laws and regulations related to

allegations of staff abuse of students with disabilities, respectively. These reports are available on the Louisiana Legislative Auditor's website.

The recommendations in this letter represents, in our judgment, those most likely to bring about beneficial improvements to the operations of DOE. The nature of the recommendations, their implementation costs, and their potential impact on the operations of DOE should be considered in reaching decisions on courses of action. The findings related to DOE's compliance with applicable laws and regulations should be addressed immediately by management.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

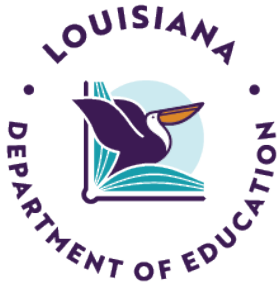


Michael J. "Mike" Waguespack, CPA
Legislative Auditor

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DOE 2024

APPENDIX A: MANAGEMENT'S RESPONSES



Dr. Cade Brumley
STATE SUPERINTENDENT

P.O. Box 94064 | Baton Rouge, LA 70804-9064

April 15, 2025

Michael J. Waguespack, CPA
Louisiana Legislative Auditor
1600 North 3rd St.
P.O. Box 94397
Baton Rouge, La. 70804

Re: Weakness in Controls over Payroll

Dear Mr. Waguespack,

Please accept this letter as the Louisiana Department of Education's (LDOE) official response to the Louisiana Legislative Auditor's (LLA) audit of LDOE's payroll controls. A review of the audit finding has been conducted, and we concur with the finding. Additionally, LDOE has outlined the following corrective actions.

Recommendation:

LDOE management should enforce and monitor procedures to ensure time sheets are certified and approved by employees and supervisors in a timely manner.

LDOE Response:

LDOE concurs with the finding that there were instances where time sheets were not certified by employees and supervisors in a timely manner.

When reviewing the untimeliness of noted time certifications, LDOE concluded that some of the late time certifications by employees and supervisors occurred due to employees being termed, on annual/sick leave or FMLA leave, and not certifying time until they returned to the office.

Human Resources Payroll Manager, Tangla Washington and Human Resources Director, Harinika Shropshire will implement corrective actions. The corrective actions will be implemented during the week of April 7, 2025 and will be continuous. The corrective action plan consists of reiterating the importance of completing time certification deadlines within the proper pay period. This will be accomplished by sending a biweekly email to time keepers, during pay period weeks, as a reminder to certify time. A reminder will also be included quarterly in the agency's weekly Executive Download.

LDOE will also conduct internal monthly audits across divisions to ensure timely compliance with certification of time sheets.

Additionally, on April 17, 2025, LDOE's HR Payroll Manager and Executive Director will present at an Administrative Assistant meeting for timekeepers. The presentation will consist of a detailed discussion about timekeeping guidelines and re-emphasizing key points regarding timely certification during corresponding payroll periods.

If you have any questions regarding this response, you may contact Linda Tolbert by telephone at 225-342-0514 or via email at Linda.Tolbert@la.gov.

Sincerely,

Linda Tolbert, Ph.D.

Linda Tolbert, Ph.D.

Deputy Chief of Staff for Organizational Development

cc: Dr. Cade Brumley, State Superintendent

Ken Bradford, Chief of Staff



Dr. Cade Brumley
STATE SUPERINTENDENT

P.O. Box 94064 | Baton Rouge, LA 70804-9064

April 28, 2025

Mr. Michael J. Waguespack, CPA
Louisiana Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack,

Please accept this letter as the official response from the Louisiana Department of Education (LDOE) to the Louisiana Legislative Auditor's (LLA) audit of Movable Property.

LDOE Response to Finding 1

The LDOE concurs with this finding. The timeline for processing these assets was challenging, given the surge in inventory. The substantial backlog that resulted from this influx, combined with the limited workforce, led to delays in entering the movable property assets into LaGov outside the required 60-day period. Several efforts were made to adhere to the LPAA guidelines. Please note that multiple extension requests for the Annual Certification Inventory process were submitted, all referencing the previously outlined issues.

LDOE Response to Finding 2

The LDOE concurs with this finding. During the COVID-19 pandemic, the LDOE was provided with federal funds to help Nonpublic schools reopen. The number of participating schools and inventory requests caused a sudden and unprecedented influx of property that needed to be tagged and recorded in our inventory system. Due to the volume of inventory requiring entry into LaGov and tagging, it far exceeded the capacity of our team at that time. The LDOE was operating with limited staff who were responsible for managing the entire inventory process while navigating under limited circumstances due to the pandemic. This scale of responsibility, in conjunction with the unforeseen and urgent need to account for COVID-related property, made it incredibly difficult to keep up with the tagging and entry requirements within the mandated 60-day window.

The processing timeline for these assets proved challenging due to a significant increase in inventory volume. This surge created a substantial backlog, which, when coupled with limited staffing resources, resulted in delays in entering the movable property assets into LaGov within the required 60-day timeframe. Despite these obstacles, multiple efforts were made to remain in compliance with LPAA guidelines. Please note that several extension requests for the Annual Certification Inventory process were submitted, each citing the aforementioned challenges.

LDOE Response to Finding 3: The LDOE concurs with this finding. Regarding the discrepancy in the acquisition cost for one asset identified in your review, we have thoroughly examined the issue and believe this was due to an error in data entry. The invoice lists the acquisition cost as \$84,592, but an incorrect figure of \$201,593.73 was inadvertently entered into LaGov.

LDOE Corrective Action Plan:

1. Additional Staffing and Resource Allocation:

- Short-Term and Long-Term Solution: We increased the number of employees on the team to assist with the immediate backlog and to ensure that inventory tagging and data entry are completed within the required 60-day period.

2. Process Improvements and Automation:

- Improved Asset Tracking Procedures: With the hiring and shifting of additional duties to staff, a more streamlined procedure for the receipt, tagging, and entry of assets has been implemented. This includes setting up a more systematic approach to managing high-volume periods, such as designating specific windows of time for processing large batches of inventory.

3. Training and Staff Development:

- We've implemented regular collaborative training sessions for all staff members involved in inventory management. We also attend all mandatory LPAA training and take advantage of additional resources circulated from LPAA. This will ensure that everyone is up-to-date on the latest policies and procedures, as well as best practices for data entry and asset tracking. We will also include error prevention strategies, such as double-checking asset entry against supporting documentation (e.g., invoices), to help avoid issues like the acquisition cost discrepancy.

4. Ongoing Monitoring and Auditing:

- To ensure ongoing compliance, we will establish a routine auditing process to regularly review inventory entries and tagging. This will help identify any issues and allow us to take corrective actions before discrepancies become larger problems.
- We will also designate a person to conduct spot checks periodically to ensure that tagging is completed within the 60-day requirement.

5. Collaboration with Key Stakeholders:

- We will continue to communicate regularly with the LLA's office and other relevant stakeholders to provide updates on our progress. We also plan to seek feedback and guidance on any further improvements we can make to ensure compliance.

These measures will help address the root causes of the delays and errors in our inventory management process, and we are committed to preventing similar issues from arising in the future. Further questions concerning this response may be directed to Nina Harper via email at nina.harper@la.gov.

Sincerely,
DocuSigned by:

Ken Bradford

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KEN BRADFORD

Chief of Staff
Louisiana Department of Education

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Department of Education (DOE) for the period from July 1, 2023, through June 30, 2024, to provide assurances on financial information significant to the State of Louisiana's Annual Comprehensive Financial Report, and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2024.

- We evaluated DOE's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to DOE.
- Based on the documentation of DOE's controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the Annual Comprehensive Financial Report.
- We performed procedures on the following federal programs for the year ended June 30, 2024, as a part of the 2024 Single Audit.
 - Title I Grants to Local Educational Agencies (Assistance Listing 84.010)
 - Student Support and Academic Enrichment Program (Assistance Listing 84.424)
- We performed certain procedures on information for the preparation of the state's Schedule of Expenditures of Federal Awards and on the status of prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings for the year ended June 30, 2024, as a part of the 2024 Single Audit.
- We compared the most current and prior-year financial activity using DOE's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from DOE's management for significant variances.

In addition, we performed certain other procedures for the period from July 1, 2023, through June 30, 2024. Our objective was to evaluate certain controls DOE uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of these procedures was significantly less than an audit conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The purpose of this report is solely to describe the scope of our work at DOE, and not to provide an opinion on the effectiveness of DOE's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review DOE's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. DOE's accounts are an integral part of the State of Louisiana's Annual Comprehensive Financial Report, upon which the Louisiana Legislative Auditor expresses opinions.