



# Report Highlights

## Louisiana State University Health Sciences Center – New Orleans

### Louisiana State University System

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Financial Audit Services • May 2021

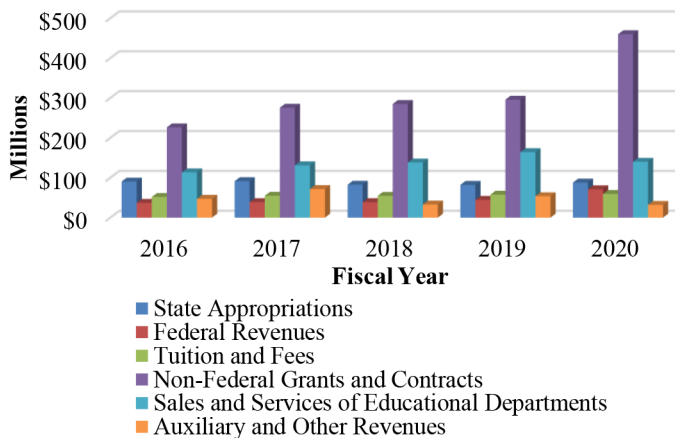
## Why We Conducted This Audit

We performed certain procedures at the Louisiana State University Health Sciences Center – New Orleans (LSUHSC-NO) as a part of the Louisiana State University System audit and our work on the Single Audit of the State of Louisiana, and to evaluate LSUHSC-NO’s accountability over public funds for the period July 1, 2019, through June 30, 2020.

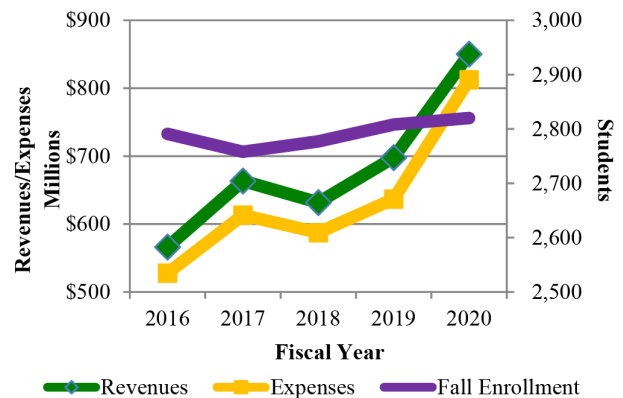
## What We Found

- LSUHSC-NO did not have adequate controls over project closeouts or accounting records for the Research and Development cluster federal program. In a sample of 40 transactions, five (12.5%) transactions were posted to projects between 133 and 244 days after the period of performance ended.
- Financial information relating to the following accounts was materially correct, as adjusted: capital assets, receivables, net position, nongovernmental grants and contracts revenue, and educational and general expenses.
- In analyzing financial trends of LSUHSC-NO over the past five fiscal years, enrollment has been fairly stable, while total revenues increased by 50% and expenses have increased by 54%. The majority of the increase is related to increases in non-governmental contract revenue and related operating expense in fiscal year 2017 due to renegotiations in clinical contract amounts with area hospitals to include fair market value for billings and in fiscal year 2020 due to the new Medicaid Managed Care Quality Incentive Program contracts that LSUHSC-NO administers on behalf of the Louisiana Department of Health and surrounding hospitals. In addition, federal revenues increased by 60% in fiscal year 2020, mainly due to funding received for construction projects related to the interim LSU hospital.

**Five-Year Revenue Trends**



**Fiscal/Enrollment Trends**



**Source:** Fiscal Years 2016-2020 LSU System Audit Reports and Louisiana Board of Regents Website

View the full report, including management’s response, at [www.lla.la.gov](http://www.lla.la.gov).