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*Louisiana*

**Single Audit Report  
for the Year Ended  
June 30, 2003**

**Legislative Auditor**

State of Louisiana  
Single Audit Report  
For the Year Ended June 30, 2003



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**STATE OF LOUISIANA**  
Independent Auditor's Reports on  
Compliance With State and Federal Laws  
and Regulations, Internal Control, and  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

The Auditor's Report on the State of Louisiana's Basic Financial Statements dated December 3, 2003, 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 and New Orleans 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 Office of Inspector General of the United States Department of Health and Human Services, which is the cognizant federal agency for the Single Audit of the State of Louisiana.

March 31, 2004



March 10, 2004

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

The Legislative Auditor audits the activities of state departments, agencies, universities, and other organizational units to ensure accountability and to review compliance with certain laws and regulations relating to financial matters. The audit scope encompasses both state and federal funds. The State of Louisiana Single Audit Report, along with the June 30, 2003, *Comprehensive Annual Financial Report*, provides an overview of the financial operations of Louisiana state government.

This year, we issued an unqualified opinion on the state's June 30, 2003, basic financial statements. Significant changes in financial reporting were required in fiscal year 2002 as a result of the implementation of Statements 34 and 35 of the Governmental Accounting Standards Board and these changes continued to impact financial reporting in fiscal year 2003.

The 2003 Single Audit Report includes a report on the Schedule of Expenditures of Federal Awards, along with reports on compliance with laws and regulations and internal control over financial reporting and federal programs for the State of Louisiana. The state resolved 69% of its findings included in the prior Single Audit Report. This year's report contains 60 matters that require the attention of state government, including questioned costs in federal programs totaling in excess of \$1.6 million. The respective federal grantors will ultimately determine the resolution of the 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 identifies three findings that are considered to be material weaknesses in internal control over financial reporting. Two of these findings relate to the lack of a disaster recovery/business continuity plan at the two major revenue collection agencies of the state. The other material weakness over financial reporting relates to the lack of support for a restatement of capital assets.

The report also identifies two findings that are considered to be material weaknesses in internal control over federal programs. One finding relates to ineffective controls over subrecipient monitoring and the other relates to noncompliance with grant requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, written over a light blue horizontal line.

Grover C. Austin, CPA  
First Assistant Legislative Auditor

**STATE OF LOUISIANA**  
**SINGLE AUDIT REPORT**  
For the Fiscal Year Ended June 30, 2003

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# Executive Summary



**EXECUTIVE SUMMARY**  
For the Fiscal Year Ended June 30, 2003

## **Introduction**

The Single Audit Report for the fiscal year ended June 30, 2003, 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 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."

## **Findings and Questioned Costs**

As a result of auditing Louisiana's basic 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.

A total of 60 findings were reported within this year's Single Audit Report. This total includes 36 findings (60%) that were repeat findings from a prior audit.

The 2003 Single Audit Report discloses questioned costs of \$1,604,030, 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.

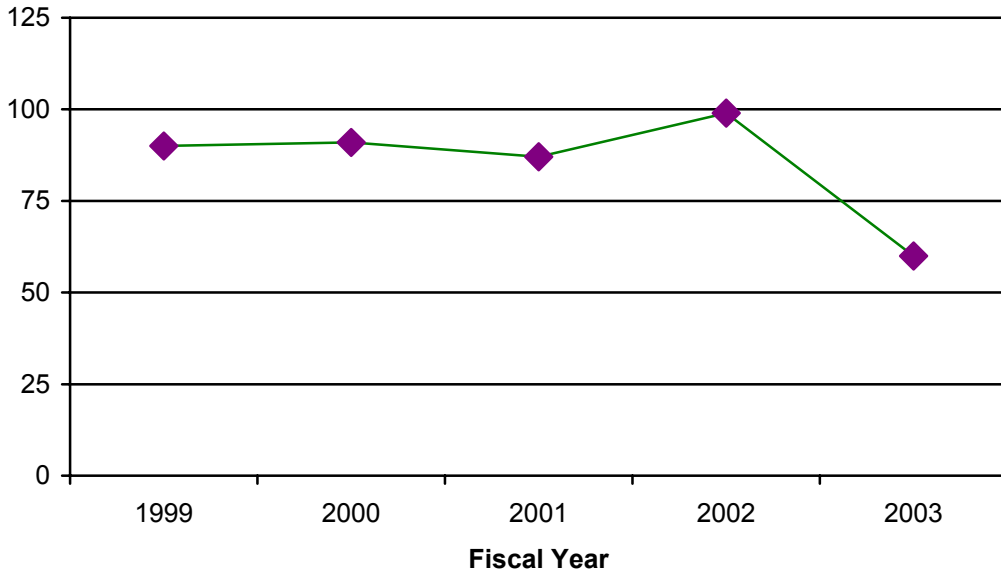
The following pages contain graphical descriptions of the trend of total findings over the past five years, the number of repeat findings as compared to new findings for this fiscal year, and the state's reported questioned costs over the past five years.



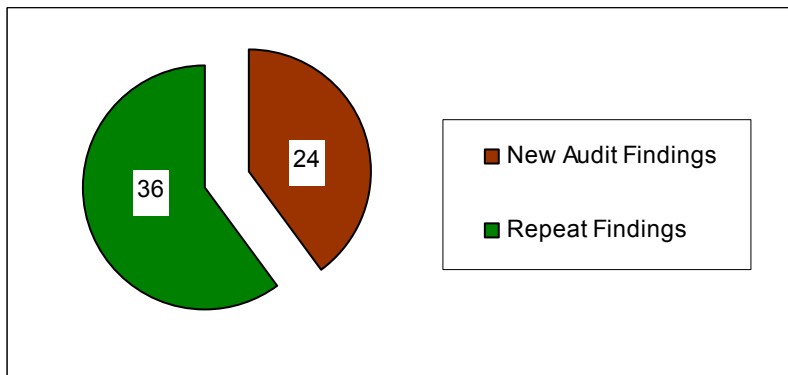
**EXECUTIVE SUMMARY**  
For the Fiscal Year Ended June 30, 2003

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

**Findings**



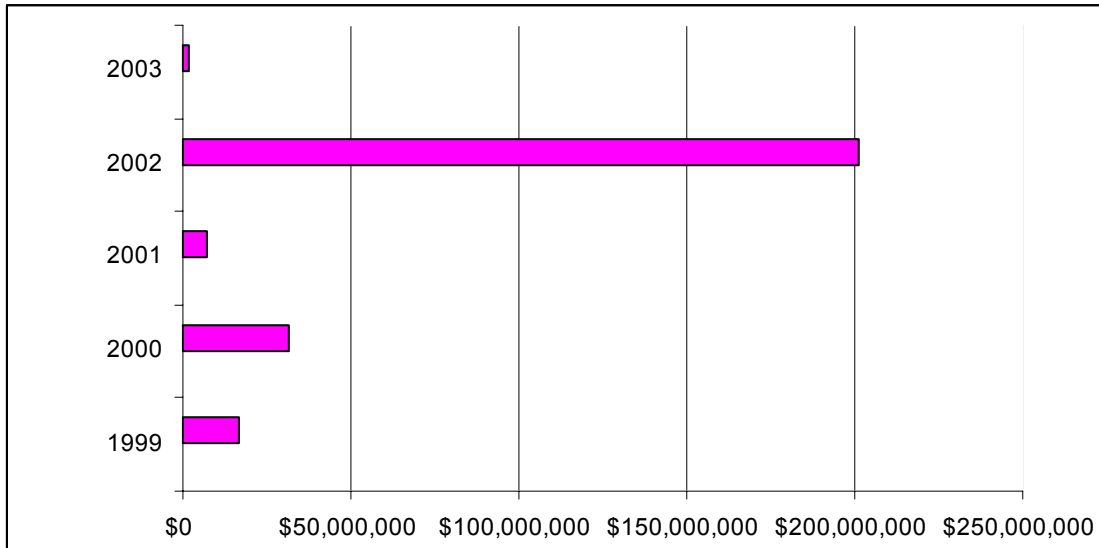
**Fiscal Year 2003  
Comparison of Repeat Findings  
to New Findings**



## **EXECUTIVE SUMMARY**

For the Fiscal Year Ended June 30, 2003

### **Trend of Questioned Costs Over the Past Five Years**



### **Statewide Areas of Concern**

Two findings were reported in the 2003 Single Audit Report that warrant statewide concern and were reported as statewide findings. For a finding to be considered a statewide finding, 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.

**EXECUTIVE SUMMARY**  
For the Fiscal Year Ended June 30, 2003

**Statewide Findings**

***FS-03-CAFR-1 - Weaknesses in Information Systems' Controls***

The Division of Administration did not have adequate internal control to ensure that physical and logical access to the state's computer systems and facilities was limited, reviews of the computer systems and data centers were performed, and certain system settings and appropriate policies and procedures were implemented. The lack or inadequacy of these internal controls in statewide systems could result in loss of state assets; fraud, destruction, and sabotage; system downtime or failure; inaccurate data; ineffective design, implementation, operation, and security of critical system applications and resources and could place the state at risk for noncompliance with certain industry best practices and Office of Information Technology standards and policies. See Schedule B, page 16.

***FS-03-ORM-1 - Deficit in Road Hazard Line of Insurance***

The Road Hazard line of insurance has accumulated a deficit of \$605,000,000, at June 30, 2003, which resulted from the Office of Risk Management (ORM) making claim payments for road hazards over several years, while no premiums were collected from the state Department of Transportation and Development to cover settlement of suits against the State of Louisiana. For five consecutive years, it was reported that ORM used premiums collected from state agencies for various other lines of insurance, such as medical malpractice, general liability, automobile, et cetera, to fund road hazard claim payments. In addition, a decision was made by state officials to make a settlement payment of \$5 million to a plaintiff based on a trial court decision instead of filing the appropriate appeal. If state officials had pursued the issues through the appropriate legal channels, in lieu of settlement, the Road Hazard Program might have decreased the deficit in the program by \$5 million. See Schedule B, page 50.

## **Material Weaknesses in Internal Control**

### **Financial Statement Findings**

As a result of the 2003 Single Audit, three findings were considered material weaknesses in internal control over financial reporting.

#### ***FS-03-DNR-3 - Lack of a Disaster Recovery/Business Continuity Plan***

For the second consecutive year, the Department of Natural Resources did not have a disaster recovery/business continuity plan. In addition, the department did not allocate current funds to obtain access to an offsite disaster facility. Failure to implement a disaster recovery/business continuity plan increases the risk that untimely or excessive delays in processing critical data may occur and that critical data may be lost. See Schedule B, page 35.

#### ***FS-03-DOR-8 - Weaknesses in GenTax System***

The Department of Revenue did not have sufficient internal control over the new tax accounting system (GenTax) functions, which could affect the integrity of processing, financial data, and financial reporting. The first phase of GenTax went on-line effective February 1, 2003, when the accounting for individual withholding, international fuel tax agreement, and beer taxes were moved to the system. For fiscal year ended June 30, 2003, GenTax processed approximately \$115.8 million of tax collections, as well as other transactions, during the period February 1, 2003, to June 30, 2003. One of the deficiencies noted by the auditors was that the department did not have a written business continuity or disaster recovery plan. See Schedule B, page 48.

#### ***FS-03-HCSD-2 - Inadequate Support for Restatement of Capital Assets***

For the second consecutive year, the Louisiana State University Health Sciences Center - Health Care Services Division (HCSD) was unable to provide adequate documentation to support its restatement of capital assets, which affects beginning balances for fiscal year 2003 by approximately \$79 million (at cost). The restatement was reported in HCSD's Annual Fiscal Report (AFR) for the fiscal year ended June 30, 2002, and was included in the beginning balances for fiscal year ended June 30, 2003. Because HCSD could not support its beginning capital asset cost, the accumulated depreciation as of June 30, 2001, of \$330,604,506 reported in its fiscal year 2002 AFR, as well as depreciation reported by HCSD in its Medicare and Medicaid cost reports, may be overstated since both are based upon that cost. See Schedule B, page 29.

## EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 2003

### Federal Award Findings

As a result of the 2003 Single Audit, two findings were considered material weaknesses in internal control over compliance with federal program requirements.

#### ***F-03-CC-EDUC-2 - Ineffective Controls Over Subrecipient Monitoring***

For the third consecutive year, the state Department of Education (SDE) did not have adequate internal control to monitor subrecipients for compliance with program requirements of certain federal programs as required by federal regulations. The SDE's failure to adequately monitor subrecipients impairs the department's evaluation of the impact of subrecipient activities on its own ability to comply with laws and regulations applicable to the federal programs. The department passed through a total of \$375,353,670 in federal funds to subrecipients during fiscal year 2003. This finding resulted in total questioned costs of \$77,680. See Schedule C, page 66.

#### ***F-03-HHS-DSS-5 - Child Care Cluster: Noncompliance With Grant Requirements***

The Department of Social Services (DSS) did not comply with certain federal requirements for administering the federal child care cluster. The child care cluster is comprised of the Child Care and Development Block Grant (CFDA 93.575) and the Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596) programs. Federal regulations require DSS to accurately prepare financial reports and follow the specific earmarks that are required by Congress, in the amounts specified by the Administration for Children and Families. Auditors discovered that several earmarking requirements had not been met by the department and expenditures were overstated and understated by millions of dollars. In addition, required immunization records documenting eligibility were not being maintained. See Schedule C, page 89.

### Disaster Recovery/Business Continuity Plans

The findings noted previously (page xiii) at the Department of Natural Resources and the Department of Revenue were considered to be material weaknesses because these two departments are the state's two major state revenue collection agencies. The lack of a disaster recovery/business continuity plan in either of these departments introduces a serious risk in that, in the event of a disaster, excessive delays in processing critical data may occur and critical data may be lost. Excessive delays and the loss of critical data could impact the state's ability to accurately report financial information in the state's *Comprehensive Annual Financial Report*. Furthermore, business operations may not be able to continue in the event of a disaster.

## **EXECUTIVE SUMMARY**

For the Fiscal Year Ended June 30, 2003

In addition to the material weaknesses reported at these agencies, similar reportable conditions relative to disaster recovery/business continuity plans were cited for Louisiana State University Health Sciences Center (New Orleans) (Schedule B, page 31), Orleans Levee District (Schedule B, page 36), and the Southern University System (Schedule B, page 58).

### **Subrecipient Monitoring of Federal Programs**

The finding noted previously (page xiv) at the Department of Education was considered to be a material weakness because of the high risk that noncompliance with federal program requirements of the department's subrecipients may occur and not be detected by the department in a timely manner. The department passed through a total of \$375,353,670 in federal funds to subrecipients during fiscal year 2003, thus causing the requirements for subrecipient monitoring to have a direct and material effect on the federal programs administered by the department.

The state administered a total of \$8,363,431,463 in major program expenditures during fiscal year 2003, and \$862,780,367 (10.3%) of those expenditures were passed down to subrecipient agencies to administer (page A-163). As the pass-through entity of these federal funds, the state is required to monitor the subrecipient's use of the federal awards through site visits or other means to provide reasonable assurance that the subrecipient administers the federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. The pass-through entity is also responsible for ensuring that required audits are completed within nine months of the end of the subrecipient's audit period, issuing a management decision on audit findings within six months after receipt of the subrecipient's audit report, and ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. Failure to adequately monitor subrecipients impairs a pass-through entity's evaluation of the impact of subrecipient activities on its own ability to comply with laws and regulations applicable to the federal programs.

In addition to the material weakness noted at the Department of Education, reportable conditions existed within the Department of Social Services (Schedule C, page 73) as well as the Governor's Office of Elderly Affairs (Schedule C, page 85) in the area of subrecipient monitoring. The federal compliance requirement for subrecipient monitoring continues to be an area where deficiencies are noted in state agencies each year.

## EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 2003

### Expenditures of Federal Awards

In addition to auditing the state's financial statements, we examined expenditures of major federal award programs administered by the State of Louisiana reporting entity. For fiscal year ended June 30, 2003, the State of Louisiana reported over \$9.4 billion in monetary and non-monetary activity (including loan programs) for the federal award programs administered by the state.

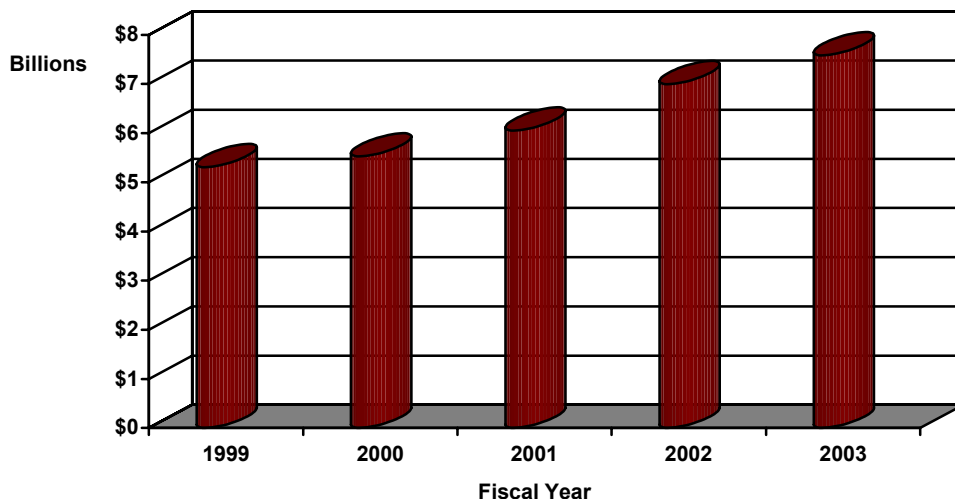
Major federal award programs within the State of Louisiana were identified on a statewide basis in accordance with the criteria established by OMB Circular A-133 and the Single Audit Act as amended in 1996. Major federal award programs for the year ended June 30, 2003, as defined by the criteria mentioned above, accounted for approximately 88% of the state's expenditures (activity) of federal award programs for the year ended June 30, 2003.

The following graphs illustrate total expenditures of federal awards disbursed by the state. Illustrations include the trend of expenditures (excluding loan programs) over the past five years, total major versus other programs, major versus other programs by federal agency, and the percentage of total federal awards by federal agency.

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

Fiscal Year 2003 Total Expenditures of Federal Awards  
(Appendix A)

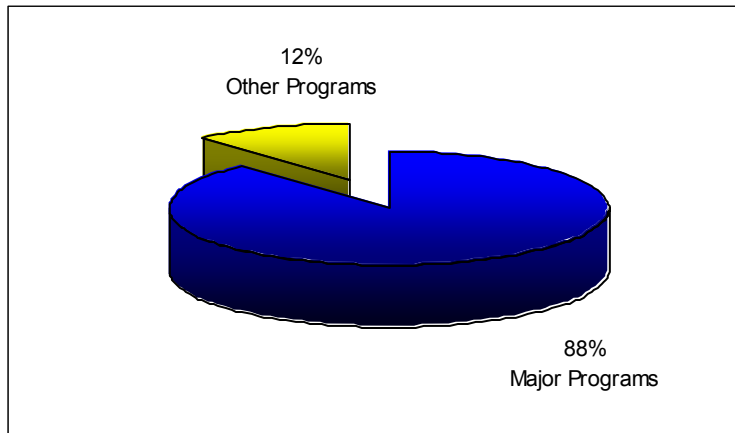
\$7,583,285,307  
(excluding loan programs)



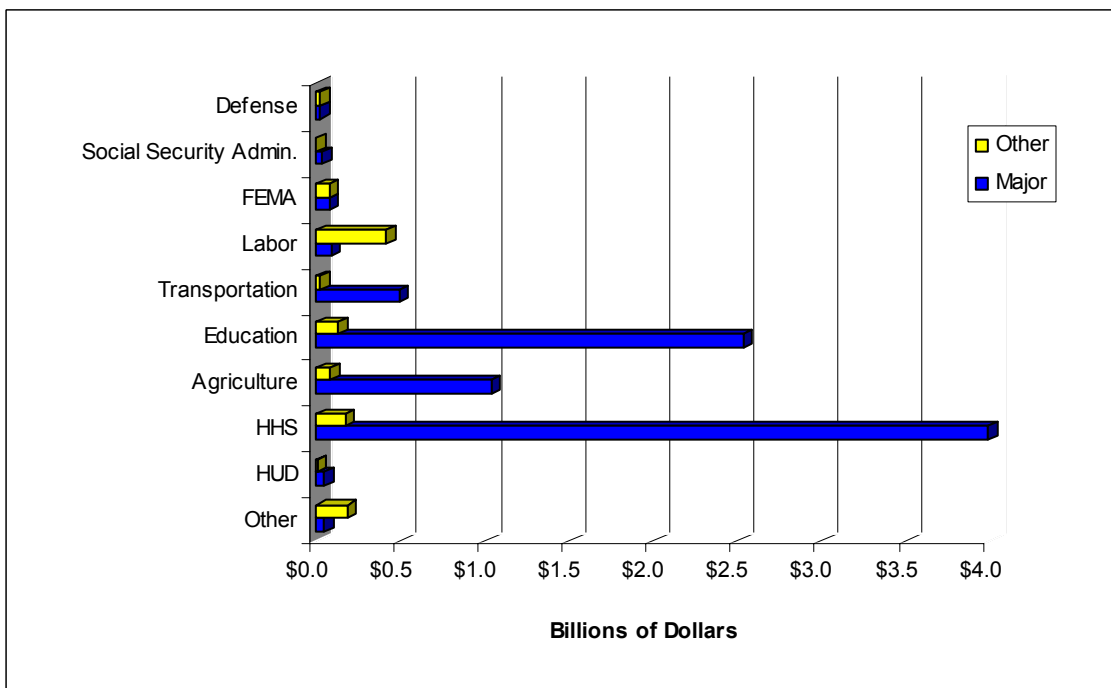
**EXECUTIVE SUMMARY**

For the Fiscal Year Ended June 30, 2003

**Fiscal Year 2003**  
**Activity of Major vs. Other Programs**  
(including loan programs)



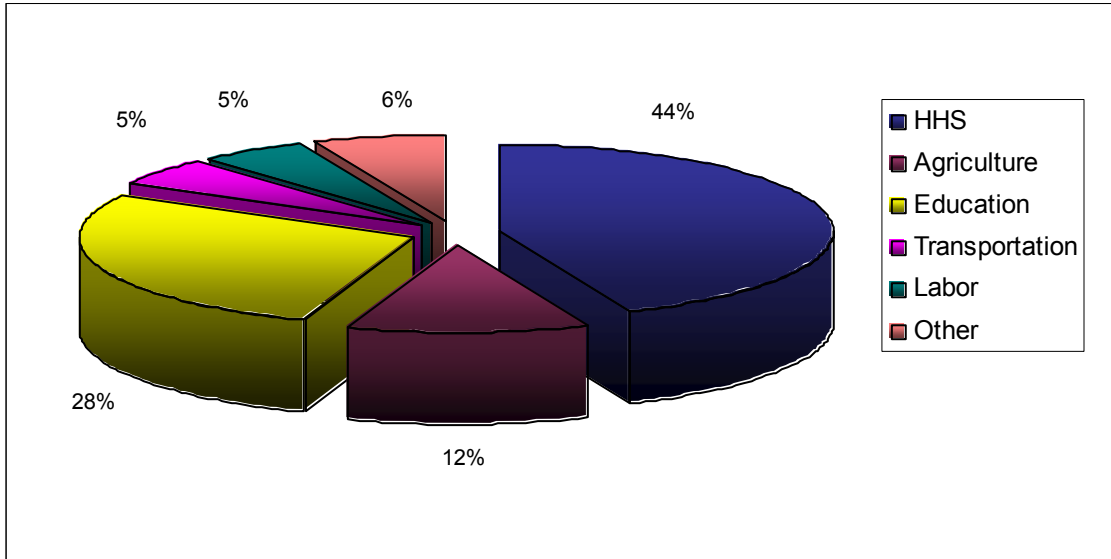
**Fiscal Year 2003**  
**Activity of Major vs. Other Programs**  
**by Federal Agency**  
**\$9,465,588,298**  
(including loan programs)





**EXECUTIVE SUMMARY**  
For the Fiscal Year Ended June 30, 2003

**Percentage of Total Expenditures of Federal Awards  
by Federal Agency  
(including loan programs)**



# Audit Reports





OFFICE OF  
**LEGISLATIVE AUDITOR**  
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March 10, 2004

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 KATHLEEN BABINEAUX BLANCO, GOVERNOR  
HONORABLE DONALD E. HINES, PRESIDENT, AND  
MEMBERS OF THE SENATE  
HONORABLE JOE R. SALTER, SPEAKER, AND  
MEMBERS OF THE HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
Baton Rouge, Louisiana**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Louisiana, as of and for the year ended June 30, 2003, which collectively comprise the state's basic financial statements and have issued our report thereon dated December 3, 2003. We did not audit the financial statements of certain pension trust funds, enterprise funds, and component units included within the basic financial statements 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 pension trust funds, enterprise funds, and component units, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 basic 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 that are required to be reported under *Government Auditing Standards* and which are described in Schedule B (pages 11 through 62) and Schedule C (pages 63 through 95) of the accompanying schedules of findings and questioned costs. We also noted certain immaterial instances of noncompliance, which we have reported in separate letters to management, that are not required to be reported herein under *Government Auditing Standards*.

LEGISLATIVE AUDITOR

HONORABLE KATHLEEN BABINEAUX BLANCO, GOVERNOR  
HONORABLE DONALD E. HINES, PRESIDENT, AND  
MEMBERS OF THE SENATE  
HONORABLE JOE R. SALTER, SPEAKER, AND  
MEMBERS OF THE HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA

March 10, 2004

Page Two

**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 opinions on the 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 62) and Schedule C (pages 63 through 95) 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 previously, we consider items FS-03-HCSD-2 (page 29), FS-03-DNR-3 (page 35), and FS-03-DOR-8 (page 48) to be material weaknesses. We also noted other matters involving the internal control over financial reporting, which we have reported in separate letters to management, that are not required to be reported herein under *Government Auditing Standards*.

In connection with our audit, we reviewed 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 prior audit findings, except for the matters described in the Schedule of Unresolved Prior Audit Findings (Schedule D, page 97), which have been addressed in our current report.

LEGISLATIVE AUDITOR

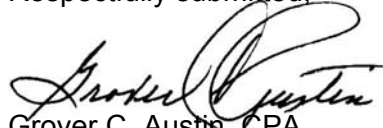
HONORABLE KATHLEEN BABINEAUX BLANCO, GOVERNOR  
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HONORABLE JOE R. SALTER, SPEAKER, AND  
MEMBERS OF THE HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA

March 10, 2004

Page Three

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,



Grover C. Austin, CPA  
First Assistant Legislative Auditor

MVG:JMR:THC:dl

[AUDITREPORTS]

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OFFICE OF  
**LEGISLATIVE AUDITOR**  
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**March 10, 2004, except for the  
Schedule of Expenditures of Federal Awards,  
dated December 3, 2003**

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

**HONORABLE KATHLEEN BABINEAUX BLANCO, GOVERNOR  
HONORABLE DONALD E. HINES, PRESIDENT, AND  
MEMBERS OF THE SENATE  
HONORABLE JOE R. SALTER, 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, 2003. 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 Grambling State University and the Southern University System. Compliance with the requirements by those universities was tested by other auditors whose reports have been furnished to us. Our report, insofar as it relates to compliance with the requirements referred to previously by Grambling State University and the Southern University System, is based solely on the reports of the other auditors.

The State of Louisiana's basic financial statements include the operations of certain entities that were audited by other external auditors as described in note Q of Appendix A (page A-164). During the year ended June 30, 2003, five of these entities expended a total of \$66,600,460 in federal awards, which is not included in the accompanying Schedule of Expenditures of Federal Awards. Our audit did not include the operations of these five entities because these component units engaged other auditors to perform an audit in accordance with OMB Circular A-133.

LEGISLATIVE AUDITOR

HONORABLE KATHLEEN BABINEAUX BLANCO, GOVERNOR  
HONORABLE DONALD E. HINES, PRESIDENT, AND  
MEMBERS OF THE SENATE  
HONORABLE JOE R. SALTER, SPEAKER, AND  
MEMBERS OF THE HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA

March 10, 2004, except for the Schedule of  
Expenditures of Federal Awards, dated  
December 3, 2003  
Page Two

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 assurance about whether noncompliance with the types of compliance requirements referred to above that 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 reports 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, 2003. However, the results of our auditing procedures and the reports of the other auditors disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in Schedule C (pages 63 through 95) 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 the internal control over compliance in accordance with OMB Circular A-133. We did not consider the internal control over compliance with the requirements of the federal award programs administered by Grambling State University and the Southern University System. The internal control over federal program requirements for these universities was considered by other auditors whose reports have been furnished to us. Our report, insofar as it relates to the internal control used in administering federal award programs of these universities, is based solely on the reports of the other auditors.



**LEGISLATIVE AUDITOR**

**HONORABLE KATHLEEN BABINEAUX BLANCO, GOVERNOR  
HONORABLE DONALD E. HINES, PRESIDENT, AND  
MEMBERS OF THE SENATE  
HONORABLE JOE R. SALTER, SPEAKER, AND  
MEMBERS OF THE HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA**

March 10, 2004, except for the Schedule of  
Expenditures of Federal Awards, dated  
December 3, 2003  
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 63 through 95) 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 the 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 items F-03-CC-EDUC-2 (page 66) and F-03-HHS-DSS-5 (page 89) to be material weaknesses.

**Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Louisiana as of and for the year ended June 30, 2003, and have issued our report thereon dated December 3, 2003.

Certain portions of the Schedule of Expenditures of Federal Awards (Appendix A) accompanying this report were not audited by us but were audited by other auditors whose audit reports have been furnished to us, including federal award programs administered by Grambling State University and the Southern University System. The federal award programs for these universities reflect total activity and the federal government's risk in their outstanding loan balances of \$151,921,050, which comprise approximately 1.61% 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, 2003. Our assurance, insofar as it relates to the amounts included for Grambling State University and the Southern University System, is based solely on the reports of other auditors.

LEGISLATIVE AUDITOR

HONORABLE KATHLEEN BABINEAUX BLANCO, GOVERNOR  
HONORABLE DONALD E. HINES, PRESIDENT, AND  
MEMBERS OF THE SENATE  
HONORABLE JOE R. SALTER, SPEAKER, AND  
MEMBERS OF THE HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA

March 10, 2004, except for the Schedule of  
Expenditures of Federal Awards, dated  
December 3, 2003  
Page Four

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Louisiana's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

In connection with our audit, we reviewed 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 prior audit findings, except for the matters described in the Schedule of Unresolved Prior Audit Findings (Schedule D, page 97), 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,



Grover C. Austin, CPA  
First Assistant Legislative Auditor

MVG:JMR:THC:dl

[AUDITREPORTS]

# Schedule A

## Summary of Auditor's Results For the Year Ended June 30, 2003



STATE OF LOUISIANA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results  
 For the Year Ended June 30, 2003

**Financial Statements**

Type of auditor's report issued: Unqualified

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

(Continued)

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

**Federal Awards (Cont.)**

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Identification of major programs:

CFDA Number - Name of Federal Program or Cluster

- 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
- 10.558 - Child and Adult Care Food Program
- 14.228 - Community Development Block Grants/State's Program
- 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
- 84.340 - Class Size Reduction
- 84.367 - Improving Teacher Quality State Grants
- 93.558 - Temporary Assistance for Needy Families
- 93.563 - Child Support Enforcement
- 93.658 - Foster Care - Title IV-E
- 93.767 - State Children's Insurance Program
- 93.917 - HIV Care Formula Grants
- 93.959 - Block Grants for Prevention and Treatment of Substance Abuse
- Aging Cluster
- Child Care Cluster
- Child Nutrition Cluster
- Disability Insurance/SSI Cluster
- Employment Services Cluster
- Food Stamp Cluster
- Highway Planning and Construction Cluster
- Medicaid Cluster
- Research and Development Cluster
- Special Education Cluster
- Student Financial Assistance Cluster
- WIA Cluster

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

\$22,057,171

Auditee qualified as low-risk auditee?

     yes   X   no

(Concluded)

# Schedule B

## Financial Statement Findings For the Year Ended June 30, 2003



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

Financial Statement Findings  
For the Year Ended June 30, 2003

**EXECUTIVE DEPARTMENT****FS-03-EXEC-1 - Inadequate Fund Balance -  
Patients' Compensation Fund**

For the twelfth 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. Louisiana Revised Statute 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, 2003, the accumulated balance of surcharges, reserves, and expenses is estimated to be \$684,211,190 which under Louisiana law would require a fund balance of \$342,105,595. As of June 30, 2003, the actual fund balance was \$172,413,989 resulting in a shortfall of \$169,691,606. This shortfall resulted from practices in effect before the Patients' Compensation Fund Oversight Board was created, whereby rates for medical malpractice premiums were not set based on experience ratings, including historical losses, interest payments, and future medical amounts.

The Patients' Compensation Fund Oversight Board should establish an adequate rate level to achieve the 50% surplus requirement over a reasonable period of time. Management concurred with the finding and outlined a plan of corrective action (B-13).

**FS-03-EXEC-2 - Ineffective Internal Audit Function**

For the twelfth consecutive year, the Executive Department does not have an effective internal audit function to examine, evaluate, and report on its internal controls, including information systems, and to evaluate compliance with the policies and procedures that comprise controls. Act 13 of the 2002 Regular Session of the Louisiana Legislature requires agencies with budgets in excess of \$30 million to use existing program resources and the table of organization to establish an internal auditor position.

Considering the size of the department's reported assets (\$452,802,492) and revenues (\$510,606,311), an effective internal audit function is important to ensure the department's assets are safeguarded and the department's policies and procedures are uniformly applied.

The Executive Department should establish an internal audit function to provide assurance that assets are safeguarded and to ensure that management's policies and procedures are applied in accordance with management's intentions. Management concurred with the finding and outlined a plan of corrective action (B-15).

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

**FS-03-CAFR-1 - Weaknesses in Information  
Systems' Controls**

The Division of Administration (DOA) does not have adequate internal control to ensure that physical and logical access to the state's computer systems and facilities is limited, reviews of the computer systems and data centers are performed, and certain system settings and appropriate policies and procedures are implemented. Proper internal control should be designed to help ensure that unauthorized physical and logical access to the state's information systems and data is prevented; access is assigned based on a strict business-need-only basis while providing for the proper segregation of duties; sensitive data are properly encrypted in transmission; and the system is available without extended periods of down time. In addition, regular reviews of critical control procedures within the Information System (IS) environment should be performed; proper settings should be maintained to provide reliable data and to comply with the Office of Information Technology's (OIT) standards and policies; and policies and procedures should be timely provided to state agencies on important issues to remain in compliance with industry best practices.

During our audit, the following control weaknesses were noted:

- The physical access control to a sensitive computer programming area was bypassed.
- For the second consecutive year, at least ten individuals were granted inappropriate access and/or incompatible duties to operating systems and/or the Integrated Statewide Information System (ISIS)/Human Resources (HR) system without having appropriate compensating controls.
- All of the ISIS programmers could execute jobs in the production environment.
- Certain sensitive data were not properly encrypted.
- Not all of the DOA servers and personal computers were equipped with the latest system patches creating a vulnerability to a denial of service attack.
- Internal IS audits were not performed on statewide data centers and systems.
- For the second consecutive year, certain operating system controls were lacking and OIT's password policy was not implemented for some systems.
- Policies were lacking at the statewide level over wireless networks and background checks.

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

## Financial Statement Findings (Continued)

DOA did not dedicate the necessary resources or place enough emphasis on establishing and implementing internal control in these areas regarding the state's computer systems. The lack or inadequacy of these internal controls in statewide systems could result in loss of state assets; fraud, destruction, and sabotage; system downtime or failure; inaccurate data; ineffective design, implementation, operation, and security of critical system applications and resources; and could place the state at risk for noncompliance with certain industry best practices and OIT standards and policies.

DOA should dedicate the necessary resources and place appropriate emphasis on implementing internal controls to ensure that physical and logical access to the state's computer systems and facilities is limited, sensitive data are properly encrypted, system patches are kept current, reviews of the computer systems and data centers are performed, and appropriate system controls and password policies are in place. In addition, DOA should implement appropriate policies and procedures relating to wireless networks and background checks.

Management substantially concurred with the findings and recommendations. However, management disagreed that ten individuals were granted inappropriate access, stating that six of the ten had "Background/Communication userids" and, therefore, no risk existed for these individuals. Furthermore, management indicated that background checks could not be performed due to their inability to set policies regarding employment coupled with the complexities brought on by federal privacy laws. Finally, although management did not agree that the latest system patches were not installed on all servers and personal computers, management indicated that corrective action has been taken. See management's response at B-16.

**Additional Comments:** Based on our audit, none of the ten individuals cited as having inappropriate access had "Background/Communication userids" as indicated in management's response. Furthermore, we continue to believe that background checks, as part of the hiring process and in compliance with federal law, should be performed on individuals before hiring them in sensitive IS positions.

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

**GRAMBLING STATE UNIVERSITY**

**FS-03-GSU-1 - Noncompliance With State's Movable  
Property Regulations**

Grambling State University has not developed and implemented adequate internal controls to ensure compliance with the state's movable property regulations. Good internal control requires adequate control procedures be in place and working 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. Furthermore, Louisiana Administrative Code 34:VII.307 requires all acquisitions of qualified property to be tagged and pertinent inventory information sent to the Louisiana Property Assistance Agency (LPAA) within 60 days of receipt of the property. A review of the university's movable property policies, procedures, accounting records, and correspondence along with a test of 14 acquisitions indicated the following:

- A property count for annual certification performed in December 2002 indicated that 400 items originally costing \$884,087 were unlocated. A subsequent count completed in June 2003 indicated that only 94 items costing \$224,040 were located. The remaining 306 items costing \$660,047 were still unlocated. Furthermore, as of August 13, 2003, the university is unable to provide the final results of the June 2003 physical inventory.
- Eleven of the 14 applicable items tested costing \$326,666 were not reported to LPAA within the required 60 days. The delays in reporting the property to LPAA ranged from two to 86 days beyond the 60-day requirement.
- Policies and procedures established and implemented by the university are very general and apparently insufficient for managing its movable property inventory. In addition, property control personnel have not received adequate training.

The unlocated property is the result of university personnel not having adequate training, supervision, and detailed policies and procedures to follow. The poorly trained and supervised personnel include not only the property control personnel but also all personnel of the university since many are responsible for the safekeeping of property in their respective areas. As a result, the university has placed its movable property at greater risk of being lost, stolen, or misused as indicated by the large amount of unlocated movable property and its inability to finalize the June 2003 physical inventory. The university reports \$15,768,800 of movable property at June 30, 2003.

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

## Financial Statement Findings (Continued)

Grambling State University should review and evaluate existing policies and procedures, both formal and informal, to determine where improvements must be made. It should then develop and implement new policies and procedures in sufficient detail so all employees clearly understand their duties and responsibilities relative to movable property. Employees should be properly supervised and adequately trained to ensure that all employees are familiar with the new policies and procedures and their responsibilities. Finally, employees should be held accountable for failure to comply with the new policies and procedures. Management concurred with the finding and recommendations and outlined a plan of corrective action (B-20).

**LABOR, DEPARTMENT OF****FS-03-LABOR-1 - Inaccurate and Incomplete  
Annual Fiscal Report**

The Department of Labor did not submit an accurate and complete Annual Fiscal Report (AFR) for the Office of Workforce Development to the Division of Administration by the prescribed due date. Louisiana Revised Statute (R.S.) 39:79 authorizes the commissioner of administration to establish the format for obtaining each agency's financial information. The Office of Statewide Reporting and Accounting Policy (OSRAP) designed an AFR to obtain this information and requires a signed affidavit from each agency that the financial statements present fairly the financial information of the agency. OSRAP uses the department's AFR during its compilation of the state's annual financial report. The completed AFR was due to OSRAP on August 29, 2003. Good internal control includes establishing formal written procedures for compiling financial information included in the AFR and developing an adequate review process to ensure that financial statements are accurately prepared and timely submitted.

The department's AFR for the Office of Workforce Development that was submitted on August 29, 2003, included the following errors:

1. Schedule 8 (Schedule of Expenditures of Federal Awards) was incomplete because it did not contain the required reconciliation of Schedule 8 disbursements to the federal revenue on Schedule 1 (Schedule of Revenues and Expenditures - Budgetary Comparison). The reconciliation was received September 18, 2003, or 20 days after the due date.
2. Schedule 8-3 (Summary Schedule of Prior Audit Findings) was not accurate because we found that each of the 12 items on Schedule 8-3 contained errors such as omission of program names, federal grantor agency names, and CFDA numbers, including incorrect CFDA numbers, and reporting incorrect finding names.

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

## Financial Statement Findings (Continued)

3. Schedule 8-4 (Schedule of Non-State Agency/University Subrecipients of Major Federal Programs) was not accurate because the department submitted a copy of the schedule for Fiscal Year Ended June 30, 2002, instead of the current fiscal year. In addition, the revised Schedule 8-4 was inaccurate because it included expenditures for only 11 months.
4. Schedule 8-5 (Schedule of State Agency/University Subrecipients of all Federal Programs) was not accurate because it included expenditures for only 11 months.
5. The Operating and Capital Grants note was left blank. The department's accounting records showed that total operating grants and contributions were approximately \$144 million.
6. The Pass-Through Grants note was left blank. The department's accounting records showed that the department had total pass-through grants of approximately \$76 million. The Workforce Investment Act Program and the Community Services Block Grant Program had, respectively, approximately \$62 million and \$14 million in pass-through grants.
7. The Cooperative Endeavors note reported contracts totaling \$61,330,166. Based on departmental records, the amount reported was overstated by \$10,431,474 because it included \$9,148,404 for contracts that had ended before June 30, 2003, and \$1,282,070 for contracts that started after June 30, 2003.
8. The Judgments, Claims, and Similar Contingencies note reported disallowed costs of \$771,575. This amount was understated by \$5,653,495 because letters from the U.S. Department of Labor indicated that the amount of disallowed costs for programs under its authority was \$6,425,070.
9. The Accounts Payable note reported payables totaling \$23,068,146. This amount was overstated by \$3,039,789 because the department included some payables twice.

Management has not placed sufficient emphasis on ensuring that the AFR is properly prepared and reviewed for errors or omissions. Failure to submit an accurate and timely AFR to OSRAP could delay the compilation and issuance of the state's *Comprehensive Annual Financial Report* (CAFR) and result in a misstatement of the state's CAFR.

Management should develop procedures to include written instructions and high-level supervisory review of financial information and note disclosures to detect and correct errors before submitting information to OSRAP. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-27).



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

**FS-03-LABOR-2 - Louisiana Employers Overcharged for the  
 Workforce Development Training Account**

For the second consecutive year, the Department of Labor did not have adequate procedures to ensure that the calculation of the employer assessments is performed in accordance with Louisiana laws. The Workforce Development Training Account (WDTA) was established by R.S. 23:1514(A) to fund customized training for the benefit of businesses operating in Louisiana and the payment of expenses incurred for the administration of the WDTA. The funding is derived from employer payroll tax contributions in incremental amounts that are directly related to the balance in the state's unemployment insurance trust fund. R.S. 23:1553(B)(10) states that only the amount necessary to bring the balance of unobligated funds to \$50 million shall be charged in any calendar year. R.S. 23:1553(C) states that the amount employers are to be assessed for the next calendar year shall be computed as of June 30 of each year.

For calendar year 2003, the department overcharged employers approximately \$50 million in payroll tax contributions. No assessment should have been made for calendar year 2003 since the amount of unobligated funds exceeded the \$50 million maximum. However, the department assessed employers \$50 million. We computed the 2002 and 2003 unobligated funds as follows:

Cash balance on hand at June 30, 2002	\$113,716,027
Less obligations for contracts approved as of June 30, 2002	<u>(35,086,296)</u>
Unobligated funds at June 30, 2002	<u><u>\$78,629,731</u></u>
Cash balance on hand at June 30, 2003	\$144,274,456
Less obligations for contracts approved as of June 30, 2003	<u>(47,732,063)</u>
Unobligated funds at June 30, 2003	<u><u>\$96,542,393</u></u>

The increase in cash from \$113,716,027 to \$144,274,456 in a span of one year is an indication that excess employer assessments are occurring. In addition, the department intends to assess employers \$38.1 million for calendar year 2004 even though the unobligated balance as of June 30, 2003, is in excess of the \$50 million maximum.

These conditions occurred because the department, when determining the employers' tax assessments, did not consider all cash on hand at June 30 and considered not only approved contracts but also applications that have been approved by the governor as obligations.

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

The department should establish adequate written procedures to ensure that the calculation of the employer assessments for WDTA considers the cash balance on hand at June 30 and only approved contracts. Management did not agree with our methodology for computing the amount of unobligated funds. See management's response at B-29.

**Additional Comments:** In its response, management lists three areas in which our analysis is fundamentally flawed. We believe that our analysis is correct since:

1. The administrative and collection costs of approximately \$4.3 million were not calculated and paid until after June 30, 2003.
2. There is no reason to subtract first quarter collections that have been budgeted as of June 30, 2003.
3. Applications amounting to approximately \$18.7 million had been approved by the governor as of June 30, 2003. However, we did not include these applications in our calculation since they do not represent valid obligations until contracts have been written, signed by all parties, and approved by the Office of Contractual Review as required by R.S. 39:1502.

In the five years of the WDTA fund's existence, collections have totaled approximately \$192.5 million while the department has disbursed approximately \$48.2 million. Of this amount, \$20.5 million and \$17.9 million were disbursed during fiscal years 2003 and 2002, respectively.

**FS-03-LABOR-3 - Noncompliance With State's  
Movable Property Regulations**

For the second consecutive year, the Department of Labor did not maintain adequate control over movable property as prescribed by law. Louisiana Administrative Code Title 34 Part VII Section 307 (A) requires all acquisitions to be tagged and information forwarded to the Louisiana Property Assistance Agency (LPAA) within 60 days after receipt of those items. In addition, efforts must be made to locate all movable property for which there are no explanations for their disappearance.

During the examination of the department's 4,933 movable property items, which are valued at \$17,135,784, the following deficiencies were noted:

- In its Certification of Annual Property Inventory submitted on February 18, 2003, the department reported that it was unable to locate movable property valued at \$60,513 in the current year. This amount includes 15 personal computers valued at \$31,658. Also, the two computers and a printer that were assigned to the previous Secretary of Labor were included in the unlocated property. In addition, the department reported that movable property valued at \$313,361 was still

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

## Financial Statement Findings (Continued)

unlocated from the previous three years. Included in this amount were approximately 100 personal computers valued at \$205,318.

- Of the 60 movable property items selected from the movable property listing for testing, two could not be located. The two items were a personal computer and a printer that are valued at \$3,216.
- Of the approximately \$1 million of movable property acquisitions tested, 31 of 113 items (27%) purchased during the year were not reported timely to LPAA. These items, valued at \$41,894, were reported to the LPAA between 70 and 240 days after receipt by the department. In addition, two items costing \$2,814 could not be located and 19 items costing \$23,425 were not properly tagged.

During the follow-up to the prior year movable property finding, the following were noted:

- The two movable property items reported as unlocated in the prior year remained unlocated. The two items are personal computers valued at \$5,743.
- Of the 12 movable property items reported as not tagged in the prior year, four items were still not tagged. These four items are valued at \$4,748.

Although the department has policies and procedures that contain many elements of a good internal control system, these procedures are not followed uniformly. Failure to update movable property records in a timely manner increases the risk that movable property is not accurately recorded, assets are not properly safeguarded against loss arising from unauthorized use, and the department is subjected to noncompliance with state laws and regulations.

The department should comply with laws and regulations and its internal policies and procedures regarding its movable property and should ensure its property manager notifies LPAA of acquisitions within the required time period. In addition, the department should ensure that all property is tagged and that effort is made to account for all movable property. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-31).

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

**LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM**

**FS-03-LCTCS-1 - Inadequate Preparation of  
Annual Fiscal Report**

For the third consecutive year, the Louisiana Community and Technical College System (LCTCS) did not submit an accurate AFR to the Division of Administration, OSRAP by the prescribed due date. R.S. 39:79 authorizes the commissioner of administration to establish the format of each agency's AFR and requires a signed affidavit that the financial statements present fairly the financial position of the agency. In addition, good accounting controls require adequate supervision and review to ensure that financial statements are prepared accurately and submitted timely.

The LCTCS AFR was due to OSRAP on September 8, 2003, but was not submitted to OSRAP until September 18, 2003. The largest contributing factors to the untimely submission of the AFR were the implementation of a new accounting system, a lack of experienced accounting personnel, and inadequate review of the AFR before submission to OSRAP. In addition, LCTCS and the Louisiana Technical College (LTC) failed to properly review financial data before distributing that data to contracted certified public accountants (CPAs) for use in the CPAs' compilation of the LTC and system financial reports, failed to properly organize and maintain the data sent to the CPAs, and failed to obtain complete supporting documentation from the CPAs for the amounts reported in the financial statements.

As a result of these weaknesses, the following errors in financial reporting occurred, which required adjustments to the system AFR:

- Investments of \$39,978,761 were incorrectly reported as cash and cash equivalents.
- Restricted net assets of \$1,623,885 were incorrectly reported as unrestricted net assets.
- Retiree benefits were not reported consistently by all institutions of the system for the postretirement benefits footnote. This error resulted in \$4,589,274 of unrecorded retirement benefits.
- Amounts due from state and local agencies totaling \$2,239,531 were incorrectly reported as due from the federal government.
- Federal revenues and receivables were understated by \$2,035,618.

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

## Financial Statement Findings (Continued)

- Optional Retirement System employer and employee contributions were overstated by \$705,533 and \$859,692, respectively.
- Funds drawn for prior year expenses of a federal program were recorded as current year revenues instead of being reported as an adjustment to beginning net assets.
- Expendable restricted net assets of \$40,455 were incorrectly reported as nonexpendable restricted net assets.

LTC errors caused adjustments to the system report as follows:

- Capital asset beginning balances for buildings and equipment did not agree to prior year ending balances. Buildings were overstated by \$1,560,000 and equipment was overstated by \$20,670,000.
- Amounts due from state and local agencies totaling \$4,974,166 were incorrectly reported as due from the federal government.
- Supporting documentation for the Teachers Retirement System employer contributions, Louisiana State Employees Retirement System employer contributions, and Optional Retirement System employer and employee contributions for the pension plans note disclosure were overstated by \$3,169,116; \$527,143; \$652,807; and \$878,590, respectively.
- Purchase order rentals of \$2,726,592 were incorrectly included in future minimum lease payments.
- Reductions to compensated absences for footnote presentation were not calculated in accordance with the instructions from OSRAP causing an understatement of additions and deletions to compensated absences of \$2,079,294.
- State, local, and nongovernmental grant revenues totaling \$1,481,305 were incorrectly reported as federal revenue.
- Federal revenues totaling \$812,811 were incorrectly reported as state and local grants and contracts revenue.
- Federal revenues were overstated by \$531,395.
- Cash was understated by \$86,670 for deposits in transit at June 30, 2003.

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

Failure to maintain adequate control over the preparation of the AFR increases the risk of incomplete and untimely financial reports. In addition, the failure to submit an accurate AFR to OSRAP by the prescribed due date delays the compilation of the state's Comprehensive Annual Financial Report (CAFR) and could result in misstatement of the CAFR.

LCTCS management should develop and implement policies and procedures to ensure the timely submission of an accurate AFR to OSRAP. In addition, management should ensure that adequate supporting documentation for amounts reported in the financial statements is maintained. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-36).

**FS-03-LCTCS-2 - Information Systems Control Weaknesses  
in PeopleSoft Implementation**

LCTCS did not have adequate planning and preparation over the implementation of the PeopleSoft information system, which was put into operation on July 1, 2002. Good internal controls require proper planning and preparation of an information system implementation to ensure the integrity of data entry, data processing, and financial reporting.

After implementation of the PeopleSoft information system (PeopleSoft), LCTCS had general control weaknesses as follows:

- For the first five months of the fiscal year, no official security administrator was on staff to monitor and control access to the system. Logical access was not assigned/restricted based on business-need only. No formal policies or procedures were in place for requesting the specific access needed and for monitoring of that access. As a result, users were allowed access to modify information in the accounting system for other campuses of LCTCS and users were given access to perform incompatible duties.
- Physical access to the server room at the system office is not restricted to only those personnel whose jobs require such access. The door to the server room is left open at all times because the central air system is not providing sufficient cool air to compensate for the heat generated from the servers. In addition, there is a lack of sufficient air conditioning in the computer center housed at the Louisiana Technical College (LTC), Baton Rouge campus.
- LCTCS does not have a disaster recovery plan and is not using offsite storage to store backup tapes.
- No centralized password rules are being enforced, such as minimum character length and set expiration dates.

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

Financial Statement Findings (Continued)

In addition to these general control weaknesses, other weaknesses involving the implementation and configuration of PeopleSoft were noted in our audit as follows:

- LTC staff were not adequately trained on PeopleSoft and policies and procedures were not timely disseminated. As a result, transactions were entered improperly into the accounting system and LTC campus personnel were not able to access/generate necessary reports/queries to effectively monitor financial transactions.
- Payroll expenses for the fiscal year did not begin posting to the general ledger until April 2003. This prevented the system from being able to adequately monitor its financial position throughout the fiscal year.
- The human resource module does not have adequate system edits. It allows employees to earn negative leave balances, rather than preventing the input of leave if a negative balance will result, and the system continues to accrue leave for an employee on leave without pay.

LCTCS did not place sufficient emphasis on planning the PeopleSoft implementation to ensure that the system was functional and ready to support user needs and that the staff was properly trained. Failure to adequately plan system implementation could result in inaccurate data and could place LCTCS and the state at risk for noncompliance with certain federal and state laws and regulations.

LCTCS management should implement policies and procedures to ensure that logical and physical security is restricted to users on a business-need-only basis, that backup tapes are stored offsite and a formal disaster recovery plan is adopted and periodically tested; that centralized password rules are designed and implemented, and that staff are adequately trained. In addition, LCTCS should establish adequate internal control over information system activities to ensure the integrity of data entry, data processing, and financial reporting. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-37).

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

**FS-03-HCSD-1 - Inadequate Collection Procedures  
for Self-Pay Patients**

For the second consecutive year, the Louisiana State University Health Sciences Center - Health Care Services Division (HCSD) does not have adequate collection procedures for amounts receivable from self-pay patients. Self-pay patients are those patients who are not

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

eligible for free care but do not have any third-party coverage, such as Medicare, Medicaid, commercial insurance, or worker’s compensation.

During fiscal year 2003, \$182,930,259 was billed to self-pay patients and \$3,345,176 was collected on the self-pay accounts. Subsequent to an adjustment of \$21,510,541, to the amount owed by the patient based upon the Limited Liability Schedule, which reflects federal income poverty guidelines, \$1,609,955 was considered to be a valid receivable at year-end. Therefore, HCSD had an uncollectible amount of \$158,006,782 for fiscal year 2003. As a result, only \$4,955,131 (or 3.1%) has been or is estimated to be collected on the \$182,930,259 billed less the limited liability reduction.

The amounts by hospital are as follows:

	Patient Billing		Limited Liability Adjustment		Collections		Accounts Receivable		Estimated Uncollectibles	
	Dollar	%	Dollar	%	Dollar	%	Dollar	%	Dollar	%
E. A. Conway Medical Center	\$17,214,101	9.4%	\$1,415,761	6.6%	\$208,367	6.2%	\$91,999	5.7%	\$15,606,434	9.9%
Earl K. Long Medical Center	10,567,204	5.8%	2,446,246	11.4%	237,264	7.1%	100,815	6.3%	7,929,823	5.0%
Huey P. Long Medical Center	12,677,134	6.9%	1,272,140	5.9%	200,292	6.0%	82,370	5.1%	11,222,497	7.1%
University Medical Center	10,728,875	5.9%	1,853,780	8.6%	426,947	12.8%	230,948	14.3%	8,422,990	5.3%
W. O. Moss Medical Center	2,796,513	1.5%	1,343,685	6.2%	192,680	5.8%	81,996	5.1%	1,244,945	0.8%
Lallie Kemp Medical Center	6,382,777	3.5%	1,220,143	5.7%	204,152	6.1%	131,904	8.2%	4,987,813	3.2%
Washington-St. Tammany Medical Center	4,485,258	2.5%	65,999	0.3%	297,353	8.9%	137,206	8.5%	4,026,822	2.5%
Leonard J. Chabert Medical Center	12,126,660	6.6%	1,946,216	9.0%	404,586	12.1%	206,235	12.8%	9,790,246	6.2%
Medical Center of Louisiana at New Orleans	105,951,737	57.9%	9,946,571	46.3%	1,173,535	35.0%	546,482	34.0%	94,775,212	60.0%
<b>Total</b>	<b>\$182,930,259</b>	<b>100%</b>	<b>\$21,510,541</b>	<b>100%</b>	<b>\$3,345,176</b>	<b>100%</b>	<b>\$1,609,955</b>	<b>100%</b>	<b>\$158,006,782</b>	<b>100%</b>

The figures presented above do not include any amounts for patients who are eligible for free care since these patients are never billed. A review of self-pay billings and collections for the fiscal year ending June 30, 2002 and 2001, yielded similar results as only \$4,451,259 (or 2.9%) and \$5,247,168 (or 2.7%) were collected or expected to be collected on the \$166,614,173 and \$210,412,959 billed less the limited liability reduction, respectively. HCSD had an estimated accounts receivable of \$1,542,196 and \$2,181,856 related to self-pay patients at June 30, 2002, and June 30, 2001, respectively.

R.S. 17:1519.1 (A) (1) states that the nine state hospitals under HCSD shall be operated primarily for the medical care of the uninsured and medically indigent residents of the state and others in need of medical care and as teaching institutions. The accounts of indigent patients are written off as uncollectible at the time the services are performed. However, the accounts of Medicare, Medicaid, commercial insurance, and self-pay patients are billed to the appropriate payor. Prudent business practices require the timely billing and collection of these amounts. However, management has not placed sufficient emphasis on the importance of timely collections on self-pay accounts. Instead, emphasis has been placed on collections from patients with third party coverage. Management’s failure to implement adequate collection procedures on self-pay accounts results in a significant loss of revenue to the hospitals.



**STATE OF LOUISIANA**  
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Financial Statement Findings (Continued)

Management should implement collection procedures on self-pay accounts to seek payment in a more timely and effective manner. In addition, the hospitals should consider limiting the services provided to self-pay patients to those that are emergency in nature unless the patients are able to demonstrate their ability and willingness to pay. Management concurred in part with the finding and stated that the passage of Act 906 of 2003 will allow the hospitals the flexibility to operate more efficiently and make better business decisions, which include strengthening self-pay collection practices and the ability to deny nonemergency services. Management outlined a plan of corrective action. See management's response at B-40.

**FS-03-HCSD-2 - Inadequate Support for Restatement  
of Capital Assets**

For the second consecutive year, HCSD was unable to provide adequate documentation to support its restatement of capital assets, which affects beginning balances for fiscal year 2003 by approximately \$79 million (at cost). The restatement, involving the nine hospitals under HCSD as well as its administrative unit, was reported in HCSD's AFR for the fiscal year ended June 30, 2002, and was used to develop the beginning balances for fiscal year ended June 30, 2003. The restatement was the result of a change in accounting systems used for financial statement purposes from the LPAA and State Land and Buildings (SLABS) systems to the system maintained by American Appraisal Associates (AAA). The costs in the LPAA and SLABS systems were the amounts that had been audited in prior years. The costs in the AAA system were used for Medicare and Medicaid cost reporting purposes and were not audited in prior years.

Because HCSD could not support beginning capital asset cost, the accumulated depreciation as of June 30, 2001, of \$330,604,506 reported in its fiscal year 2002 AFR, as well as the depreciation reported by HCSD in its Medicare and Medicaid cost reports, may be overstated since both are based upon that cost.

HCSD's failure to perform a reconciliation between its two capital asset systems may have resulted in an overstatement of its capital assets, at cost, by approximately \$79 million in its 2003 AFR. In addition, it may have overstated accumulated depreciation, as well as the amount of depreciation claimed for financial statement and cost report purposes.

If HCSD intends to continue to use the AAA system to maintain its capital assets for financial statement and cost reporting purposes, management should perform an inventory of the items in the system at each of the facilities to verify that the items exist and are recorded at their proper value. Any items previously disposed of should be removed from the system. In addition, HCSD should review Medicare and Medicaid cost reports submitted in prior years to ensure that the correct amount of depreciation was claimed on these reports. Management concurred in part with the finding and recommendation. See management's response at B-42.

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

**Additional Comments:** While HCSD concurred in part with the finding, its response letter indicated that, as a result of developments in PeopleSoft financial system, there should be little, if any, variance for fiscal year ended 2003. The variance that HCSD refers to represents additions to capital assets in fiscal year 2003 and beyond. The variances noted from prior years, as indicated in the finding, remain unreconciled at June 30, 2003. In addition, while HCSD uses the AAA system for financial reporting purposes, it still uses the LPAA system for its physical inventory. The two systems have significant variances that have not been reconciled as of June 30, 2003.

**FS-03-HCSD-3 - Inventory System Not Fully Functional**

For the third consecutive year, the inventory component of the PeopleSoft system implemented in fiscal year 2001 is not fully functional. A proper system of internal control over inventory should include procedures to ensure that assets are safeguarded and that inventory losses, should they occur, are detected in a short period of time by normal business procedures. A perpetual inventory system is generally regarded as an acceptable method of controlling inventory and safeguarding assets. Use of a perpetual inventory system allows an entity to record receipt of goods at the time of purchase and the issuance of goods as they are withdrawn for use. At any point in time, a count of goods on hand should agree to the balance in the inventory system. Discrepancies should be investigated to determine if losses are due to theft or fraud.

The perpetual inventory component of the PeopleSoft system installed by HCSD has not functioned properly. As a result, the hospitals have had to rely on alternative methods of accounting for inventory. The problems with the PeopleSoft Inventory System were caused by multiple inventory numbers assigned to inventory items in the purchasing system related to a single inventory number in the central purchase contract, as well as incorrect units of measure or conversions for inventory items in the purchasing system. Failure to provide adequate controls over inventory increases the risk that losses of inventory will occur and remain undetected.

Considering the magnitude of assets at risk (\$18,856,527 at June 30, 2003), management should continue to review the problems with the new system and provide a functioning inventory system to the hospitals as soon as possible. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-44).

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

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

**FS-03-LSUHSCNO-1 - No Formal Disaster Recovery Plan**

Louisiana State University Health Sciences Center (LSUHSC) does not have a formal disaster recovery/contingency plan to provide for continued business processing functions in the event that normal data processing facilities are unavailable for an extended period of time. Good internal control requires that the university develop a written and functional disaster recovery plan that will allow for continued operation of critical services in the event of an unexpected interruption. In addition, provisions of the plan should be tested periodically to ensure a timely and orderly return to regular operations.

Although the LSUHSC Office of Computer Services has addressed issues related to file backup and offsite storage, current policies and procedures do not include a comprehensive plan related to disaster recovery. Failure to develop a written, functional, and tested disaster recovery plan increases the risk that in the event of a disaster, critical data may be lost and there may be an untimely or excessive delay in processing critical data.

LSUHSC should develop a disaster recovery plan that identifies critical system hardware, software, and telecommunication components. The university should also test the plan to ensure that it provides for an orderly restoration of services in the event of an unexpected interruption in operations. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-46).

**LOUISIANA TECHNICAL COLLEGE**

**FS-03-LTC-1 - Inadequate Internal Control**

LTC failed to maintain adequate internal control over its operations during the year to ensure that financial data are accurately and completely recorded, processed, and summarized; to ensure that errors and/or fraud are detected timely; and to ensure compliance with all applicable laws and regulations. Adequate internal controls should include periodic monitoring of revenues and expenses, timely reconciliations of bank accounts, and the timely dissemination of policies and procedures to LTC campus personnel for processing financial transactions.

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

Our audit procedures revealed the following internal control weaknesses:

- Revenue and expense transactions were not adequately monitored throughout the year. Fifteen of 26 LTC campuses audited for the fiscal year ended June 30, 2003, reported inadequate monitoring of these transactions due to the implementation of a new accounting system.
- The central bank account which records cash receipts and disbursements for the 42 LTC campuses was not reconciled timely. Bank reconciliations for July 2002 through May 2003 were not completed by the preparer until July 22, 2003. The June 2003 bank reconciliation was not completed until August 30, 2003.
- Policies and procedures for processing financial transactions, including requests for federal reimbursement, were not disseminated timely to campus personnel, which caused incorrect coding of transactions in the accounting system and delays in requests for reimbursement of program funds.

These conditions existed because LTC management did not place sufficient emphasis on establishing good internal controls over its operations. Inadequate monitoring of operations increases the risk that errors or noncompliance with laws and regulations will occur and not be detected or corrected in a timely manner. It also increases the risk that fraud may occur and not be detected in a timely manner.

LTC management should establish and implement policies and procedures over its operations to provide accurate and complete financial data, timely detection of errors and/or fraud, and compliance with all applicable laws and regulations. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-47).

**MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS**

**FS-03-MCLNO-1 - Inadequate Controls Over Movable Property**

For the sixth consecutive year, the Medical Center of Louisiana at New Orleans did not maintain adequate internal control over movable property as prescribed by the commissioner of administration and Louisiana law. R.S. 39:325 requires agencies to conduct an annual inventory of movable property and report any unlocated movable property to LPAA. Louisiana Administrative Code (LAC) 34:VII.313 states, in part, that efforts must be made to locate all movable property for which there are no explanations available for their disappearance. In addition, R.S. 39:323 and LAC 34:VII.307 require that acquisitions be tagged and information forwarded to LPAA within 60 days of receipt of the movable property item(s). In addition, LAC 34:VII.311 states, in part, that property location shall be kept current. We observed the following deficiencies in movable property records:

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

## Financial Statement Findings (Continued)

- In its Certification of Annual Property Inventory dated June 30, 2003, the medical center reported for fiscal year 2003 that it was unable to locate movable property valued at \$1.32 million. In addition, movable property valued at \$4.42 million was reported to be unlocated from the previous three years. However, we selected 11 movable property items for inspection totaling \$247,659 from the unlocated property listing for 2003. We were able to account for eight (73%) of the 11 items. One item valued at \$39,995 was traced to a vendor repair work order and seven other items valued at \$123,744 were physically inspected. These located items decrease unlocated property for fiscal year 2003 by \$163,739 (12%). Therefore, the reported fiscal year 2003 unlocated property listing of \$1.32 million is not accurate, and efforts to locate property have not been sufficient.
- An examination of 11 purchases totaling \$1,305,033 containing 106 movable property items revealed that 29 (27%) of the items valued at \$742,983 were not recorded in compliance with all LAC provisions. Twenty movable property items were tagged and/or assigned tag numbers but were not recorded in the LPAA database for a range of approximately 168 to 367 days as of June 30, 2003. The remaining nine movable property items were untagged and unrecorded for a range of approximately 91 to 326 days as of June 30, 2003.
- Our physical inspection of a sample of 30 movable property items valued at \$3,641,802 disclosed that seven items (23%) valued at \$1,457,622 did not have the correct location codes and 10 items (33%) valued at \$334,483 could not be located, two of which were traced to the unlocated/discrepancy report.
- During our walkthrough of the facility, we selected 18 movable property items to compare tag numbers to medical center records. Three items (17%) were incorrectly located; four items (22%) were not recorded in the system; and three items (17%) did not have tags affixed.

Failure to locate, timely tag, and maintain current location code records of all movable property exposes the medical center to possible loss, theft, and misuse of its assets.

The medical center should continue its efforts to find unlocated movable property and should improve its efforts to timely tag and report all movable property, including the current location information. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-48).

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

**NATURAL RESOURCES, DEPARTMENT OF**

**FS-03-DNR-1 - Ineffective Internal Audit Function**

The Department of Natural Resources (DNR) does not have an effective internal audit function to serve management by examining, evaluating, and reporting on its internal control, including information technology, and evaluating its compliance with the policies and procedures of the control system. An effective internal audit function is needed to ensure that assets are safeguarded and that management's policies and procedures are applied in accordance with management's intentions.

Since December 2002, DNR management has filled its internal auditor position with a part-time employee. Considering the size of DNR's reported current assets (\$111 million) and modified accrual revenues (\$528.6 million), the internal auditor position should be staffed with a full-time employee.

In addition, DNR's internal audit function has the following weaknesses:

- As of October 2003, DNR's risk assessment that was performed during fiscal year 2001 has not been updated. Maintaining a current risk assessment is a critical step in sustaining an effective internal audit function.
- Internal audit reports are not always addressed to the members of the Audit Advisory Committee and are not always addressed directly to the DNR secretary as required by the DNR Internal Audit Charter.

Management should establish an effective internal audit function, which would include a full-time internal auditor, to provide management with an evaluation of its internal control and compliance with the policies and procedures of the control system. Management did not concur with the finding. See management's response at B-50.

**Additional Comments:** The action of filling the internal auditor position with a part-time employee who has no prior audit background, instead of a full-time auditor, reduces the effectiveness and efficiency of the internal audit function. Two of the seven internal audit reports issued during fiscal year 2003 were not addressed to the department's secretary.

**FS-03-DNR-2 - Lack of Control Over Payroll Records**

DNR did not maintain adequate controls over payroll records. Good internal control includes an adequate review function to ensure data are accurate and reliable and that errors and/or fraud are detected timely. In addition, personnel files should contain support for all payroll deductions to ensure proper payments are made to employees.

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

Audit procedures performed on the payroll class of transactions disclosed the following weaknesses:

- Twenty (29%) of 70 time sheets tested had not been approved by the supervisor.
- Fourteen (14%) of 97 leave slips tested had not been approved by the supervisor.
- Nine (37%) of 24 employees' payroll files did not contain an L-4 (state tax withholding form) or W-4 (federal tax withholding form), or both to authorize payroll deductions.
- Four (17%) of 24 employees' payroll files did not contain signed authorization forms for payroll deductions, such as dental insurance, life insurance, credit union deduction, and deferred compensation. One file did not have authorization forms for three separate deductions.
- Seventeen (71%) of 24 employees' payroll files did not contain a signed direct deposit authorization form and/or the employee's cancelled check.

DNR does not have a policy that provides for the timely review and approval of employees' time sheets and leave slips in the absence of the regular supervisor. In addition, when the personnel and payroll files were merged, DNR's Human Resource section destroyed payroll documents older than five years, including W-4's and L-4's, because of limited storage space. Failure to maintain adequate controls over payroll records increases the risk that error and/or fraud may be committed and not detected in a timely manner.

Management should implement a policy to ensure the timely review and approval of employees' time sheets and leave slips in the absence of the regular supervisor. In addition, management should ensure that documentation is maintained to support payroll deductions and should review all employees' payroll records to verify payroll deductions are properly authorized. Management concurred with the finding and recommendations and outlined a plan of corrective action (B-51).

**FS-03-DNR-3 - Lack of a Disaster Recovery/Business  
Continuity Plan**

For the second consecutive year, DNR does not have a disaster recovery/business continuity plan. Good internal control requires that the department develop a written disaster recovery/business continuity plan and obtain access to an offsite disaster recovery facility to provide for the timely restoration of critical operations in the event that normal data processing facilities are unavailable for an extended period of time.

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

Financial Statement Findings (Continued)

A review of the department's information technology policies disclosed that the department does not have a disaster recovery/business continuity plan and did not allocate current funds to obtain access to an offsite disaster facility. Failure to implement a disaster recovery/business continuity plan increases the risk that untimely or excessive delays in processing critical data may occur and that critical data may be lost.

DNR should prepare a written disaster recovery/business continuity plan, allocate current funds to contract for an offsite disaster recovery facility, and test the plan periodically and update it as necessary to ensure that the plan continues to meet the department's needs. Management concurred with the finding and recommendations and outlined a plan of corrective action (B-52).

**ORLEANS LEVEE DISTRICT****FS-03-OLD-1 - No Formal Disaster Recovery Plan**

For the second consecutive year, the Orleans Levee District has not formally implemented and tested a disaster recovery/contingency plan. This plan should include provisions for an offsite disaster recovery facility to provide for the timely restoration and continuation of critical entity operations in the event that normal data processing facilities were unavailable for an extended period of time. Provisions of the plan should be tested periodically and updated when necessary to ensure a timely and orderly return to regular operations.

Management has taken steps toward developing a comprehensive disaster recovery/contingency plan; however, the plan has not been fully developed, implemented, and tested. Failure to develop and test a comprehensive disaster recovery plan increases the risk that in the event of a disaster, there will be an untimely or excessive delay in processing critical data and that critical data may be lost.

The district should continue to develop a comprehensive disaster recovery/contingency plan that would provide for the timely resumption of critical entity operations following a disaster. Management should focus on locating a back-up site that will allow the district to reestablish its critical operations within an acceptable time frame should a disaster occur. After establishing the plan, the district should test the plan periodically, and update it as necessary, to ensure that it continues to meet the district's needs. Management concurred with the finding and outlined a plan of corrective action (B-53).



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

**PUBLIC SAFETY AND CORRECTIONS -**  
**CORRECTIONS SERVICES, DEPARTMENT OF**

**FS-03-CORR-1 - Lack of Internal Audit Function**

For the fourteenth consecutive year, the Department of Public Safety and Corrections, Corrections Services, did not have an internal audit function to examine, evaluate, and report on its internal control and to evaluate its compliance with the policies and procedures of the control system. Act 13 of the 2002 Regular Session of the Louisiana Legislature requires agencies with budgets in excess of \$30 million to use existing program resources and the table of organization to establish an internal auditor position. Considering that the department was budgeted \$681,403,131 for the current fiscal year, an effective internal audit function is needed to ensure that assets are safeguarded and that management's policies and procedures are uniformly applied.

Although the department has administrative monitors who provide management with assurances on the field operations of the various prison facilities in accordance with departmental regulations, this function did not address material internal control policies and procedures covering significant self-generated revenues, nonpayroll expenditures, various inmate accounts, or data processing controls and is not a substitute for an internal audit function.

Corrections Services should establish the internal audit function to provide assurance that assets are safeguarded and to ensure that management's policies and procedures are applied in accordance with management's intentions. Management of the department concurred with the finding and recommendation and outlined a plan of corrective action (B-55).

**PUBLIC SAFETY AND CORRECTIONS -**  
**PUBLIC SAFETY SERVICES, DEPARTMENT OF**

**FS-03-DPS-1 - Ineffective Internal Audit Function**

For the third consecutive year, the Audit Services Section of the Department of Public Safety and Corrections, Public Safety Services, did not conduct a sufficient number of audits to be considered an effective internal audit function. The internal audit function should provide management with assurances that assets of the department are properly safeguarded, internal controls are established and operating in accordance with applicable laws and regulations, and procedures are sufficient to prevent or detect errors and/or fraud in a timely manner. Although the Audit Services Section conducted limited audits within the department, the number and scope of audits were not sufficient to constitute an effective internal audit function. Considering the department's reported assets (\$76,125,432) and the revenues it collects (\$1,145,808,510), an effective internal audit function is needed to ensure that the department's assets are safeguarded and that management's policies and procedures are uniformly applied.

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

The department should take the necessary steps to ensure that the Audit Services Section conducts a sufficient number of audits by either reallocating or increasing available internal audit resources or by pursuing other alternatives to accomplish this objective. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-57).

**REVENUE, DEPARTMENT OF**

**FS-03-DOR-1 - Financial Statement Information**  
**Not Properly Prepared**

For the second consecutive year, the Department of Revenue did not submit an accurate and complete AFR to the Division of Administration by the prescribed due date. R.S. 39:79 authorizes the commissioner of administration to establish the format for reporting each agency's financial information. OSRAP designed an AFR to obtain this information and requires a signed affidavit from each agency that the financial statements present fairly the financial information of the agency. OSRAP uses the department's AFR during its compilation of the state's annual financial report. The completed AFR was due to OSRAP on August 29, 2003. Good internal control requires adequate procedures to accurately and completely record, process, and summarize financial data needed to prepare accurate and timely financial statements. The department's AFR that was submitted on September 2, 2003, included the following errors:

Noncurrent Receivables

Receivables were overstated by at least \$16.3 million because of the following:

- Tax payments totaling \$4.6 million that were received before June 30, 2003, were included in the department's revenues as of June 30, 2003, and included again as receivables because the payments were not posted to taxpayers accounts until after year-end.
- Income withholding taxes were overstated by \$4.7 million because of duplicate receivables in the amount reported.
- For taxpayer accounts over \$100,000, receivables were overstated by \$3.1 million because the department failed to provide adequate written instructions to the Tax Divisions regarding procedures to ensure the accuracy of accounts receivables greater than \$100,000.
- Receivables from proposed assessments were overstated by \$3.9 million because taxpayers included cents on their tax return forms. The tax return forms require the taxpayers to round amounts either up or down to the nearest dollar. However, the department recorded cents as dollars for these receivables.

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

## Financial Statement Findings (Continued)

- The accrual for interest and penalties overstated the gross receivables balance and the allowance for doubtful accounts. Interest and penalties continued to accrue on taxpayer accounts beyond the fiscal year-end because the department has not developed a methodology to accurately record and report interest and penalties at year-end.
- In its computation of individual income tax receivables from proposed assessments, the department used the amount collected for withholding taxes during the 45-day close period in fiscal year 2002 rather than the amount collected during the close period in fiscal year 2003. The department was unable to obtain the fiscal year 2003 amount from the new tax system (GenTax).

Refunds Payable

Refunds payable were overstated in the annual fiscal report by \$20.5 million because of the following:

- A total of \$14.2 million of refunds residing on tax systems relating to business taxes were included twice. In addition, approximately \$0.6 million of individual income tax system refunds were not recorded as payable.
- The department incorrectly included as refunds payable \$7.1 million for such items as a payment made under protest, system input errors, and including interest accrued after June 30, 2003.
- The department did not include \$1.9 million of refunds residing on side systems throughout the department, interest paid on those refunds, and some July refund payments that were manually processed as refunds payable.
- A total of \$1.8 million of duplicate refunds payable that resulted from a programming error in a report generated from the new tax system (GenTax) were recorded as payable.
- Management has failed to develop a methodology to record the interest due to taxpayers on refunds payable in the annual financial report.
- Management has not developed procedures to include in refunds payable amounts from protested tax balances when the lawsuits are settled as of year-end.
- Management has not developed and communicated formal written procedures for the compilation of Refunds Payable and has not developed an adequate review process to ensure that the Refunds Payable footnote disclosure is materially correct.

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

## Financial Statement Findings (Continued)

Accounting Records and Reports Not Reconciled to Mainframe

- The Controller's Division does not perform an adequate reconciliation between the accounting records and the related mainframe databases to ensure that all items and adjustments have been accounted for when determining the accrual amounts at June 30.
- The Controller's Division does not reconcile the amounts recorded as collections in the Integrated Statewide Information System (ISIS) with the department's tax information databases to ensure that all amounts reported as collected on the tax information databases represent actual collections. For example, our review of ISIS journal vouchers showed that the Department of the Treasury incorrectly moved \$5.4 million of Severance Tax collections to the Mineral Revenue Audit and Settlement Fund. This caused total collections for the department to be understated in its AFR.

Management agreed to correct the material misstatements that we detected but has not established detailed written procedures for the compilation and maintenance of supporting documentation of financial statement amounts. In addition, management lacks procedures for reconciling and correcting discrepancies between accounting records and the tax information databases.

Management should establish a formal written compilation process that requires the maintenance of adequate reports and supporting documentation and the performance of analytical procedures to detect and correct errors before submission of the AFR to the Division of Administration. In addition, management should develop, implement, and document procedures to ensure that accounting records, as well as the information in the department's tax information databases, are accurate and complete. Management partially concurred with the finding regarding the reconciliation between accounting records and the related mainframe databases. Management did not concur with the finding regarding the reconciliation of collections recorded in ISIS to the department's tax information databases indicating that the two systems will never agree exactly because of timing differences. See management's response at B-58.

**Additional Comments:** The reconciliation between accounting records and the related mainframe databases does not need to be to the exact amount. Instead, it can be used to determine if all large items and adjustments have been identified to ensure that the accrual amounts at June 30 are materially correct.

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

## Financial Statement Findings (Continued)

The Operations, Taxpayer Services, and Controller's divisions perform their reconciliation of collections recorded in ISIS to the department's tax information databases daily. These reconciliations do not account for any adjustments or reclassifications of tax collections that can occur at a later date, especially such transactions occurring in ISIS. If a reconciliation of the monthly collection data to ISIS had been performed, the ISIS journal voucher incorrectly moving \$5.4 million of Severance Tax collections to the Mineral Revenue Audit and Settlement Fund could have been detected and corrected in a timely manner.

**FS-03-DOR-2 - Information Systems Control Weaknesses**

For the second consecutive year, the Department of Revenue did not have adequate internal control over the information system (IS) functions that could affect the integrity of programs, processing, data, and financial reports for the Uniform Accounts Receivable System (UAR). To ensure that the processing of transactions and financial data is performed according to management's design, good internal control requires the following:

- Responsibilities and mechanisms for developing, monitoring, modifying, and controlling information systems should be clear and well documented.
- Controls over application systems should be adequate to ensure accuracy of financial reporting requirements.
- System controls should be adequate to ensure that unauthorized or erroneous changes to tax records are not made.

During our test of transactions processed through the UAR, the following control deficiencies were noted:

- Financial information generated by the UAR System is not reliable. During the test of transactions, various truncation errors were noted on system screens, which resulted in inaccurate information used by employees to research taxpayer information and in financial reporting. For example, a truncation error for delinquent penalties caused 14 taxpayer accounts to be understated by \$2.1 million.
- There is a lack of explicit, written identification of the business requirements of the system and lack of standardized, comprehensive documentation sufficient to meet the needs of technical and user support personnel to include contents of reports generated and the control procedures the user should employ when reviewing the reports for accuracy.
- Taxpayer accounts are purged when an account has the "maximum" number of transactions allowable or has the maximum number of accounts receivable records allowable and the account has become "full," meaning no space is

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

## Financial Statement Findings (Continued)

available to post other transactions. When purged, the taxpayer accounts are stored in the department's archival system (RDARS). Transactions that remain in active status must be reentered into the mainframe. No supervisory review or approval is done to ensure that employees reenter the necessary data to keep taxpayer accounts active and current. The department cannot determine how many active account transactions exist in the RDARS.

- The system does not have sufficient edit checks to ensure that the amounts being refunded have actually been received and are reasonable. Two refund checks (\$55 million and \$48 million) for excise taxes were generated in error because the returns were being keyed incorrectly into the system. These errors were caught through a manual review of a system-generated report that listed refunds to be paid.

The programs, their business requirements, and technical and user documentation were developed many years ago. The department limited work on the existing tax system several years ago because of its efforts to design and implement a new tax accounting system.

Failure to establish adequate internal control increases the risk that data could be accessed and modified without proper authorization, review, and approval; that data integrity could be impaired; and that errors or fraud could occur and not be detected for those taxes still accounted for on the old system. In addition, inaccurate or incomplete data and reports from the information system may result in materially incorrect financial data, impede collection efforts, and result in taxpayer complaints.

Even though the department is implementing a new tax accounting system, it still needs to establish and maintain adequate internal controls over the UAR system activities to ensure the integrity of data and financial reporting for those taxes that are still maintained in this system. Management substantially concurred with the finding and recommendation but did contend that RDARS is not meant to be used to store active account transactions. See management's response at B-60.

**Additional Comments:** Although RDARS is not meant to be used to store active account transactions, such transactions have, in the past, been erroneously moved to RDARS. Without appropriate supervisory review, management cannot reasonably ensure that these active account transactions are properly restored on the mainframe.

**FS-03-DOR-3 - Insufficient Collection Effort for Taxes Owed**

For the fourth consecutive year, the Department of Revenue did not enforce its procedures that were designed to ensure effective collection efforts for tax assessments and the payment of taxes by department employees. The department's Policies and Procedures Memorandum (PPM), *Collection Division Desk Manual*, and the *Field Services Manual* discuss the procedures that should be followed when the department issues final assessments to taxpayers. Final

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

## Financial Statement Findings (Continued)

assessments apply when a taxpayer has filed a return but has not made any payment; proper payment was not made (i.e., NSF check) based on a return; or an audit or examination identifies taxes due. A final assessment also occurs when the taxpayer does not file a return and the department assesses a tax, and the taxpayer fails to remit payment or file an appeal within the prescribed amount of time. In addition, R.S. 47:31 requires every person (or the person's estate) residing within the state to pay a tax on net income and the department's Standards of Conduct Section 23 requires all employees to comply with all applicable requirements of state tax laws and filing requirements.

Our review of the department's procedures regarding collection efforts for taxes owed to the state disclosed the following:

1. The department does not follow its policies and procedures to ensure that refunds are not issued to individual taxpayers whose business accounts have been placed in uncollectible status.
2. The department uses computerized work queues to prioritize accounts assigned for collection effort. The work queues are ineffective for ensuring that the oldest and largest accounts are given priority, resulting in some accounts remaining in active status for over 10 years. In addition, these queues can be turned off and on by supervisors.
3. The department does not provide adequate documentation to verify that all attempts to effect collection have been completed before an account is deemed uncollectible. In addition, the notes section of the taxpayer's electronic files does not adequately document the reasons/information to justify their uncollectible status and/or to provide an adequate audit trail for final assessments placed in uncollectible status.
4. In accordance with PPM 30.17, the department only bills taxpayers for amounts due that exceed \$9.99 for each tax period. The policy states that the use of this amount will be periodically reviewed and appropriate recommendations will be made to management concerning the raising or lowering of this billing tolerance. The current policy has been in effect since November 1, 1988, when the cost of issuing and collecting a bill was determined to be \$9.33.
5. The department has failed to monitor the tax filing status of its employees on a timely basis. As of October 22, 2003, the department has not performed the yearly review for the 2001 tax year. In addition, 26 employees of the department took part in the Tax Amnesty Program held in October 2001. These employees paid \$13,557 in back taxes.

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

## Financial Statement Findings (Continued)

Although most established procedures appear adequate, the department's failure to implement those procedures and aggressively pursue the collection of taxes allows businesses and business owners that are delinquent to continue to operate in the State of Louisiana. In addition, by not monitoring the tax filing status of its employees timely, the department cannot ensure that its own employees are paying their taxes in accordance with the department's Standards of Conduct Section 23 and state law. Furthermore, at June 30, 2003, the department records reflect that over \$149.7 million in uncollected taxes are due to the state, of which over \$69.7 million has been outstanding for over one year but less than five years.

Management should implement and/or update its policies and procedures to ensure that an effective and adequate collection effort is made to collect all taxes due to the State of Louisiana. Management partially concurred with the finding and recommendation, except management did not concur with the lack of timely monitoring of employees' tax status. See management's response at B-62.

**Additional Comments:** Based upon the evidence provided as of October 22, 2003, the department's review of employees' 2001 tax returns was not performed timely.

**FS-03-DOR-4 - Insufficient Control Over Refund  
Approval Process**

For the second consecutive year, the Department of Revenue does not have sufficient control procedures to ensure that taxpayer refunds are valid and properly approved before issuance and that interest is paid in accordance with state law. The department's Policies and Procedures Memorandum (PPM) 30.1.2 titled "Refund Review and Approval Procedures" establishes the review and approval procedures for issuing refunds of \$20,000 or more, excluding interest. PPM 30.1.2 Subsection 4d allows for seven exceptions to the approval signature requirements. If a refund is due as a result of any of the noted exceptions, the refund can be issued to the taxpayer after being reviewed by only one employee of the department. In addition, R.S. 47:115(A) (3) and 47:1624(A) require the department to pay interest on certain amounts refunded or credited to taxpayers and state how the interest due shall be computed.

We tested 20 refunds totaling \$28,112,502 that were issued during fiscal year 2003. The test of those refunds revealed the following control deficiencies:

- Three of the 20 refunds (15%) totaling \$5.5 million were issued by an employee without any supervisory approval in accordance with the exceptions allowed by PPM 30.1.2. These refunds were for \$50,405; \$191,958; and \$5,283,993.
- Eleven of 20 refunds (55%) did not include interest due of approximately \$159,000 as required by state law.

Management has not considered the potential adverse effect the control deficiency over the refund approval process may have on the financial statements and the revenues of the State of



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

Louisiana. In addition, the department does not ensure that the laws regarding the payment of interest on refunds is consistently applied. Failure to require supervisory review and approval to all large refunds increases the risk that errors and/or fraud could occur and not be timely detected and corrected. Failure to include interest on all eligible refunds underpays the taxpayer, overstates revenue collections, and subjects the department to noncompliance with state laws.

The department should reevaluate PPM 30.1.2 and require supervisory review and approval for all large dollar refunds issued. Also, the department should ensure that interest is paid on all refunds and credits as required by state law. Management did not concur with the finding and recommendation regarding the refunds issued. Management partially concurred with the finding and recommendation regarding the interest on refunds. See management's response at B-64.

**Additional Comments:** The refunds issued under the exceptions in PPM 30.1.2 were issued by an employee without any supervisory review and approval. If the steps in the refund process for large dollar refunds are not reviewed timely by a knowledgeable supervisor, the state's assets are at risk.

**FS-03-DOR-5 - Lack of Control Within On-line  
Error Resolution (OLER) System**

For the second consecutive year, the Department of Revenue does not have adequate control procedures and an adequate audit trail over the OLER to ensure that transactions are valid, authorized, and correctly entered into the department's tax information system. Transactions should be initiated and controlled with the general and specific authorizations of management. An audit trail should be maintained that allows tracing the path of any transaction from inception to final disposition and internal controls should ensure that transactions are reviewed and approved by an appropriate supervisor so that errors and/or fraud are detected timely.

The department has over 400 employees with access to OLER. These employees have the ability to make corrections, changes, or other adjustments to taxpayer accounts without review by an appropriate supervisor.

In addition, a test of 16 randomly selected transactions that required entry into OLER revealed the following control deficiencies:

1. Fifteen of the 16 transactions (94%) were not reviewed or approved by an appropriate supervisor.
2. Taxpayer payments may not be posted accurately and timely to the taxpayer's account as to the proper tax type (i.e., sales, income, et cetera) and tax period. For example, a \$5,310,505 electronic fund transfer (EFT) tax payment was posted on January 21, 2003, to sales taxes instead of to gasoline and special fuels taxes. This error was not corrected until April 2, 2003.

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

The department does not have written policies and procedures that require appropriate supervisory approval and a periodic reconciliation between edit/error reports to ensure the completeness and accuracy of data entered into the department's tax information system.

Annually, the department collects approximately \$6 billion of state revenues. The lack of adequate internal control over the on-line error resolution process may result in inaccuracies in system data and reports and errors and/or fraud could occur and not be detected in a timely manner. In addition, management cannot be certain that financial statement amounts are fairly presented when transactions are not posted accurately and timely.

Management should establish written policies and procedures that ensure an adequate audit trail is established, transactions are reviewed and approved by an appropriate supervisor, and a periodic reconciliation between edit/error reports is performed to ensure the completeness and accuracy of the mainframe data. Management partially concurred with the finding and outlined a plan of corrective action. See management's response at B-66.

**FS-03-DOR-6 - Tax Collections Not Deposited Timely**

For the sixth consecutive year, the Department of Revenue did not comply with state law for timely deposits of tax collections for major state revenues. Article 7, 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 collections received by the department be deposited timely to properly safeguard assets.

An analysis of tax information data that was supplied by the department revealed that 103,958 of the 110,183 batch headers (94.4%) were not deposited timely. A batch header is a summary of the information in a batch that includes total dollar amount; date of returns, payments, or declarations received by the department; date of deposit to the bank; and number of documents in the batch. The total amount not deposited timely accounted for \$1.49 billion of the \$6.28 billion (23.7%) deposited for fiscal year 2003. These deposits ranged from one to 60 days late, for an average of 8 days late.

This condition is the result of inefficient methods of processing tax returns and remittances. In addition, the department has not fully implemented an adequate method of monitoring the effectiveness of its system for depositing tax payments. Consequently, the department has an increased risk that untimely deposits will be susceptible to loss and/or theft. In addition, by not making deposits in a timely manner, the Department of the Treasury is hindered from earning interest on these collections. If deposits had been made within one day of receipt, the state could have earned approximately \$470,868 in interest, assuming a simple interest rate of 1.80%.

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

Management should review current procedures and identify changes that can be made to enhance its compliance with the Louisiana Constitution relative to timely deposits in the state's Treasury Department accounts. Management concurred with the finding and outlined a plan of corrective action (B-67).

**FS-03-DOR-7 - Weaknesses in Controls Over  
Protested Tax Balances**

For the fifth consecutive year, the Department of Revenue did not reconcile the balances of protested taxes actually collected and recorded by the Controller's Division and the Taxpayer Services Division with the balances recorded in the Legal Division's Tax Claims and Litigation Tracking System. Good internal control would ensure that protested tax balances in the Legal Division's records reconcile to those in the Controller's Division and the Taxpayer Services Division.

The department's established procedure has been to require a quarterly reconciliation among the Controller's Division, the Taxpayer Services Division, and the Legal Division to verify that payments received under protest have been properly recorded by each division. Each division keeps a subsidiary record of taxes paid under protest. According to the Controller's Division, the balance of taxes paid under protest at June 30, 2003, totals \$159.1 million. Audit procedures revealed the following:

1. No reconciliations were performed for the quarters ended September 30, 2002, and December 31, 2002.
2. For the quarters ended March 31 and June 30, 2003, the department only reconciled the balances of the Controller's and the Taxpayer Services divisions.

Management did not enforce the established procedure that requires quarterly reconciliations of protested tax balances among the Controller's Division, Taxpayer Services Division, and the Legal Division. The lack of timely reconciliations increases the risk that error or fraud may occur and not be detected in a timely manner.

Management should take steps to ensure that all quarterly reconciliations are performed and that the information provided by the Legal Division includes the dollar amount contained in each lawsuit. Management concurred with the finding and outlined a plan of corrective action (B-69).

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

**FS-03-DOR-8 - Weaknesses in GenTax System**

The Department of Revenue does not have sufficient internal control over the new tax accounting system (GenTax) functions, which could affect the integrity of processing, financial data, and financial reporting. The first phase of GenTax went on-line effective February 1, 2003, when the accounting for individual withholding, international fuel tax agreement, and beer taxes were moved to the system. An adequate system of internal control requires that the program have adequate written system documentation, have system reconciliation procedures, and be able to provide accurate system information in a timely manner. For the fiscal year ended June 30, 2003, GenTax processed approximately \$115.8 million of tax collections, as well as other transactions, during the period February 1, 2003, to June 30, 2003.

Information system (IS) general controls include controls over (1) organization and management of IS activities; (2) application systems development, installation, and maintenance; (3) systems software support; (4) computer operations, including backup and disaster recovery; (5) security administration policies and procedures; (6) logical security; and (7) internal audit of IS activities. Good IS general controls are necessary to preserve the integrity of the system and to provide reliance on the results, especially financial information, produced by the system. IS application controls include control procedures over input, processing, and output of data. Good IS application controls are necessary to ensure that the processing of transactions is performed in accordance with management's design and intent.

During a review of the GenTax system for the fiscal year ended June 30, 2003, the following control deficiencies were noted:

- The department had not adequately documented controls relating to the GenTax data structure, which consists of many data tables. The department could provide only limited technical system documentation on the functions, processes and interrelationships of each GenTax module. The department's IT division did not have sufficient knowledge of the new system to answer many questions. In most instances, the auditors were directed to the vendor for answers concerning general and application controls over logical security, input, processing, and output of data.
- The department had not developed, implemented, or documented procedures to reconcile accounting records to the source data contained in GenTax and to identify missing, incomplete, and inaccurate tax information for system-generated transactions, transactions initiated through on-line error resolution, and electronic funds transfer payments. The lack of documented procedures results in the risk of undetected errors or fraud and provides no assurance that system-generated reports or underlying data are correct.

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

## Financial Statement Findings (Continued)

- The department could not provide a complete copy of a GenTax User Manual or a detailed description of the transaction types. Therefore, for seven of 17 items (41%) tested totaling \$9,183,884, it could not be determined whether the transactions were coded properly. In addition, for these same items, it could not be determined whether an appropriate supervisor approved the on-line error resolution of these items. The department has over 200 employees with access to GenTax.
- A \$2.2 million sales tax payment was incorrectly sent to the GenTax system for processing even though the sales tax module was not yet on-line in the system. In addition, this payment was posted to an account that could be manipulated by the Director of Operations.
- The department does not have adequate security procedures to ensure that access to hardware, software, and data is limited to the business need of employees and that authorized users are assigned individual user IDs. We noted the following:
  - Management information system programming personnel have access to production software and hardware within the Data Control center and at the department's off-site operations at the Department of Public Safety.
  - One database administrator is also an authorized system administrator. This combination of access rights grants to one individual the power to alter virtually anything in the GenTax system.
  - A single user ID for the structured query language (SQL) server used for all GenTax database servers is shared among several database administrators.
  - A single user ID and password for providing access to the firewall is shared by more than one administrator.
- The department does not have an IS auditor. Adequate internal control requires periodic reviews of the IS division's general and application controls by an IS auditor. The IS auditor position has been vacant since May 2002. The absence of an IS auditor means that no one independent of the IS division is assessing the adequacy of IS controls.
- In addition, the department does not have a written business continuity or disaster recovery plan.

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

## Financial Statement Findings (Continued)

These conditions occurred because the department is implementing the GenTax system in phases over a three-year period. Control deficiencies could affect the integrity of programs, processing, and data. As a result, risk exists that GenTax 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 system may not be able to fully recover lost programs and data.

Management should establish adequate IS procedures and controls over the GenTax system to ensure the integrity of programs, processing, and data. Management should also ensure that the system has proper disaster recovery and reconciliation procedures and is able to provide accurate information in a timely manner. Management did not concur that there is insufficient control over the GenTax system. However, management concurred with the various control deficiencies and recommendations, except for the parts regarding adequate documentation of controls relating to the GenTax data structure and the inadequate security procedures over access to hardware, software, and data. See management's response at B-70.

**RISK MANAGEMENT, OFFICE OF****FS-03-ORM-1 - Deficit in Road Hazard Line of Insurance**

The Road Hazard line of insurance has accumulated a deficit of \$605,000,000 at June 30, 2003, which resulted from the Office of Risk Management (ORM) making claim payments for road hazards over several years, while no premiums were collected from the Department of Transportation and Development to cover settlements of suits against the State of Louisiana. For five consecutive years, we have reported that ORM used premiums collected from state agencies for various other lines of insurance, such as medical malpractice, general liability, automobile, et cetera, to fund road hazard claim payments.

The Division of Administration made a decision effective July 1, 2002, that ORM would no longer pay road hazard claims from premiums collected from other lines of insurance, although no solution has been proposed to fund the \$605 million deficit created by the payment of prior road hazard claims. Settlement of road hazard claims now requires a direct legislative appropriation of state General Fund monies.

In the month preceding the decision to require legislative appropriation, June 2002, the Attorney General and ORM settled a lawsuit against the Department of Transportation and Development that resulted in payments of over \$5 million relating to a suit that had been filed in 1998.

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

The details of this particular suit are summarized as follows:

- On April 9, 1997, accident records reflect that an intoxicated driver ran a stop sign and hit another car in East Carroll Parish. A passenger in the car that was hit by the intoxicated driver was permanently disabled and suit was filed by the passenger's mother in April of 1998 against the drivers of the two vehicles, the state, and others. The plaintiff alleged, among other things, that the intersection was defective.
- The plaintiff attorneys included a law firm in Monroe, a state senator from Monroe, a state senator from Livonia, and an attorney from Baton Rouge. The state was represented by a contract attorney from Monroe who was selected by the Attorney General.
- East Carroll Parish Police Jury settled with the plaintiff for \$380,000 prior to trial.
- In February 2002, a jury trial was held in the Sixth Judicial District. The jury found the Department of Transportation and Development 100% at fault. The total award was in excess of \$11 million.
- One week after the trial, the chief of the Litigation Section in the Attorney General's Office made a firm recommendation that the state should appeal the jury decision to the Court of Appeal, Second Circuit. He felt that the award exceeded legal caps and that similar cases against the Department of Transportation and Development in which the offending motorist was intoxicated did not result in the state being 100% liable. The contract attorney representing the state agreed.
- In April 2002, a judgment was issued by the court, but the award was reduced to approximately \$7 million because certain legal caps had been exceeded in the original judgment.
- Subsequent to the judgment, attorneys for both parties entered into negotiations to settle the case. In May 2002, the state and the plaintiff attorneys agreed to a settlement. On May 15, 2002, the Litigation Subcommittee of the Joint Legislative Committee on the Budget concurred with an ORM request to settle the matter for \$5 million. On June 13, 2002, two weeks prior to the decision made by the Division of Administration to require legislative appropriation for road hazard claims, ORM made settlement payments totaling \$5 million to the plaintiff and plaintiff attorneys. ORM and the Attorney General concluded that the settlement was in the state's best interest and that exposure could exceed that amount if the state was required to include judicial interest in any final settlement.

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

## Financial Statement Findings (Continued)

- Soon after the judgment was rendered in the Sixth Judicial District Court against the state, an appeal was filed by the insurance carrier that provides excess insurance coverage to the state for road hazard claims. Less than one year after the \$5 million settlement, on May 14, 2003, the Court of Appeal, Second Circuit, reversed the earlier judgment rendered against the state, although ORM had already made payment to the plaintiff attorneys. The appeals court conclusion provides that “we reverse the ruling of the trial court from our determination that the jury was manifestly erroneous and clearly wrong in not finding the driver’s intoxication and his failure to stop at the point nearest the intersection as the sole cause-in-fact of the accident.” The state did not include the excess carrier in its initial defense, although the excess carrier maintained liability for claims in excess of \$5 million. The excess carrier was represented in the appeal by the same attorney in Monroe who contracted for the state’s defense and who at one time had suggested to the state that it should appeal the judgment of the lower court.
- The settlement also included a payment to the state Medicaid program since the plaintiff had incurred medical costs that were paid by the state. Thus, the settlement included a payment of \$144,392 to the state as reimbursement for costs. The payment was only a partial payment for costs of over \$200,000 that were incurred. Representatives of the state Medicaid program agreed to take a lesser amount from the settlement made to the plaintiffs. ORM provided the check to the state’s contract attorney who in a June 2003 letter, one year after the check was written, informed the state Medicaid program that the check was in the possession of a state senator who represented the plaintiff and participated in the settlement. He indicated that the Medicaid program needed to contact the senator to satisfy Medicaid’s lien.

In summary, a decision was made by state officials to make a settlement payment of \$5 million to the plaintiff based on a trial court decision instead of filing the appropriate appeal. If state officials had pursued the issues through appropriate legal channels in lieu of settlement, the Road Hazard Program might have decreased the deficit in the program by \$5 million. The state routinely settles claims, which are generally based on informed legal decisions. Therefore, it is very difficult to ascertain whether a good decision is ever made since settlement usually brings closure to the issues. In this particular case, since the excess carrier elected to appeal to a higher court, it is evident that pursuit of this case to the appeals court may have saved the state up to \$5 million that it had previously settled.

The Division of Administration and ORM should present suggestions to the legislature as to how the state might resolve the \$605 million deficit in the Road Hazard Program. The state should also review its defense, appeals, and settlement of claims policies for cases brought against the state to prevent unnecessary payments to plaintiffs and their attorneys. In addition, ORM should submit payments directly to the Medicaid program that result from settlement of claims incurred by the Medicaid program, which are subsequently reimbursed through self-insurance.



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

Management did not concur with the finding noting that the finding did not consider subsequent events, continuing appeals, and additional efforts and actions on the part of ORM and the Division of Administration. See management's response at B-73.

**Additional Comments:** The following facts remain: (1) in prior years, the Division of Administration and ORM used premiums collected from various lines of insurance to pay road hazard claims; (2) a deficit exists in the Road Hazard line of insurance of \$605 million; (3) the Division of Administration and ORM chose to settle rather than appeal a lower court judgment that was ultimately overturned by a higher court; and (4) a refund payment to the Department of Health and Hospitals/Medicaid program was held by the plaintiff's attorney for over one year, and according to management's response, it does not appear that this payment has yet been received by the state.

**SOCIAL SERVICES, DEPARTMENT OF**

**FS-03-DSS-1 - Control Weaknesses Over the  
LaCarte Purchasing Card Program**

The Department of Social Services (DSS) did not follow state and departmental control procedures relating to the LaCarte Purchasing Card Program. The State of Louisiana, Division of Administration's Louisiana "LaCarte" Purchasing Card Policy assigns agencies with various responsibilities in relation to the administration of the purchasing card and the department has established DSS Policy 1-19 (LaCarte Procurement Card Program) to provide detailed control procedures over the purchasing card. In addition, good internal control requires proper segregation of duties to reduce the likelihood that errors and/or fraud could occur and not be detected in a timely manner.

The review of controls over the LaCarte Purchasing Card Program disclosed the following:

- In three of seven (43%) field offices visited, the supervisors reviewing LaCarte purchases did not review the purchasing log, receipts, and/or the Bank of America statement. The regional administrator/division director is responsible for reviewing and approving all information and documentation submitted by the cardholder to verify purchases and for verifying that acceptable documentation exists to support every purchase.
- DSS carried over \$231,493 in unclassified expenditures from fiscal year 2003 to fiscal year 2004 because the Office of Community Services (OCS) did not zero out the default account (PXXX account) for its LaCarte purchases. Agencies are responsible for distributing costs from the default accounting codes to the proper accounting codes and should complete the distribution process each month, before receiving the next bill. Failure to allocate the default accounts results in misclassified expenditures.

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

## Financial Statement Findings (Continued)

- As of June 25, 2003, OCS Fiscal Services had not reconciled \$291,562 of OCS LaCarte purchases to the electronic payments because the regional offices have not submitted all of the purchasing logs. Some of the unsubmitted logs date back to the beginning of the fiscal year. State control policies provide that agencies are responsible for reconciling the cardholder statement to the electronic payment made to the Bank of America. Departmental policy requires DSS agencies to reconcile the Bank of America paper statement at the state office level to the electronic payment made to the Bank of America within 25 days of receipt of the statement.
- No post audits were performed during fiscal year 2003 by the LaCarte program administrator. State and departmental policies require post audits of cardholder transactions to monitor the number and amount of purchases made and vendors used, including detailed transaction information.
- Info Span reports were not used to monitor cardholder transactions for the majority of fiscal year 2003. Departmental policy requires the agency purchasing card program administrator to use Info Span reports to monitor spending, ensure that cards are issued to employees with a business need, research information, and streamline the purchasing process.
- Improper segregation of duties exists because an Administrative Specialist 2 with the Division of Support Services inputs the request for a new card into the Card Program Administrator system, receives the card, and distributes the card to the regional administrators.

Although the state's Division of Administration and DSS have established control procedures over the LaCarte Purchasing Card Program, certain departmental personnel are choosing not to follow these controls. Failure to adhere to control procedures increases the risk that errors and/or fraud could occur and remain undetected. In addition, since certain expenditures made with the LaCarte card are funded by the Foster Care - Title IV-E Program (CFDA 93.658), the department may be more susceptible to disallowed cost.

DSS management should ensure that employees and supervisors comply with state and departmental control procedures relating to the LaCarte Purchasing Card Program. Management concurred with the finding and recommendation and outlined plans of corrective action (B-78).

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

**FS-03-DSS-2 - Improper Contracting of Guard Services**

DSS did not follow state regulations for a two-year guard services contract that costs the state over \$1 million. The requirements for this type of contract are provided in R.S. Title 39 Chapter 16 (Professional, Personal, Consulting, and Social Services Procurement), including approval by the Office of Contractual Review (OCR), as well as descriptive requirements in the language of the contracts.

A review of the guard services contract disclosed the following concerns:

1. The contract was not approved by OCR.
2. DSS could not provide adequate documentation to support the administrative costs charged by the contractor. Administrative costs totaled \$123,033 and \$128,269 for fiscal years 2002 and 2003, respectively, which represented 25% of the total contract cost.
  - Administrative costs included payments to Nacoste Consultant Services or its owner Otis Nacoste, who is a police officer with the City of Baton Rouge, of \$5.00 per hour for every hour worked by the guards, which represented \$104,078 and \$104,410 for fiscal years 2002 and 2003, respectively. These costs were to cover scheduling and recruitment of police officers and for the cost of a liability insurance policy. However, the department could not provide the cost of the insurance policy or how the hourly rate was determined to be reasonable for the services provided. In addition, the adequacy of the insurance policy's coverage was not reviewed by the DSS legal section.
  - Administrative costs also included payments to RLA Police Security or Steve Wilkinson, a police officer, of \$1.00 per hour for every hour worked by the guards, which represented \$18,955 and \$23,859 for fiscal years 2002 and 2003, respectively. These costs were to cover handling paperwork such as time sheets. Once again, the department could not provide support for how this hourly rate was determined to be reasonable for the services provided.
3. The contract's payment terms were not accurate. The contract provided that guard services would be paid for five guards at two locations. However, payments were actually made for nine guards at six locations. DSS could not provide written agreements covering the additional guards or locations. Administrative costs were based on time worked at the six locations.

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

## Financial Statement Findings (Continued)

Failure to submit contracts to OCR for approval results in noncompliance with state regulations and prevents OCR from ensuring that the contract's content, purpose, and evaluation is reasonable and consistent with applicable state regulations. In addition, the lack of review increases the risk that public funds will not be expended in an effective manner.

DSS management should ensure that departmental designees understand and follow state regulations regarding contracts and should submit this contract to OCR for subsequent approval. Management concurred with the finding and outlined a plan of corrective action (B-85).

**FS-03-DSS-3 - Noncompliance With State's  
Movable Property Regulations**

For the second consecutive year, DSS does not have adequate internal control over movable property and may be in violation of movable property laws and regulations. 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) property is safeguarded against loss; (3) movement of items from one location to another is properly recorded; and (4) errors in processing transactions are recognized and corrected in a timely manner. Furthermore, R.S. 39:324(B) and 39:325 and LAC Title 34 Part VII Section 307(A) and Section 313(A) require the following:

1. Property managers are required to update the master inventory listing on a monthly basis by submitting all property transactions to the commissioner of administration.
2. 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.
3. Acquisitions are tagged and information is forwarded to the LPAA within 60 days after receipt of these items.
4. Property managers are required to take a complete physical inventory of all property at least once each fiscal year and record the true and actual results of the physical inventory.

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

Tests of movable property transactions and controls identified the following deficiencies:

Office of the Secretary (OS)

OS reported 229 items valued at \$740,051 as unlocated during fiscal year 2003 on its Certification of Annual Property Inventory submitted to LPAA on May 29, 2003. Of these items, 165 items totaling \$526,942 related to items identified in the prior year audit as accepted by OS, but not reported on the LPAA records. An additional 64 items totaling \$213,109 were also noted as unlocated during the current fiscal year.

Office of Community Services (OCS)

The OCS property manager failed to record on LPAA records 170 computers and nine printers totaling \$259,694 that were purchased in June 2001. Although the property manager was aware of the purchases, the purchases were not identified in OCS' certification of annual property inventories for the past two years.

The OCS property manager does not reconcile LPAA monthly property reports to departmental records to ensure accurate movable property records.

As a result of inadequate property controls and lack of sufficient effort to locate the property, OCS is scheduled to delete 90 property items totaling approximately \$403,000 from LPAA records during fiscal years 2003 and 2004, which represents 5% of OCS' total property.

Louisiana Rehabilitation Services (LRS)

The LRS property manager does not reconcile LPAA monthly property reports to departmental records to ensure accurate movable property records.

These deficiencies occurred because agency personnel responsible for movable property did not exercise sufficient care in performing their duties and management failed to emphasize the importance of maintaining adequate internal control over movable property records. Failure to maintain adequate internal control over property increases the risk that errors and/or fraud could occur and remain undetected and that property will not be properly safeguarded. In addition, the department may be subject to R.S. 39:326(D), which 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.

Management should ensure that the department maintains adequate internal control and accurate records over movable property to comply with state movable property regulations as prescribed by the commissioner of administration and Louisiana law. In addition, management should ensure that a diligent effort is made to locate the state's movable property before it is

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

removed from the LPAA records. Management concurred with the finding and recommendation and outlined plans for corrective action (B-88).

**SOUTHERN UNIVERSITY SYSTEM**

**FS-03-SUSYS-1 - Deficiencies in Disaster Recovery Plan**

The Southern University System (SUS) did not have an adequate disaster recovery/contingency plan to include offsite operations during a disaster. A formal disaster recovery/contingency plan should exist for timely restoration and continuity of critical entity operations in the event that normal data processing facilities are unavailable for an extended period of time.

An adequate disaster recovery plan should include, at a minimum, the following:

- A written functional plan that will allow for continued operation of critical information technology (IT) services in the event of an unexpected interruption.
- Routinely backing up data files, computer programs, and critical documents and storing this information offsite at a remote facility. This remote facility should either have the same operating systems as SUS or ready access to another processing facility so that data can be processed and operations can continue with minimal disruption of services.
- Installing environmental controls, such as fire suppression systems and back-up power supplies.
- Training for staff and other users of the system to ensure that they understand their responsibilities in case of emergencies.
- Testing of the plan.

Failure to implement a formal disaster recovery/contingency plan at SUS increases the risk that untimely or excessive delays in processing critical data may occur and that critical data may be lost. A disaster could have a significant impact on financial accountability, and SUS may not be able to continue business operations, including the processing of payroll and providing services to the public.

While the SUS has a written disaster recovery plan, the plan has never been tested and does not address back-up operations. In addition, the SUS does not have an adequate uninterrupted power supply (UPS) or fire suppression system. The UPS on the mainframe is not working properly and does not allow time to safely shut down during a power outage. The fire suppression system in the Technology Network Division computer room is inoperable.

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

Management should test its disaster recovery/contingency plan to ensure the plan works as intended and will allow for continued operation of critical IT services in the event of an unexpected interruption. Management should have an offsite facility assigned that either has the same operating systems as SUS or ready access to another processing facility so that data can be processed and operations can continue with minimal disruption of services. Management should install environmental controls, such as fire suppression systems and back-up power supplies. Management should train its staff and other users of the system to ensure that they understand their responsibilities in case of emergencies. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-100).

**TOBACCO SETTLEMENT FINANCING CORPORATION**

**FS-03-TOBCORP-1 - Articles of Incorporation Not Filed**

For the second consecutive year, the Tobacco Settlement Financing Corporation has not filed Articles of Incorporation with the Secretary of State. The corporation was created by Act 1145 of the 2001 Regular Session of the Legislature. This act was codified as R.S. 39:99.4. Management of the corporation relied on the language of the legislation to establish the corporation and did not file Articles of Incorporation on the advice of counsel. R.S. 12:205 applies to the incorporation of nonprofit entities and requires that articles of incorporation be filed with the Louisiana Secretary of State. It also specifies that a corporation shall only come into existence when the articles have been accepted by the Secretary of State and a certificate of incorporation has been issued. By not filing Articles of Incorporation, the State of Louisiana's position against tobacco revenue bondholders may be weakened if the tobacco companies file bankruptcy.

Articles of Incorporation should be filed with the Secretary of State to strengthen the position of the corporation and to ensure that outside parties do not have easier recourse against the State of Louisiana should legal action against the corporation arise. Management did not concur with the finding. Management stated, in part, that filing Articles of Incorporation would be a redundancy of effort and expense providing no additional shield of protection beyond that already provided through statute. Management also expressed that the process of the bond validation suit settled the issue of state liability. See management's response at B-104.

**Additional Comments:** We continue to believe that Articles of Incorporation should be filed to ensure the understanding that the Tobacco Settlement Financing Corporation is in fact a separate legal entity, distinct and apart from the state.

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

**FS-03-TOBCORP-2 - Internal Control Weaknesses Over Operations**

For the second consecutive year, the Tobacco Settlement Financing Corporation's board has not hired staff, established an accounting system, or adequately monitored transactions of Bank One, the trustee. Adequate internal control includes assigning responsibility for maintaining an accounting system and monitoring trustee activities to ensure compliance with laws and regulations and that transactions are accomplished in the best interest of the corporation. Internal control also provides assurance that the accounting system and its underlying data are reliable. An accounting system should be designed to assemble, analyze, classify, record, and report financial data. In performing these functions, an accounting system must also help to maintain adequate control over the assets of the corporation.

R.S. 39:99.8(A) states that the staff of the Department of the Treasury, including that of the State Bond Commission, may, pursuant to a cooperative endeavor agreement, serve as staff to the corporation under the supervision of the state treasurer. A cooperative endeavor agreement was never executed between the corporation and the Department of the Treasury. Therefore, the duties of treasury personnel were never formally established.

Neither the board nor the staff of the Department of the Treasury exercised adequate oversight over the financial and legal affairs of the Tobacco Settlement Financing Corporation. Although monthly trustee account bank statements and monthly operating account bank statements were accumulated, no formal accounting records existed to support the financial statements. The trustee's activities were not reviewed for accuracy and compliance with laws and regulations. The following weaknesses were noted:

- The corporation engaged a CPA to prepare the financial statements. Because the corporation had no books of original entry, the CPA had to prepare spreadsheets to summarize the transactions of the corporation. CPAs typically charge fees based on the number of hours estimated to be necessary to complete a job. It is likely that the corporation incurred additional expense because of its failure to provide books of original entry. In addition, failure to prepare books of original entry makes it more difficult for management to monitor the transactions of the corporation.
- The board did not monitor investment activity and did not determine if the trustee maximized the investment income that could have been earned on tobacco settlement revenues.
- Operating expenses totaling \$41,920 were incorrectly paid from the Cost of Issuance Account instead of the Operating Account. The expenses were not related to the issuance of the bonds but were for professional services. Section 8.06 of the bond indenture states, in part, that at such a time as an authorizing officer (of the corporation) notifies the trustee that the Cost of Issuance has been fully paid, the Trustee may close and terminate the Cost of Issuance Account.



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

The funds remaining therein, if any, shall then be transferred to the Louisiana Fund and the Millennium Trust pursuant to the direction of an authorized officer. However, based on R.S. 39:99.12.B(3) and Attorney General Opinion Number 03-0185, these residual funds should be transferred to the Millennium Trust. The payments totaling \$41,920 paid from the Cost of Issuance Account lowered the balance, that when closed, would have been transferred to the Millennium Trust. The Cost of Issuance Account was not closed until April 2003 although no disbursements, related to the issuance of bonds, had been made since January 30, 2002. By not closing the account timely the corporation also incurred additional bank fees of \$1,538. Because the corporation did not monitor the expenses paid from the Cost of Issuance Account, the Millennium Trust lost the interest as well as the use of the funds in the operating account.

Without adequate monitoring and an accounting system, the risk increases that errors and non-compliance with laws and regulations will occur and not be detected or corrected in a timely manner. It also increases the risk that fraud may occur and not be detected in a timely manner.

The board should hire adequate staffing or establish a formal agreement for staffing with the state treasurer and should establish an accounting system and internal control procedures, including monitoring of the trustee's activities and investment earnings. Furthermore, the board should authorize the transfer of \$41,920 from the operating account to the Millennium Trust. Management concurred in part with this finding. Management did not concur with the portions of the finding relating to the monitoring of investment activity and lost interest and stated that those portions of the finding are in error and represent a misunderstanding of the account in question. See management's response at B-106.

**Additional Comments:** We continue to believe that a lack of monitoring exists based on information available through the Department of the Treasury. Monthly bank statements were the only evidence of monitoring provided to the auditors. There was no indication that other records were maintained or that investment activity was monitored.

**TREASURY, DEPARTMENT OF THE**

**FS-03-CAFR-2 - Untimely Monitoring of the Oil Spill  
 Contingency Fund**

The Department of the Treasury failed to timely certify to the secretary of the Department of Revenue the date that the balance in the Oil Spill Contingency Fund (fund) reached \$10,000,000, which resulted in the overcollection of fees of \$4,244,287.

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

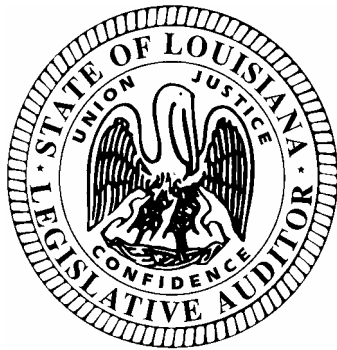
## Financial Statement Findings (Concluded)

On August 26, 2002, the balance in the fund was \$10,756,532. R.S. 30:2486(A) requires the state treasurer to certify to the secretary of the Department of Revenue the date on which the balance in the fund equals \$10,000,000. After the fund reaches \$10,000,000, a fee of two cents per barrel of crude oil is no longer collected from taxpayers. However, the Department of the Treasury did not notify the secretary of the Department of Revenue that the maximum balance had been attained until April 1, 2003. Although the law is silent as to the time period the state treasurer has to notify the Department of Revenue, good internal control requires that the state treasurer timely monitor the balance in the fund in order to timely notify the Department of Revenue when the balance in the fund reaches \$10,000,000.

The Department of the Treasury should establish procedures to monitor the balance in the Oil Spill Contingency Fund to timely notify the Department of Revenue of the balance in the fund. In addition, the Attorney General has opined on numerous occasions that excess revenues exacted from taxpayers in error should be returned to the taxpayers where practicable. In this instance, the state should return the overcollection of \$4,244,287 to the appropriate taxpayers. Management of both the Department of the Treasury and the Department of Revenue concurred with the finding and recommendations and outlined a plan of corrective action (B-109 and B-110).

# Schedule C

## Federal Award Findings and Questioned Costs For the Year Ended June 30, 2003



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STATE OF LOUISIANA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs  
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FINDINGS COVERING MORE THAN ONE FEDERAL AGENCY

EDUCATION, DEPARTMENT OF

F-03-CC-EDUC-1 - Inadequate Internal Controls Over Federal  
 Payroll Certifications  
 (2000, 2001, 2002)

	<u>Questioned Costs</u>
10.558 - Child and Adult Care Food Program	\$0
84.010 - Title I Grants to Local Educational Agencies	
84.048 - Vocational Education - Basic Grants to States	
84.367 - Improving Teacher Quality State Grants	
93.558 - Temporary Assistance for Needy Families	
<u>Child Nutrition Cluster:</u>	
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	
<u>Special Education Cluster:</u>	
84.027 - Special Education - Grants to States	
84.173 - Special Education - Preschool Grants	

The state Department of Education (SDE) failed to ensure that payroll expenditures charged to federal programs were fairly and accurately allocated. Office of Management and Budget Circular (OMB) A-87, Cost Principles for State and Local Governments, Attachment B, Section 11h states that where employees work on multiple activities or cost objects, a distribution of their salaries must be supported by personnel activity reports or equivalent documentation reflecting an after-the-fact distribution of the actual activity. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes, provided that quarterly comparisons of actual costs are made. Also, good internal controls should include the proper separation of duties including the assignment of incompatible functions to separate individuals.

Based on interviews with departmental employees and reviews of the SDE's written policies and procedures, we determined the following: (1) the Division of Appropriation Control performs incompatible functions including receiving, maintaining, and processing A-87 employee payroll certifications and making financial adjustments; (2) certain employees' payroll charges were

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

based on budget estimates rather than actual work performed; (3) the SDE's policies and procedures prohibit time administrators from maintaining copies of time certifications with time and attendance records; and (4) the SDE did not perform quarterly comparisons of actual efforts to budgeted efforts to determine if payroll adjustments were needed.

Failure to implement adequate control procedures over the payroll certification process may prevent the accurate allocation of payroll expenditures charged to federal programs and increase the risk of erroneous or fraudulent charges. During 2003, the SDE expended over \$25 million in federal administrative funds.

The SDE should develop and implement procedures to ensure that expenditures charged to federal programs are fairly and accurately allocated. This includes ensuring that payroll certifications are maintained and processed in a centralized location, independent of the budget and accounting units. Management did not concur with the finding, noting that it believes it has complied with the payroll certification requirements. See management's response at B-5.

**Additional Comments:** Allowing the employees to keep a copy of their payroll certifications for comparison would help to mitigate the risk caused by the incompatible functions within the Division of Appropriation Control. Management notes that comparisons between budgeted efforts and actual efforts were made on an ongoing basis. However, federal guidelines specifically require quarterly comparisons. Our audit evidence indicated that comparisons were performed only twice during the year.

**F-03-CC-EDUC-2 - Ineffective Controls Over Subrecipient Monitoring**  
**(2001, 2002, 2003)**

	<u>Questioned Costs</u>
<b>84.002 - Adult Education - State Grant Program</b>	
<b>84.010 - Title I Grants to Local Educational Agencies</b>	
<b>93.558 - Temporary Assistance for Needy Families</b>	<b>\$77,680</b>
<b><u>Special Education Cluster:</u></b>	
<b>84.027 - Special Education - Grants to States</b>	
<b>84.173 - Special Education - Preschool Grants</b>	
	<hr/>
	<b>\$77,680</b> <hr/>

For the third consecutive year, the SDE did not have adequate internal control to monitor subrecipients for compliance with program requirements of the following federal programs:

- Adult Education (AE) (CFDA 84.002)
- Title I Grants to Local Educational Agencies (Title I) (CFDA 84.010)

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

- Special Education Cluster (SEC) (CFDA 84.027/84.173)
- Temporary Assistance for Needy Families (TANF) (CFDA 93.558)

OMB Circular A-133 requires the pass-through entity to monitor the activities of subrecipients to ensure that federal awards are used for authorized purposes in compliance with applicable federal laws and regulations and that performance goals are achieved. OMB A-133 also requires the pass-through entity to (1) issue a management decision on subrecipient single audit report findings; (2) ensure that the subrecipient takes corrective action; and (3) consider any effects the audit may have on the entity's own records. The management decision should clearly state whether the finding is sustained, the reasons for the decision, and the expected actions including repayment of related disallowed costs, as well as financial adjustments needed, if any.

In a review of the SDE's subrecipient monitoring function, audit tests disclosed the following deficiencies:

- In a sample of 14 TANF monitoring files tested for fiscal review, none of them contained documentation or evidence of the procedures performed to examine for allowability of expenditures. One file included evidence of possible fraudulent transactions that were not listed as exceptions by the monitor. A copy of a provider's March 2003 reimbursement claim form revealed that the contractor requested reimbursement for several children that were either included more than once at a site or were included for reimbursement at multiple sites. The SDE monitors did not detect these irregularities even though they had a copy of the claim in the monitoring file. Also, the Division of Appropriation Control reviewed and paid the reimbursement claim and did not note these irregularities. After calling these transactions to the attention of department management, additional monitoring was begun on the contractor. To date, the department has found \$77,680 in subrecipient liability and is continuing to evaluate this issue. These costs are considered known questioned costs.
- For 47 single audit reports tested, 15 included findings related to a major federal program requiring management decisions. One (7%) of the reports reviewed, issued on December 5, 2002, included four reportable conditions in internal control over the Title I and SEC programs, one questioning \$15,490 in SEC salary overpayments. The management decision dated June 30, 2003, addressed only two of the four findings, and the subrecipient's responses to the findings included in the audit report were accepted without any further evidence of corrective action. Also, the decision did not address the finding with the questioned costs. Until prompted by our auditor in July 2003, the department had not taken steps to ensure that the questioned costs had been returned to the SDE according to the subrecipient's response to the finding.



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- The SDE's Division of Education and Finance (DEF) "fiscal reviews" of subrecipients for allowed/unallowed activities or costs for Title I and SEC are limited in number and are not performed in a timely manner. The reviews were done only after the federal grants were closed, up to 27 months after the funds were expended. For Title I, four on-site monitoring reviews were started in fiscal year 2003; however, no reviews were completed during fiscal year 2003, including one begun in January 2001. For SEC, six fiscal reviews opened during the 2000 and 2001 fiscal years were closed during fiscal year 2003 and three new reviews were started.
- In a sample of five AE monitoring files tested, none of them included evidence of fiscal monitoring procedures. Programmatic reviews designed to test performance measures were documented in these files; however, four (80%) included findings or exceptions but included no evidence of follow-up or corrective action; three (60%) indicated the need for technical assistance but had no documentation of technical assistance planned or provided; one (20%) did not include the performance measure worksheet documenting whether or not the measures were met; and one (20%) indicated untimely (22 months after the date of the review) communication of review results with the subrecipient.

Based on discussions with staff, SDE program personnel do not have the level of training necessary to perform their specific monitoring responsibilities. The department did develop written policies and procedures outlining the subrecipient monitoring function; however, written policies and procedures were not disseminated to department personnel until October 2002.

The SDE's failure to adequately monitor subrecipients impairs the department's evaluation of the impact of subrecipient activities on its own ability to comply with laws and regulations applicable to the programs. Specifically, this has resulted in known questioned costs totaling \$77,680. Costs incurred by a subrecipient that have not been appropriately monitored by the pass-through entity may be treated as unallowable costs. Therefore, if controls are not strengthened and the department does not comply with the federal compliance requirement of subrecipient monitoring, the department may be subject to the questioning of all federal funds passed through to subrecipients. During 2003, the SDE passed through a total of \$375,353,670 in federal funds through Title I (\$203,093,631); SEC (\$100,261,255); TANF (\$62,315,213); and AE (\$9,683,571).

The SDE should further develop and implement comprehensive written policies and procedures for subrecipient monitoring that are centrally managed to ensure compliance with all of its programs' requirements. Management should ensure that program monitors are adequately trained to perform fiscal monitoring to include the recognition of indications of fraudulent transactions and that program personnel are trained in how to properly resolve subrecipient single audit findings as well as in-house findings. In addition, the DEF's fiscal reviews should be performed timely to allow the subrecipient and the SDE to take more timely corrective actions

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for noncompliance issues or disallowed costs. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-8).

**PUBLIC HEALTH, OFFICE OF**

**F-03-CC-OPH-1 - Improper Allocation of Audit Costs**

	<u>Questioned Costs</u>
<b>10.565 - Commodity Supplemental Food Program</b>	<b>\$37</b>
<b>93.110 - Maternal and Child Health Federal Consolidated Programs</b>	<b>4</b>
<b>93.116 - Project Grants and Cooperative Agreements for Tuberculosis Control Programs</b>	<b>1,178</b>
<b>93.127 - Emergency Medical Services for Children</b>	<b>53</b>
<b>93.161 - Health Program for Toxic Substances and Disease Registry</b>	<b>204</b>
<b>93.217 - Family Planning - Services</b>	<b>198</b>
<b>93.268 - Immunization Grants</b>	<b>1,082</b>
<b>93.283 - Centers for Disease Control and Prevention - Investigations and Technical Assistance</b>	<b>3,248</b>
<b>93.576 - Refugee and Entrant Assistance - Discretionary Grants</b>	<b>7</b>
<b>93.944 - Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance</b>	<b>4,559</b>
<b>93.945 - Assistance Programs for Chronic Disease Prevention and Control</b>	<b>63</b>
<b>93.991 - Preventive Health and Health Services Block Grant</b>	<b>345</b>
	<hr/>
	<b>\$10,978</b>
	<hr/> <hr/>

The Office of Public Health improperly allocated audit costs invoiced by the Louisiana Legislative Auditor’s Office to federal programs under its administration. The amount allocated was in addition to those legislative audit costs allowed under the Louisiana Statewide Cost Allocation Plan. The allocation error resulted in federal overcharges totaling approximately \$10,978, and this represents questioned costs, which management indicates was corrected in November 2003.

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OMB Circular A-87 establishes cost principles designed to ensure that federal programs bear only their fair share of central service costs. Included in this circular are regulations governing the preparation and application of cost allocation plans to distribute the costs of certain central state governmental services among the various federal programs. OMB Circular A-87, Attachment A, Section C (1) provides a list of criteria that a cost must meet to be an allowable cost chargeable to federal programs. Among 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.

The allocation error occurred because the audit costs invoiced by the Louisiana Legislative Auditor’s Office were incorrectly coded to the reporting category used to allocate executive overhead charges to state and federal programs. In addition, as legislative audit costs had already been assessed indirectly through the Statewide Cost Allocation Plan, any direct charge of legislative audit costs resulted in an overcharge to federal programs.

Office of Public Health’s management should take measures to ensure that audit costs invoiced by the Louisiana Legislative Auditor’s Office are not charged to federal programs. Management should also ensure that legislative audit costs charged to federal programs do not exceed the maximum allowed under the statewide allocation plan. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-54).

**SOCIAL SERVICES, DEPARTMENT OF**

**F-03-CC-DSS-1 - Fraudulent Benefit Charges**

	<u>Questioned Costs</u>
<b>93.558 - Temporary Assistance for Needy Families</b>	
<b><u>Food Stamp Cluster:</u></b>	
<b>10.551 - Food Stamps</b>	<b>34,679</b>
<b><u>Child Care Cluster:</u></b>	
<b>93.575 - Child Care and Development Block Grant</b>	<b>51,480</b>
	<b><u><u>\$135,286</u></u></b>

The Department of Social Services (DSS) has weaknesses in internal control procedures relating to benefits, including those provided on the Louisiana Purchase Automated Benefit card (EBT card), which led to possible fraudulent charges to several federal programs. United States OMB Circular A-87 requires that federal program cost must be necessary and reasonable. In addition, good internal control requires DSS to maintain adequate security over EBT cards and sustain an adequate review function to reduce the risk of misappropriation and ensure the proper expenditure of federal funds.

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Federal Award Findings and Questioned Costs (Continued)

Based upon review of work performed by the DSS Fraud and Recovery Section, the following issues were identified:

- An employee has allegedly falsified documentation in case folders and electronic records, which allowed ten clients to fraudulently receive benefits. These individuals may have improperly received benefits from the Temporary Assistance for Needy Families program (TANF) (CFDA 93.558) totaling \$48,244; Food Stamps program (CFDA 10.551) totaling \$22,129; and the Child Care Cluster (CFDA 93.575 and 93.596) totaling \$51,480. DSS has taken legal action.
- An employee has allegedly changed a relative's case file data and improperly issued two EBT cards to another relative, which resulted in likely questioned cost of food stamp benefits of \$8,610. DSS terminated the employee, but no legal action was taken.
- Two employees have allegedly misappropriated \$3,940 in food stamp benefits and \$883 in TANF benefits by obtaining EBT cards before the cards were mailed to clients from their parish office. DSS has taken legal action in both cases.
- Various employees of the Algiers District Office - Orleans Region were working under other employees' User IDs and passwords. Employees were working on friends' and relatives' cases. These actions violate DSS Computer Security Policy 5-3 that prohibits the sharing of passwords regardless of the circumstances and DSS Policy I-510 that prohibits Office of Family Support employees from taking any action on a case involving an immediate family member, friend, or social acquaintance.

Our audit procedures performed on controls involving the EBT card and EBT card benefits disclosed the following:

- For the employee mentioned previously who allegedly allowed 10 clients to fraudulently receive benefits, Case Validation Forms, which document supervisory review of cases on a random basis, contained numerous questions and concerns regarding the clients' case files prepared by the employee. However, none of the forms had a worker's response or signature and did not indicate that the concerns were addressed.
- DSS Policy M-310, Minimum Number of Case Readings, provides that the supervisory review of case files by program will be 50% Food Stamps, 25% TANF, and 25% Child Care and Development Fund Cluster. However, in a review of six parish offices for a three-month period, the breakdown of case readings between programs averaged 77% Food Stamps, 17% TANF, and 6% Child Care and Development Fund Cluster.

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- DSS does not have adequate security measures established for EBT cards before they are mailed. Reconciliations are not performed between the number of cards issued and the number of EBT cards mailed, which increases the risk that EBT cards can be removed from the mail without detection. In addition, although the various parish offices perform reconciliations of blank EBT cards received and issued, these reconciliations do not receive supervisory review on a consistent basis.

Ineffective supervisory review of case files increases the risk that errors and/or fraud could occur and not be detected in a timely manner. Insufficient internal controls and noncompliance with departmental policy increases the risk of fraud and/or error and may have subjected the department to likely questioned costs in the following federal programs: Food Stamps totaling \$34,679; TANF totaling \$49,127; and Child Care Cluster totaling \$51,480.

DSS management should strengthen internal control procedures relating to the EBT cards and related benefits to deter fraudulent or erroneous charges to federal programs. Management provided plans of corrective action for each issue to implement the finding's recommendation. See management's response at B-83.

**F-03-CC-DSS-2 - Noncompliance With Federal  
Property Regulations**

For the second consecutive year, DSS does not have internal controls over movable property acquired in whole or in part with federal funds and therefore is in violation of federal regulations. The U.S. Department of Education [34 CFR 80.32(d)(e)] and the U.S. Department of Health and Human Services [45 CFR 92.32(d)(e)] require that property records be maintained that include a description of the property, a serial number or other identifying number, the source of property, the titleholder, the acquisition date, the cost of the property, the percentage of federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

Audit procedures performed regarding federal property requirements disclosed that the Office of Community Services (OCS) and Louisiana Rehabilitation Services (LRS) did not indicate the percentage of federal participation for property acquired during fiscal year 2003. For fiscal year 2003, OCS and LRS acquired movable property items totaling approximately \$1.1 million and \$129,000, respectively. Departmental personnel responsible for tracking movable property failed to adhere to federal regulations regarding equipment acquired in whole or in part with federal funds. Failure to establish and maintain controls over property increases the risk that errors and/or fraud could occur and remain undetected.

Management should ensure that all movable property acquired in whole or in part with federal funds is identified by documenting the percentage of federal participation in the Louisiana Property Assistance Agency system. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-87).

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**F-03-CC-DSS-3 - Subrecipient Monitoring - Noncompliance With  
 Federal and State Regulations (2002, 2003)**

	<u>Questioned Costs</u>
<b>14.231 - Emergency Shelter Grants Program</b>	<b>\$0</b>
<b>84.169 - Independent Living - State Grants</b>	
<b>93.556 - Promoting Safe and Stable Families</b>	
<b>93.558 - Temporary Assistance for Needy Families</b>	
<b>93.563 - Child Support Enforcement</b>	
<b>93.658 - Foster Care - Title IV-E</b>	
<b>93.667 - Social Services Block Grant</b>	

DSS did not comply with certain federal and state regulations in its monitoring of federal subrecipients and state contractors. Louisiana Revised Statute (R.S.) 39:1500 requires a state agency to file a final report with the Office of Contractual Review (OCR) within 60 days of the completion of a professional, consulting, or social service contract. In addition, R.S. 39:1500(D) states, "No contract shall be entered into by a using agency with any contractor for which a delinquent final evaluation report remains outstanding for a contract with such using agency."

Audit procedures performed on the department's monitoring function disclosed the following:

- A review of 25 contracts disclosed that DSS did not obtain corrective action responses in a timely manner as required in the Contract Accountability Review Team policy manual for four of the 10 contracts (40%) that required corrective responses.
- For the sixth consecutive year, DSS did not ensure that applicable compliance requirements were provided to subrecipients as required by OMB Circular A-133. A test of 25 contracts disclosed that 10 contracts (40%) did not advise the subrecipients of the requirements imposed by laws and regulations and the provisions of contract or grant agreements.
- For the second consecutive year, DSS failed to designate 12 contracts as vendor or subrecipient. Four contracts with payments ranging from \$21,000 to \$2.3 million were determined after the fiscal year ended to be subrecipients. Timely designation is necessary to ensure proper monitoring and reporting.
- For the fourth consecutive year, DSS did not comply with R.S. 39:1500. A review of 25 contracts disclosed that 22 final evaluation reports (88%) were not submitted within 60 days. Thirteen reports were outstanding as of September 30, 2003, while nine reports were submitted 32 to 106 days late. In

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addition, nine entities have entered into contracts totaling approximately \$12.6 million while their reports were delinquent.

Failure to ensure federal subrecipients and state contractors receive federal program requirements and are properly monitored increases the risk of noncompliance with applicable program regulations. In addition, failure to comply with the revised statute denies OCR timely information on contract performance.

Management should ensure monitoring procedures are established to comply with OMB Circular A-133 requirements and that final reports are filed with OCR pursuant to R.S. 39:1500. Management concurred with the finding and recommendation and provided plans of corrective action (B-90).

**U.S. DEPARTMENT OF LABOR**

**LABOR, DEPARTMENT OF**

**F-03-USDOL-LABR-1 - Deficient Memorandums of Understanding**

	<u>Questioned Costs</u>
<b><u>WIA Cluster:</u></b>	<b>\$0</b>
<b>17.258 - WIA Adult Program</b>	
<b>17.259 - WIA Youth Activites</b>	
<b>17.260 - WIA Dislocated Workers</b>	

The Department of Labor has executed Memorandums of Understanding (MOUs) that do not meet Workforce Investment Act (WIA) regulations (20 CFR 662.300). Entities (One-stop partners) responsible for administering separate workforce investment, educational, and other human resource programs coordinate to create a seamless system of service delivery that addresses the needs of employers and job seekers. The Code of Federal Regulations requires that an MOU be developed and executed between the One-stop partners relating to the operation of the One-stop delivery system in the local area. The MOU must specify the services to be provided through the One-stop delivery system and the funding of the services and operating costs of the system. The Code [20 CFR 662.100(d)] states that the One-stop delivery system must have at least one comprehensive center and may also have affiliated sites that can provide one or more partners' programs, services, and activities at each site. Furthermore, the Code (20 CFR 662.270) states that each partner must contribute a fair share of the operating costs of the One-stop delivery system that is proportionate to its use.

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Federal Award Findings and Questioned Costs (Continued)

A review of eight of 18 MOUs disclosed the following:

- For all eight MOUs, there is no indication that the secretary of the Department of Labor reviewed or approved these documents. Field supervisors for the department signed the MOUs that committed the department to the terms of the MOUs as a One-stop partner.
- For all eight MOUs, the federal programs that will share the costs of the One-stop delivery system were not specifically identified. Instead, the MOUs provide only the name of each partner. Each program must be specifically identified since one agency may operate several federal programs. The federal programs we were able to identify include the State Administrative Matching Grants for Food Stamp Program (CFDA 10.561), Employment Service (17.207), Unemployment Insurance (17.225), Trade Adjustment Assistance - Workers (17.245), Welfare-to-Work Grants to States and Localities (17.253), WIA Adult Program (17.258), WIA Dislocated Workers (17.260), Disabled Veterans' Outreach Program (DVOP) (17.801), Local Veterans' Employment Representative Program (17.804), Temporary Assistance for Needy Families (93.558), and Community Services Block Grant (93.569).
- For all eight MOUs, the department's fiscal section was unaware of the existence of the MOUs. Depending on the MOUs' terms, the fiscal section could be responsible for billing other partners for certain shared costs or for paying another partner for the department's share of the costs.
- For six MOUs (75%), the MOUs did not list all of the comprehensive centers or affiliated sites. The MOUs included only the One-stop comprehensive center. In addition, the MOUs did not include a physical address or other method for specifically identifying the centers or sites for which costs will be shared.
- For four MOUs (50%), the One-stop systems had not billed all partners for shared costs. In addition, three One-stops had billed the department for shared costs totaling \$55,120 for fiscal years 2001, 2002, and 2003; however, as of May 15, 2003, the department had not paid these bills.
- For three MOUs (38%), the rental and utility payments for the related One-stop delivery systems could not be compared to the MOU to ascertain if the costs shared for common areas and utilities were included in the cost allocation process. The three One-stop systems had separate rent and utility agreements with the partners.
- For two MOUs (25%), program partners have not been billed for their share of the One-stop system's operating costs. One system had not billed the department for \$140,794.



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 Federal Award Findings and Questioned Costs (Continued)

The Department of Labor failed to ensure that MOUs met the requirements of the WIA regulations by adequately reviewing the MOUs before signing or ensuring that amendments containing the required information were made to the MOUs. Also, the department failed to ensure that it complied with the terms of the MOUs. As a result, some federal programs that are paying the operating costs of the One-stop delivery systems appear to be to paying an unfair share of the costs.

Management of the department should establish adequate procedures to ensure that MOUs contain the required information and that it complies with the terms of the MOUs. Management did not concur that the fiscal section was unaware of the MOUs and that partners were not billed for shared costs. Management partially concurred with the finding regarding rental and utility payments. See management’s response at B-24.

**Additional Comments:** Although the MOUs tested were signed in calendar years 2001 or 2002, the fiscal section did not receive copies until April 17, 2003. In addition, if the fiscal section had been provided timely with copies of the MOUs, the fiscal section would have realized that the department had not been billed for its share of the One-stop system’s operating costs.

Finally, because there were separate rent and utility agreements with the participating agencies, we could not determine whether these costs were included in the cost allocation process. The MOUs, or other referenced addendums, should be structured so that it can be determined whether such costs are included.

**U.S. DEPARTMENT OF EDUCATION**

**EDUCATION, DEPARTMENT OF**

**F-03-ED-EDUC-3 - Improper Charging of Administrative Expenditures to Federal Awards (2000, 2001, 2002)**

	<b>Questioned Costs</b>
<b>84.010 - Title I Grants to Local Educational Agencies</b>	<u>\$3,165</u>
<b>Special Education Cluster:</b>	<b>300,891</b>
84.027 - Special Education - Grants to States	
84.173 - Special Education - Preschool Grants	
	<hr/> <hr/> <b>\$304,056</b>

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

For the third consecutive year, the SDE did not have adequate internal control to ensure that direct costs charged to federal programs complied with federal regulations when administering the Title I (CFDA 84.010) and Special Education Cluster (SEC) (CFDA 84.027/84.173).

OMB A-87 states that costs are allowable if they are necessary and reasonable for the proper and efficient performance and administration of the federal award, are allocated to the particular program to the extent of relative benefits received, and appropriately documented.

Based on audit tests, SDE administrative expenditures totaling \$304,056 were not properly charged to federal programs and these amounts are questioned costs as follows:

1. Expenditures totaling \$278,271 lacked the detailed documentation necessary to make a determination of allowability for the costs charged to the SEC.
  - Seven professional service contracts totaling \$209,858 for the Teach Louisiana State Certification project, a state program, were charged to SEC.
  - Five professional service contracts totaling \$68,413 for Learning Intensive Networking Communities for Success Program (LINCS), a state program, were charged to SEC.
2. Expenditures totaling \$25,785 were charged to programs other than the actual program affected.
  - Eight computers were purchased for eight employees who work on federal programs or state activities. The costs for the computers, \$12,200, were allocated to the SEC program; however, one of the eight employees worked on other federal programs. The remaining employees were contracted by the department to provide services for the Teach Louisiana State Certification project, a state program.
  - Rental and data port charges were allocated for three employees who work on other federal programs or state activities. The costs, \$13,585, were allocated to Title I and SEC; however, one of the three employees worked on other federal programs and two of the employees worked on other state activities.

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 Federal Award Findings and Questioned Costs (Continued)

Failure to ensure that payment documentation supports the allocation of costs increases the risk that inaccurate, unsupported, or fraudulent expenditures could be improperly charged to the federal programs without timely detection. Without supporting documentation, the department cannot ensure compliance with allowable cost requirements.

The SDE should implement procedures to ensure that federal costs are properly allocated, including a more detailed review of supporting documentation. The SDE should consult with the U.S. Department of Education regarding the resolution of questioned costs noted in this finding as well as the allowability of any related indirect costs claimed. Management concurred in part with our finding, acknowledging that the source documentation can be improved to further clarify individual grant goals on source documents for contracts and purchase orders and to ensure that the documentation supports the allocation of costs. However, management did not concur with any of the questioned costs, stating, in part, that it believes the funds were appropriately used to support federal objectives. See management’s response at B-3.

**Additional Comments:** Whether or not expenditures “support federal objectives” is not the criteria upon which the questioned costs are based. In accordance with OMB A-87, the general criteria affecting allowability of costs of federal awards require that the costs must be appropriately documented and must be allocable to a particular program if the goods or services involved are charged or assigned to such in accordance with relative benefits received.

**F-03-ED-EDUC-4 - Inadequate Controls Over the Special  
 Education Grants for Infants and  
 Families With Disabilities Program  
 (2002)**

	<b>Questioned Costs</b>
<b>84.181 - Special Education - Grants for Infants and Families with Disabilities</b>	<u><b>\$53,198</b></u>

In a report issued May 30, 2003, the Bureau of Internal Audit (BIA) of the SDE reported that the SDE had not adequately monitored its subrecipients of the Special Education Grants for Infants and Families With Disabilities Program (CFDA 84.181) for programmatic and fiscal requirements. The Code of Federal Regulations, 34 CFR 303.501 (a) (2), states that each lead agency is responsible for the monitoring of programs and activities used by the state to carry out this program. The SDE has not adopted and used proper methods of administering program oversight, including monitoring agencies and organizations, enforcing any obligations imposed on those agencies under federal regulations, providing technical assistance to those agencies and organizations, and correcting deficiencies that are identified through monitoring.

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Federal Award Findings and Questioned Costs (Continued)**

During on-site visits of seven school districts and 11 of their contracted family service coordinators, the BIA found internal control weaknesses and noncompliance with federal regulations resulting in questioned costs totaling \$53,198 as follows:

- One provider could not provide supporting documentation for claims for a three month period resulting in \$13,917 in questioned costs.
- One provider claimed reimbursement for ineligible children and verified fewer than those claimed resulting in \$3,338 in questioned costs.
- One provider claimed 100% reimbursement for two supervisors who supervise staff that do not work 100% on this program and claimed reimbursement for ineligible children resulting in \$35,943 in questioned costs.

SDE management in the Division of Special Populations as well as the Division of Education Finance partially concurred with the finding. Also, the three subrecipients whose costs were questioned were notified that an audit resolution process will begin.

Recommendations for improvement and management’s full response to these findings may be found in the audit report referred to previously. In addition, the SDE should consult with the U.S. Department of Education regarding the resolution of the questioned costs. To obtain a copy of the audit report and management’s response, contact the Louisiana Department of Education, Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana 70802.

**LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM**

**F-03-ED-LCTCS-1 - Improper Allocation of Audit Costs  
(2002-2003)**

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

The Louisiana Community and Technical College System (LCTCS) improperly charged \$54,534 in audit costs allocated by the Louisiana Office of the Legislative Auditor (OLA) to the Vocational Education - Basic Grants to States Program (CFDA 84.048). OMB Circular A-21 establishes cost principles designed to ensure that federal programs bear only their fair share of costs. According to a letter from the U.S. Department of Health and Human Services dated July 31, 1995, agencies should not directly “charge any of the Legislature-mandated billed amounts to any program.”

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

Management was not aware that the OLA audit costs were “Legislature-mandated billed amounts” and were not to be charged directly to federal programs. By charging these amounts to federal programs, the system is subject to noncompliance with federal regulations.

Management should take measures to ensure that OLA audit costs are not charged directly to federal programs. Management should also ensure that all central service costs, including OLA audit costs, are charged to federal programs in accordance with the Statewide Cost Allocation Plan distributed by the Division of Administration, Office of Statewide Reporting and Accounting Policy. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-33).

**F-03-ED-LCTCS-2 - Inadequate Internal Control Over Pell Grant  
 (2002-2003)**

	<b>Questioned Costs</b>
<b><u>Student Financial Assistance Cluster:</u></b>	<b>\$0</b>
<b>84.063 - Federal Pell Grant Program</b>	

For the second consecutive year, the Louisiana Technical College (LTC), an institution under LCTCS, has inadequate internal control over refunds of the Federal Pell Grant Program (CFDA 84.063). The Code of Federal Regulations (34 CFR 668.22) requires that a return of federal Pell Grant funds must be made as soon as possible but no later than 30 days after the date of the institution’s determination that the student withdrew.

Pell refunds are initiated at the individual LTC campuses and sent to the LTC central office, which then deposits them to the Pell account. The LTC central office has no knowledge of the institution’s determination date to monitor and ensure that refunds are deposited to the Pell account within 30 days of the determination that a student has withdrawn. Midway through the fiscal year, the LTC central office drafted a refund policy requiring the campuses to submit the date of determination of withdrawal with the student refund. However, the policy was not approved or distributed to the LTC campuses until the final month of the fiscal year. After initial distribution, the policy was not effectively implemented. Because of this lack of monitoring and withdrawal evidence at the central office, this requirement could not be tested. Failure to have controls in place to monitor the timeliness of remitting Pell Grant refunds subjects the LTC to noncompliance with federal program requirements.

LTC should fully implement its policies and procedures to ensure that refunds are deposited timely to the Pell account. The LTC should ensure that the campuses report the date of the institution’s determination that the student withdrew when remitting Pell refunds to the central office. This should also provide a means for the central office to properly monitor the campuses and to ensure compliance with this requirement. Management concurred with the finding and outlined a plan of corrective action (B-34).

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

**F-03-ED-LCTCS-3 - Overdraw of Federal Funds**

	<b>Questioned</b>
	<b>Costs</b>
<b>84.048 - Vocational Education - Basic Grants to States</b>	<b><u>\$867,707</u></b>

LCTCS did not have adequate internal control over cash management of the Vocational Education - Basic Grants to States Program (CFDA 84.048) to ensure compliance with federal requirements. The Code of Federal Regulations (Title 31, Part 205.33) states, "The timing and amount of funds transfers must be as close as is administratively feasible to a State's actual cash outlay for direct program costs . . ." OMB Circular A-102 and the Common Rule for Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments require that policies and procedures should minimize the time elapsing between the transfer of funds from the U.S. Treasury and the date of disbursement. The U.S. Department of Education further specifies that federal funds shall be disbursed within three business days of the date of the deposit of federal funds.

The LCTCS system office drew program funds in excess of its immediate needs and did not timely disburse the funds following the drawdown. In addition, management failed to properly review and monitor the requests for federal reimbursement to ensure accuracy and timeliness. There were three instances where program funds were overdrawn and not timely disbursed because inaccurate reports were used as a basis for the draws. Two overdraws totaling \$494,646 were not fully disbursed until 24 and 58 days after the date of the draws. Our tests disclosed the third overdraw of \$867,707, which went undetected by management because of insufficient monitoring and review procedures. LCTCS continued to draw program funds after they were made aware of this overdraw and as of December 9, 2003, 131 days after the date of the overdraw, these funds have not been disbursed. As a result, we question the amount of \$867,707. In addition, a potential interest liability of approximately \$4,700 has accrued for all three overdraws. Failure to coordinate the draw of federal funds with the timing of disbursements and failure to effectively monitor and review the requests for federal reimbursement subjects LCTCS to noncompliance with federal regulations as well as potential interest charges.

LCTCS management should implement policies and procedures to ensure that the requests for federal reimbursement are only for immediate needs and to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the date of the disbursement by drawing federal funds only for costs made before the date of the draw. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-39).

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

**SOCIAL SERVICES, DEPARTMENT OF**

**F-03-ED-DSS-4 - Vocational Rehabilitation: Noncompliance  
 With Federal Requirements (2003)**

	<u>Questioned Costs</u>
<b>84.126 - Rehabilitation Services - Vocational Rehabilitation Grants to States</b>	<b>\$4,442</b>

DSS, Louisiana Rehabilitation Services (LRS), did not comply with certain federal requirements for administering the Rehabilitation Services - Vocational Rehabilitation Grants to States Program (CFDA 84.126).

Audit procedures disclosed the following:

- DSS has retained approximately \$2 million of program income that has exceeded its period of availability and the federal government may require the program income to be returned.
- For five of 30 (17%) expenditure items tested, the department may have improperly charged the federal program. Four items did not include sufficient documentation. Departmental procedures do not require documented verification of certain vendor and client invoices, which increases the risk that fraudulent/erroneous invoices could be submitted and paid. One item had inaccurate transportation cost. Total questioned cost is \$4,442 (\$3,496 - federal and \$946 - state).
- Five of 25 (20%) clients tested had an Individualized Plan for Employment that did not accurately specify the entity responsible for providing the vocational rehabilitation services as required by 29 USC 722 (b)(3)(C).
- For the second consecutive year, the review of the *Program Cost Report* (RSA-2) disclosed errors in reporting. The review of the RSA-2 for federal fiscal year 2002 disclosed that total expenditures shown on Schedule I were understated by approximately \$2.85 million, which also caused the expenditure amounts shown for administration and services to individuals with disabilities to be incorrect. Also, amounts related to program income on Schedule IV were incorrect.
- The eligibility determinations for four of 30 (13%) clients tested were not completed within 60 days after application. The four eligibility determinations ranged from 78 days to 139 days to completion.

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

Noncompliance with federal program requirements may subject the department to reduced federal funding or disallowed cost.

Management should strengthen procedures to ensure compliance with federal requirements of the Rehabilitation Services - Vocational Rehabilitation Grants to States Program. Management concurred with the majority of the finding and has implemented or planned corrective action for each issue. See management's response at B-96.

**SUMMARY OF FINDINGS**  
**FROM OTHER EXTERNAL AUDITORS**  
**FOR THE YEAR ENDED JUNE 30, 2003**

**GRAMBLING STATE UNIVERSITY**

Independent auditors performed an audit of Grambling State University's Schedule of Expenditures of Federal Awards and federal award programs for the year ended June 30, 2003, and have issued their report thereon dated October 3, 2003. The following finding was presented in their report.

**F-03-ED-GSU-1 - Federal Financial Reports/Cash Management**  
**(2003)**

	<b>Questioned Costs</b>
<b>Student Financial Assistance Cluster:</b>	<b>\$0</b>
<b>84.033 - Federal Work-Study Program</b>	

The auditors noted that the university's accounting system did not provide the necessary financial information to ensure that certain federal financial reports were accurately prepared. For the Federal Work-Study Program (CFDA 84.033), the amounts reflected in the Grants Administration and Payment System (GAPS) for draw downs and accrued receivables recorded in the general ledger did not reconcile to grant expenditures as follows:

<u>Grant Name</u>	<u>CFDA/ Contract Number</u>	<u>Expenditures</u>	<u>GAPS Draw Downs</u>	<u>Net Accrued Receivable</u>	<u>Cost Transfer to SEOG</u>	<u>Difference</u>
Federal Work-Study	84.033	\$650,164	(\$873,657)	(\$72,223)	\$213,306	(\$82,410)



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

OMB Circular A-133 Compliance Supplement, Part 3, Section L stipulates that reports for federal awards shall include all activity of the reporting period, be supported by applicable accounting records, and be fairly presented in accordance with program requirements. Also, OMB Circular A-133 Compliance Supplement, Part 4, Section L stipulates that cumulative drawdown amounts in the GAPS should accurately reflect the grantee's actual disbursement of funds by award.

As a result of the deficiency noted, certain federal financial reports contained inaccurate financial information and the university did not timely adjust certain financial reports. The auditors did not question any costs as in the subsequent year management reclassified the grant receivable to the unrestricted general fund and reduced the subsequent period's drawdown by \$9,442, the amount that had been drawn down in excess of eligible expenditures.

The auditors recommended that management continue its efforts to correct the noted conditions to ensure that accurate financial information is submitted to the federal program in the future. See management's response at B-19.

**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, 2003, and have issued their report thereon dated December 8, 2003. The following finding was presented in their report.

**F-03-ED-SUBR-1 - Aid Exceeded Documented Need**  
**(2003)**

	<b>Questioned Costs</b>
<b>Student Financial Assistance Cluster:</b>	
<b>84.032 - Federal Family Education Loans</b>	<b>\$3,426</b>
<b>84.033 - Federal Work-Study Program</b>	
<b>84.063 - Federal Pell Grant Program</b>	

The auditors noted that four students out of 70 tested received financial aid in excess of their documented need. It appears that the university did not properly adhere to established procedures which require university personnel to properly monitor the awarding and disbursing of financial aid to students.

Failure of the university to consider all available resources resulted in the over-awarding of financial aid. The auditors questioned costs totaling \$3,426.

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

OMB Circular A-133 Compliance Supplement, Part 5, Section E (Eligibility) specifies 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. Title IV regulations, Sections 673.5, 682.603 and 685.301, state that an institution may not award financial aid to a student if the aid, when combined with other resources, exceeds the student's financial need.

The auditors recommended that management 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-103.

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**ELDERLY AFFAIRS, GOVERNOR'S OFFICE OF**

**F-03-HHS-ELDAFF-1 - Ineffective Monitoring of Subrecipient Audit Reports**

	<b>Questioned Costs</b>
<b><u>Aging Cluster:</u></b>	<b>\$0</b>
<b>93.044 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers</b>	
<b>93.045 - Special Programs for the Aging - Title III, Part C - Nutrition Services</b>	

For the second consecutive audit, the Governor's Office of Elderly Affairs (GOEA) is not effectively performing the procedures required by the federal government for monitoring the activities of subrecipients. OMB Circular A-133 requires the pass-through entity to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure that the subrecipient takes appropriate and timely corrective action.

A review of 37 audit reports submitted to GOEA for the fiscal year ended June 30, 2001, disclosed that the GOEA had not reviewed and closed 16 of the audit reports within six months of the receipt of the reports. Four reports were closed 45 days to seven months after receipt and 12 reports were not closed as of February 10, 2003.

This condition existed because GOEA management did not implement procedures to ensure that audit reports are reviewed and resolved in a timely manner. Failure to determine that these audit reports are reviewed and findings, if any, are resolved in a timely manner increases the

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

risk that program funds will not be expended in accordance with applicable state and federal laws and regulations.

The GOEA should timely review subrecipient audit reports to identify and resolve audit findings and questioned costs. Management concurred with the finding and outlined a plan of corrective action (B-12).

**HEALTH AND HOSPITALS, DEPARTMENT OF**

**F-03-HHS-DHH-1 - Lack of Internal Control Over TANF Initiatives**

**93.558 - Temporary Assistance for Needy Families**

**Questioned  
Costs**  

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**\$60,403**

The Department of Health and Hospitals, Office for Addictive Disorders (DHH/OAD) failed to implement and administer adequate controls over the Temporary Assistance for Needy Families (TANF) program initiatives (CFDA 93.558). Program initiatives administered by DHH/OAD are the Women’s and Children’s Residential Prevention and the Treatment Program and the Substance Abuse Treatment Program. A Memorandum of Understanding (MOU) between DHH/OAD and the Department of Social Services, Office of Family Support (DSS/OFS), establishes regulations and requirements for the delivery of services and payment of invoices. DHH/OAD contracts with seven residential providers to provide the residential program’s services. DHH/OAD provides the substance program’s services through its parish and regional clinics. According to the MOUs, the subcontracted providers must determine and document eligibility prior to services being delivered, and providers must submit monthly invoices to the DHH/OAD TANF coordinator who is responsible for ensuring accuracy and completeness. According to the OMB Circular A-133 Compliance Supplement, DHH/OAD is responsible for identifying the federal award information, including the applicable compliance requirements, to all subrecipients. During fiscal year 2003, the residential program expended \$3,345,276 and the substance program expended \$1,099,102.

In our review, the following conditions were noted for the residential program:

- Monthly invoices submitted by DHH/OAD to DSS/OFS were reviewed to determine if invoices were accurately prepared and adequately supported. For all four monthly invoices tested, sufficient documentation did not exist to support the total amount billed. The testing noted significant internal controls issues including incomplete billing, incorrect billing for a different contract, duplicate billing of invoices, and mathematical errors. Invoice amounts exceeded supported costs by \$41,448, which represents questioned costs.

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

- TANF application (EZ) forms were reviewed to determine if eligibility was verified before services were delivered. For 63 of the 160 recipients tested (39%), the form was not completed before service delivery. This is the second consecutive year a finding of this nature has been reported.
- Subrecipient contracts were reviewed to determine if the providers were informed of the CFDA number for the award and the applicable compliance requirements. For all seven contracted residential providers, the contracts did not contain the required federal award information.

In addition, the following conditions were noted for the substance program:

- None of the five monthly invoices tested had sufficient documentation to support the total amount billed. The significant internal control issues observed included mathematical errors, incomplete billings, and incorrect rate usage. Invoice amounts exceeded supported costs by \$18,955, which represents questioned costs.
- The TANF EZ form was not completed before service delivery for three of the 30 recipients tested (10%).

Eligibility was not determined prior to services being provided because the residential and substance providers failed to follow established agency regulations for verifying recipient eligibility before billing for the services provided. The monthly invoices were inaccurate because the TANF coordinator did not adequately review the provider invoices. The contracts did not contain the federal award information because DHH/OAD did not appropriately identify the award information and the applicable compliance requirements.

The department should strengthen internal controls to ensure that providers accurately determine eligibility prior to billing. The TANF coordinator should adequately review all invoices for accuracy. DHH/OAD must ensure that all subrecipients are aware of the federal award number and compliance requirements. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-22).

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

**LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM**

**F-03-HHS-LCTCS-4 - Failure to Submit Complete Reports  
(2002, 2003)**

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

For the second consecutive year, LCTCS failed to submit complete reports to the Louisiana Workforce Commission (LWC) as required by the MOU under the Temporary Assistance for Needy Families (TANF) (CFDA 93.558) Initiative.

LCTCS has entered into an MOU with LWC for TANF funds. The MOU requires LCTCS to submit a monthly status report to LWC by the tenth of each month. LCTCS has established a deadline for the campuses to submit their monthly reports to the system for inclusion in the status report. During the fiscal year ended June 30, 2003, LCTCS submitted seven incomplete monthly reports to LWC because one to eight community colleges and/or LTC campuses failed to submit a timely report to LCTCS.

Failure to enforce reporting deadlines on community colleges and LTC campuses subjects the LCTCS to noncompliance with program requirements. In addition, the submission of incomplete reports does not provide LWC with appropriate information to properly monitor the activities of its subrecipient.

LCTCS should enforce its policies and procedures to ensure complete and timely reporting by all community colleges and LTC campuses. Management should consider invoking sanctions on those institutions that do not comply with these policies and procedures to ensure that those responsible for noncompliance with program requirements are held accountable. Management concurred with the finding and outlined a plan of correction action (B-32).

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

**SOCIAL SERVICES, DEPARTMENT OF**

**F-03-HHS-DSS-5 - Child Care Cluster: Noncompliance With Grant Requirements**

	<b>Questioned Costs</b>
<b><u>Child Care Cluster:</u></b>	<b>\$0</b>
<b>93.575 - Child Care and Development Block Grant</b>	
<b>93.596 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund</b>	

DSS did not comply with certain federal requirements for administering the federal child care cluster. The child care cluster is comprised of the Child Care and Development Block Grant (CFDA 93.575) and the Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596) programs. OMB Circular A-133, Subpart C, Section 300(b) requires states to establish internal control over federally funded programs to provide reasonable assurance that the state is managing federal awards in compliance with grant provisions, which would include providing accurate financial reporting. In addition, the child care cluster has specific earmarks that are required by Congress, and the amounts required to be spent on each earmark are specified by the Administration for Children and Families (ACF) for each federal fiscal year (FFY).

Reporting and Earmarking

A review of the *Child Care and Development Fund Financial Report* (ACF-696) for the quarter ended September 30, 2002, for the FFY 2001 grant award, disclosed the following:

- Expenditures of \$21,793,299 shown for the earmark to infant and toddler [line 1(b)(2)] were overstated by \$21,790,435. As a result, DSS failed to meet the Infant and Toddler Earmarking requirement of \$2,567,444. The actual expenditures were only \$2,864.
- Expenditures of \$17,471,337 shown for the earmark to school-age/resource and referral [line 1(c)] were overstated by \$16,854,222. The actual expenditures were only \$617,115.
- Expenditures of \$39,620,781 shown for direct services [line 1(d)] were understated by \$38,644,657. The actual expenditures were \$78,265,438.
- DSS failed to meet the Quality Expansion Earmarking requirement of \$4,433,257, as \$3,971,687 was reported on the ACF-696.

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 Federal Award Findings and Questioned Costs (Continued)

- DSS failed to meet the Quality Activities Not Included in Earmarks requirement of \$5,135,904, as \$3,817,734 was reported on the ACF-696. Quality Activities Not Included in Earmarks [line (1)(b)(1) of the ACF-696 report] must equal at least 4% of the total of federal expenditures and state matching expenditures.

Eligibility

For 24 of 30 (80%) children tested, case files did not have copies of the child's immunization record evidencing that the state assured the child was age-appropriately immunized in accordance with 45 CFR 98.41(a)(1)(i) and Section 6.7 of the Child Care State Plan.

DSS has not placed sufficient emphasis on the preparation and review of financial reports for accuracy and compliance with grant requirements. In addition, DSS is incorrectly reporting amounts paid to providers for child care assistance on the lines for the Infant and Toddler and School-Age/Resource and Referral earmarks. Also, although federal regulations exist to ensure a child is age-appropriately immunized, DSS personnel are electing not to follow those regulations. Noncompliance with federal program requirements may subject DSS to reduced federal funding and disallowed cost.

DSS management should ensure that adequate control procedures exist to ensure adherence to federal requirements of the child care cluster. Management concurred with the reporting and earmarking portion of the finding and provided a plan of corrective action but did not concur with the eligibility portion of the finding. See management's response at B-75.

**Additional Comments:** Federal and state regulations require DSS, not providers, to ensure that children receiving services are age-appropriately immunized. In addition, family child day care homes and in-home providers are not required to maintain immunization history.

**F-03-HHS-DSS-6 - Child Support Escrow Fund Not Reconciled  
 (2003)**

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

For the fourth consecutive year, DSS is not reconciling the Child Support (Title IV-D) Escrow Fund to the client accounts on a periodic basis. Good internal control includes periodic reconciliations of cash accounts (such as the Title IV-D Escrow Fund) to subsidiary records (such as the client accounts). A proper reconciliation would provide management with a basis to ensure that errors and/or fraud are detected in a timely manner and that accounting data are both accurate and reliable.

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

The Title IV-D Escrow Fund is the clearing account that is used to process child support receipts and payments. Child support receipts from noncustodial parents are deposited into the fund and credited to the accounts of custodial parents. Distributions are then made to the custodial parents and/or to the state General Fund, depending on the status of each parent's account. During fiscal year ended June 30, 2003, total collections and disbursements of the escrow fund were approximately \$298 million (\$24.8 million per month) and \$300 million (\$25 million per month), respectively. The balance in the account at June 30, 2003, is approximately \$555,000.

Failure to reconcile the Title IV-D Escrow Fund cash to subsidiary client accounts could lead to the misuse of funds and increases the risk that fraud and/or computer programming or operating errors could occur and not be detected in a timely manner. A reconciliation would detect errors such as undistributed amounts payable to custodial parents, undistributed amounts payable to the state General Fund, and failure to post a receipt to a client account.

DSS management should require monthly reconciliations of the Title IV-D Escrow Fund to the client accounts to ensure that the accounting records are both accurate and reliable and that child support receipts and related distributions to both the state and custodial parents have been appropriately recorded. Management concurred with the finding, but noted that corrective action would require major modification to the LASES system, which is the database for the Child Support Enforcement Program (CFDA 93.563). See management's response at B-77.

**F-03-HHS-DSS-7 - Foster Care - Title IV-E Program: Insufficient Controls  
 Over Certain Grant Regulations**

	<b>Questioned Costs</b>
<b>93.658 - Foster Care - Title IV-E</b>	<b>\$9,470</b>

For the third consecutive year, DSS, Office of Community Services (OCS), does not have adequate control procedures to ensure compliance with certain grant regulations in the administration of the Foster Care - Title IV-E (CFDA 93.658) program. OMB Circular A-133, Subpart C, Section 300(b) requires states to establish internal control over federally funded programs to provide reasonable assurance that the state is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements.

Reporting

A review of the *Title IV-E Foster Care and Adoption Assistance Financial Report* (ACF-IV-E-1) for the quarter ended March 31, 2003, disclosed that the underlying records for the ACF IV-E-1 report were not accurate and complete. Report percentages used to calculate the unallowable cost amount are sometimes inaccurate or missing, which may result in the Foster Care IV-E program being over/undercharged. Since the actual amount of social services cost is unknown, questioned cost cannot be determined.



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 Federal Award Findings and Questioned Costs (Continued)

Allowable Cost

- In four (16%) of the 32 payments tested, the foster care program was over-charged by \$9,470 (federal - \$6,750, state - \$2,720) related to retainer payments and special fees, which represents questioned costs.
- DSS did not require the facilities to provide documentation supporting the social service cost percentages; therefore, the reasonableness of the percentages could not be determined.

Failure to prepare and submit accurate financial reports increases the risk that future grant payments and/or awards to the department will be based on erroneous information. In addition, DSS personnel did not follow established controls relating to board payments.

Management should strengthen procedures relating to the preparation and review of financial reports for completeness, accuracy, and compliance with program regulations. In addition, management should ensure that employees follow established control procedures to ensure adherence with program policies. Management concurred with the finding and outlined plans of corrective action (B-82).

**F-03-HHS-DSS-8 - Temporary Assistance for Needy Families Program:  
 Inaccurate Reporting (2002)**

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

For the second consecutive year, DSS does not have adequate control procedures to ensure federal reports for the Temporary Assistance for Needy Families Program (TANF, CFDA 93.558) are accurate and complete and in compliance with program regulations. The Code (45 CFR 265.7) requires that reports must be complete and accurate and filed by the due date.

Audit procedures included tests of the TANF ACF-196 Financial Report for the quarter ending September 30, 2002; the Federal Cash Transactions Report (PMS-272) for quarters ending December 31, 2003, March 31, 2003, and June 30, 2003; and the Annual Report on State Maintenance-of-Effort (MOE) Program (ACF-204) for federal fiscal year 2002. The following deficiencies were disclosed:

- For the ACF-196 report, DSS reported \$121,454,264 as federal unliquidated obligations but does not have supporting documentation to verify that this amount consists of valid obligations.

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

- For the PMS-272 report, DSS understated disbursements by \$5,192,213 for the December 31, 2002, report and \$40,362,082 for the March 31, 2003 and June 30, 2003, reports.
- For the ACF-204 report, DSS could not provide support for its allocation of MOE expenditures to the Family Independence Temporary Assistant Program, Kinship Care Subsidy Program, and FIND Work programs; could not provide support for the number of families/children served for the Domestic Violence, Remediation and Tutoring, Starting Points, Wrap-Around Child Care, Diversion Assistance, and Office of Community Services Child Welfare programs; and included Domestic Violence amounts that should not be considered because those expenditures are not allowable MOE expenditures.

DSS has not placed sufficient emphasis on the preparation and review of federal reports for completeness, accuracy, and compliance with program regulations. Failure to prepare and submit accurate federal reports places the department in noncompliance with program regulations and increases the risk that penalties will be assessed by the federal grantor agency.

Management should establish procedures to ensure that federal reports are prepared in accordance with program requirements and are properly reviewed before submission to the federal grantor agency. Management concurred in part with the finding noting that the department had documentation of unliquidated federal obligations and that supporting documentation was provided for the number of families/children served for Starting Points, Wrap Around Child Care, Diversion Assistance and Office of Community Services Child Welfare programs. See management's response at B-92.

**Additional Comments:** In response to the finding, DSS provided a listing of net encumbrances that may not represent true obligations existing at September 30, 2002. Furthermore, the majority of amounts listed were for other state agencies, which is not allowed by federal guidelines. In addition, audit procedures performed at several large state agencies with numerous TANF subrecipients disclosed the DSS does not request these agencies to provide actual obligations for reporting purposes.

Information provided by DSS regarding Starting Points was an estimate based on contract terms not on actual amounts, while information relating to Wrap Around Child Care, Diversion Assistance and Office of Community Services Child Welfare programs did not support the numbers reported on the ACF-204 report.

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

**F-03-HHS-DSS-9 - Temporary Assistance for Needy Families**  
**Program: Noncompliance With Certain**  
**Federal and State Requirements**  
**(2003)**

	<b>Questioned Costs</b>
<b>93.558 - Temporary Assistance for Needy Families</b>	<b>\$77,384</b>

DSS, Office of Family Support (OFS), did not comply with certain federal and state requirements for administering the Temporary Assistance for Needy Families (TANF, CFDA 93.558). OFS uses TANF funds to operate several programs, including the “Family Independence Temporary Assistance Program” (FITAP), “Family Independence Work Program” (FIND Work), and “TANF Initiatives.”

Audit procedures performed on 45 FIND Work and TANF Initiatives contract payments and 45 FITAP client case files disclosed the following conditions:

- For the second consecutive year, OFS did not monitor its TANF Initiative partners for compliance with federal requirements.
- For the second consecutive year, certain contract payments were determined not to be reasonable and necessary.

Audit procedures performed for a 16-month period on a transportation contract that pays \$3,600 per month for transportation of up to 25 FIND Work participants per day disclosed that an average of 13 participants were served at a rate of \$90.36 per participant per day. Questioned costs are \$57,600.

- Audit procedures performed on a Teen Pregnancy Prevention for At-Risk Youth program invoice noted that 165 gift cards totaling \$1,610 to Target, Wal-Mart, and Blockbuster were purchased, but neither the invoice nor the contract contained explanations as to for whom or why the cards were purchased. Questioned costs are \$1,610.
- Errors related to duplicate and unsupported charges, mathematical errors, and noncompliance with travel regulations for five TANF contract payments resulted in questioned costs of \$3,930.
- In 23 of 45 client cases files (51%) tested, documentation was insufficient or did not exist to support compliance with TANF eligibility requirements. This was the fifth consecutive year for exceptions involving certain eligibility requirements. In eight of these cases, clients received benefits totaling \$14,244 that are

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

questioned costs because of no supporting documentation, lack of sufficient income verification, and clients that exceeded the 24-month FITAP assistance limit.

- For the fifth consecutive year, certain TANF client information in the department's databases did not agree with, or was not supported by, documentation in the client's case file. The errors were detected in 21 cases and such errors could cause a client to incorrectly receive or be denied benefits.

Failure to establish and follow adequate internal control procedures to ensure compliance with federal and state regulations can result in payments made to ineligible clients, payments made in the wrong amounts, or failure to provide benefits to eligible clients. As a result of the exceptions noted previously, questioned costs total \$77,384.

Management should require all employees to adhere to federal and state regulations and established procedures in the administration of the TANF program. Independent monitors should sample case files and contract payments for compliance. Management concurred in part with the finding, but provided a corrective action plan relating to each issue. See management's response at B-94.

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# Schedule D

## Schedule of Unresolved Prior Audit Findings For the Year Ended June 30, 2003



LEGISLATIVE AUDITOR

Schedule D

STATE OF LOUISIANA  
Schedule of Unresolved Prior Audit Findings  
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LEGISLATIVE AUDITOR

Schedule D

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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, 2003



LEGISLATIVE AUDITOR

Appendix A

STATE OF LOUISIANA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

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**STATE OF LOUISIANA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

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**STATE OF LOUISIANA**  
 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT</b>		
Forestry Development - Honduras - LSU Agricultural Center <u>Through: Metrovision Partnership Foundation</u> LSU Agricultural Center	02.unknown	<u>(\$4,885)</u>
Improving Income of Private Ukrainian Ag Producers <u>Direct Awards:</u> LSU Agricultural Center	02.121-A-00-02-00001-00	<u>1,097,162</u>
The Incae Guatemalan Project <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)	02.unknown	<u>949</u>
International Development Partnership <u>Through: United Negro College Fund (#31123-IDF)</u> Grambling State University	02.unknown	<u>108,853</u>
Partnerships for Food Industry Development <u>Direct Awards:</u> LSU Agricultural Center	02.PCE-A-00-01-00012-00	<u>547,819</u>
Reconstruction and Strategic Development of Agricultural, Agribusiness and National Resources - Honduras <u>Through: Metrovision Partnership Foundation</u> LSU Agricultural Center	02.unknown	<u>(84)</u>
Support of Ukrainian Private Farming Sector and Scientific Collaboration <u>Direct Awards:</u> LSU Agricultural Center	02.121-A-00-98-00631-00	<u>(147)</u>
Vista University Linkage Grant <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)	02.3752	<u>103,483</u>
Zambia - Democracy in-Country <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)	02.3224/93-02	<u>(3,583)</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (CONT.)</b>		
<u>Research and Development Cluster:</u>		
Spatial Decision Support System and Control	02.RD.14886	
<u>Through: International Fertilizer Development Center</u>		
LSU A&M College (Baton Rouge)		\$6,483
<b>Total U.S. Agency for International Development</b>		<b>\$1,856,050</b>
<b>INSTITUTE FOR MUSEUM SERVICES</b>		
The Louisiana Purchase Bicentennial: A Heritage Explored	03.ND-00010-00	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$37,507
<b>Total Institute for Museum Services</b>		<b>\$37,507</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Agricultural Research - Basic and Applied Research	10.001	
<u>Direct Awards:</u>		
Nicholls State University		\$17,956
Plant and Animal Disease, Pest Control, and Animal Care	10.025	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		6,431,199
Market News	10.153	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		3,000
Federal-State Marketing Improvement Program	10.156	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		14,071
Inspection Grading and Standardization	10.162	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		7,326
Market Protection and Promotion	10.163	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		69,000

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
Grants for Agricultural Research, Special Research Grants	10.200	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$5,552
<u>Through: Mississippi State University - Southern</u>		
Regional Aquaculture Center		
LSU Agricultural Center		250
		<hr/>
Total Grants for Agricultural Research, Special Research Grants		5,802
		<hr/>
Cooperative Forestry Research	10.202	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		7,179
		<hr/>
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	
<u>Direct Awards:</u>		
LSU Agricultural Center		47,547
		<hr/>
Grants for Agricultural Research - Competitive Research Grants	10.206	
<u>Direct Awards:</u>		
LSU in Shreveport		10,541
		<hr/>
Food and Agricultural Sciences National Needs	10.210	
Graduate Fellowship Grants		
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		57,833
		<hr/>
1890 Institution Capacity Building Grants	10.216	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		102,218
		<hr/>
Higher Education Challenge Grants	10.217	
<u>Direct Awards:</u>		
LSU Agricultural Center		12,400
LSU A&M College (Baton Rouge)		16,205
LSU in Shreveport		34,307
		<hr/>
Total Higher Education Challenge Grants		62,912
		<hr/>
Biotechnology Risk Assessment Research	10.219	
<u>Through: Alabama A&amp;M University (#521009616)</u>		
Southern University and A&M College (Baton Rouge)		45,417
		<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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
Fund for Rural America - Research, Education, and Extension Activities	10.224	
<u>Direct Awards:</u>		
Southern University Board and System Administration		\$9,595
Southern University and A&M College (Baton Rouge)		166,096
		<hr/>
Total Fund for Rural America - Research, Education, and Extension Activities		175,691
		<hr/>
Integrated Programs	10.303	
<u>Direct Awards:</u>		
LSU Agricultural Center		62,122
<u>Through: North Carolina State University (#00-51110-9722)</u>		
LSU Agricultural Center		3,752
<u>Through: University of Florida - IFAS Pesticide Center</u>		
LSU Agricultural Center		65,601
<u>Through: University of Wisconsin - Madison (#PR#200151110)</u>		
Southern University and A&M College (Baton Rouge)		38,181
		<hr/>
Total Integrated Programs		169,656
		<hr/>
Homeland Security - Agricultural	10.304	
<u>Through: Purdue University</u>		
LSU Agricultural Center		46,664
		<hr/>
Rural Community Development Initiative	10.446	
<u>Direct Awards:</u>		
Executive Department		1,225
		<hr/>
Cooperative Agreements With States for Intrastate Meat and Poultry Inspection	10.475	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		1,886,599
Southern University and A&M College (Baton Rouge)		17,975
		<hr/>
Total Cooperative Agreements With States for Intrastate Meat and Poultry Inspection		1,904,574
		<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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
Cooperative Extension Service	10.500	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$7,167,555
Southern University and A&M College (Baton Rouge)		725,475
<u>Through: Texas A&amp;M University - Texas Cooperative Extension</u> <u>(#2001-49200-01238)</u>		
LSU Agricultural Center		421
<u>Through: Texas A&amp;M University (#TCE622640-7)</u>		
Southern University and A&M College (Baton Rouge)		11,128
<u>Through: University of Georgia</u>		
LSU Agricultural Center		9,285
		<hr/>
Total Cooperative Extension Service		7,913,864
		<hr/>
Poultry and Vegetables	10.543	
<u>Through: Southern Regions Share Program (#RD3090315494)</u>		
Southern University and A&M College (Baton Rouge)		50
		<hr/>
Food Donation	10.550	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		20,241,129
		<hr/>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	
<u>Direct Awards:</u>		
Office of Public Health		82,071,348
		<hr/>
Child and Adult Care Food Program	10.558	
<u>Direct Awards:</u>		
Department of Education		48,054,581
		<hr/>
State Administrative Expenses for Child Nutrition	10.560	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		356,657
Department of Education		3,784,496
		<hr/>
Total State Administrative Expenses for Child Nutrition		4,141,153
		<hr/>
Commodity Supplemental Food Program	10.565	
<u>Direct Awards:</u>		
Office of Public Health		18,150,397
		<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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
Nutrition Services Incentive	10.570	
<u>Direct Awards:</u>		
Governor's Office of Elderly Affairs		\$2,081,976
Team Nutrition Grants	10.574	
<u>Direct Awards:</u>		
Department of Education		52,417
Commodity Assistance Program	10.576	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		284,587
Forestry Research	10.652	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		357,595
Cooperative Forestry Assistance	10.664	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		2,992,295
Southern University and A&M College (Baton Rouge)		3,713
Total Cooperative Forestry Assistance		2,996,008
Rural Development, Forestry, and Communities	10.672	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		40,078
Technical Assistance and Training Grants	10.761	
<u>Direct Awards:</u>		
Department of Labor		15,000
Rural Business Enterprise Grants	10.769	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		11,078
Distance Learning and Telemedicine Loans and Grants	10.855	
<u>Direct Awards:</u>		
Northwestern State University		(9,465)
Agricultural Statistics Reports	10.950	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		23,500

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
Technical Agricultural Assistance	10.960	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$408,707
Scientific Cooperation and Research	10.961	
<u>Direct Awards:</u>		
LSU Agricultural Center		91,207
International Training - Foreign Participant	10.962	
<u>Direct Awards:</u>		
LSU Agricultural Center		70,149
Biology and Control of the Formosan Subterranean Termites	10.58-6435-2-0023	
<u>Direct Awards:</u>		
LSU Agricultural Center		686,892
Crop Emergency Assurance Act	10.unknown	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		129,500
Diagnostic Network	10.2002-30001-12085	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		283,786
External Review of the School of Human Ecology and Extension Programs in F&CS	10.CSA-LA4-412	
<u>Direct Awards:</u>		
LSU Agricultural Center		866
Forest Service Cooperative Agreement		
<u>Direct Awards:</u>		
University of Louisiana at Monroe	10.KNF-95-97	64
University of Louisiana at Monroe	10.08-99-06-CCS-009	15,874
University of Louisiana at Monroe	10.00-CS-11080600-010	949
University of Louisiana at Monroe	10.02-CS-11080600-010	7,111
<u>Through: Kisatchie National Forest</u>		
Northwestern State University	10.01PA11080603010	620
Total Forest Service Cooperative Agreement		24,618
Indonesia Phase II - Beef/Cattle Industry	10.unknown	
<u>Direct Awards:</u>		
LSU Agricultural Center		92,307

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
Law Enforcement Response to WMD Incidents Course	10.43-05K3-2-0013/726000848 N	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$20,000
Management of Operations Associated With Site-Specific Testing - Part 3 Partial	10.58-6435-8-084	
<u>Direct Awards:</u>		
LSU Agricultural Center		239,024
OOWRPCOST - Fixed Price Contract	10.unknown	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		64,089
Soil Conservation - Fixed Price Contract	10.FSAKCMOCDSP	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		4,717
Southern Region Watershed Resources Management Program	10.450140-2	
<u>Through: Texas A&amp;M University - Texas Agricultural Extension Service</u>		
LSU Agricultural Center		47,171
WHIP - Fixed Price Contract	10.unknown	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		1,418
<u>Child Nutrition Cluster:</u>		
School Breakfast Program	10.553	
<u>Direct Awards:</u>		
Department of Education		44,548,330
National School Lunch Program	10.555	
<u>Direct Awards:</u>		
Department of Education		143,181,852
Special Milk Program for Children	10.556	
<u>Direct Awards:</u>		
Department of Education		47,493
Summer Food Service Program for Children	10.559	
<u>Direct Awards:</u>		
Department of Education		6,626,588
Total Child Nutrition Cluster		194,404,263

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Emergency Food Assistance Cluster:</u>		
Emergency Food Assistance Program (Administrative Costs)	10.568	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		\$1,150,897
Emergency Food Assistance Program (Food Commodities)	10.569	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		<u>8,680,275</u>
Total Emergency Food Assistance Cluster		<u>9,831,172</u>
<u>Food Stamp Cluster:</u>		
Food Stamps	10.551	
<u>Direct Awards:</u>		
Department of Social Services		661,262,662
State Administrative Matching Grants for Food Stamp Program	10.561	
<u>Direct Awards:</u>		
Department of Social Services		<u>39,275,858</u>
Total Food Stamp Cluster		<u>700,538,520</u>
<u>Research and Development Cluster:</u>		
Agricultural Research - Basic and Applied Research	10.001	
<u>Direct Awards:</u>		
LSU Agricultural Center		99,283
Pennington Biomedical Research Center		482,437
Plant and Animal Disease, Pest Control, and Animal Care	10.025	
<u>Direct Awards:</u>		
LSU Agricultural Center		90,164
LSU A&M College (Baton Rouge)		3,588
Perishable Agricultural Commodities Act	10.165	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		1,769

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Grants for Agricultural Research, Special Research Grants	10.200	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$1,153,634
Louisiana Tech University		107,857
Pennington Biomedical Research Center		740,332
<u>Through: Auburn University (#2002-34434-11900)</u>		
LSU Agricultural Center		199,866
<u>Through: Colorado State University</u>		
LSU Agricultural Center		3,000
<u>Through: Fort Valley State University (#2002-38640-11764)</u>		
LSU A&M College (Baton Rouge)		12,775
<u>Through: Mississippi State University - Southern Regional Aquaculture Center (#00-38500-8992)</u>		
LSU Agricultural Center		3,632
<u>Through: Mississippi State University - SRAC (#2001-38500-10307)</u>		
LSU A&M College (Baton Rouge)		1,000
<u>Through: North Carolina State University (#2001-39443-11414)</u>		
LSU Agricultural Center		11,920
<u>Through: Prairie View A&amp;M University (#00-34136-9794)</u>		
Pennington Biomedical Research Center		4,024
<u>Through: Texas A&amp;M University (#2002-38824-01900)</u>		
LSU Agricultural Center		51,435
<u>Through: University of Florida</u>		
LSU A&M College (Baton Rouge)		37,397
<u>Through: University of Georgia (#2002-38855-01941)</u>		
LSU Agricultural Center		28,135
Cooperative Forestry Research	10.202	
<u>Direct Awards:</u>		
Louisiana Tech University		148,563
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	
<u>Direct Awards:</u>		
LSU Agricultural Center		3,438,216
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		(3,795)

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Grants for Agricultural Research - Competitive Research Grants	10.206	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$288,731
LSU A&M College (Baton Rouge)		345,030
Louisiana Tech University		3,927
Pennington Biomedical Research Center		73,414
University of New Orleans		7,566
<u>Through: Purdue University (#0135204-10873)</u>		
Southern University at Shreveport-Bossier City		33,649
<u>Through: University of Southern Mississippi</u>		
LSU A&M College (Baton Rouge)		11,871
Animal Health and Disease Research	10.207	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		37,005
1890 Institution Capacity Building Grants	10.216	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		740,530
Higher Education Challenge Grants	10.217	
<u>Direct Awards:</u>		
LSU Agricultural Center		48,293
LSU in Shreveport		19,849
<u>Through: Ohio State University Research Foundation</u>		
LSU Agricultural Center		12,067
Biotechnology Risk Assessment Research	10.219	
<u>Direct Awards:</u>		
LSU Agricultural Center		4,262
Fund for Rural America - Research, Education, and Extension Activities	10.224	
<u>Direct Awards:</u>		
Louisiana Tech University		135,167

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Agricultural and Rural Economic Research	10.250	
<u>Through: University of Southern Mississippi</u>		
LSUHSC (New Orleans)		\$1,569
Initiative for Future Agriculture and Food Systems	10.302	
<u>Through: University of Arkansas</u>		
LSU Agricultural Center		111,965
Integrated Programs	10.303	
<u>Direct Awards:</u>		
LSU Agricultural Center		7,408
LSU A&M College (Baton Rouge)		68,197
<u>Through: North Carolina State University</u>		
LSU Agricultural Center		692
Forestry Research	10.652	
<u>Direct Awards:</u>		
LSU Agricultural Center		205,562
LSU A&M College (Baton Rouge)		55,344
Louisiana Tech University		10,866
<u>Through: Mississippi State University</u>		
LSU Agricultural Center		(185)
Cooperative Forestry Assistance	10.664	
<u>Direct Awards:</u>		
LSU Agricultural Center		11,276
Soil Survey	10.903	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,042
Area Wide Control of the Tarnished Plant Bug in Louisiana	10.RD.58-6402-0-015	
<u>Direct Awards:</u>		
LSU Agricultural Center		87,799
Beltwide Collection of Bollworm and Tobacco Budworm	10.RD.58-6402-1-130	
<u>Direct Awards:</u>		
LSU Agricultural Center		555

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Biological Control of Fire Ants in the US Southern Region <u>Through: University of Tennessee</u> LSU Agricultural Center	10.RD.61811/PROP#Z3397.01	(\$1)
Carbonaceous Materials Made From Agricultural Byproducts and Their Use in Cane <u>Direct Awards:</u> LSU Agricultural Center	10.RD.58-6435-8-102	5,023
Cooperative Agreement/Soil Conservation Service <u>Direct Awards:</u> LSU Agricultural Center	10.RD.68-7217-8-23	4,472
Defining Growing Season From Measured Soil Temperature <u>Direct Awards:</u> LSU Agricultural Center	10.RD.68-7482-7-264	(15,381)
Denitrification in Mississippi Delta Agricultural <u>Through: Mississippi State University</u> LSU A&M College (Baton Rouge)	10.RD.300071190500021000/012-11790	39,447
To Detect, Diagnose, and Evaluate the Destructive Potential of Pathological Organism <u>Direct Awards:</u> LSU Agricultural Center	10.RD.08-99-SP&F-CCS-01	923
Determining Bat Roost Locations on the Kisatchie National Forest <u>Direct Awards:</u> University of Louisiana at Lafayette	10.RD.01-CS-11080604-030	7,055
Develop an Agroforestry Demonstration Project Plan <u>Direct Awards:</u> LSU Agricultural Center	10.RD.68-7482-7-301	14,091
Developing the Goat Meat Industry by Improving Market Channel Communication <u>Direct Awards:</u> LSU Agricultural Center	10.RD.unknown	2,644

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
The Development of an Internet-Based Compute Merchlob Slash Software	10.RD.SRS 03-CA-11330133-085	
<u>Direct Awards:</u> LSU Agricultural Center		\$1,412
The Economics of the Formosan Subterranean Termite	10.RD.58-6435-2-023	
<u>Direct Awards:</u> LSU Agricultural Center		5,115
The Effects of Prescribed Burning and Other Fuel Reduction Treatments on Beetle	10.RD.SRS 02-CA-11330122-039	
<u>Direct Awards:</u> LSU Agricultural Center		12,889
Establishing Sustainable Production and Information Exchange Systems	10.RD.unknown	
<u>Through: Baton Rouge Economic and Agricultural Development</u> LSU Agricultural Center		17,309
Evaluation of Corn Genotypes With Live Corn Embryo - Associated Assistance	10.RD.58-6435-7-048	
<u>Direct Awards:</u> LSU Agricultural Center		7,391
Evaluation and Development of Crosses and Corn Hybrids for Resistance	10.RD.58-6402-0-102	
<u>Direct Awards:</u> LSU Agricultural Center		1,404
Genetic Engineering of Cotton to Confer Enhanced Resistance to Aspergillus flavus	10.RD.58-6435-1-109	
<u>Direct Awards:</u> University of Louisiana at Lafayette		17,121
Geostatistical Analysis of Sediment Characteristic	10.RD.58-6408-2-0049	
<u>Direct Awards:</u> LSU Agricultural Center		6,952

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Honey Bee Breeding	10.RD.58640120003/#T264131030	
<u>Direct Awards:</u>		
LSU Agricultural Center		(\$5,735)
Impacts of Offroad Vehicles (ORV) to Soil, Water and Other Resources	10.RD.00-CS-11080600-020	
<u>Direct Awards:</u>		
LSU Agricultural Center		12,184
Implementation of the Unified Climate Access Network	10.RD.40-3142-1-01775	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		12,500
IPA - David Huxsoll	10.RD.IPA-1940-001	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		125,238
Landscape Position and Carbon Controls Over Denitrify	10.RD.58-6408-1-159	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		1,884
Management of Operations Associated With Site-Specific Testing - Part 3 Partial	10.RD.58-6435-8-084	
<u>Direct Awards:</u>		
LSU Agricultural Center		189,012
Metabolic Kitchen	10.RD.US AES 2001-102	
<u>Through: University of Arkansas</u>		
Pennington Biomedical Research Center		256,321
Modeling Risk of Chinese Tallow Invasion in a Heterogeneous Landscape	10.RD.00-JV-11272177-028	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		34,365
To Monitor Abundance and Distribution of Northern Bobwhite	10.RD.01-CS-11080604-010	
<u>Direct Awards:</u>		
LSU Agricultural Center		2,125

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Monitoring Gene Expression Patterns for Auxin-Regulated Genes During Cotton Fiber Development	10.RD.unknown	
<u>Direct Awards:</u> University of New Orleans		\$46,696
Monitoring Productivity and Environmental Quality in Southern Pine Plantations	10.RD.SRS 03-CA-11330122-019/#4080	
<u>Direct Awards:</u> LSU Agricultural Center		20,516
A Multi-State Evaluation of Influence or Timing	10.RD.58-6402-1-118	
<u>Direct Awards:</u> LSU Agricultural Center		2,779
Office Space for USDA-NRCS Wetland Science Institute Soil	10.RD.68-7482-1-634Y	
<u>Direct Awards:</u> LSU Agricultural Center		580
Penchant Basin Wetlands Data Collection and Report Preparation	10.RD.68-7217-9-05	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		5,875
Populous Crop Development for the Southeastern United States: Phase V	10.RD.99-09-0796-02/#330505 080100	
<u>Through: Mississippi State University</u> LSU Agricultural Center		2,136
Reduced-Risk Tactics for Thrips and Tospoviruses on Solanaceous Crops	10.RD.PO#L82397	
<u>Through: University of Florida</u> LSU Agricultural Center		3,000
Research and Document Genetic Variability of Double-crested Cormorant	10.RD.00-7407-0379(CA)	
<u>Direct Awards:</u> University of Louisiana at Lafayette		4,745

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Services of Frankie Gould	10.RD.90-CSA-LA1-122/P&PA-01-222	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$10,158
Soil and Water Research Unit	10.RD.58640120003/#T2-364131020	
<u>Direct Awards:</u>		
LSU Agricultural Center		67,447
Sugarcane Research	10.RD.58640120003/#T264131040	
<u>Direct Awards:</u>		
LSU Agricultural Center		9,922
Treated Wood Research	10.RD.unknown	
<u>Direct Awards:</u>		
LSU Agricultural Center		618
Utilities	10.RD.58640120003/#T264131010	
<u>Direct Awards:</u>		
LSU Agricultural Center		39
Walnut Roundaway Aerial Photo Digital Development	10.RD.68-7217-8-27	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		8,495
Water Data on Coastal Cameron-Creole Vegetative Monitoring	10.RD.68-7217-9-11	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		690
		<hr/>
Total Research and Development Cluster		9,878,139
		<hr/>
<u>Schools and Roads Cluster:</u>		
Schools and Roads - Grants to States	10.665	
<u>Direct Awards:</u>		
Department of Treasury		3,696,204
		<hr/>
<b>Total U.S. Department of Agriculture</b>		<b>\$1,116,117,856</b>
		<hr/> <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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF COMMERCE</b>		
Economic Development - Support for Planning Organizations	11.302	
<u>Direct Awards:</u>		
Executive Department		<u>\$69,199</u>
Economic Development - Technical Assistance	11.303	
<u>Direct Awards:</u>		
University of New Orleans		<u>108,052</u>
Fishery Products Inspection and Certification	11.413	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		<u>57,838</u>
Sea Grant Support	11.417	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		23,341
<u>Through: Coalition to Restore Coastal Louisiana</u>		
LSU A&M College (Baton Rouge)		<u>6,466</u>
Total Sea Grant Support		<u>29,807</u>
Coastal Zone Management Administration Awards	11.419	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>14,462,301</u>
Cooperative Fishery Statistics	11.434	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>823,189</u>
Unallied Industry Projects	11.452	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>732,422</u>
Habitat Conservation	11.463	
<u>Direct Awards:</u>		
Department of Natural Resources		3,142,387
Department of Wildlife and Fisheries		<u>28,361</u>
Total Habitat Conservation		<u>3,170,748</u>
Coastal Services Center	11.473	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>851,616</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF COMMERCE (CONT.)</b>		
Technology Opportunities	11.552	
<u>Direct Awards:</u>		
Grambling State University		\$197,468
Nicholls State University		1,840
<u>Through: Monroe Chamber of Commerce</u>		
University of Louisiana at Monroe		<u>339,929</u>
Total Technology Opportunities		<u>539,237</u>
Big Island - Atchafalaya Sediment Delivery Project: Land/Water Classification and Change Detection (Phase 1)	11.40-AA-NF-112182	
<u>Direct Awards:</u>		
University of New Orleans		<u>24,999</u>
Cooperative Enforcement Agreement	11.1AAFG0364	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>1,500,000</u>
The Fire Information Network	11.22-60-I01004	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		<u>57,635</u>
Gulf of Mexico Fisheries Management Council	11.99-LA-70300	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>15,000</u>
National Marine Fisheries Services	11.40GENF 900200/200266	
<u>Direct Awards:</u>		
McNeese State University		<u>13,004</u>
Operations of the Southern Regional Climate Center	11.EA133E-02-CN-0028	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		<u>164,997</u>
Sand Resource Identification for East Timbalier Island: Analysis of 30' Vibrocores	11.DG133F-02-SE-0014	
<u>Direct Awards:</u>		
University of New Orleans		<u>9,653</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF COMMERCE (CONT.)</b>		
Vibrio Education Sea Grant	11.81-03-210001/32000	
<u>Through: Gulf &amp; South Atlantic Fisheries Foundation, Inc.</u>		
Department of Wildlife and Fisheries		<u>\$16,861</u>
<u>Public Works and Economic Development Cluster:</u>		
Economic Adjustment Assistance	11.307	
<u>Direct Awards:</u>		
Grambling State University		<u>50,797</u>
<u>Research and Development Cluster:</u>		
ITA Special Projects	11.113	
<u>Through: North Carolina State University (#99-27-07400)</u>		
LSU A&M College (Baton Rouge)		13,058
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	11.400	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		751,698
Interjurisdictional Fisheries Act of 1986	11.407	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		89,559
Sea Grant Support	11.417	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		2,123,274
<u>Through: Dauphin Island Sea Lab (#R/CEH-9/NA86RG0039)</u>		
LSU A&M College (Baton Rouge)		47,602
<u>Through: Mississippi State University (#NA16RG2258)</u>		
LSU A&M College (Baton Rouge)		18,450
Coastal Zone Management Administration Awards	11.419	
<u>Through: University of New Hampshire (#NA17OZ507)</u>		
LSU A&M College (Baton Rouge)		68,059
Coastal Zone Management Estuarine Research Reserves	11.420	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		12,376
<u>Through: University of New Hampshire</u>		
LSU A&M College (Baton Rouge)		39,033

(Continued)

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
<b>U.S. DEPARTMENT OF COMMERCE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$81
<u>Through: Gulf and South Atlantic Fisheries Foundation, Inc.</u>		
<u>(#NA17FD2367 {#84})</u>		
LSU A&M College (Baton Rouge)		7,091
Undersea Research	11.430	
<u>Through: University of North Carolina at Wilmington (#NA96RU-0260)</u>		
LSU A&M College (Baton Rouge)		18,910
Climate and Atmospheric Research	11.431	
<u>Through: Texas A&amp;M Research Foundation (#S020016)</u>		
Louisiana Universities Marine Consortium		4,626
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432	
<u>Through: Desert Research Institute - University System of Nevada</u>		
<u>(#NA17RJ1222)</u>		
LSU A&M College (Baton Rouge)		252,086
Marine Fisheries Initiative	11.433	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		160,831
Cooperative Fishery Statistics	11.434	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		83,100
Southeast Area Monitoring and Assessment Program	11.435	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		148,741
Marine Mammal Data Program	11.439	
<u>Through: Institute for Marine Mammal Studies, Inc.</u>		
LSU A&M College (Baton Rouge)		49,465

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF COMMERCE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Special Oceanic and Atmospheric Projects	11.460	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$39,860
Habitat Conservation	11.463	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		4,002
LSU Agricultural Center		15,125
Coastal Services Center	11.473	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		261,575
University of Louisiana at Lafayette		75,028
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program	11.478	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		675,025
Louisiana Universities Marine Consortium		406,368
<u>Through: University of South Carolina (#37-NURP-2001)</u>		
Louisiana Universities Marine Consortium		20,000
<u>Through: University of South Carolina (#22175J)</u>		
Louisiana Universities Marine Consortium		17,318
Measurement and Engineering Research and Standards	11.609	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		67,542
Analytical Chemistry Support for the Jacom Luckenb	11.RD.50ABNC700031/T O #25	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		9,366
Anti-V Vibrio Oyster Defensin	11.RD.NA03NMF4270085	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		45,764
Assessment of Chemical Hazards (Terrebonne)	11.RD.50ABNC200041/T O #3	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		2,177

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF COMMERCE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Assessment of Chemical Hazards Associated With Oil	11.RD.50ABNC200041/T O #1	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$241,221
Assessment and Monitoring of Candidate Corals	11.RD.40GENF200210	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		9,999
Chemical Hazardous Assessment, Training and Technical Support	11.RD.50ABNC700031/T O #1	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		2,370
The Lake Pontchartrain Basin Restoration Act of 2000	11.RD.NA16FZ2719	
<u>Through: University of New Orleans Research and Technology Foundation (#58512-S6)</u>		
Southeastern Louisiana University		83,070
Manufacturing Extension Partnership	11.RD.70NANB6H0172	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		744,424
Modeling of Circulation and Stormwater Plumes in Lake Pontchartrain	11.RD.NA16FZ2719	
<u>Through: UNO Research and Technology Foundation (#58512-S1, 2, 3, 4, 5)</u>		
University of New Orleans		440,362
Mosquito Bay Spill Response - Mod #51 - Task Order #22	11.RD.50ABNC700031/T O #22	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		847
NOAA Basic Response - Task Order "1999 Prince WM"	11.RD.50ABNC700031/T O #18	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		(20)
Provide an Update on the Conservation Status	11.RD.WC133F-02-SE-0188	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		11,943

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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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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF COMMERCE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Support for Barrier Island Restoration Projects	11.RD.40-AA-NF-216504	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$12,492
Support for Coast 2050 Coordination Report	11.RD.WC1330-02-SE-048	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		24,984
Support of Summer Filed Activities on St. Paul	11.RD.50ABNC700031/T O #24	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		54,118
Technical Assistance for Development of Yang Shan Port, Peoples Republic of China	11.RD.GH2360222	
<u>Through: The Louis Berger Group Inc. (#02-206-P)</u>		
University of New Orleans		11,952
Total Research and Development Cluster		7,164,952
<b>Total U.S. Department of Commerce</b>		<b>\$29,862,307</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>		
Procurement Technical Assistance for Business Firms	12.002	
<u>Direct Awards:</u>		
Executive Department		\$152,888
Planning Assistance to States	12.110	
<u>Direct Awards:</u>		
Executive Department		178,528
Payments to States in Lieu of Real Estate Taxes	12.112	
<u>Direct Awards:</u>		
Department of Treasury		28,819
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	
<u>Direct Awards:</u>		
Department of Environmental Quality		7,652

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
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 For the Year Ended June 30, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
Basic and Applied Scientific Research	12.300	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$5,000
University of New Orleans		10,000
Total Basic and Applied Scientific Research		<u>15,000</u>
Military Construction, National Guard	12.400	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>1,294,611</u>
National Guard Military Operations and Maintenance (O&M) Projects	12.401	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>13,711,928</u>
National Guard Civilian Youth Opportunities	12.404	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>6,296,571</u>
Air Force Defense Research Sciences Program	12.800	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		23,335
Louisiana Tech University		32,052
Total Air Force Defense Research Sciences Program		<u>55,387</u>
Mathematical Sciences Grants Program	12.901	
<u>Through: The Shaw Group</u>		
Southern University and A&M College (Baton Rouge)		35,307
<u>Through: IT Corporation</u>		
Southern University and A&M College (Baton Rouge)		<u>(6,474)</u>
Total Mathematical Sciences Grants Program		<u>28,833</u>
Defense Technology Conversion, Reinvestment, and Transition Assistance	12.911	
<u>Direct Awards:</u>		
Southern University at New Orleans		<u>226</u>

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
Acute Toxicity/RDX <u>Direct Awards:</u> University of Louisiana at New Orleans	12.DACA 42-02-P-0035	<u>\$9,115</u>
Army Corps of Engineers - Mississippi River Deepening/Salt Water Mitigation Plan <u>Direct Awards:</u> Department of Transportation and Development	12.unknown	<u>5,606</u>
Can Gapping Dredged Material Levee Improve Sustainability and Nekton Utilization in LA Coastal Salt Marshes <u>Direct Awards:</u> University of New Orleans	12.DACW42-01-P0280	<u>44,896</u>
Construction Skills Job Training Program <u>Direct Awards:</u> Nunez Community College	12.DACW29-03-C-0007	<u>110,536</u>
Fifth International Conference on Information Fusion <u>Direct Awards:</u> University of New Orleans	12.DAAD19-02-1-0234	<u>9,000</u>
Joint Readiness Training Center <u>Direct Awards:</u> Department of Military Affairs	12.MIPR2BOPSN004	<u>206,985</u>
Junior Science and Humanities Symposium (2002) <u>Through: Academy of Applied Science (#DAAG55-98-1-0468)</u> LSU A&M College (Baton Rouge)	12.14633	<u>1,085</u>
Louisiana Junior Science and Humanities Symposium 2002-2003 <u>Through: Academy of Applied Science (#DAAG55-98-1-0468)</u> LSU A&M College (Baton Rouge)	12.15895	<u>12,500</u>
Military Installation Timber Sale Receipts <u>Direct Awards:</u> Department of Treasury	12.10 USC 2665	<u>676,264</u>
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.DACW29-28-D-0008	<u>162,436</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
Rear Training Detachment	12.MIPR1AUAL5H015	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>\$3,800</u>
U.S. Army - Joint Readiness Training Center and Fort Polk Family Advocacy Program	12.FTPOLK1	
<u>Direct Awards:</u>		
LSU Agricultural Center		<u>226,871</u>
U.S. Corps of Engineers - Coastal Wetlands Planning, Protection and Restoration Act	12.W42-HEM-03123229	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>35,000</u>
<u>Research and Development Cluster:</u>		
Procurement Technical Assistance for Business Firms	12.002	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		219,922
Collaborative Research and Development	12.114	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		180,298
Southern University and A&M College (Baton Rouge)		362,106
Basic and Applied Scientific Research	12.300	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		140,834
Grambling State University		440
LSU A&M College (Baton Rouge)		239,621
LSUHSC (New Orleans)		170,155
Louisiana Tech University		156,089
Louisiana Universities Marine Consortium		123,747
Southern University and A&M College (Baton Rouge)		367,071
University of New Orleans		415,482
<u>Through: Massachusetts General Hospital (#N00173-01-G-11)</u>		
LSU A&M College (Baton Rouge)		284,747
<u>Through: Mississippi State University (#N000140010886)</u>		
LSU A&M College (Baton Rouge)		36,503
<u>Through: University of South Florida</u>		
LSU A&M College (Baton Rouge)		10,790
<u>Through: Virginia Polytechnic Institute (#N00014-01-1-0852/N00173-02-1-G016)</u>		
LSU A&M College (Baton Rouge)		70,980

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Military Medical Research and Development	12.420	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$40,053
LSU A&M College (Baton Rouge)		79,424
LSUHSC (New Orleans)		3,675
LSUHSC (Shreveport)		362,276
Pennington Biomedical Research Center		999,614
<u>Through: Oklahoma State University (#DAMD 1700100)</u>		
LSUHSC (Shreveport)		23,293
Basic Scientific Research	12.431	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		12,113
LSUHSC (New Orleans)		1,426,081
Louisiana Tech University		602,397
<u>Through: Pennsylvania State University</u>		
<u>(#DAAD19-01-1-06462123-LTU-USA-0646)</u>		
Louisiana Tech University		43,925
<u>Through: University of Kentucky Research Foundation</u>		
<u>(#DAA019-02-01-0198)</u>		
LSU A&M College (Baton Rouge)		94,966
Basic, Applied, and Advanced Research in Science and Engineering	12.630	
<u>Direct Awards:</u>		
Grambling State University		121,299
LSU A&M College (Baton Rouge)		348,624
<u>Through: Central Washington University (#NMA401-02-BAA-0002)</u>		
LSU A&M College (Baton Rouge)		26,396
<u>Through: University of Southern California</u>		
LSU A&M College (Baton Rouge)		34,391
Air Force Defense Research Sciences Program	12.800	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		27,064
Louisiana Tech University		1,064,939
Southern University and A&M College (Baton Rouge)		21,596

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Mathematical Sciences Grants Program	12.901	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$53,870
Research and Technology Development	12.910	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		2,062,062
University of New Orleans		601,707
<u>Through: University of Wisconsin - Madison (#MDA972-01-1-0039)</u>		
LSU A&M College (Baton Rouge)		39,082
Acquisition of High Sensitivity	12.RD.MPMDAAD19-01-1-0764	
<u>Direct Awards:</u>		
Grambling State University		181,859
Additions of Lakes, Wetlands and Detention Basins	12.RD.DACA39-99-C-0034	
<u>Through: University of Connecticut</u>		
University of Louisiana at Lafayette		3,434
Analysis and Evaluation of the Nonlinear Response of Concrete Gravity Dams	12.RD.DACW42-00-C-0009	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		97,275
Applications and Mass Production of High Aspect Ratio Microstructures	12.RD.DABT63-95-C-0020	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		(15,632)
Architecture Technology Corporation WIDS: Wireless Intrusion Detection System	12.RD.N00178-03-C-2010	
<u>Through: UNO Research and Technology Foundation</u> <u>(ATC-NY) (#58525)</u>		
University of New Orleans		25,520
Armed Forces Retirement Home Gulfport Dining Facility	12.RD.N02-SE-0062	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		58,133

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Assessment of a Mathematical Model for Air Emission	12.RD.DACA42-02-P-0039	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$43,261
Basic Scientific Research	12.RD.DAAD19-02-1-0338	
<u>Direct Awards:</u>		
Louisiana Tech University		741,804
The Baywatch Real-Time Physical Measurements Observation System	12.RD.DACW29-01-P-0150	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		18,376
Characterization and Mitigation of Service Failures	12.RD.2104-LSU-USA-0646	
<u>Through: Pennsylvania State University (#DAAD19-01-1-0646)</u>		
LSU A&M College (Baton Rouge)		8,217
Components for Application to Future Combat Systems	12.RD.DAAH04-96-C-0086	
<u>Through: UNO Research and Technology Foundation (Battelle)</u>		
<u>(#01157/0823)</u>		
University of New Orleans		105,438
Composite High Speed Craft CHSV	12.RD.N00014-03-C-0209	
<u>Through: Northrop Grumman Ship Systems (#P5-190020011)</u>		
University of New Orleans		5,333
Cumulative Effects of Flood Induced Seepage on Piping Problems	12.RD.DACW39-99-C-0028	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		36,537
Damage in Materials Due to Impact Loading	12.RD.F33601-01-P-0343	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		10,000
Daptive Membrane Masks for Next Generation Lithographies	12.RD.DAAD19-00-1-0434	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		38,829

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Determination of Physical Traits From DNA	12.RD.N41756-03-C-4063	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$106,139
To Develop Algorithms	12.RD.F33601-02-P-0525	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		20,000
To Develop the Atchafalaya Basin GIS and Acquire Knowledge	12.RD.IPA-HALE	
<u>Direct Awards:</u>		
LSU Agricultural Center		47,902
Development of a Predictive Model Integrating the Physical, Chemical and Biological	12.RD.DSWA01-98-1-0013	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		(74)
Emergent Surveillance Plexus	12.RD.S01-22	
<u>Through: Applied Research Laboratory - Pennsylvania State University (#DAAD19-01-1-0504)</u>		
LSU A&M College (Baton Rouge)		32,852
Exploring the Interaction of Implicit and Explicit	12.RD.00105491-1/C-5-34051	
<u>Through: University of Missouri - Columbia</u>		
LSU A&M College (Baton Rouge)		55,280
Fungal Bioreactor to Treat Volatile Organic Containments	12.RD.F08637-01-C-6002	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		35,142
Gulf Coast Region Maritime Technology Center	12.RD.N00014-98-2-0010	
<u>Direct Awards:</u>		
University of New Orleans		8,908,378
Hydrologic Investigation of Low Gradient Watersheds	12.RD.DAAD19-00-1-0413	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		53,663
Investigation of Nanophase Materials for Thermoelectric Application	12.RD.DAAD19-99-1-0001	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		470,619

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
IPA - Air War College (Lamar)	12.RD.unknown	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		\$60,369
IPA Lafayette Parish Flood Study	12.RD.unknown	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		8,421
LYTIC - Peptide Conjugates for Treatment of Metastas	12.RD.DAMD17-03-1-0150	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		28,392
Marine Composite Affordability - A Knowledge-Based Approach Through: <u>UNO Research and Technology Foundation (Textron)</u> <u>(#58507)</u>	12.RD.N00014-02-M-0195	
University of New Orleans		23,212
Military Health Behaviors - Biostat	12.RD.DAMD17-03-2-0030	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		250,643
Multifunctional Materials, Structures, and Sensors (Center for Nanosciences and Nanomaterials) Through: <u>North Carolina Agriculture and Technical</u> <u>State University (#441221C)</u>	12.RD.DAAD19-03-200016	
University of New Orleans		29,926
Nanophase Magnetic Particles for Advance Materials	12.RD.MDA972-97-1-0003	
<u>Direct Awards:</u>		
University of New Orleans		517,361
Naval Metrology and Oceanography Command IPA Agreement (Gary Jenkins)	12.RD.unknown	
<u>Direct Awards:</u>		
University of New Orleans		59,236
Naval Oceanographic Office - IPA Agreement (Craig Peterson)	12.RD.unknown	
<u>Direct Awards:</u>		
University of New Orleans		71,189

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Naval Surface Warfare Center IPA Agreement (Jeff Falzarano)	12.RD.unknown	
<u>Direct Awards:</u>		
University of New Orleans		\$16,650
NERC Task 1.2.8 Electric Ship Integration - Podded Propulsors	12.RD.N00014-02-1-0623	
<u>Through: Advanced Technology Institute (ATI) (#2003-352)</u>		
University of New Orleans		34,845
Parallel and Distributed Evaluation, Visualization and Reasoning to Advanced Distributive Interactive Simulation Technology	12.RD.DAAH04-95-1-0250	
<u>Direct Awards:</u>		
Grambling State University		340,169
Partial Support of the 61st Annual Physical Electronics Conference	12.RD.DAAD19-01-1-0665	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		7,000
Phase 0: Feasibility Study for ARN Balanced Flow NOMEX Supply Chain	12.RD.unknown	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		25,905
Progressive Analysis Framework for Seismic Design	12.RD.DACA42-03-P-0115	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		25,967
Relative Comparison: Study of Mechanical and Hydraulic Dredging Disposal	12.RD.DACW42-02-P-0192	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		4,000
Scalable Quasi-Continuum Software for Advanced Mix	12.RD.DAAD19-01-2-0022	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		85,486
Sequences for the Identification of Human Population	12.RD.N41756-00-C-0810	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		(2,516)
LSUHSC (New Orleans)		(1,085)

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF DEFENSE (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
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		\$154,059
Space and Naval Warfare Systems Command Information Technology Center Workforce Learning Community <u>Through: UNO Research and Technology Foundation</u> <u>Science and Engineering Associates (#S720-40)</u> University of New Orleans	12.RD.G207T00BGD0070	324,918
Synaptic Plasticity Modifications Gene Expression <u>Direct Awards:</u> LSUHSC (New Orleans)	12.RD.4330 1115AC	(23,104)
Tow Tank Testing: Seakeeping Tests of Textron Marine and Land Systems Landing Craft <u>Through: Textron Marine and Land Systems (#P.O. 22830)</u> University of New Orleans	12.RD.N00024-01-C-2234	24,828
Total Research and Development Cluster		24,021,788
<b>Total U.S. Department of Defense</b>		<b>\$47,296,325</b>
<b>CENTRAL INTELLIGENCE AGENCY</b>		
<u>Research and Development Cluster:</u>		
Mobile Elements and Human Variation <u>Direct Awards:</u> LSUHSC (New Orleans)	13.RD.2000*S086100*000	\$6,632
<b>Total Central Intelligence Agency</b>		<b>\$6,632</b>

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Manufactured Home Construction and Safety Standards	14.171	
<u>Direct Awards:</u>		
Executive Department		\$71,291
Federally Assisted Low-Income Housing Drug Elimination	14.193	
<u>Through: Housing Authority of New Orleans</u>		
Department of Military Affairs		34,646
Community Development Block Grants/State's Program	14.228	
<u>Direct Awards:</u>		
Executive Department		44,014,584
Emergency Shelter Grants Program	14.231	
<u>Direct Awards:</u>		
Department of Social Services		1,723,827
Supportive Housing Program	14.235	
<u>Direct Awards:</u>		
Mental Health Area A		281,638
Mental Health Area B		129,900
<u>Through: Unity for the Homeless</u>		
LSUHSC (New Orleans)		(2,416)
Total Supportive Housing Program		409,122
Historically Black Colleges and Universities Program	14.237	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		15,077
Southern University at New Orleans		17,402
Southern University at Shreveport-Bossier City		29,908
Total Historically Black Colleges and Universities Program		62,387
Shelter Plus Care	14.238	
<u>Direct Awards:</u>		
Department of Health and Hospitals		434,963
Housing Opportunities for Persons With AIDS	14.241	
<u>Direct Awards:</u>		
Office of Public Health		939,247

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONT.)</b>		
Opportunities for Youth - Youthbuild Program	14.243	
<u>Direct Awards:</u>		
Louisiana Technical College		\$226,733
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		1,000,000
Nicholls State University		29,370
		<u>1,029,370</u>
Total Community Development Block Grants/Brownfields Economic Development Initiative		<u>1,029,370</u>
Fair Housing Assistance Program - State and Local	14.401	
<u>Direct Awards:</u>		
Department of Justice		286,685
Community Outreach Partnership Center Program	14.511	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		134,250
Computer Literacy	14.LA62HD	
<u>Direct Awards:</u>		
Southern University at Shreveport-Bossier City		30,928
Fair Housing Outreach Program	14.105200059A (PS#)	
<u>Through: Advocacy Center</u>		
LSUHSC (New Orleans)		8,261
Weed and Seed Program	14.unknown	
<u>Through: Housing Authority of New Orleans (#27987)</u>		
Southern University at New Orleans		49,209
<u>Research and Development Cluster:</u>		
EDI Special Projects Program	14.RD.B-01-SP-LA-0229	
<u>Direct Awards:</u>		
University of New Orleans		190,163

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
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	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
National Center for the Revitalization of Central Cities	14.RD.B-00-SP-LA-0153	
<u>Direct Awards:</u>		
University of New Orleans		\$100,002
UNO Welfare Entrepreneurship Program	14.RD.B-99-SP-LA-0124	
<u>Direct Awards:</u>		
University of New Orleans		105,813
Total Research and Development Cluster		395,978
<b>Total U.S. Department of Housing and Urban Development</b>		<b>\$49,851,481</b>
<b>U.S. DEPARTMENT OF INTERIOR</b>		
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	
<u>Direct Awards:</u>		
Department of Natural Resources		\$114,724
Abandoned Mine Land Reclamation (AMLR) Program	15.252	
<u>Direct Awards:</u>		
Department of Natural Resources		81,630
Cooperative Endangered Species Conservation Fund	15.615	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		991
Clean Vessel Act	15.616	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		32,016
Assistance to State Water Resources Research Institutes	15.805	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		75,230
Historic Preservation Fund Grants-In-Aid	15.904	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		660,431

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.



**STATE OF LOUISIANA**  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
Outdoor Recreation - Acquisition, Development and Planning	15.916	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		\$930,795
Cooperative Agreement - MMS Information Transfer Meetings	15.1435-01-00CA-31060	
<u>Direct Awards:</u>		
University of New Orleans		141,043
Jean Lafitte National Historical Park and Preserve	15.H7530-1-281	
<u>Through: Towson University (#02-U01-001)</u>		
Southeastern Louisiana University		1,754
National Park Service - Cooperative Agreements/Contracts		
<u>Direct Awards:</u>		
<u>Northwestern State University:</u>		
Cane River Genealogy	15.200001 Mod 7	375
Cane River Master Plan	15.200001 Mod 8	638
CRCNP African Project	15.H5720010226	10,529
Creole Chronicles	15.H5720010226	15,410
CRNHA African Project	15.200001 Mod 12	11,535
Ethnographic Training	15.H5720010226	11,663
Federal Agency-Native American Consultation Training	15.1443CA000100002 Mod 10	16,900
Fort Jesup Archaeological Project	15.CA509098015	642
Heritage Education Coordinator	15.1443CA000100002 Mod 3	34,134
Joint Research Activities	15.1443CA000100002 Mod 1	16,481
Louisiana Creole Heritage Center	15.200001 Mod 11	115,774
Louisiana Heritage Ed Mod 11	15.1443CA000100002 Mod 11	35,350
NCPTT Joint Multiple Projects	15.1443CA000100002 Mod 9	65,956
NCPTT Louisiana Heritage Education Project	15.1443CA000100002 Mod 6	66,942
NCPTT Research Efforts	15.1443CA000100002 Mod 5	7,506
NPS Colonial Ceramic	15.H5720010226	6,250
NPS Dupont Mod 12	15.1443CA000100002 Mod 12	108,100
NPS Joint Faculty	15.1443CA000100002 Mod 7	8,734
Pleasant Hill Battlefield Survey	15.GA225500014	(2,140)
Powered Parachute	15.MT221001NC02	7,721
Surname Origins of the Cane River Creole Families	15.200001 Mod 9	3,877
Texas and Pacific Railroad Depot Archaeological Project	15.200001	825
Web Development Mod 13	15.1443CA000100002 Mod 13	17,976
Total National Park Service - Cooperative Agreements/Contracts		561,178

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
National Wetlands Research Center: Impact of Nutria Density on Biomass Collection for GCC SAV Project	15.2-LASA-01601	
<u>Direct Awards:</u> University of New Orleans		\$2,000
National Wetlands Research Center: Impact of Nutria Density on Standing Stocks of Marsh Roots	15.2-LASA-00975	
<u>Direct Awards:</u> University of New Orleans		2,000
U.S. Geological Survey - Fixed Price Contract	15.01CRC0023	
<u>Direct Awards:</u> University of Louisiana at Lafayette		41,330
<u>Fish and Wildlife Cluster:</u>		
Sport Fish Restoration	15.605	
<u>Direct Awards:</u> Department of Wildlife and Fisheries		4,091,016
<u>Through: Research Corporation of the University of Hawaii (#F-14-R-27)</u> LSU A&M College (Baton Rouge)		36,423
<u>Through: Research Corporation of the University of Hawaii</u> <u>(#2550050 Proj #004355)</u> Southeastern Louisiana University		34,162
Wildlife Restoration	15.611	
<u>Direct Awards:</u> Department of Natural Resources		3,224
Southeastern Louisiana University		39,795
Department of Wildlife and Fisheries		3,113,366
Total Fish and Wildlife Cluster		7,317,986
<u>Research and Development Cluster:</u>		
Fish and Wildlife Management Assistance	15.608	
<u>Direct Awards:</u> University of Louisiana at Monroe		6,300
Endangered Species Conservation	15.612	
<u>Direct Awards:</u> Department of Wildlife and Fisheries		49,999

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Cooperative Endangered Species Conservation Fund	15.615	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		\$29,023
Wildlife Conservation and Restoration	15.625	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		199,335
State Wildlife Grants	15.634	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		135,557
Assistance to State Water Resources Research Institutes	15.805	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		70,971
Louisiana Universities Marine Consortium		106,187
U.S. Geological Survey - Research and Data Acquisition	15.808	
<u>Direct Awards:</u>		
LSU Agricultural Center		239,186
LSU A&M College (Baton Rouge)		87,436
University of Louisiana at Lafayette		25,755
University of New Orleans		45,540
National Spatial Data Infrastructure Cooperative Agreements Program	15.809	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		8,474
National Cooperative Geologic Mapping Program	15.810	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		104,655
Historic Preservation Fund Grants-In-Aid	15.904	
<u>Through: South Carolina Department of Archives and History</u>		
LSU A&M College (Baton Rouge)		224
ABI PRISM 3100 Software	15.RD.3-LASA-00628	
<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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Accounting for Economic Change in the Gulf of Mexico	15.RD.30951/#85252	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$196
An Analysis of the Effects of Crude Oil Price Movements and Instability	15.RD.30951/#17805	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		(57)
Analysis of Periphyton Samples at Fort Polk, Louisiana	15.RD.01CRSA0459	
<u>Direct Awards:</u>		
LSU Agricultural Center		35,826
An Analysis of the Socioeconomic Effects of OCS Activities on Ports	15.RD.30660/#19957	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		53,417
Analysis and Synthesis of Louisiana Coastal Boundary Current Data	15.RD.30660/#19936	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		24,213
Analyze Existing Monitoring Programs and Develop Monitoring Needs	15.RD.02CRSA0809	
<u>Direct Awards:</u>		
LSU Agricultural Center		20,691
An Annotated Bibliography on Marine and Coastal Fishes Subject to Impingement	15.RD.30951/#85249	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		9,411
Backfill Dead-End Canals to Restore Marsh - Phase I - Wetland Restoration	15.RD.H 7530 00 0001	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		5,773
Capital Investment Decision Making and Trends	15.RD.30951/#18178	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		50,273

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
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 For the Year Ended June 30, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Characterization of Epiphytes and Drift Algae	15.RD.0035CS0010	
<u>Direct Awards:</u> University of Louisiana at Lafayette		\$8,734
The Coastal Division of Industrial Labor Over Time and Space: Continuation	15.RD.30660/#19966	
<u>Direct Awards:</u> LSU Agricultural Center		29,942
Coastal Marine Environmental Modeling	15.RD.30660/#19965	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		91,530
A Collaborative Investigation of Baseline and Scenar	15.RD.30951/#85248	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		14,555
Composition and Structure of Groundcover Plant Communities in the Long Pine Key	15.RD.CA5280-9-9006	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		72,864
A Comprehensive History of Offshore Oil and Gas	15.RD.1435-01-01-CA 31148	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		26,413
The Continuing Repatriation of the LA Blackbear	15.RD.1448-40181-02-G-078	
<u>Direct Awards:</u> LSU Agricultural Center		46,895
A Continuous Monitoring, Shallow Water Hydrodynamic and Meteorological Station	15.RD.1443CA532097010	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		6,139
Deep Water Currents at 92 Degrees	15.RD.30951/#16807	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		115,247

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Demography and Movements of Gopher Frogs in Mississippi <u>Through: Mississippi Wildlife Federation</u> University of New Orleans	15.RD.unknown	\$15,087
Department of Interior <u>Through: University of Arkansas - Tentative</u> LSU Agricultural Center	15.RD.144884018102-J-013	12,395
Determining Overwater Visibility and Mixing Height Using Satellite <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	15.RD.30951/#17810	88,010
Development of Louisiana GIS Data in Support on the Gulf-wide Information System to Support Oil Spill Contingency <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	15.RD.30660/#19964	4,744
Development of a Non-Lethal Sampling Procedure <u>Direct Awards:</u> LSU Agricultural Center	15.RD.1434HQ97RU01561/#68	6,173
Do Joint Exposures to Heavy Metals <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	15.RD.30951/#85251	9,475
Economic Effects of Changes in Oil and Gas Prices <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	15.RD.30951/#18177	6,810
Effect of Depth and Location on the Composition and Abundance of Nektonic Fishes <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	15.RD.30660/#19947	47,916
Effects of Oil/Gas Development - A Current Bibliography <u>Direct Awards:</u> Louisiana Universities Marine Consortium	15.RD.1435-01-99-CA-30951-18179	23,120
Endangered Species Act of 1973 <u>Direct Awards:</u> Department of Wildlife and Fisheries	15.RD.FFB	7,422

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Environmental Justice Considerations in Lafourche	15.RD.30951/#18175	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$39,044
Environmental Sensitivity Index (ESI) Shoreline Classification	15.RD.30951/#85250	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		13,015
Evaluating and Collecting Acid Participation	15.RD.02/03HQS/A0007/A0050	
<u>Direct Awards:</u>		
LSU Agricultural Center		3,100
Evaluating Sublethal Effects of Exposure to Petroleum Additives on Fishes	15.RD.30951/#16802	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		9,448
Evaluation of Oil and Gas Platforms on the Louisiana Continental Shelf	15.RD.30951/#17809	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		224,899
The Fidelity of Red Snapper to Petroleum Platforms	15.RD.30951/#70414	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		53,139
Foraminiferal Communities of Bathyal and Abyssal	15.RD.30951/#18182	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		83,685
High Resolution Model of Current Topography	15.RD.30951/#18180	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		58,299
Historical Reconstruction of Contaminant Loading and Biological Responses	15.RD.30660/#19930	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		17,335

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
History of Offshore Oil Development in the Gulf of Mexico - Phase II	15.RD.1435-01-02-CA-85169	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$303,873
The Importance of Agricultural Lands in SW Louisiana to Nesting Mottled Ducks	15.RD.1434HQ97RU01561/#56	
<u>Direct Awards:</u>		
LSU Agricultural Center		(6)
IMPROVE Program	15.RD.FFC 98210-0-G678	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		5,000
Improving the Predictive Capability of 30-Seismic Surface D Amplitude Data	15.RD.30951/#17801	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		41,155
Interactions Between Migrating Birds and Offshore Platforms	15.RD.30951/#16808	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		20,083
Internship Program	15.RD.1448-40181-99-J-011	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		6,660
Investigating the Influence of Offshore Platforms	15.RD.30951/#17802	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		9,046
Investigation of Watershed Scale Patterns of Migra <u>Through: State of Hawaii - Department of Land and Natural Resources</u>	15.RD.C39686	
LSU A&M College (Baton Rouge)		20,191
IPA - Vijay P. Singh	15.RD.10-RA81-003	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		1,562
Labor Migration and the Deepwater Oil Industry	15.RD.30660/#19958	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		13,537

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.



**STATE OF LOUISIANA**  
 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Labor Migration and the Deepwater Oil Industry in Houma	15.RD.30951/#16804	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$2,385
Management of the Coastal Marine Institute at LSU	15.RD.30951/#16800	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		57,432
Mapping Areas of Hard Bottom and Other Important Bottom Types	15.RD.30951/#17800	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		77,729
Modeling Platform Installations and Removals by Water Depths and Planning Area	15.RD.30951/#17806	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		14
New Remote Sensing Methodologies for the Surveillance of Ocean Features	15.RD.30951/#85247	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		12,974
Nutrient Reserve Dynamics of Lesser Scaup During Spring Migration	15.RD.301810M177	
<u>Direct Awards:</u>		
LSU Agricultural Center		(1,292)
An Observational and Predictive Study of Inner Shelf Currents Over the Texas/Louisiana Shore	15.RD.30660/#19943	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		9,970
Observation of Deep Water Manifestation of Loop Current Rings	15.RD.30951/#16805	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		113,840
Offshore Petroleum Platforms: Functional Significance for Larval Fish	15.RD.30660/#19961	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		27,631

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Oil and Gas Involved Areas Along the United States Gulf Coast	15.RD.30951/#17804	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$57,432
Partnerships for Wildlife	15.RD.P-2-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		745
Patterns and Processes of Subsidence Across the Mississippi River Delta Plain, Louisiana	15.RD.02ERAG0067	
<u>Direct Awards:</u>		
University of New Orleans		152,455
Platform Recruited Reef Fish Phase 1: Do Platforms	15.RD.30951/#18181	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		16,274
Pollen Analysis	15.RD.P5890010370	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		2,500
Profitability of Offshore Petroleum Ventures	15.RD.30951/#18176	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		92,329
Quantity Deer Population and Develop Hunting	15.RD.H7530020014/NPS #75312002NPZ	
<u>Direct Awards:</u>		
LSU Agricultural Center		22,466
The Relationship of Crime to Oil Development in the Coastal Regions of Louisiana	15.RD.30951/#17803	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		42,174
Seagrass Epiphytes and Drift Algae: Indicator Species....Seagrass Beds	15.RD.00Crag003	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		15,690

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Spatially Explicit Model on Nutria Herbivory/Wetland Loss <u>Through: University of Maryland</u> University of Louisiana at Lafayette	15.RD.51410-2-M581A	\$1,233
Supply Logistics of OCS Oil and Gas Development - in the Gulf of Mexico - Evaluation of Technological and Economic Parameters of Ports as Supply and Manufacturing Bases <u>Direct Awards:</u> University of New Orleans	15.RD.143501-01-CA-31154	115,945
Tampa Bay Pilot Project <u>Direct Awards:</u> University of Louisiana at Lafayette	15.RD.0035CS0007	31,858
Total Mercury, Methylmercury and Other Toxic Metal <u>Through: Research and Technology Foundation of the University of New Orleans (#NA16FZ2719)</u> LSU A&M College (Baton Rouge)	15.RD.58512-S7	42,300
Understanding Tidal Marsh Restoration Processes and Patterns Validating and Extending the BREACH Conceptual Model <u>Through: University of Washington (#246437)</u> University of New Orleans	15.RD.Coop Agree 00FC200021	62,297
Utility of Mangrove Unit Models for the MANGRO and ATLSS <u>Direct Awards:</u> University of Louisiana at Lafayette	15.RD.0035CS0001	106,270
Water Resource Management Program <u>Direct Awards:</u> University of Louisiana at Monroe	15.99CR3A0574	7,085
Wave-Bottom Interaction and Bottom Boundary Dynamic <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	15.RD.30951/#85245	58,402

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF INTERIOR (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Wetland Interns	15.RD.99CRBA001/99HQAG0178	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		\$189,176
Total Research and Development Cluster		4,187,235
<b>Total U.S. Department of Interior</b>		<b>\$14,150,343</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Asset Forfeiture	16.000	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		\$366,840
State Domestic Preparedness Equipment Support Program	16.007	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		2,883
Juvenile Accountability Incentive Block Grants	16.523	
<u>Direct Awards:</u>		
Executive Department		3,891,404
Grants to Reduce Violent Crimes Against Women on Campus	16.525	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		107,085
<u>Through: Tulane University (1999-WA-VX-005)</u>		
Southern University at New Orleans		37,057
Total Grants to Reduce Violent Crimes Against Women on Campus		144,142
Training Grants to Stop Abuse and Sexual Assault of Older Individuals or Individuals with Disabilities	16.528	
<u>Direct Awards:</u>		
Executive Department		16,351

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF JUSTICE (CONT.)</b>		
Education and Training to End Violence Against and Abuse of Women with Disabilities	16.529	
<u>Direct Awards:</u>		
Executive Department		<u>\$13,851</u>
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	
<u>Direct Awards:</u>		
Executive Department		<u>1,175,061</u>
Missing Children's Assistance	16.543	
<u>Direct Awards:</u>		
Department of Justice		<u>70,315</u>
Title V - Delinquency Prevention Program	16.548	
<u>Direct Awards:</u>		
Executive Department		<u>430,880</u>
Part E - State Challenge Activities	16.549	
<u>Direct Awards:</u>		
Executive Department		<u>125,876</u>
State Justice Statistics Program for Statistical Analysis Centers	16.550	
<u>Direct Awards:</u>		
Executive Department		<u>2,751</u>
National Criminal History Improvement Program (NCHIP)	16.554	
<u>Direct Awards:</u>		
Executive Department		<u>273,983</u>
Crime Victim Assistance	16.575	
<u>Direct Awards:</u>		
Executive Department		5,910,671
<u>Through: City of New Orleans</u>		
LSUHSC (New Orleans)		<u>32,336</u>
Total Crime Victim Assistance		<u>5,943,007</u>
Crime Victim Compensation	16.576	
<u>Direct Awards:</u>		
Executive Department		<u>429,000</u>

(Continued)

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
<b>U.S. DEPARTMENT OF JUSTICE (CONT.)</b>		
Byrne Formula Grant Program	16.579	
<u>Direct Awards:</u>		
Executive Department		<u>\$7,778,387</u>
Drug Court Discretionary Grant Program	16.585	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>157,239</u>
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Corrections Services		<u>5,948,995</u>
Violence Against Women Formula Grants	16.588	
<u>Direct Awards:</u>		
Executive Department		2,271,519
Nicholls State University		<u>48,675</u>
Total Violence Against Women Formula Grants		<u>2,320,194</u>
Rural Domestic Violence and Child Victimization Enforcement Grant Program	16.589	
<u>Direct Awards:</u>		
Executive Department		<u>29,382</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	
<u>Direct Awards:</u>		
Department of Justice		<u>150,697</u>
Managing Released Sex Offenders	16.591	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Corrections Services		<u>10,314</u>
Local Law Enforcement Block Grants Program	16.592	
<u>Direct Awards:</u>		
Executive Department		<u>437,446</u>

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF JUSTICE (CONT.)</b>		
Residential Substance Abuse Treatment for State Prisoners	16.593	
<u>Direct Awards:</u>		
Executive Department		\$1,602,471
Executive Office for Weed and Seed	16.595	
<u>Through: City of New Orleans</u>		
LSUHSC (New Orleans)		1,730
Bulletproof Vest Partnership Program	16.607	
<u>Direct Awards:</u>		
Executive Department		5,593
LSU A&M College (Baton Rouge)		5,053,227
Total Bulletproof Vest Partnership Program		5,058,820
Community Prosecution and Project Safe Neighborhoods	16.609	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		11,500
University of Louisiana at Monroe		31,003
Total Community Prosecution and Project Safe Neighborhoods		42,503
Public Safety Partnership and Community Policing Grants	16.710	
<u>Direct Awards:</u>		
LSU in Shreveport		5,199
Northwestern State University		403,781
Department of Public Safety and Corrections -		
Public Safety Services		1,147,533
Southeastern Louisiana University		9,115
Southern University and A&M College (Baton Rouge)		65,228
Southern University at Shreveport-Bossier City		11,679
Total Public Safety Partnership and Community Policing Grants		1,642,535
Enforcing Underage Drinking Laws Program	16.727	
<u>Direct Awards:</u>		
Department of Health and Hospitals		60,467
Department of Revenue		174,178
Total Enforcing Underage Drinking Laws Program		234,645

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF JUSTICE (CONT.)</b>		
National Incident Based Reporting System	16.733	
<u>Direct Awards:</u>		
Executive Department		\$574,201
Bombing Incident Reporting System and the Hostage/BA	16.6968	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		6,514,916
Central Gulf Coast Regional Computer Forensics Lab Project	16.2002-LP-CX-K004	
<u>Through: UNO Research and Technology Foundation (#58514-S1)</u>		
University of New Orleans		201,557
COPS Technology Grant Award	16.2002CKWX0079	
<u>Direct Awards:</u>		
University of New Orleans		444,692
Corrections Training Program	16.J51803C-045	
<u>Direct Awards:</u>		
Louisiana Technical College		139,711
Drug Enforcement Administration		
<u>Direct Awards:</u>		
<u>Department of Public Safety and Corrections -</u>		
<u>Public Safety Services:</u>		
Domestic Cannabis Eradication	16.2002-60/16.2003-60	241,698
Lafayette Post of Duty Task Force	16.unknown	3,163
New Orleans Redrum Task Force	16.unknown	2,540
New Orleans Task Force Group II	16.unknown	6,155
Organized Crime Drug Enforcement	16-SE-LAE-213	3,123
Total Drug Enforcement Administration		256,679
Federal Bureau of Investigation		
<u>Direct Awards:</u>		
<u>Department of Public Safety and Corrections -</u>		
<u>Public Safety Services:</u>		
Greater New Orleans Organized Crime Task Force	16.unknown	3,119
Joint Terrorism Task Force	16.unknown	4,083
New Orleans Gang Task Force	16.unknown	3,796
Northwest Louisiana Violent Task Force	16.unknown	1,177
Total Federal Bureau of Investigation		12,175

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF JUSTICE (CONT.)</b>		
FY 2002 Domestic Preparedness Training and Technical <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	16.2002-GT-CX-K001	<u>\$238,700</u>
Gulf States Drug Initiative <u>Direct Awards:</u> Department of Military Affairs	16.MIPR2EGSILNG09	<u>8,828</u>
Managing Law Enforcement Technologies <u>Direct Awards:</u> University of New Orleans	16.98-LB-VX-K010	<u>216,642</u>
National Center for Missing and Exploited Children <u>Through: National Center for Missing and Exploited Children</u> LSU A&M College (Baton Rouge)	16.15166	<u>29,215</u>
Project Safe Neighborhoods Research Partner/Crime Analyst Program <u>Direct Awards:</u> University of New Orleans	16.2003-GP-CX-0055	<u>99,224</u>
Providing Technical Assistance to Implement Integrated Justice Performance Measures for BJA Funded IT Projects <u>Direct Awards:</u> University of New Orleans	16.2002-LD-BX-K002	<u>149,943</u>
A University Consortium to Prevent Violence Against Women <u>Through: Tulane University (#TUL-094-99/00)</u> University of New Orleans	16.1999-WA-VX-0005	<u>49,109</u>
U.S. Marshalls Service <u>Direct Awards:</u> Department of Military Affairs	16.MS-88-L-0014	<u>599,455</u>
<u>Research and Development Cluster:</u> Reduction and Prevention of Children's Exposure to Violence <u>Direct Awards:</u> LSUHSC (New Orleans)	16.730	<u>22,508</u>
Identification and Analysis of Polymorphic ALU Repeats <u>Direct Awards:</u> LSUHSC (New Orleans)	16.RD.1999-IJ-CX-K009	<u>(1,808)</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF JUSTICE (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Line Elements: A New Source of Genomi/Variation for DNA Profiling	16.RD.2001-IJ-CX-K004	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$134,205
Mental Health and Juvenile Justice Building a Model for Effective Service Delivery	16.RD.2001-JR-BX-0001	
<u>Through: Policy Research Associates</u>		
LSUHSC (New Orleans)		13,144
		<hr/>
Total Research and Development Cluster		168,049
		<hr/>
<b>Total U.S. Department of Justice</b>		<b>\$48,004,798</b>
		<hr/> <hr/>
<b>U.S. DEPARTMENT OF LABOR</b>		
Labor Force Statistics	17.002	
<u>Direct Awards:</u>		
Department of Labor		\$1,493,892
		<hr/>
Compensation and Working Conditions	17.005	
<u>Direct Awards:</u>		
Department of Labor		67,126
		<hr/>
Labor Certification for Alien Workers	17.203	
<u>Direct Awards:</u>		
Department of Labor		104,902
		<hr/>
Unemployment Insurance	17.225	
<u>Direct Awards:</u>		
Department of Labor		402,700,633
		<hr/>
Senior Community Service Employment Program	17.235	
<u>Direct Awards:</u>		
Governor's Office of Elderly Affairs		1,517,794
<u>Through: The National Council on Aging</u>		
University of Louisiana at Monroe		293,755
		<hr/>
Total Senior Community Service Employment Program		1,811,549
		<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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF LABOR (CONT.)</b>		
Trade Adjustment Assistance - Workers	17.245	
<u>Direct Awards:</u>		
Department of Labor		\$3,354,027
Employment Services and Job Training Pilots - Demonstrations and Research	17.249	
<u>Direct Awards:</u>		
Grambling State University		81,957
Welfare-to-Work Grants to States and Localities	17.253	
<u>Direct Awards:</u>		
Department of Labor		3,482,745
<u>Through: The Coordinating and Development Center</u>		
Bossier Parish Community College		60,072
Total Welfare-to-Work Grants to States and Localities		3,542,817
One-Stop Career Center Initiative	17.257	
<u>Direct Awards:</u>		
Department of Labor		27,063
Employment and Training Administration Pilots, Demonstrations, and Research Projects	17.261	
<u>Direct Awards:</u>		
Executive Department		410,584
Department of Labor		128,199
Employment and Training Administration Pilots, Demonstrations and Research Projects		538,783
Consultation Agreements	17.504	
<u>Direct Awards:</u>		
Department of Labor		849,869
<u>Employment Services Cluster:</u>		
Employment Service	17.207	
<u>Direct Awards:</u>		
Executive Department		312,375
Department of Labor		10,567,063

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF LABOR (CONT.)</b>		
<u>Employment Services Cluster: (Cont.)</u>		
Disabled Veterans' Outreach Program (DVOP)	17.801	
<u>Direct Awards:</u>		
Department of Labor		\$705,031
Local Veterans' Employment Representative Program	17.804	
<u>Direct Awards:</u>		
Department of Labor		664,035
		<hr/>
Total Employment Services Cluster		12,248,504
		<hr/>
<u>WIA Cluster:</u>		
WIA Adult Program	17.258	
<u>Direct Awards:</u>		
Department of Labor		25,009,508
<u>Through: Workforce Investment Board</u>		
Louisiana Technical College		7,834
WIA Youth Activities	17.259	
<u>Direct Awards:</u>		
Executive Department		3,815
Department of Labor		23,770,607
<u>Through: City of Shreveport</u>		
Bossier Parish Community College		51,286
<u>Through: City of Baton Rouge (EBR - WIA 21)</u>		
LSU A&M College (Baton Rouge)		(10,111)
<u>Through: City of Baton Rouge (EBR - WIA)</u>		
LSU A&M College (Baton Rouge)		350,032
<u>Through: The Coordinating and Development Center</u>		
Bossier Parish Community College		101,842
<u>Through: Coordinating and Development Corporation</u>		
Louisiana Technical College		60,317
<u>Through: Rapides Parish Police Jury</u>		
LSU at Alexandria		2,419
<u>Through: Tangipahoa Parish School System (WIA 20)</u>		
LSU A&M College (Baton Rouge)		2,741
<u>Through: Tangipahoa Workforce Initiative Act (WIA 20)</u>		
LSU A&M College (Baton Rouge)		365,448

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF LABOR (CONT.)</b>		
<u>WIA Cluster:</u> (Cont.)		
WIA Dislocated Workers	17.260	
<u>Direct Awards:</u>		
Department of Labor		\$25,739,859
Total WIA Cluster		75,455,597
<b>Total U.S. Department of Labor</b>		<b>\$502,276,719</b>
<b>U.S. DEPARTMENT OF STATE</b>		
ACRT Course Development	19.522 ATA #8661	
<u>Direct Awards:</u>		
LSU A&M College Baton Rouge		\$180,238
Advanced Crisis Response Training		
<u>Direct Awards:</u>		
<u>LSU A&amp;M College (Baton Rouge):</u>		
Columbia	19.594 ATA #4200	274,900
Georgia	19.569 ATA #4204	274,033
Greece	19.622 ATA #4201	4,102
Israel	19.607 ATA #4199	328,013
Total Advanced Crisis Response Training		881,048
Advanced CRT Walk-through	19.555 ATA #3661	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		173,967
Antiterrorism Assistance Program	19.1052-160160/260160	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		8,011,986
Antiterrorism Training Program	19.unknown	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		314,534

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF STATE (CONT.)</b>		
BTR-4 Symposium	19.553 ATA #2102	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$4,505
Campus IX - Administrative Costs	19.IA-AECF-G4190473	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		(6,299)
Crisis Response Team Training		
<u>Direct Awards:</u>		
<u>LSU A&amp;M College (Baton Rouge):</u>		
Algeria	19.562 ATA #2031	292,325
Armenia	19.543 ATA #3797	292,325
Bangladesh	19.567 ATA #2032	286,609
Djibouti	19.616 ATA #4090	294,145
Herzegovina	19.590 ATA #4095	304,480
India	19.601 ATA #3905	294,332
Morocco	19.549 ATA #3000	286,007
Philippines	19.540 ATA #3003	290,278
Tajikistan	19.605 ATA #4092	305,714
Tunisia	19.586 ATA #4093	296,506
Turkey	19.620 ATA #4094	302,654
Total Crisis Response Team Training		3,245,375
Critical Incident Management		
<u>Direct Awards:</u>		
<u>LSU A&amp;M College (Baton Rouge):</u>		
Armenia	19.546 ATA #3796	59,700
Colombia	19.505 ATA #3304	12,397
Jordan	19.595 ATA #4096	64,611
Kazakhstan	19.582 ATA #4098	59,875
Kyrgystan	19.570 ATA #2951	59,712
Mali	19.603 ATA #4536	64,845
Morocco	19.621 ATA #4100	4,350
Oman	19.551 ATA #3799	59,550
Paraguay	19.565 ATA #3301	60,014
Spain	19.625 ATA #4101	3,938
SRI Lanka	19.587 ATA #3909	58,787
Unknown	19.541 ATA #2033	57,873
Total Critical Incident Management		565,652

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF STATE (CONT.)</b>		
CRT- Tactical Commanders Course - Colombia	19.589 ATA #4231	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$97,203
Explosive Incident Countermeasures		
<u>Direct Awards:</u>		
<u>LSU A&amp;M College (Baton Rouge):</u>		
Armenia	19.527 ATA #3850	301,907
Bangladesh	19.585 ATA #3911	296,750
Curriculum Revision Course	19.584 ATA #3903	55,407
DJIBOU	19.591 ATA #4102	305,605
Georgia	19.611 ATA #4104	309,609
India	19.547/602 ATA #3005/3831	602,866
Indonesia	19.617 ATA #3190	311,831
Kenya	19.563 ATA #4105	296,813
Thailand	19.623 ATA #4676	309,770
Turkey	19.535 ATA #3511	301,902
Total Explosive Incident Countermeasures		3,092,460
Financial Underpinnings of Terrorism Country Philippines	19.518 ATA #3496	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		(1,614)
Hostage Negotiation/Incident Management		
<u>Direct Awards:</u>		
<u>LSU A&amp;M College (Baton Rouge):</u>		
Albania	19.468 ATA #2987	(14,732)
Armenia	19.624 ATA #4115	1,357
Azerbaijan	19.465 ATA #1898	(15,307)
Bangladesh	19.613 ATA #4177	36,283
DJIBOUTI	19.580 ATA #4116	106,757
Georgia	19.451 ATA #1895	(19,273)
Greece	19.473 ATA #0344	(13,928)
India	19.478 ATA #2982	(11,274)
Indonesia	19.495 ATA #2983	(18,846)
Kazakhstan	19.489 ATA #1885	(10,758)
Kuwait	19.529 ATA #2986	120,634
Kyrgyzstan	19.452 ATA #0285	(26,621)
Malaysia	19.53 ATA #343	36,996
Mexico	19.568 ATA #4119	97,031

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF STATE (CONT.)</b>		
Hostage Negotiation/Incident Management (Cont.)		
<u>Direct Awards:</u> (Cont.)		
<u>LSU A&amp;M College (Baton Rouge):</u> (Cont.)		
Nepal	19.410 ATA #0273	(\$23,472)
Pakistan	19.512 ATA #2985	(10,070)
Philippines	19.596 ATA #318	40,528
Rabat, Morocco	19.600 ATA #1331	54,470
Yemen	19.552 ATA #3790	107,958
		<hr/>
Total Hostage Negotiation/Incident Management		437,733
		<hr/>
Modification of ACRT Curriculum for Israel	19.578 ATA #4410	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		42,003
		<hr/>
Modification to Explosive Effects Demonstration	19.557 ATA #2109	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		6,144
		<hr/>
NFT Myer Drive Space	19.577-2 ATA #2102	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		32,366
		<hr/>
Post Blast Investigation		
<u>Direct Awards:</u>		
<u>LSU A&amp;M College (Baton Rouge):</u>		
Armenia	19.597 ATA #4132	146,711
Colombia	19.564 ATA #4133	82,454
Course Pilot Course	19.579 ATA #2434	15,393
Course Walk-through	19.576 ATA #2434	80,489
Curriculum Update	19.554 ATA #2002	44,432
DJIBOUTI	19.606 ATA #4134	133,328
Egypt	19.542 ATA #2991	83,552
Greece	19.528 ATA #2045	83,077
Morocco	19.561 ATA #2996	82,909
Pakistan	19.573 ATA #3270	119,881
Re-Write	19.559 ATA #2109	157,883
Tajikistan	19.615 ATA #4137	132,749
Turkey	19.550 ATA #3793	82,454
		<hr/>
Total Post Blast Investigation		1,245,312
		<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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF STATE (CONT.)</b>		
Provide Training Facilities	19.481 ATA #2102	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$102,163
REPO Walk Through	19.575 ATA #3551	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		3,581
Rural Border Operations		
<u>Direct Awards:</u>		
<u>    LSU A&amp;M College (Baton Rouge):</u>		
Bangladesh	19.516 ATA #3552	127,806
Egypt	19.618 ATA #3802	233,756
Instructor Training Services	19.539 ATA #3551	298,767
Nepal	19.558 ATA #3022	422,276
Tajikistan	19.598 ATA #4149	250,814
Walk Through	19.556 ATA #3551	160,517
Yemen	19.525 ATA #3019	346,550
Zyrgystan	19.520 ATA #3524	145,402
Total Rural Border Operations		1,985,888
Rural Border Patrol		
<u>Direct Awards:</u>		
<u>    LSU A&amp;M College (Baton Rouge):</u>		
Greece	19.610 ATA #4148	244,999
Macedonia	19.572 ATA #3950	429,773
Tanzania	19.466 ATA #3170	(23,972)
Total Rural Border Patrol		650,800
Senior Crisis Management		
<u>Direct Awards:</u>		
<u>    LSU A&amp;M College (Baton Rouge):</u>		
Algeria	19.548 ATA #2626	4,557
Colombia	19.571 ATA #4151	62,005
DJIBOUTI	19.614 ATA #4152	67,210
Greece	19.435 ATA #2014	7,451
Indonesia	19.566 ATA #2016	62,005
Jordan	19.599 ATA #4153	68,778

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF STATE (CONT.)</b>		
Senior Crisis Management (Cont.)		
<u>Direct Awards:</u> (Cont.)		
<u>LSU A&amp;M College (Baton Rouge):</u> (Cont.)		
Kenya	19.619 ATA #2622	\$66,676
Malaysia	19.592 ATA #4154	60,883
Pakistan	19.536 ATA #2625	68,600
Thailand	19.609 ATA #4552	68,776
Turkey	19.532 ATA #1778	62,005
		<hr/>
Total Senior Crisis Management		598,946
Tactical Commanders Course		
<u>Direct Awards:</u>		
<u>LSU A&amp;M College (Baton Rouge):</u>		
Jordan	19.608 ATA #1331	2,123
Unknown	19.538 ATA #2109	139,943
Walk Through	19.574 ATA #4254	124,517
		<hr/>
Total Tactical Commanders Course		266,583
Translation and Copying Services	19.593 ATA #3902	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		451,048
		<hr/>
<b>Total U.S. Department of State</b>		<b>\$22,381,622</b>
<hr/>		
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Boating Safety Financial Assistance	20.005	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		\$889,480
		<hr/>
Airport Improvement Program	20.106	
<u>Direct Awards:</u>		
Orleans Levee District		20,826
Department of Transportation and Development		76,204
		<hr/>
Total Airport Improvement Program		97,030
		<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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION (CONT.)</b>		
Highway Training and Education	20.215	
<u>Through: South Carolina A&amp;M University (#SCSU992T1)</u>		
Southern University and A&M College (Baton Rouge)		(\$280)
National Motor Carrier Safety	20.218	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections -		
Public Safety Services		2,262,975
Federal Transit Grants for University Research and Training	20.502	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		101,956
<u>Through: Louisiana Transportation Research Center (#02-07-GT)</u>		
Southern University and A&M College (Baton Rouge)		6,620
<u>Through: South Carolina A&amp;M University (#SCSU992T1)</u>		
Southern University and A&M College (Baton Rouge)		25,987
Total Federal Transit Grants for University Research and Training		134,563
Formula Grants for Other Than Urbanized Areas	20.509	
<u>Direct Awards:</u>		
Department of Transportation and Development		3,858,334
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	
<u>Direct Awards:</u>		
Department of Transportation and Development		564,411
State Planning and Research	20.515	
<u>Direct Awards:</u>		
Department of Transportation and Development		598,152
Pipeline Safety	20.700	
<u>Direct Awards:</u>		
Department of Natural Resources		477,120
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections -		
Public Safety Services		251,751

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION (CONT.)</b>		
154/164 Hazard Elimination	20.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>\$5,566,117</u>
2002 Eisenhower GRF Fellowship - Laurence Lambert	20.DDEGRF-02-X-00503	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		<u>20,492</u>
<u>Federal Transit Cluster:</u>		
Federal Transit - Capital Investment Grants	20.500	
<u>Direct Awards:</u>		
Department of Transportation and Development		190,168
Federal Transit - Formula Grants	20.507	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>440,168</u>
Total Federal Transit Cluster		<u>630,336</u>
<u>Highway Planning and Construction Cluster:</u>		
Highway Planning and Construction	20.205	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>490,670,749</u>
<u>Highway Safety Cluster:</u>		
State and Community Highway Safety	20.600	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		261,755
Department of Public Safety and Corrections - Public Safety Services		2,490,529
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		541,953
Occupant Protection	20.602	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		297,364

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION (CONT.)</b>		
<u>Highway Safety Cluster: (Cont.)</u>		
Federal Highway Safety Data Improvements Incentive Grants	20.603	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		\$223,066
Safety Incentive Grants for Use of Seatbelts	20.604	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		1,295,546
Total Highway Safety Cluster		<u>5,110,213</u>
<u>Research and Development Cluster:</u>		
University Transportation Centers Program	20.701	
<u>Through: University of Arkansas (#DTRS99-G-0025)</u>		
LSU A&M College (Baton Rouge)		41,369
2002 Eisenhower GRF Fellowship - Laurence Lambert	20.RD.DDEGRF-02-X-00503	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		2,547
National Pipeline Mapping System - State Repository	20.RD.DTRS56-99-H-0004	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		16
Total Research and Development Cluster		<u>43,932</u>
<b>Total U.S. Department of Transportation</b>		<b><u><u>\$511,175,375</u></u></b>
<b>U.S. DEPARTMENT OF TREASURY</b>		
Asset Forfeiture	21.000	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		\$275,745
Low-Income Taxpayer Clinics	21.008	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		40,453

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF TREASURY (CONT.)</b>		
Alcohol, Tobacco, and Firearms - Training Assistance <u>Through: Alcohol, Tobacco, and Firearms (#ATF-3694)</u> Grambling State University	21.052	\$7,862
Title 16 - Temporary State Fiscal Relief <u>Direct Awards:</u> Executive Department Department of Public Safety and Corrections - Corrections Services	21.unknown	1,500,000 <u>3,000,000</u>
Total Title 16 - Temporary State Fiscal Relief		<u>4,500,000</u>
<b>Total U.S. Department of Treasury</b>		<b><u><u>\$4,824,060</u></u></b>
<b>U.S. POSTAL SERVICE</b>		
United States Postal Service - Fixed Price Contract <u>Direct Awards:</u> Nicholls State University	22.216565-89-P-0444	\$6,000
<b>Total U.S. Postal Service</b>		<b><u><u>\$6,000</u></u></b>
<b>OFFICE OF PERSONNEL MANAGEMENT</b>		
Intergovernmental Personnel Act (IPA) Mobility Program <u>Through: Overton Brooks VA Medical Center (#E01-2097R)</u> Louisiana Tech University	27.011	\$29,044
<b>Total Office of Personnel Management</b>		<b><u><u>\$29,044</u></u></b>
<b>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</b>		
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts <u>Direct Awards:</u> Executive Department	30.002	\$4,603
<b>Total Equal Employment Opportunity Commission</b>		<b><u><u>\$4,603</u></u></b>

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>GENERAL SERVICES ADMINISTRATION</b>		
Donation of Federal Surplus Personal Property	39.003	
<u>Direct Awards:</u>		
Executive Department		\$1,617,446
<u>Research and Development Cluster:</u>		
Unexploded Munitions Model (UXO)	39.RD.GSO5T02BMM1402	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		48,375
<b>Total General Services Administration</b>		<b>\$1,665,821</b>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>		
Aerospace Education Services Program	43.001	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$714,081
Technology Transfer	43.002	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		178,391
<u>Through: Howard University (#NCC-5197)</u>		4,530
Grambling State University		80,803
<u>Through: Howard University (#633639)</u>		26,719
Southern University and A&M College (Baton Rouge)		80,803
<u>Through: National Action Council</u>		26,719
Southern University and A&M College (Baton Rouge)		26,719
<u>Through: Shaw Environmental, Inc. (#PO#202190)</u>		6,210
Southern University and A&M College (Baton Rouge)		6,210
<u>Through: Space Telescope Science Institute (#NGT590015)</u>		69,594
Southern University and A&M College (Baton Rouge)		69,594
<u>Through: United Negro College</u>		14,541
Southern University and A&M College (Baton Rouge)		14,541
<b>Total Technology Transfer</b>		<b>380,788</b>
Adapting and Validating Precision Technologies	43.NCC13-02003	
<u>Direct Awards:</u>		
LSU Agricultural Center		77,654
Alliance for Non-Linear Optics	43.unknown	
<u>Through: New Mexico Highlands University (#NAG8-1708)</u>		
Grambling State University		6,739

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)</b>		
Computed Tomography: A Potential Technology <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.NGT8-52919	<u>\$18,000</u>
Direct Numerical Simulation of Jets in Engine Flow <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.NGT13-52755	<u>21,520</u>
Louisiana Space Grant College and Fellowship Program <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.NGT5-40015	<u>17,527</u>
Shuttle Debris Cleanup <u>Direct Awards:</u> Department of Wildlife and Fisheries	43.unknown	<u>27,779</u>
Southeast Regional Technology Transfer Center (SERTTC) - Grant Program <u>Through: Georgia Institute of Technology (#NAS10-01025)</u> LSU A&M College (Baton Rouge)	43.N-20-633-S8	<u>66,585</u>
State-Based Support to the Office of Technology Training <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.NASA(2002) - Stennis-23	<u>(567)</u>
To Support Programs and Fellowships Under the National Space Grant College and Fellowship <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.NGT5-40115	<u>36,452</u>
A Testing of Remote Sensing Method at the Broussard Mounds Site <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.NGT13-52743	<u>1,333</u>
<u>Research and Development Cluster:</u> Aerospace Education Services Program <u>Direct Awards:</u> Board of Regents for Higher Education Southern University and A&M College (Baton Rouge) <u>Through: University of Alabama (#01-044)</u> Louisiana Tech University	43.001	798,585 (9,334) 5,792

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Technology Transfer	43.002	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$329,992
<u>Through: Western Michigan University</u>		
LSU A&M College (Baton Rouge)		66,908
Adapting and Validating Precision Technologies	43.RD.NCC13-02003	
<u>Direct Awards:</u>		
LSU Agricultural Center		160,480
Advanced Light Weight Magnet Program	43.RD.NAG8-1731	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		30,474
Advanced Thin Ionization Calorimeter Balloon Experiment	43.RD.NAG5-5306	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		391,909
Analysis of the Gravisensing System in Chara	43.RD.NAG-2-1423	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		91,605
Application of Physical and Biological Techniques in the Study of the Gravisensing and Response System of Plants	43.RD.NAG10-0190	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		108,307
Application of Remote Sensing to Assess the Impact of Short Term Climate Variations	43.RD.G065236	
<u>Through: Board of Regents of University of Wisconsin</u>		
LSU A&M College (Baton Rouge)		32,201
Changes in Microbial Diversity and the Occurrence of Ionizing Radiation	43.RD.NCC2-5469	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		20,524
Collaborative: Rotation Periods and Opposition Surges of Small Icy Bodies	43.RD.NAG5-13533	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		32,394

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Computed Tomography: A Potential Technology to Understand Friction Properties	43.RD.NGT8-52919	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		\$5,436
Continued Development of Scintillating Fiber Detectors for Gamma-Ray Astronomy	43.RD.NAG5-5359	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		6,358
Developing an Optimal Water Allocation Decision	43.RD.01-EI-421613-LSUAC	
<u>Through: Auburn University</u> LSU Agricultural Center		2,390
Development of Procedures for Intensive Stand	43.RD.332527-080100-027000	
<u>Through: Mississippi State University (#NCC13-99001)</u> LSU Agricultural Center		32,583
Development of a Protocol for Sterilizing Mineral Samples Returned to Earth	43.RD.NAG2-1460	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		134,442
Device: Sweat Stick Volume Meter	43.RD.9930-234	
<u>Through: Universities Space Research Association (#NCC9-142)</u> LSU A&M College (Baton Rouge)		17,499
Direct Numerical Simulation of Jets in Engine Flow	43.RD.NGT13-52755	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		305
The Effects of Microgravity on Protein-Ligand	43.RD.NAG2-1511	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		120,381
Extragalactic Interstellar Dust	43.RD.NAG5-7933	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		39,070

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Factors Affecting the Early Life History of Fishes in Lake Pontchartrain, Louisiana	43.RD.NGT13-52749	
<u>Direct Awards:</u> University of New Orleans		\$25,080
FAR - Ultraviolet Interstellar Extinction in the Large Magellanic Cloud-Fuse	43.RD.NAG5-10185	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		33,511
Flood Damage Prevention Using Remotely - Sensed Data	43.RD.SUB2000-469	
<u>Through: University of Alabama in Huntsville</u> LSU A&M College (Baton Rouge)		29,058
Geophysical Flow Experiment in a Rotating Spherical Capacitor	43.RD.NAG3-2447	
<u>Direct Awards:</u> University of New Orleans		112,042
Implement Earth System Science Education Course	43.RD.NAG5-8517	
<u>Through: Institute for Global Environmental Studies (#11010)</u> Louisiana Tech University		16,593
Leaf Area and Volume Estimates in Loblolly Pine Forest Derived From Aerial Images	43.RD.99-03-0273/#332515 080100	
<u>Through: Mississippi State University</u> LSU Agricultural Center		9,916
Louisiana Space Grant College and Fellowship Program	43.RD.NGT5-40115	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		283,513
Mechanics of Granular Materials (MGM-III) Project	43.RD.NAS8-01042	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		80,765
Multiscale Simulations of Protein Nanotubes	43.RD.NCC2-5440	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		72,970

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Nanoparticle Delivery of Repair Enzymes for Radiation Protection/DNA Repair <u>Through: University of Texas Medical Branch (#02-031)</u> Louisiana Tech University	43.RD.NAS2-02059	\$77,614
NASA Graduate Researchers Program <u>Direct Awards:</u> University of New Orleans	43.RD.NGT13-52721	2,684
NASA Stennis Space Center IPA Agreement (Craig Petterson) <u>Direct Awards:</u> University of New Orleans	43.RD.unknown	58,687
National Center for Advanced Manufacturing - LA Partnership <u>Through: UNO Research and Technology Foundation (#58404-FSW/3-S2)</u> University of New Orleans	43.RD.NCC8-223	594,766
Numerical Hydrodynamics of Mass-Transferring Binaries <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.RD.NAG5-8497	47,875
RCCS Effects on Fish Ontogeny and Morphogenesis <u>Direct Awards:</u> University of Louisiana at Lafayette	43.RD.NAG-2-1600	16,935
Research and Development Tasks in Support of NASA and Resident Agencies <u>Direct Awards:</u> Board of Regents for Higher Education	43.RD.NAS13-98053	318,490
The Role of Polycyclic Aromatic Hydrocarbons in Ultraviolet Extinction <u>Through: Space Telescope Science Institute</u> LSU A&M College (Baton Rouge)	43.RD.HST-GO-08670.01-A	27,545
Scalable Algorithms on the Information Power Grid <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.RD.NCC2-5484	65,901

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Searching for the Best Protein Crystals: Integration Through: <u>University of Toledo (#NAG8-1825)</u> LSU A&M College (Baton Rouge)	43.RD.14576	\$15,823
Studies on the Microbial Communities Associated With Extreme Environments <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.RD.NCC2-5528	8,995
A Testing of Remote Sensing Method at the Broussard Mounds Site <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.RD.NGT13-52743	3,580
Theoretical and Experimental Investigation of the Stability of Evaporation <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.RD.NAG3-2361	63,988
Ultra-Long Duration Mission Concept for Proposal for a Minute-of-Arc Resolution <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.RD.NAG5-5208	8,690
Ultraviolet Spectroscopy of R Coronae Borealis Through: <u>Space Telescope Science Institute</u> LSU A&M College (Baton Rouge)	43.RD.HST-GO-08615.02-A	19,626
Understanding the Starburst-Like Dust in the Small Magellanic Cloud Through: <u>Space Telescope Science Institute</u> LSU A&M College (Baton Rouge)	43.RD.GO-08198.01-97A	7,673
Using IR Emissions to Constrain the Role of Dust in Galaxies <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.RD.NAG5-9709	45,591
A Wide-Field High-Resolution Hard X-Ray/Gamma Ray <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	43.RD.NAG5-5323	203,944

(Continued)

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
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
World Deltas: A Baseline and Changes	43.RD.NAG5-9245	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$111,700
Total Research and Development Cluster		4,781,856
<b>Total National Aeronautics and Space Administration</b>		<b>\$6,149,747</b>
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>		
Promotion of the Arts - Grants to Organizations and Individuals	45.024	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$16,283
Northwestern State University		2,260
Total Promotion of the Arts - Grants to Organizations and Individuals		18,543
Promotion of the Arts - Partnership Agreements	45.025	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		673,566
Promotion of the Arts - Leadership Initiatives	45.026	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		40,000
Promotion of the Humanities - Federal/State Partnership	45.129	
<u>Through: Louisiana Endowment for the Humanities</u>		
LSU A&M College (Baton Rouge)		11,049
<u>Through: Louisiana Endowment for the Humanities</u>		
LSU at Alexandria		2,080
<u>Through: Louisiana Endowment for the Humanities</u>		
LSU at Eunice		10,422
<u>Through: Louisiana Endowment for the Humanities</u>		
University of Louisiana at Monroe		11,551
Promotion of the Humanities - Federal/State Partnership		35,102
State Library Program	45.310	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		3,272,802

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES (CONT.)</b>		
Institute of Museum and Library Services - National Leadership Grants	45.312	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$106,859
<u>Research and Development Cluster:</u>		
Promotion of the Humanities - Federal/State Partnership	45.129	
<u>Through: Louisiana Endowment for the Humanities (#02-772-099)</u>		
Louisiana Tech University		15,625
Promotion of the Humanities - Division of Preservation and Access	45.149	
<u>Through: Trustees of Indiana University (#PA-24087-02)</u>		
LSU A&M College (Baton Rouge)		4,977
Promotion of the Humanities - Fellowships and Stipends	45.160	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		14,633
Promotion of the Humanities - Education Development and Demonstration	45.162	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		6,985
Total Research and Development Cluster		42,220
<b>Total National Foundation on the Arts and the Humanities</b>		<b>\$4,189,092</b>
<b>NATIONAL SCIENCE FOUNDATION</b>		
Engineering Grants	47.041	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$276,050
Mathematical and Physical Sciences	47.049	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		123,065
Northwestern State University		12,696
Southern University and A&M College (Baton Rouge)		534,412
Total Mathematical and Physical Sciences		670,173

(Continued)

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
<b>NATIONAL SCIENCE FOUNDATION (CONT.)</b>		
Biological Sciences	47.074	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$48,435
Nicholls State University		11,668
University of Louisiana at Monroe		33,255
		<hr/>
Total Biological Sciences		93,358
		<hr/>
Education and Human Resources	47.076	
<u>Direct Awards:</u>		
Grambling State University		108,606
LSU A&M College (Baton Rouge)		546,989
Louisiana Systemic Initiatives Program		18,908
University of Louisiana at Monroe		51,563
<u>Through: University of Mississippi</u>		
University of Louisiana at Monroe		591,185
		<hr/>
Total Education and Human Resources		1,317,251
		<hr/>
Polar Programs	47.078	
<u>Through: University of Wisconsin (#G067933)</u>		
Southern University and A&M College (Baton Rouge)		21,556
		<hr/>
<u>Research and Development Cluster:</u>		
Engineering Grants	47.041	
<u>Direct Awards:</u>		
LSU Agricultural Center		37,317
LSU A&M College (Baton Rouge)		917,707
Louisiana Tech University		442,141
University of New Orleans		9,690
<u>Through: Consortium of Universities for Research in Earthquake</u>		
LSU A&M College (Baton Rouge)		3,231
<u>Through: University of Central Florida (#ECS-0103587)</u>		
University of New Orleans		48,661
<u>Through: University of Louisville Research Foundation (#ECS-0202766)</u>		
LSU A&M College (Baton Rouge)		32,589

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.



**STATE OF LOUISIANA**  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL SCIENCE FOUNDATION (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$2,925,299
Louisiana Tech University		179,079
Southern University and A&M College (Baton Rouge)		(1,076)
University of New Orleans		249,787
<u>Through: California Institute of Technology</u>		
<u>(#LIGO-C991357-00-P)</u>		
Southeastern Louisiana University		13,115
<u>Through: Pennsylvania State University</u>		
<u>(#PHY-9800973/PHY-0090091)</u>		
LSU A&M College (Baton Rouge)		62,942
<u>Through: University of North Carolina at Wilmington</u>		
LSU A&M College (Baton Rouge)		5,640
Geosciences	47.050	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		362,052
Louisiana Universities Marine Consortium		994,069
Southeastern Louisiana University		34,043
University of New Orleans		202,719
<u>Through: Southeastern University Research Association</u>		
Louisiana Universities Marine Consortium		71,608
<u>Through: University of Oregon</u>		
Louisiana Universities Marine Consortium		7,119
<u>Through: University of Southern Mississippi (#GR01390B10)</u>		
Louisiana Universities Marine Consortium		491
<u>Through: Woods Hole Oceanographic Institution</u>		
LSU A&M College (Baton Rouge)		(308)
Computer and Information Science and Engineering	47.070	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		370,088
LSU in Shreveport		30,602
Southern University and A&M College (Baton Rouge)		64,819
Southern University at New Orleans		543,592

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	CFDA OR OTHER NUMBER	ACTIVITY
<b>NATIONAL SCIENCE FOUNDATION (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Biological Sciences	47.074	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$9,876
LSU A&M College (Baton Rouge)		1,152,928
LSUHSC (New Orleans)		122,376
LSUHSC (Shreveport)		451,054
Southeastern Louisiana University		87,639
University of Louisiana at Monroe		67,075
University of New Orleans		205,704
<u>Through: Marine Biological Laboratory (#DEB-0213767)</u>		
LSU A&M College (Baton Rouge)		29,807
<u>Through: The Research Foundation of State University of New York</u>		
LSU Agricultural Center		6,306
<u>Through: University of California (#DBI-0198161)</u>		
LSU A&M College (Baton Rouge)		44,251
<u>Through: University of Miami (#667707)</u>		
University of New Orleans		48,276
Social, Behavioral, and Economic Sciences	47.075	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		608,125
<u>Through: National Academy of Sciences</u>		
LSU A&M College (Baton Rouge)		2,936
<u>Through: University of North Carolina - Greensboro</u>		
LSU A&M College (Baton Rouge)		706
Education and Human Resources	47.076	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		4,577,146
LSU A&M College (Baton Rouge)		440,768
Louisiana Tech University		345,677
University of New Orleans		121,759
<u>Through: Saint-Xavier University (#402570001 D 48)</u>		
Louisiana Tech University		6,750
<u>Through: University of South Carolina (#EPS-9871990)</u>		
LSU A&M College (Baton Rouge)		1,688
Polar Programs	47.078	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		158,592

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL SCIENCE FOUNDATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Architectural Support for Scalable High-Speed Routers	47.RD.CCR-0105529	
<u>Direct Awards:</u> University of Louisiana at Lafayette		\$85,075
Career: Synthesis, Characterization and Application of Fluorescent Nanolipobeads for Optochemical Sensing in Single Living Cells	47.RD.CHE-9874498	
<u>Direct Awards:</u> University of New Orleans		53,154
Career: Theory and Application of Hybrid Estimation	47.RD.ECS-9734258	
<u>Direct Awards:</u> University of New Orleans		14,280
Collaborative Research: Nonlinear Non-local First Order Hyperbolic Problems	47.RD.DMS-0211412	
<u>Direct Awards:</u> University of Louisiana at Lafayette		34,907
Constraints of the Genesis of Continental Crust Via Arc Magmatism <u>Through: Woods Hole Oceanographic Institution (#81089900)</u>	47.RD.EAR-9910899	
University of New Orleans		9,298
The Cytoskeleton and Polarity in Pollen Development	47.RD.MCB-9726968	
<u>Direct Awards:</u> University of Louisiana at Lafayette		352
Dissertation Research: Coercion and Reconciliation in a Socially Monogamous Species	47.RD.IBN-0205804	
<u>Direct Awards:</u> University of Louisiana at Lafayette		2,451
Explicit Constructions of Asymptotically Good Algebraic-Geometric Codes	47.RD.CCR-9804973	
<u>Direct Awards:</u> University of Louisiana at Lafayette		9,876
Geochemical Investigation of Paleocology and Paleolimnology in Lake Sevan	47.RD.15746	
<u>Through: American Association for the Advancement of Science</u> LSU A&M College (Baton Rouge)		4,000

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL SCIENCE FOUNDATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
IME4 Gene: Putative Methyltransferase Coupling Nutrition to Meiotic Development in Yeast	47.RD.MCB-9983555	
<u>Direct Awards:</u> University of New Orleans		\$75,138
Intergovernmental Personnel Act Assignment (Pam O'Neil)	47.RD.DEB-0136417	
<u>Direct Awards:</u> University of New Orleans		77,105
Low-Temperature Topotactic Strategies for the Directed Synthesis of New Layered Oxides	47.RD.DMR-9983591	
<u>Direct Awards:</u> University of New Orleans		52,107
MRI: Acquisition of Networked Heterogeneous Computer Systems	47.RD.EIA-9871315	
<u>Direct Awards:</u> University of Louisiana at Lafayette		46,455
Protectonic Evolution of High-Pressure and Suspected Ultrahigh-Pressure Granulites and Eclogites in Neoproterozoic Nappes of Southeast Brazil	47.RD.EAR-0125867	
<u>Direct Awards:</u> University of New Orleans		2,872
Reconfiguration and Performance Issues in Software Distributed Shared Memory Systems	47.RD.CCR-9803505	
<u>Direct Awards:</u> University of Louisiana at Lafayette		43,236
Reproductive Biology in Shrimp	47.RD.OCE-9982466	
<u>Direct Awards:</u> University of Louisiana at Lafayette		42,949
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		1,572
Salinity, Florivory, and the Evolutionary Ecology of Iris Hexagona	47.RD.IBN-0124901	
<u>Direct Awards:</u> University of Louisiana at Lafayette		103,672

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>NATIONAL SCIENCE FOUNDATION (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
SGER: Testing and Optimization of DNA Based Methods of Zooplankton	47.RD.OCE-0098196	
<u>Direct Awards:</u> University of Louisiana at Lafayette		\$2,889
Thermochemistry and Catalysis Involving Organometallic Complexes	47.RD.CHE-9985213	
<u>Direct Awards:</u> University of New Orleans		64,378
U.S. Egypt Cooperative Research: A Low Cost Video and Image Compression Framework	47.RD.INT-0211620	
<u>Direct Awards:</u> University of Louisiana at Lafayette		1,464
Total Research and Development Cluster		<u>16,823,685</u>
<b>Total National Science Foundation</b>		<b><u><u>\$19,202,073</u></u></b>
<b>SMALL BUSINESS ADMINISTRATION</b>		
Federal and State Technology Transfer Partnership	59.SBAHQ-02-R0026	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		<u>\$37,787</u>
Small Business Administration Fast Program	59.SBAHQ-01-R0021	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		<u>99,255</u>
Small Business Innovation Research and Small Business Technology Program	59.SBAHQ-99-0008	
<u>Direct Awards:</u> Department of Economic Development		<u>26,070</u>
<u>Research and Development Cluster:</u> Small Business Development Center	59.037	
<u>Direct Awards:</u> University of Louisiana at Monroe		<u>1,384,762</u>
<b>Total Small Business Administration</b>		<b><u><u>\$1,547,874</u></u></b>

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>		
Grants to States for Construction of State Home Facilities <u>Direct Awards:</u> Department of Veterans Affairs	64.005	<u>\$1,620,160</u>
Veterans State Nursing Home Care <u>Direct Awards:</u> Department of Veterans Affairs	64.015	<u>5,940,810</u>
IPA - VAMC - Chicago <u>Direct Awards:</u> LSUHSC (Shreveport)	64.unknown	<u>54,047</u>
Provide Radiologist for Body CT/MRI Service at VAMC <u>Direct Awards:</u> LSUHSC (New Orleans)	64.C02-81-112	<u>196,457</u>
Reimbursement Contract <u>Direct Awards:</u> Department of Veterans Affairs	64.V101 (223B)	<u>135,086</u>
VA - Disbursement Agreement - Fellow Stipends <u>Direct Awards:</u> LSUHSC (Shreveport)	64.unknown	<u>577,470</u>
VA - Disbursement Agreement - House Staff Stipends <u>Direct Awards:</u> LSUHSC (Shreveport)	64.unknown	<u>1,146,608</u>
VA - Family Medicine - Teaching Agreement - Alexandria <u>Direct Awards:</u> LSUHSC (Shreveport)	64.V502P-2280	<u>28,181</u>
VA - Neurosurgery, IPA <u>Direct Awards:</u> LSUHSC (Shreveport)	64.V667P-1615	<u>160,934</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS (CONT.)</b>		
VA - Orthopedic IPA	64.unknown	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		<u>\$69,000</u>
<u>Research and Development Cluster:</u>		
Study the Role of Tumor Necrosis Factor in Rats	64.RD.V573P-6139	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		<u>5,618</u>
<b>Total U.S. Department of Veterans Affairs</b>		<b><u><u>\$9,934,371</u></u></b>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
Air Pollution Control Program Support	66.001	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>\$29,645</u>
State Public Water System Supervision	66.432	
<u>Direct Awards:</u>		
Office of Public Health		<u>1,267,841</u>
State Underground Water Source Protection	66.433	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>581,014</u>
Water Quality Management Planning	66.454	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>115,198</u>
Capitalization Grants for State Revolving Funds	66.458	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>4,293,654</u>
Nonpoint Source Implementation Grants	66.460	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		56,971
Department of Environmental Quality		<u>2,370,859</u>
<b>Total Nonpoint Source Implementation Grants</b>		<b><u>2,427,830</u></b>

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>ENVIRONMENTAL PROTECTION AGENCY (CONT.)</b>		
Wetland Program Development Grants	66.461	
<u>Direct Awards:</u>		
Department of Natural Resources		\$115,995
Water Quality Cooperative Agreements	66.463	
<u>Direct Awards:</u>		
Department of Environmental Quality		63,523
Capitalization Grants for Drinking Water State Revolving Funds	66.468	
<u>Direct Awards:</u>		
Department of Environmental Quality		6,505,942
Office of Public Health		2,413,464
Total Capitalization Grants for Drinking Water State Revolving Funds		8,919,406
Hardship Grants Program for Rural Communities	66.470	
<u>Direct Awards:</u>		
Executive Department		718,928
Beach Monitoring and Notification Program Development Grants	66.472	
<u>Direct Awards:</u>		
Office of Public Health		53,921
Water Protection Grants to the States	66.474	
<u>Direct Awards:</u>		
Office of Public Health		38,410
Environmental Protection - Consolidated Research	66.500	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		357,039
Department of Wildlife and Fisheries		50,674
<u>Through: Science and Engineering Alliance (#SEA/EPA0015)</u>		
Southern University and A&M College (Baton Rouge)		3,882
Total Environmental Protection - Consolidated Research		411,595
Performance Partnership Grants	66.605	
<u>Direct Awards:</u>		
Department of Environmental Quality		11,579,217

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>ENVIRONMENTAL PROTECTION AGENCY (CONT.)</b>		
Surveys, Studies, Investigations and Special Purpose Grants	66.606	
<u>Direct Awards:</u>		
Department of Environmental Quality		\$606,041
LSU Agricultural Center		17,888
LSU A&M College (Baton Rouge)		6,663
Department of Natural Resources		770,712
		<hr/>
Total Surveys, Studies, Investigations and Special Purpose Grants		1,401,304
		<hr/>
State Information Grants	66.608	
<u>Direct Awards:</u>		
Office of Public Health		41,182
		<hr/>
Consolidated Pesticide Enforcement Cooperative Agreements	66.700	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		212,000
LSU Agricultural Center		75,504
		<hr/>
Total Consolidated Pesticide Enforcement Cooperative Agreements		287,504
		<hr/>
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	
<u>Direct Awards:</u>		
Department of Environmental Quality		150,000
		<hr/>
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	
<u>Direct Awards:</u>		
Department of Environmental Quality		65,605
		<hr/>
Superfund State Site - Specific Cooperative Agreements	66.802	
<u>Direct Awards:</u>		
Department of Environmental Quality		193,788
		<hr/>
Leaking Underground Storage Tank Trust Fund Program	66.805	
<u>Direct Awards:</u>		
Department of Environmental Quality		983,531
		<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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>ENVIRONMENTAL PROTECTION AGENCY (CONT.)</b>		
Solid Waste Management Assistance	66.808	
<u>Direct Awards:</u>		
Department of Environmental Quality		\$5,398
CEPP Technical Assistance Grants Program	66.810	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		(17,145)
Environmental Education and Training Program	66.950	
<u>Direct Awards:</u>		
Nunez Community College		1,022
Environmental Protection Agency	66.2W-3247-NAEX	
<u>Direct Awards:</u>		
LSU Agricultural Center		2,025
<u>Research and Development Cluster:</u>		
Surveys, Studies, Investigations, Demonstrations and Training Grants and Cooperative Agreements - Section 1442 of the Clean Water Act	66.436	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		1,395
National Estuary Program	66.456	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		360,259
Water Quality Cooperative Agreements	66.463	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		49,277
Louisiana Universities Marine Consortium		6,707
Wastewater Operator Training Grant Program (Technical Assistance)	66.467	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		5,031

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>ENVIRONMENTAL PROTECTION AGENCY (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Environmental Protection - Consolidated Research	66.500	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		\$227,724
LSU A&M College (Baton Rouge)		1,638,996
LSUHSC (New Orleans)		(15,633)
McNeese State University		416,639
Southeastern Louisiana University		353,044
Southern University and A&M College (Baton Rouge)		221,094
Southern University at Shreveport-Bossier City		13
University of New Orleans		1,499,963
<u>Through: The Academy of Natural Sciences</u>		
LSU A&M College (Baton Rouge)		2,378
Science to Achieve Results (STAR) Program	66.509	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		12,131
<u>Through: University of Texas at Austin (#USM-GR01079-B10)</u>		
LSU A&M College (Baton Rouge)		16,321
<u>Through: University of Texas at Austin (#UTA02-358-47)</u>		
Southeastern Louisiana University		45,018
Surveys, Studies, Investigations and Special Purpose Grants	66.606	
<u>Direct Awards:</u>		
LSU Agricultural Center		45,547
LSU A&M College (Baton Rouge)		211,098
Louisiana Universities Marine Consortium		23,884
Office of Public Health		5,507
Southeastern Louisiana University		102,115
<u>Through: Jefferson Parish Government (#MX984630-99-0)</u>		
LSU A&M College (Baton Rouge)		400
<u>Through: Mississippi State University (#X-82842101-0)</u>		
LSU A&M College (Baton Rouge)		6,395
Training and Fellowships for the Environmental Protection Agency	66.607	
<u>Direct Awards:</u>		
Southeastern Louisiana University		4,785

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>ENVIRONMENTAL PROTECTION AGENCY (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Environmental Education and Training Program	66.950	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		\$70,545
Environmental Education Grants	66.951	
<u>Direct Awards:</u>		
Louisiana Tech University		46
University of Louisiana at Lafayette		3,060
An Advanced System for Pollution Prevention in Chemical Complexes		
<u>Through: Lamar University</u>		
LSU A&M College (Baton Rouge)	66.RD.051LSU3734	319
LSU A&M College (Baton Rouge)	66.RD.010LSU2734	(739)
Applying New Technology for Pollution Prevention	66.RD.061LSU0500	
<u>Through: Lamar University</u>		
LSU A&M College (Baton Rouge)		9,761
Evaluating the Non-Point Source Pollution	66.RD.13433	
<u>Through: Baton Rouge Green Association Inc.</u>		
LSU A&M College (Baton Rouge)		12,375
Evaluation of Particulate Emissions Resulting From Dry Abrasive Blasting	66.RD.X-98635301	
<u>Direct Awards:</u>		
University of New Orleans		17,923
Modeling Effects of Endocrine Disruptor Chemicals on Fish Populations	66.RD.UTA00-019	
<u>Through: University of Texas at Austin</u>		
LSU A&M College (Baton Rouge)		33,016
Northern Barataria Bay Water Quality	66.RD.15709	
<u>Through: Jefferson Parish Government</u>		
LSU A&M College (Baton Rouge)		2,500
Oyster Reefs and Louisiana Wetlands Restoration	66.RD.2001-0323-001.CON	
<u>Through: National Fish and Wildlife Foundation</u>		
LSU Agricultural Center		35,907

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>ENVIRONMENTAL PROTECTION AGENCY (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Photo-Adsorbilization in a Semiconducting Monolithic Reactor		
<u>Through: Lamar University</u>		
LSU A&M College (Baton Rouge)	66.RD.051LSU2753	\$30,139
LSU A&M College (Baton Rouge)	66.RD.069LSU0753	(482)
Pontchartrain Restoration Act (PRA) Watershed Analysis of the Pontchartrain Basin		
<u>Through: Lake Pontchartrain Basin Foundation (#X98658701-0)</u>		
University of New Orleans	66.RD.X98658701-01	6,548
Remote Detection of Gas Emissions in Industrial Processes		
<u>Through: Lamar University</u>		
LSU A&M College (Baton Rouge)	66.RD.051LSU2754	39,482
LSU A&M College (Baton Rouge)	66.RD.069LSU0754	(1,882)
Revision of Louisiana's Scenic River Management - Southeastern US		
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries	66.RD.CD996956-01-0	59,214
Searching for Optimum Composition of Phosphogypsum		
<u>Through: Lamar University(#R-82859801-2)</u>		
LSU A&M College (Baton Rouge)	66.RD.051LSU2759	21,164
LSU A&M College (Baton Rouge)	66.RD.032LSU3759	10,699
Urban Storm Water Wetland Detention Basin Project		
<u>Through: City of West Monroe (#566669)</u>		
Louisiana Tech University	66.RD.C9-996102-04-2	73,913
Total Research and Development Cluster		5,663,596
<b>Total Environmental Protection Agency</b>		<b>\$39,393,987</b>

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF ENERGY</b>		
State Energy Program	81.041	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>\$1,072,932</u>
Conservation Research and Development	81.086	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		171,358
<u>Through: Lawrence Livermore Energy Systems (#B506154)</u>		
Southern University and A&M College (Baton Rouge)		(11,498)
<u>Through: Lockheed Martin Energy Systems (#DEAC05840R)</u>		
Southern University and A&M College (Baton Rouge)		33,137
<u>Through: National Renew. Energy Lab (#AAK9187502)</u>		
Southern University and A&M College (Baton Rouge)		33,558
<u>Through: Oak Ridge Y-12 National Security Complex (#97-141.93)</u>		
Southern University and A&M College (Baton Rouge)		<u>45,189</u>
Total Conservation Research and Development		<u>271,744</u>
States and Tribal Concerns, Proposed Solutions	81.106	
<u>Through: Southern States Energy Board (#DE-FC04-93AL82966)</u>		
Department of Environmental Quality		<u>20,465</u>
Petroleum Violation Escrow Funds		
<u>Direct Awards:</u>		
<u>Department of Natural Resources:</u>		
Exxon	81.E2029	11,457,100
OHA	81.OHA2030	896,875
Stripper Well	81.SW2027	482,618
Warner	81.W2031	<u>61,506</u>
Total Petroleum Violation Escrow Funds		<u>12,898,099</u>
<u>Research and Development Cluster:</u>		
Office of Science Financial Assistance Program	81.049	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		2,059,728
Louisiana Tech University		191,613
Southeastern Louisiana University		39,238
<u>Through: Oak Ridge National Lab (#4000013558/4000014394)</u>		
Louisiana Tech University		43,035

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF ENERGY (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Office of Science Financial Assistance Program (Cont.)	81.049	
<u>Through: Regents of the University of California</u> <u>(#DE-FG03-98ER62576/98ER62633)</u>		
LSU A&M College (Baton Rouge)		\$29,297
Conservation Research and Development	81.086	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		146,224
Fossil Energy Research and Development	81.089	
<u>Direct Awards:</u>		
Grambling State University		61,449
LSU A&M College (Baton Rouge)		53,419
<u>Through: Clemson University Research Foundation</u> <u>(#DE-FC26-02NT41431)</u>		
LSU A&M College (Baton Rouge)		240,520
Auger Project Construction	81.RD.P.O.525450	
<u>Through: Universities Research Association, Inc./Fermilab</u> LSU A&M College (Baton Rouge)		5,327
Beam Test Experiment at KEK	81.RD.9291ER40679	
<u>Through: University of California</u> LSU A&M College (Baton Rouge)		2,522
Control of Transport Dynamics in Overly Networks	81.RD.4000019235	
<u>Through: UT- Battelle LLC (#DE-AC05-00OR22725)</u> LSU A&M College (Baton Rouge)		23,331
D0 Run IIB at FermiLab	81.RD.DE-AC02-76CH03000	
<u>Through: Fermi National Accelerator Lab (#550603)</u> Louisiana Tech University		3,485
Development of CCB Fill Materials	81.RD.98-166-LSU	
<u>Through: West Virginia University Research Corporation</u> <u>(#DE-FC26-998FT 40028)</u> LSU A&M College (Baton Rouge)		18,231

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF ENERGY (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Development and Optimization of GAGD Process for Improved Light Oil Recovery	81.RD.DE-FC26-02NT15323	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		\$72,591
Development of Real Time Multidimensional Sensor Fusion Algorithms	81.RD.4000008407/#34105158	
<u>Through: UT Battelle, LLC</u> LSU A&M College (Baton Rouge)		28,487
Effects of Seasonal Flooding and Sea Level Rise on the Relative Contributions of Plant Roots and Microbial Respiration to Soil CO2 Emission in Bottomland Hardwood Forest in SE LA	81.RD.DE-FC03-90ER61010	
<u>Through: Tulane University, National Institute on Global Environmental Change (#TUL-110-00/01--TUL-134-02/02)</u> University of New Orleans		92,017
End to End Packet Delay Dynamics	81.RD.DE-AC05-00OR22725	
<u>Through: UT Battelle, LLC (#4000019565)</u> University of New Orleans		2,042
Energy and Environmental Technology Applications Program	81.RD.DE-FG02-97ER12220	
<u>Direct Awards:</u> University of Louisiana at Lafayette		609,863
Environmental Restoration	81.RD.W-31-109-Eng-38	
<u>Through: University of Chicago Argonne National Laboratory (#992112401)</u> Southeastern Louisiana University		5,480
An Environmental Risk Assessment and Regulatory Problem in Louisiana	81.RD.DE-AC26-99BC15226	
<u>Direct Awards:</u> LSU A&M College (Baton Rouge)		175,721
Fusion Conference 2002	81.RD.DE-AC05-00OR22725	
<u>Through: UT Battelle, LLC (#4000016769)</u> University of New Orleans		4,116

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See accompanying Notes to the Schedule of Expenditures of Federal Awards.



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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF ENERGY (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Gulf of Mexico Sea Floor Stability and Gas Hydrates		
<u>Through: University of Mississippi</u>		
LSU A&M College (Baton Rouge)	81.RD.300211842E	\$39,500
LSU A&M College (Baton Rouge)	81.RD.02-11-53	16,182
Industrial Assessment Center Program		
	81.RD.DE-FC36-02GO12076	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		121,972
IPMI/SM Bus Based Cluster Monitoring Tool		
	81.RD.DE-FG02-01ER83333	
<u>Through: Systran Federal Corp. (#35908)</u>		
Louisiana Tech University		418
Kamland Construction		
	81.RD.2816-22446/PO#1-0000296889	
<u>Through: Regents of the University of California</u>		
LSU A&M College (Baton Rouge)		184
Molecular Dynamics Simulations of Nanostructured Material		
	81.RD.DE-FG02-96ER45570	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		179,329
Nanotechnology Research for Energy Conservation and Biological and Environmental Applications		
	81.RD.DE-FG02-02ER63378	
<u>Direct Awards:</u>		
University of New Orleans		341,590
Petroleum Technology Transfer Council		
	81.RD.0495	
<u>Through: Petroleum Technology Transfer Council</u>		
LSU A&M College (Baton Rouge)		163,771
Study for the Miniaturization of Unattended Measurement and Signature Intelligence		
	81.RD.8703	
<u>Through: Sandia National Laboratories (#8703)</u>		
Louisiana Tech University		38,020
Synthetic and Thermodynamic Investigations of Ancillary Ligand Influence on Organometallic Catalytic Systems		
	81.RD.DE-FG-02-98ER45732	
<u>Direct Awards:</u>		
University of New Orleans		558

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF ENERGY (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Technical Service Agreement <u>Through: Battelle Memorial Institute</u> LSU A&M College (Baton Rouge)	81.RD.137061-N002657	(\$5,000)
TTC Database and One Year of Updates <u>Through: INEEL (#2643)</u> Louisiana Tech University	81.RD.2643	5,238
Weak Interactions in Nuclear Physics and Nuclear Astrophysics <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	81.RD.DE-FG02-96ER40985	(5,928)
Total Research and Development Cluster		4,803,570
<b>Total U.S. Department of Energy</b>		<b>\$19,066,810</b>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>		
Hazardous Materials Assistance Program <u>Direct Awards:</u> Department of Military Affairs	83.012	\$83,058
Community Assistance Program - State Support Services Element (CAP-SSSE) <u>Direct Awards:</u> Department of Military Affairs	83.105	154,021
Flood Mitigation Assistance <u>Direct Awards:</u> Department of Military Affairs	83.536	1,902,935
Crisis Counseling <u>Direct Awards:</u> Department of Military Affairs	83.539	483,201
Disaster Unemployment Assistance <u>Direct Awards:</u> Department of Labor	83.541	1,354,771

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY (CONT.)</b>		
Individual and Family Grants	83.543	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>\$61,208,241</u>
Public Assistance Grants	83.544	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>75,523,818</u>
First Responder Counter-Terrorism Training Assistance	83.547	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		<u>136,310</u>
Hazard Mitigation Grant	83.548	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>8,320,088</u>
National Dam Safety Program	83.550	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>56,601</u>
Emergency Management Performance Grants	83.552	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>2,241,420</u>
Pre-Disaster Mitigation	83.557	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>263,299</u>
State and Local All Hazards Emergency Operations Planning	83.562	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>9,027</u>
Emergency Operations Centers	83.563	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>7,533</u>
Citizen Corps	83.564	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>23,675</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY (CONT.)</b>		
Animal Shelter Program	83.EMT-2001	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>\$50,000</u>
Development of a Building Disaster Resilient Communities Course for FEMA's Emergency Management Higher Education Project	83.EME-1999-CA-0510	
<u>Direct Awards:</u>		
University of New Orleans		<u>4,303</u>
National Volunteer Fire Council Fire Prevention Grant	83.14615	
<u>Through: National Volunteer Fire Council</u>		
LSU A&M College (Baton Rouge)		<u>8,174</u>
Unmet Needs	83.42-12-UN-9062-4101-D	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>728,650</u>
<u>Research and Development Cluster:</u>		
Hurricane Lili Damage	83.RD.6741105	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		<u>18,551</u>
<b>Total Federal Emergency Management Agency</b>		<b><u><u>\$152,577,676</u></u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
Adult Education - State Grant Program	84.002	
<u>Direct Awards:</u>		
Department of Education		<u>\$10,459,171</u>
Title I Grants to Local Educational Agencies	84.010	
<u>Direct Awards:</u>		
Department of Education		<u>206,706,894</u>
Migrant Education - State Grant Program	84.011	
<u>Direct Awards:</u>		
Department of Education		<u>2,845,591</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Title I Program for Neglected and Delinquent Children	84.013	
<u>Direct Awards:</u>		
Department of Education		<u>\$849,025</u>
Undergraduate International Studies and Foreign Language Programs	84.016	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		<u>40,731</u>
International: Overseas - Group Projects Abroad	84.021	
<u>Direct Awards:</u>		
Grambling State University		<u>64,000</u>
Higher Education - Institutional Aid	84.031	
<u>Direct Awards:</u>		
Grambling State University		3,309,193
Southern University and A&M College (Baton Rouge)		5,038,715
Southern University at New Orleans		2,430,307
Southern University at Shreveport-Bossier City		2,964,206
University of Louisiana at Monroe		<u>248,017</u>
Total Higher Education - Institutional Aid		<u>13,990,438</u>
Federal Family Education Loans	84.032	
<u>Direct Awards:</u>		
Office of Student Financial Assistance		<u>26,484,144</u>
Vocational Education - Basic Grants to States	84.048	
<u>Direct Awards:</u>		
Louisiana Community and Technical College System		<u>23,498,207</u>
Leveraging Educational Assistance Partnership	84.069	
<u>Direct Awards:</u>		
Office of Student Financial Assistance		<u>426,883</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Fund for the Improvement of Postsecondary Education	84.116	
<u>Direct Awards:</u>		
Grambling State University		\$217,251
Nicholls State University		140,921
Southeastern Louisiana University		284,327
Southern University and A&M College (Baton Rouge)		41,692
University of Louisiana at Lafayette		1,572
University of New Orleans		34,544
<u>Through: Research Foundation of CUNY (#13-1988190)</u>		
Northwestern State University		3,571
		<hr/>
Total Fund for the Improvement of Postsecondary Education		723,878
		<hr/>
Minority Science and Engineering Improvement	84.120	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		16,284
Southern University at New Orleans		1,828
<u>Through: Clark Atlanta University (#DE-FC04-90AL66158)</u>		
Southern University Board and System Administration		(7,124)
<u>Through: University of Virginia (#5-34359)</u>		
Southern University and A&M College (Baton Rouge)		(1,569)
		<hr/>
Total Minority Science and Engineering Improvement		9,419
		<hr/>
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	
<u>Direct Awards:</u>		
Department of Social Services		41,468,760
		<hr/>
Rehabilitation Services - Service Projects	84.128	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		3,818
		<hr/>
Rehabilitation Long-Term Training	84.129	
<u>Direct Awards:</u>		
LSU in Shreveport		56,731
Southern University and A&M College (Baton Rouge)		1,065,002
<u>Through: Jackson State University (#P1162010067)</u>		
Southern University and A&M College (Baton Rouge)		42,989
<u>Through: Louisiana Center for the Blind (#LCB/Tech)</u>		
Louisiana Tech University		69,330
		<hr/>
Total Rehabilitation Long-Term Training		1,234,052
		<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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
National Institute on Disability and Rehabilitation Research <u>Through: University of Alabama (H133B980016A)</u> Southern University and A&M College (Baton Rouge)	84.133	\$1,115
Immigrant Education <u>Direct Awards:</u> Department of Education	84.162	376,412
Independent Living - State Grants <u>Direct Awards:</u> Department of Social Services	84.169	838,814
Javits Fellowships <u>Direct Awards:</u> LSU A&M College (Baton Rouge)	84.170	3,000
Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind <u>Direct Awards:</u> Department of Social Services	84.177	301,123
Special Education - Grants for Infants and Families with Disabilities <u>Direct Awards:</u> Department of Education	84.181	5,844,812
Safe and Drug-Free Schools and Communities - National Programs <u>Through: Old South Baton Rouge Community Revitalization Corp.</u> <u>(#S184B020759)</u> LSU A&M College (Baton Rouge)	84.184	5,880
Byrd Honors Scholarships <u>Direct Awards:</u> Department of Education	84.185	680,595
Safe and Drug-Free Schools and Communities - State Grants <u>Direct Awards:</u> Department of Education Executive Department	84.186	6,520,701 1,570,354
Total Safe and Drug-Free Schools and Communities - State Grants		8,091,055

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Supported Employment Services for Individuals with Severe Disabilities	84.187	
<u>Direct Awards:</u>		
Department of Social Services		\$533,383
Bilingual Education Support Services	84.194	
<u>Direct Awards:</u>		
Department of Education		35,856
Bilingual Education - Professional Development	84.195	
<u>Direct Awards:</u>		
Southeastern Louisiana University		132,433
Education for Homeless Children and Youth	84.196	
<u>Direct Awards:</u>		
Department of Education		808,744
Graduate Assistance in Areas of National Need	84.200	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		30,967
<u>Through: University of South Carolina (#02647PP12257)</u>		
Southern University and A&M College (Baton Rouge)		5,538
Total Graduate Assistance in Areas of National Need		36,505
Javis Gifted and Talented Students Education Grant Program	84.206	
<u>Direct Awards:</u>		
Department of Education		6,196
Even Start - State Educational Agencies	84.213	
<u>Direct Awards:</u>		
Department of Education		4,497,122
Fund for the Improvement of Education	84.215	
<u>Direct Awards:</u>		
Department of Education		125,978
Louisiana State University System		17,415
Nicholls State University		319,746
Southeastern Louisiana University		87,052
<u>Through: Online Louisiana, Inc. - Tentative</u>		
LSU Agricultural Center		59,632
Total Fund for the Improvement of Education		609,823

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Capital Expenses	84.216	
<u>Direct Awards:</u>		
Department of Education		<u>\$44,772</u>
Assistive Technology	84.224	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>1,897,100</u>
Rehabilitation Services Demonstration and Training Special Demonstration Programs	84.235	
<u>Through: National Board for Professional Teaching Standard   (# Digital Edge)</u>		
Louisiana Tech University		<u>20,252</u>
Tech-Prep Education	84.243	
<u>Direct Awards:</u>		
Louisiana Community and Technical College System		<u>2,227,082</u>
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	
<u>Direct Awards:</u>		
Department of Social Services		<u>65,882</u>
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	
<u>Direct Awards:</u>		
Department of Education		<u>2,809,177</u>
School to Work Opportunities	84.278	
<u>Direct Awards:</u>		
Executive Department		<u>483,383</u>
Eisenhower Professional Development State Grants	84.281	
<u>Direct Awards:</u>		
Department of Education		<u>4,101,172</u>
Charter Schools	84.282	
<u>Direct Awards:</u>		
Department of Education		<u>360,370</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Twenty-First Century Community Learning Centers <u>Direct Awards:</u> Department of Education	84.287	<u>\$165,651</u>
Innovative Education Program Strategies <u>Direct Awards:</u> Department of Education	84.298	<u>5,111,255</u>
Technology Innovation Challenge Grants <u>Through: Concordia Parish School Board (#R303A980332-01A)</u> Louisiana Tech University	84.303	<u>6,052</u>
National Institute on Student Achievement, Curriculum, and Assessment <u>Through: Michigan State University (#611724A)</u> Southern University and A&M College (Baton Rouge)	84.305	<u>(10)</u>
Even Start - Statewide Family Literacy Program <u>Direct Awards:</u> Department of Education	84.314	<u>57,115</u>
Capacity Building for Traditionally Underserved Populations <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)	84.315	<u>161,270</u>
Education Technology State Grants <u>Direct Awards:</u> Department of Education	84.318	<u>11,071,799</u>
Special Education - State Program Improvement Grants for Children with Disabilities <u>Direct Awards:</u> Department of Education	84.323	<u>685,748</u>
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities <u>Direct Awards:</u> LSU A&M College (Baton Rouge) <u>Through: University of Tennessee - Postsecondary Education Consortium (#H324A01003-01/02)</u> LSU A&M College (Baton Rouge)	84.324	<u>(755)</u> <u>37,868</u>
Total Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities		<u>37,113</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$72,373
Southeastern Louisiana University		7,839
Southern University and A&M College (Baton Rouge)		477,286
University of New Orleans		349,423
		<hr/>
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities		906,921
		<hr/>
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	
<u>Direct Awards:</u>		
Department of Education		103,761
LSUHSC (New Orleans)		491,673
		<hr/>
Total Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		595,434
		<hr/>
Advanced Placement Program	84.330	
<u>Direct Awards:</u>		
Department of Education		44,788
		<hr/>
Grants to States for Incarcerated Youth Offenders	84.331	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Corrections Services		569,996
		<hr/>
Comprehensive School Reform Demonstration	84.332	
<u>Direct Awards:</u>		
Department of Education		4,545,206
		<hr/>
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		473,767
Louisiana Systemic Initiatives Program		487,736
Southeastern Louisiana University		132,922
		<hr/>
Total Gaining Early Awareness and Readiness for Undergraduate Programs		1,094,425
		<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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Child Care Access Means Parents in School	84.335	
<u>Direct Awards:</u>		
Bossier Parish Community College		\$13,374
Delgado Community College		84,067
Grambling State University		13,559
LSU A&M College (Baton Rouge)		189,935
Southern University at New Orleans		7,432
University of Louisiana at Lafayette		15,215
		<hr/>
Total Child Care Access Means Parents in School		323,582
		<hr/>
Teacher Quality Enhancement Grants	84.336	
<u>Direct Awards:</u>		
Executive Department		1,409,747
		<hr/>
Reading Excellence	84.338	
<u>Direct Awards:</u>		
Department of Education		3,352,077
		<hr/>
Class Size Reduction	84.340	
<u>Direct Awards:</u>		
Department of Education		22,438,070
		<hr/>
Preparing Tomorrow's Teachers to Use Technology	84.342	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		292,218
Louisiana Systemic Initiatives Program		389,861
Nicholls State University		360,092
<u>Through: International Society for Technology in Education</u>		
<u>(#ISTE/LaTech PT3)</u>		
Louisiana Tech University		273,669
<u>Through: Loyola University New Orleans (#01-99)</u>		
University of New Orleans		109,332
		<hr/>
Total Preparing Tomorrow's Teachers to Use Technology		1,425,172
		<hr/>
TRIO - Dissemination Partnership Grants	84.344	
<u>Direct Awards:</u>		
Northwestern State University		95,273
Southeastern Louisiana University		215,273
		<hr/>
Total TRIO - Dissemination Partnership Grants		310,546
		<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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Underground Railroad Educational and Cultural Program	84.345	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$431,111
Occupational and Employment Information State Grants	84.346	
<u>Direct Awards:</u>		
Louisiana Community and Technical College System		203,950
Title 1 Accountability Grants	84.348	
<u>Direct Awards:</u>		
Department of Education		5,747,079
Transition to Teaching	84.350	
<u>Direct Awards:</u>		
University of New Orleans		116
School Renovation Grants	84.352	
<u>Direct Awards:</u>		
Department of Education		2,765,053
Reading First State Grants	84.357	
<u>Direct Awards:</u>		
Department of Education		4,091
Rural Education	84.358	
<u>Direct Awards:</u>		
Department of Education		930,328
English Language Acquisition Grants	84.365	
<u>Direct Awards:</u>		
Department of Education		555,137
Improving Teacher Quality State Grants	84.367	
<u>Direct Awards:</u>		
Department of Education		31,190,902

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
Grants for State Assessments and Related Activities	84.369	
<u>Direct Awards:</u>		
Department of Education		<u>\$762,480</u>
National Writing Project Corporation	84.928	
<u>Through: National Writing Project Corporation, University of California at Berkeley (#92-LA01)</u>		
University of New Orleans		<u>8,511</u>
Annual Interest Grant	84.R-7-00375	
<u>Direct Awards:</u>		
Louisiana Tech University		<u>113,349</u>
National Writing Project Corporation	84.R215K020117	
<u>Through: UNO Foundation (#90732-S1)</u>		
University of New Orleans		<u>34,524</u>
National Writing Project Models and Programs	84.92-LA02	
<u>Through: National Writing Project Corporation</u>		
LSU A&M College (Baton Rouge)		<u>26,884</u>
Restoring the North American Ecological Landscape	84.599F362	
<u>Through: University of Wisconsin-Madison</u>		
LSU A&M College (Baton Rouge)		<u>5,878</u>
Task Order for Basic Participation for Louisiana (FPC)	84.ED99CO0044	
<u>Direct Awards:</u>		
Department of Education		<u>102,875</u>
Task Order for National Assessment of Education Progress (FPC)	84.ED-99-CO0044	
<u>Direct Awards:</u>		
Department of Education		<u>55,000</u>
Teaching American History in Louisiana	84.15473	
<u>Through: East Baton Rouge Parish School System</u>		
LSU A&M College (Baton Rouge)		<u>174,790</u>
Wish TV Project: Working Toward Digital Conclusion	84.R215K020450	
<u>Through: Online Louisiana, Inc. (#R215D020450)</u>		
LSU A&M College (Baton Rouge)		<u>24,337</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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
<u>Research and Development Cluster:</u>		
Rehabilitation Long-Term Training	84.129	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$106,843
Louisiana Tech University		79,140
National Institute on Disability and Rehabilitation Research	84.133	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		148,360
Secondary Education and Transitional Services for Youth with Disabilities	84.158	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		(1,503)
Fund for the Improvement of Education	84.215	
<u>Direct Awards:</u>		
Louisiana Tech University		418,055
Eisenhower Professional Development State Grants	84.281	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		1,172,628
National Institute on Student Achievement, Curriculum, and Assessment	84.305	
<u>Through: University of Illinois</u>		
LSUHSC (New Orleans)		939
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	84.324	
<u>Through: University of Colorado - Denver</u>		
LSUHSC (New Orleans)		102,157
National Writing Project	84.928	
<u>Through: National Writing Project Corporation (#92-LA-05)</u>		
Southeastern Louisiana University		23,189
Total Research and Development Cluster		<u>2,049,808</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
<u>Special Education Cluster:</u>		
Special Education - Grants to States	84.027	
<u>Direct Awards:</u>		
Department of Education		\$100,224,705
<u>Through: Ascension Parish School Board (#H027A01003/H027A20033)</u>		
LSU A&M College (Baton Rouge)		17,324
Special Education - Preschool Grants	84.173	
<u>Direct Awards:</u>		
Department of Education		5,659,618
Total Special Education Cluster		105,901,647
<u>Student Financial Assistance Cluster:</u>		
Federal Supplemental Educational Opportunity Grants	84.007	
<u>Direct Awards:</u>		
Bossier Parish Community College		96,782
Delgado Community College		451,375
Grambling State University		594,934
LSU A&M College (Baton Rouge)		850,870
LSU at Alexandria		79,076
LSU at Eunice		130,219
LSU in Shreveport		169,878
LSUHSC (New Orleans)		63,234
Louisiana Tech University		404,669
McNeese State University		278,594
Nicholls State University		134,800
Northwestern State University		362,338
Southeastern Louisiana University		977,348
Southern University and A&M College (Baton Rouge)		756,123
Southern University at New Orleans		203,805
Southern University at Shreveport-Bossier City		110,533
University of Louisiana at Lafayette		480,213
University of Louisiana at Monroe		390,886
University of New Orleans		676,306

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
<u>Student Financial Assistance Cluster:</u> (Cont.)		
Federal Work-Study Program	84.033	
<u>Direct Awards:</u>		
Bossier Parish Community College		\$80,702
Delgado Community College		783,702
Grambling State University		621,834
LSU A&M College (Baton Rouge)		1,310,727
LSU at Alexandria		33,267
LSU at Eunice		59,650
LSU in Shreveport		139,843
LSUHSC (New Orleans)		12,046
Louisiana Tech University		433,604
McNeese State University		279,952
Nicholls State University		301,974
Northwestern State University		317,877
Nunez Community College		166,325
Southeastern Louisiana University		1,005,309
Southern University and A&M College (Baton Rouge)		1,279,635
Southern University at New Orleans		324,212
Southern University at Shreveport-Bossier City		189,654
University of Louisiana at Lafayette		885,354
University of Louisiana at Monroe		604,578
University of New Orleans		500,655
<u>Through: The Union Institute (#02-527674)</u>		
Southern University and A&M College (Baton Rouge)		1,218
Federal Perkins Loan Program - Federal	84.038	
Capital Contributions		
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		38,663
Louisiana Tech University		104,481
McNeese State University		47,080
Northwestern State University		20,938
University of Louisiana at Lafayette		190,055
University of Louisiana at Monroe		63,363
University of New Orleans		91,568

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
<u>Student Financial Assistance Cluster:</u> (Cont.)		
Federal Pell Grant Program	84.063	
<u>Direct Awards:</u>		
Bossier Parish Community College		\$3,990,066
Delgado Community College		20,122,682
Grambling State University		9,216,563
LSU A&M College (Baton Rouge)		14,303,180
LSU at Alexandria		3,731,860
LSU at Eunice		4,516,385
LSU in Shreveport		3,022,772
LSUHSC (New Orleans)		507,261
Louisiana Tech University		6,869,552
Louisiana Technical College		16,732,249
McNeese State University		6,774,732
Nicholls State University		5,693,846
Northwestern State University		12,637,188
Nunez Community College		3,626,855
Southeastern Louisiana University		16,377,785
Southern University and A&M College (Baton Rouge)		16,142,734
Southern University at New Orleans		7,131,915
Southern University at Shreveport-Bossier City		5,206,463
University of Louisiana at Lafayette		12,656,878
University of Louisiana at Monroe		8,661,343
University of New Orleans		13,004,935
		<hr/>
Total Student Financial Assistance Cluster		208,027,493
		<hr/>
<u>TRIO Cluster:</u>		
TRIO - Student Support Services	84.042	
<u>Direct Awards:</u>		
Delgado Community College		287,975
Grambling State University		312,515
LSU A&M College (Baton Rouge)		292,981
LSU at Eunice		331,829
Nicholls State University		344,553
Northwestern State University		365,349
Southeastern Louisiana University		280,292
Southern University and A&M College (Baton Rouge)		363,823
Southern University at New Orleans		430,958
Southern University at Shreveport-Bossier City		310,097
University of Louisiana at Lafayette		575,905
University of New Orleans		240,000

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF EDUCATION (CONT.)</b>		
<u>TRIO Cluster:</u> (Cont.)		
TRIO - Talent Search	84.044	
<u>Direct Awards:</u>		
Southeastern Louisiana University		\$460,717
Southern University and A&M College (Baton Rouge)		579,044
Southern University at New Orleans		311,669
Southern University at Shreveport-Bossier City		418,360
University of Louisiana at Lafayette		475,028
University of Louisiana at Monroe		328,740
University of New Orleans		354,515
TRIO - Upward Bound	84.047	
<u>Direct Awards:</u>		
Delgado Community College		214,715
Grambling State University		561,426
LSU at Eunice		391,233
McNeese State University		399,924
Nicholls State University		297,276
Southeastern Louisiana University		1,502,139
Southern University and A&M College (Baton Rouge)		769,381
Southern University at New Orleans		423,473
University of Louisiana at Lafayette		1,119,224
University of New Orleans		627,722
TRIO - Educational Opportunity Centers	84.066	
<u>Direct Awards:</u>		
Southeastern Louisiana University		301,001
Southern University at Shreveport-Bossier City		87,809
TRIO - McNair Post-Baccalaureate Achievement	84.217	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		269,079
University of Louisiana at Lafayette		261,530
Total TRIO Cluster		<u>14,290,282</u>
<b>Total U.S. Department of Education</b>		<b><u><u>\$791,334,651</u></u></b>

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. INSTITUTE OF PEACE</b>		
<u>Research and Development Cluster:</u>		
Islamic Government: An Assessment of the Iranian Model	91.RD.SG-13-99	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		<u>\$376</u>
<b>Total U.S. Institute of Peace</b>		<b><u><u>\$376</u></u></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Public Health and Social Services Emergency Fund	93.003	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>\$1,795,155</u>
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	93.006	
<u>Through: Brotherhood, Inc.</u>		
LSUHSC (New Orleans)		<u>15,278</u>
Medical Reserve Corps Small Grant Program	93.008	
<u>Direct Awards:</u>		
LSU in Shreveport		<u>23,200</u>
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	
<u>Direct Awards:</u>		
Governor's Office of Elderly Affairs		<u>59,703</u>
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	
<u>Direct Awards:</u>		
Governor's Office of Elderly Affairs		<u>178,376</u>
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	
<u>Direct Awards:</u>		
Governor's Office of Elderly Affairs		<u>309,986</u>
Special Programs for the Aging - Title III, Part D - In-Home Services for Frail Older Individuals	93.046	
<u>Direct Awards:</u>		
Governor's Office of Elderly Affairs		<u>1,619,331</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Food and Drug Administration-Research	93.103	
<u>Direct Awards:</u>		
Department of Agriculture and Forestry		\$3,030
Maternal and Child Health Federal Consolidated Programs	93.110	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		(6,647)
Office of Public Health		136,627
Total Maternal and Child Health Federal Consolidated Programs		129,980
Biological Response to Environmental Health Hazards	93.113	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		4,961
Applied Toxicological Research and Testing	93.114	
<u>Direct Awards:</u>		
Nicholls State University		27,194
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	
<u>Direct Awards:</u>		
Office of Public Health		2,040,268
Mental Health Planning and Demonstration Projects	93.125	
<u>Direct Awards:</u>		
Department of Health and Hospitals		51,320
Emergency Medical Services for Children	93.127	
<u>Direct Awards:</u>		
Office of Public Health		134,986
Primary Care Services - Resource Coordination and Development	93.130	
<u>Direct Awards:</u>		
Department of Health and Hospitals		125,374
Injury Prevention and Control Research and State and Community Based Programs	93.136	
<u>Direct Awards:</u>		
Office of Public Health		61,520

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Projects for Assistance in Transition from Homelessness (PATH)	93.150	
<u>Direct Awards:</u>		
Department of Health and Hospitals		\$457,289
Health Program for Toxic Substances and Disease Registry	93.161	
<u>Direct Awards:</u>		
Office of Public Health		124,261
Grants for State Loan Repayment	93.165	
<u>Direct Awards:</u>		
Department of Health and Hospitals		125,388
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	
<u>Direct Awards:</u>		
Office of Public Health		604,473
Hansen's Disease National Ambulatory Care Program	93.215	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		(18,065)
Department of Military Affairs		576,272
Total Hansen's Disease National Ambulatory Care Program		558,207
Family Planning Services	93.217	
<u>Direct Awards:</u>		
Office of Public Health		4,306,827
Consolidated Knowledge Development and Application (KD&A) Program	93.230	
<u>Direct Awards:</u>		
Department of Health and Hospitals		1,987,317
<u>Through: Odyssey House La., Inc.</u>		
LSUHSC (New Orleans)		233,057
<u>Through: Orleans Parish District Attorney</u>		
LSUHSC (New Orleans)		30,902
<u>Through: University of California - San Francisco</u>		
LSUHSC (New Orleans)		70,519
Total Consolidated Knowledge Development and Application (KD&A) Program		2,321,795

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Abstinence Education	93.235	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>\$1,603,127</u>
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>38,071</u>
State Rural Hospital Flexibility Program	93.241	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>219,821</u>
Mental Health Research Grants	93.242	
<u>Direct Awards:</u>		
Grambling State University		<u>28,838</u>
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	
<u>Through: Brotherhood, Inc.</u>		
LSUHSC (New Orleans)		<u>31,562</u>
Advanced Education Nursing Grant Program	93.247	
<u>Direct Awards:</u>		
Northwestern State University		<u>210,864</u>
Universal Newborn Hearing Screening	93.251	
<u>Direct Awards:</u>		
Office of Public Health		<u>162,478</u>
Rural Access to Emergency Devices Grant	93.259	
<u>Direct Awards:</u>		
Office of Public Health		<u>4,038</u>
Occupational Safety and Health - Training Grants	93.263	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		<u>17,536</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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Immunization Grants	93.268	
<u>Direct Awards:</u>		
Office of Public Health		\$2,499,678
Drug Abuse Research Programs	93.279	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		124,902
Mental Health National Research Service Awards for Research Training	93.282	
<u>Direct Awards:</u>		
Grambling State University		190,707
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	
<u>Direct Awards:</u>		
Department of Health and Hospitals		8,930
Office of Public Health		11,118,543
<u>Through: National Black Women's Health Project</u> <u>(#U50CCU317371/SO/CCU317371)</u>		
Southern University and A&M College (Baton Rouge)		33,844
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance		11,161,317
Nurse Practitioner and Nurse-Midwifery Education Programs	93.298	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		5,726
Small Rural Hospital Improvement Grants	93.301	
<u>Direct Awards:</u>		
Department of Health and Hospitals		276,837
Advanced Education Nursing Traineeships	93.358	
<u>Direct Awards:</u>		
McNeese State University		37,483
Northwestern State University		55,503
Southeastern Louisiana University		39,999
University of Louisiana at Lafayette		32,396
Total Advanced Education Nursing Traineeships		165,381

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Basic Nurse Education, Practice and Retention Grants	93.359	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$1,920
Research Infrastructure	93.389	
<u>Direct Awards:</u>		
Grambling State University		72,110
LSU A&M College (Baton Rouge)		74,000
Southern University and A&M College (Baton Rouge)		2,001
Total Research Infrastructure		148,111
Promoting Safe and Stable Families	93.556	
<u>Direct Awards:</u>		
Department of Social Services		6,897,402
<u>Through: Volunteers of America of Greater New Orleans, Inc.</u>		
LSU Agricultural Center		26,149
Total Promoting Safe and Stable Families		6,923,551
Temporary Assistance for Needy Families	93.558	
<u>Direct Awards:</u>		
Department of Social Services		243,115,651
Child Support Enforcement	93.563	
<u>Direct Awards:</u>		
Department of Social Services		26,220,483
Refugee and Entrant Assistance - State Administered Programs	93.566	
<u>Direct Awards:</u>		
Department of Social Services		598,927
Community Services Block Grant	93.569	
<u>Direct Awards:</u>		
Department of Labor		14,641,996

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Community Services Block Grant - Discretionary Awards	93.570	
<u>Direct Awards:</u>		
Department of Labor		\$100,000
Southern University and A&M College (Baton Rouge)		53,583
<u>Through: National Collegiate Athletic Association (#992754)</u>		
Southern University at New Orleans		111,145
<u>Through: National Collegiate Athletic Association</u>		
<u>(#97-141.93/02-247)</u>		
Southern University and A&M College (Baton Rouge)		5,667
<u>Through: National Collegiate Athletic Association (#00-4881)</u>		
Southern University at Shreveport-Bossier City		78,692
<u>Through: National Youth Sports Program (#98-261)</u>		
Grambling State University		84,693
		<hr/>
Total Community Services Block Grant - Discretionary Awards		433,780
		<hr/>
Community Services Block Grant Discretionary Awards - Community Food and Nutrition	93.571	
<u>Direct Awards:</u>		
Department of Labor		102,360
		<hr/>
Refugee and Entrant Assistance - Discretionary Grants	93.576	
<u>Direct Awards:</u>		
Department of Education		247,798
Office of Public Health		97,317
Department of Social Services		90,148
		<hr/>
Total Refugee and Entrant Assistance - Discretionary Grants		435,263
		<hr/>
Empowerment Zones Program	93.585	
<u>Direct Awards:</u>		
Department of Social Services		548,523
		<hr/>
State Court Improvement Program	93.586	
<u>Direct Awards:</u>		
Supreme Court of Louisiana		109,102
		<hr/>
Community-Based Family Resource and Support Grants	93.590	
<u>Direct Awards:</u>		
Department of Social Services		350,699
		<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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Grants to States for Access and Visitation Programs	93.597	
<u>Direct Awards:</u>		
Department of Social Services		\$171,180
Head Start	93.600	
<u>Direct Awards:</u>		
Department of Social Services		205,382
Southern University and A&M College (Baton Rouge)		125,291
<u>Through: Center for Disability Resources, University of South Carolina</u>		
LSUHSC (New Orleans)		49,086
<u>Through: Regina Coeli Child Development Center</u>		
Southeastern Louisiana University		1,448
Total Head Start		381,207
Adoption Incentive Payments	93.603	
<u>Direct Awards:</u>		
Department of Social Services		349,187
Runaway and Homeless Youth	93.623	
<u>Direct Awards:</u>		
Executive Department		55,328
Developmental Disabilities Basic Support and Advocacy Grants	93.630	
<u>Direct Awards:</u>		
Department of Health and Hospitals		1,485,868
Developmental Disabilities Projects of National Significance	93.631	
<u>Direct Awards:</u>		
Department of Health and Hospitals		66,194
<u>Through: University of South Carolina</u>		
LSUHSC (New Orleans)		26,065
Total Developmental Disabilities Projects of National Significance		92,259

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Children's Justice Grants to States	93.643	
<u>Direct Awards:</u>		
Department of Social Services		<u>\$237,874</u>
Child Welfare Services - State Grants	93.645	
<u>Direct Awards:</u>		
Department of Social Services		<u>5,719,963</u>
Foster Care - Title IV-E	93.658	
<u>Direct Awards:</u>		
Department of Social Services		<u>54,356,793</u>
Adoption Assistance	93.659	
<u>Direct Awards:</u>		
Department of Social Services		<u>12,121,055</u>
Social Services Block Grant	93.667	
<u>Direct Awards:</u>		
Department of Social Services		<u>43,948,831</u>
Child Abuse and Neglect State Grants	93.669	
<u>Direct Awards:</u>		
Department of Social Services		<u>329,393</u>
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grant to States and Indian Tribes	93.671	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		139,400
Department of Wildlife and Fisheries		1,565,735
<u>Through: Central State University (#D67M09400/030)</u>		
Southern University and A&M College (Baton Rouge)		<u>83,398</u>
Total Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grant to States and Indian Tribes		<u>1,788,533</u>
Chafee Foster Care Independent Living	93.674	
<u>Direct Awards:</u>		
Department of Social Services		<u>1,277,871</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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
State Children's Insurance Program	93.767	
<u>Direct Awards:</u>		
Department of Health and Hospitals		\$73,400,859
Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	93.768	
<u>Direct Awards:</u>		
Department of Health and Hospitals		384,608
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	
<u>Direct Awards:</u>		
Executive Department		8,284
Department of Health and Hospitals		64,166
Department of Insurance		201,171
Southern University and A&M College (Baton Rouge)		71,073
<u>Through: International Resource Group (#6FPH-93/6FPHA06197)</u>		
Southern University at Shreveport-Bossier City		3,022
Total Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		347,716
Health Careers Opportunity Program	93.822	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		252,807
Microbiology and Infectious Diseases Research	93.856	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		22,041
Medical Library Assistance	93.879	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		34,212
Minority Access to Research Careers	93.880	
<u>Direct Awards:</u>		
Grambling State University		205,220
LSU A&M College (Baton Rouge)		16,900
Total Minority Access to Research Careers		222,120

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Health Care and Other Facilities	93.887	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		\$1,576,361
University of Louisiana at Monroe		190,598
Total Health Care and Other Facilities		<u>1,766,959</u>
Rural Health Outreach and Rural Network Development Program	93.912	
<u>Direct Awards:</u>		
Grambling State University		<u>7,472</u>
Grants to States for Operation of Offices of Rural Health	93.913	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>91,644</u>
HIV Emergency Relief Project Grants	93.914	
<u>Through: City of New Orleans (#PC210-0000A23534)</u>		
Medical Center of Louisiana at New Orleans		<u>731,725</u>
HIV Care Formula Grants	93.917	
<u>Direct Awards:</u>		
Office of Public Health		20,417,545
<u>Through: City of New Orleans</u>		
LSUHSC (New Orleans)		<u>204,688</u>
Total HIV Care Formula Grants		<u>20,622,233</u>
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		962,453
LSUHSC (Shreveport)		369,410
Medical Center of Louisiana at New Orleans		655,600
<u>Through: Greater Ouachita Coalition (GO CARE) (#72-113-663-9)</u>		
LSUHSC (HCSD - E. A. Conway Medical Center)		<u>261,549</u>
Total Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		<u>2,249,012</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	
<u>Direct Awards:</u>		<u>\$373,043</u>
Office of Public Health		
Ryan White HIV/AIDS Dental Reimbursements	93.924	
<u>Direct Awards:</u>		<u>5,717</u>
LSUHSC (New Orleans)		
Special Projects of National Significance	93.928	
<u>Direct Awards:</u>		<u>117,379</u>
LSUHSC (New Orleans)		
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>		<u>266,992</u>
Department of Education		
HIV Prevention Activities - Health Department Based	93.940	
<u>Direct Awards:</u>		<u>6,079,168</u>
Office of Public Health		
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	
<u>Direct Awards:</u>		<u>1,513,073</u>
Office of Public Health		
Assistance Programs for Chronic Disease Prevention and Control	93.945	
<u>Direct Awards:</u>		<u>94,184</u>
Medical Center of Louisiana at New Orleans		
Office of Public Health		<u>296,582</u>
Total Assistance Programs for Chronic Disease Prevention and Control		<u>390,766</u>
Improving EMS/Trauma Care in Rural Areas	93.952	
<u>Direct Awards:</u>		<u>2,834</u>
Office of Public Health		

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Block Grants for Community Mental Health Services	93.958	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>\$5,778,009</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>25,083,197</u>
Special Minority Initiatives	93.960	
<u>Direct Awards:</u>		
Grambling State University		<u>117,933</u>
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	
<u>Direct Awards:</u>		
Office of Public Health		<u>2,567,718</u>
Mental Health Disaster Assistance and Emergency Mental Health	93.982	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>751,971</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>276,281</u>
Preventive Health and Health Services Block Grant	93.991	
<u>Direct Awards:</u>		
Office of Public Health		<u>4,761,731</u>
Maternal and Child Health Services Block Grant to the States	93.994	
<u>Direct Awards:</u>		
Office of Public Health		<u>15,427,621</u>
Capabilities Outreach Campaign for Historically Black Colleges	93.HCFA-00-0217	
<u>Direct Awards:</u>		
Southern University Board and System Administration		<u>8,167</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
Centers for Medicare and Medicaid Services <u>Direct Awards:</u> LSUHSC (Shreveport)	93.CMS	<u>\$43,570</u>
Clinical Centers to Treat Adult Respiratory Syndrome (ARDS) <u>Direct Awards:</u> LSUHSC (New Orleans)	93.N01-HR-16150	<u>256,848</u>
Food Inspection <u>Direct Awards:</u> Office of Public Health	93.223-02-4119	<u>10,320</u>
HIV Medical Services <u>Through: HIV/AIDS Alliance Region II Inc.</u> LSUHSC (New Orleans)	93.149820051A (PS #)	<u>131,104</u>
International Resource Group <u>Through: International Resource Group (#IRG-1197)</u> Grambling State University	93.6EPHPA061197	<u>29,038</u>
LA Vibrio Vulnificus Ed Project <u>Through: Interstate Shellfish Sanitation Conference</u> LSU Agricultural Center	93.unknown	<u>35,000</u>
MBRS Program at Grambling <u>Direct Awards:</u> Grambling State University	93.551466MO4531-08	<u>20,505</u>
Nat Off Death Index <u>Direct Awards:</u> Office of Public Health	93.200206024	<u>32,430</u>
National Center for Biomedical Research and Training <u>Through: Auburn University (#282-99-0043)</u> LSU A&M College (Baton Rouge)	93.03-OVPR-420541-LSU	<u>146,473</u>
National Center for Biomedical Research and Training <u>Through: Auburn University (#282-99-0043)</u> LSU A&M College (Baton Rouge)	93.03-OVPR-420540-LSU	<u>110,555</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
National Health Professions Preparedness Strategic <u>Through: Auburn University (#282-99-0012)</u> LSU A&M College (Baton Rouge)	93.02-OVPR-423187-LSU	<u>\$125,259</u>
Nutrition Supplement Incentive Program <u>Direct Awards:</u> Governor's Office of Elderly Affairs	93.03AALANSIP	<u>964,212</u>
Seafood Inspection <u>Direct Awards:</u> Office of Public Health	93.223-02-4119	<u>26,700</u>
State Demand and Needs Assessment Studies: Alcohol and Other Drugs <u>Direct Awards:</u> Department of Health and Hospitals	93.270-97-7039	<u>106,827</u>
Vital Stat Coop <u>Direct Awards:</u> Office of Public Health	93.200-2002-7218	<u>240,660</u>
<u>Aging Cluster:</u> Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers <u>Direct Awards:</u> Governor's Office of Elderly Affairs	93.044	<u>5,481,455</u>
Special Programs for the Aging - Title III Part C - Nutrition Services <u>Direct Awards:</u> Governor's Office of Elderly Affairs	93.045	<u>7,797,792</u>
Total Aging Cluster		<u>13,279,247</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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Child Care Cluster:</u>		
Child Care and Development Block Grant	93.575	
<u>Direct Awards:</u>		
Department of Social Services		\$126,286,642
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	
<u>Direct Awards:</u>		
Department of Social Services		<u>23,923,765</u>
Total Child Care Cluster		<u>150,210,407</u>
<u>Medicaid Cluster:</u>		
State Medicaid Fraud Control Units	93.775	
<u>Direct Awards:</u>		
Department of Justice		1,313,574
State Survey and Certification of Health Care Providers and Suppliers	93.777	
<u>Direct Awards:</u>		
Department of Health and Hospitals		7,634,068
Medical Assistance Program	93.778	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>3,300,714,123</u>
Total Medicaid Cluster		<u>3,309,661,765</u>
<u>Research and Development Cluster:</u>		
Model State-Supported Area Health Education Centers	93.107	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		526,235
Maternal and Child Health Federal Consolidated Programs	93.110	
<u>Direct Awards:</u>		
Office of Public Health		184,382
<u>Through: Tulane University</u>		
LSUHSC (Shreveport)		4,538

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Biological Response to Environmental Health Hazards	93.113	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$448,139
LSUHSC (Shreveport)		306,291
Pennington Biomedical Research Center		50,204
Southern University and A&M College (Baton Rouge)		756,361
University of Louisiana at Monroe		242,235
<u>Through: Iowa State University (#1P01ES12020-01)</u>		
LSU A&M College (Baton Rouge)		9,484
Applied Toxicological Research and Testing	93.114	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		154,311
LSUHSC (New Orleans)		162,284
Oral Diseases and Disorders Research	93.121	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		255,389
LSUHSC (New Orleans)		463,196
LSUHSC (Shreveport)		28,601
<u>Through: University of Kentucky</u>		
LSUHSC (New Orleans)		58,549
<u>Through: University of Washington</u>		
LSUHSC (New Orleans)		61,654
Nurse Anesthetist Traineeships	93.124	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		93,076
NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143	
<u>Through: University of Florida</u>		
LSU A&M College (Baton Rouge)		158,078
AIDS Education and Training Centers	93.145	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		1,061,386

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Health Program for Toxic Substances and Disease Registry	93.161	
<u>Direct Awards:</u>		
Office of Public Health		\$274,529
University of Louisiana at Monroe		33,328
Human Genome Research	93.172	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		360,341
<u>Through: University of Utah</u>		
LSUHSC (New Orleans)		82,969
Research Related to Deafness and Communication Disorders	93.173	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		311,770
LSUHSC (New Orleans)		856,113
University of Louisiana at Lafayette		61,688
<u>Through: University of California - Irvine</u>		
LSUHSC (New Orleans)		(867)
Allied Health Special Projects	93.191	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		(18,734)
Research on Healthcare Costs, Quality and Outcomes	93.226	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		245,559
Southern University and A&M College (Baton Rouge)		247,077
Mental Health Research Grants	93.242	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		53,137
LSUHSC (New Orleans)		223,176
LSUHSC (Shreveport)		195,760
Pennington Biomedical Research Center		159,032
University of Louisiana at Lafayette		21,638
University of New Orleans		71,646
<u>Through: Children's Hospital</u>		
LSUHSC (Shreveport)		12,410
<u>Through: University of Pennsylvania</u>		
LSUHSC (New Orleans)		42,820

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Advanced Education Nursing Grant Program	93.247	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$407,558
Poison Control Stabilization and Enhancement Grants	93.253	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		223,447
Occupational Safety and Health Research Grants	93.262	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		181,856
<u>Through: University of Maryland</u>		
University of Louisiana at Lafayette		47,429
<u>Through: University of Texas Health Center at Tyler (#2B03-02/03)</u>		
Southeastern Louisiana University		63,211
Alcohol National Research Service Awards for Research Training	93.272	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		314,375
Alcohol Research Programs	93.273	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		569,142
LSUHSC (Shreveport)		309,216
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		31,623
Career Development Awards	93.277	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		119,466
Drug Abuse National Research Service Awards for Research Training	93.278	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		58,490
University of New Orleans		25,691

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Drug Abuse Research Programs	93.279	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$409,306
LSUHSC (Shreveport)		463,840
Southern University and A&M College (Baton Rouge)		367,824
University of New Orleans		395,515
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		15,806
<u>Through: University of Minnesota (#E6586080101)</u>		
LSUHSC (Shreveport)		78,700
Mental Health Research Career/Scientist Development Awards	93.281	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		108,026
Mental Health National Research Service Awards for Research Training	93.282	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		37,255
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		980,701
Office of Public Health		3,306,803
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		95,604
<u>Through: University of California - Los Angeles</u>		
LSUHSC (New Orleans)		7,594
Biomedical Imaging Research	93.286	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		991,092
Bioengineering Research	93.287	
<u>Direct Awards:</u>		
Louisiana Tech University		99,508

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Comparative Medicine	93.306	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		\$1,049
University of Louisiana at Lafayette		1,211,554
University of New Orleans		178,428
<u>Through: Southwest Texas State University (#1 P40 RR17072-01)</u>		
LSU Agricultural Center		47,424
<u>Through: University of California, Davis (#K-980472-02)</u>		
University of New Orleans		93,541
Clinical Research	93.333	
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		75,982
Advanced Education Nursing Traineeships	93.358	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		69,040
Southern University and A&M College (Baton Rouge)		30,404
Nursing Research	93.361	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		11,270
Biomedical Technology	93.371	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		96,717
Minority Biomedical Research Support	93.375	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		43,228
Research Infrastructure	93.389	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		887,922
LSUHSC (New Orleans)		1,605,845
Southern University and A&M College (Baton Rouge)		69,038

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Cancer Cause and Prevention Research	93.393	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$95,651
LSUHSC (Shreveport)		786,681
Pennington Biomedical Research Center		329
<u>Through: Hipple Cancer Research Center</u>		
LSUHSC (Shreveport)		189,761
Cancer Detection and Diagnosis Research	93.394	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		32,121
LSUHSC (New Orleans)		818,688
<u>Through: Stanford University</u>		
LSUHSC (New Orleans)		64,168
Cancer Treatment Research	93.395	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		94,523
LSUHSC (New Orleans)		176,417
LSUHSC (Shreveport)		498,047
University of Louisiana at Monroe		23,655
<u>Through: Cancer Treatment Research Center</u>		
LSUHSC (Shreveport)		60,797
<u>Through: Trustees of Indiana University</u>		
Pennington Biomedical Research Center		27,173
<u>Through: University of California - Irvine</u>		
LSUHSC (New Orleans)		449
<u>Through: University of Pittsburgh</u>		
LSUHSC (New Orleans)		76,003
<u>Through: Wayne State University (#2 R01 CA23378-21)</u>		
LSU A&M College (Baton Rouge)		13,598
Cancer Biology Research	93.396	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		207,069
LSUHSC (New Orleans)		624,480
LSUHSC (Shreveport)		46,217
Cancer Research Manpower	93.398	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		146,299

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
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	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Cancer Control	93.399	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$279,973
<u>Through: Cancer Treatment Research Center (#PCPT-9323)</u>		
LSUHSC (Shreveport)		46,798
<u>Through: Sloan Kettering Cancer Center (#CA79572-03LSU2)</u>		
LSUHSC (Shreveport)		45,013
Head Start	93.600	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		134,801
Developmental Disabilities Basic Support and Advocacy Grants	93.630	
<u>Through: Jefferson Parish</u>		
LSUHSC (New Orleans)		35,090
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		380,216
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		56,796
Cell Biology and Biophysics Research	93.821	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		542,253
LSUHSC (Shreveport)		202,737
Health Careers Opportunity Program	93.822	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		380,017
Basic/Core Area Health Education Centers	93.824	
<u>Through: Association of Teachers of Preventative Medicine</u>		
<u>(#5U78HP00010)</u>		
LSUHSC (Shreveport)		(2,538)

(Continued)

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
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Heart and Vascular Diseases Research	93.837	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$658,426
LSUHSC (Shreveport)		1,097,780
Pennington Biomedical Research Center		1,778,122
<u>Through: Alleghney Singer-Research Institute (#1 R01 HL72317-01)</u>		
University of New Orleans		22,309
<u>Through: Medical College of Wisconsin</u>		
LSUHSC (New Orleans)		174,314
<u>Through: Polymer Tech Group</u>		
LSUHSC (New Orleans)		19,282
<u>Through: Rand Corporation</u>		
LSUHSC (New Orleans)		16,639
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		36,497
<u>Through: Tulane University (#1 U01 HL66855-01)</u>		
University of New Orleans		48,892
<u>Through: University of Texas, Houston</u>		
LSUHSC (New Orleans)		7,062
Lung Diseases Research	93.838	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		562,554
Blood Diseases Resources Research	93.839	
<u>Through: Case Western Reserve University (#5R01 HL-66267-02)</u>		
Louisiana Tech University		50,729
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		291,069
<u>Through: Hospital for Joint Diseases/Orthopedic Institution</u>		
<u>(#363403/04)</u>		
LSUHSC (Shreveport)		87

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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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Diabetes, Endocrinology and Metabolism Research	93.847	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		\$209,249
LSUHSC (New Orleans)		468,734
LSUHSC (Shreveport)		89,739
Pennington Biomedical Research Center		767,463
University of Louisiana at Monroe		29,105
<u>Through: University of Tennessee</u>		
Pennington Biomedical Research Center		188
Digestive Diseases and Nutrition Research	93.848	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		243,129
LSUHSC (Shreveport)		2,248,008
Pennington Biomedical Research Center		4,012,163
Kidney Diseases, Urology and Hematology Research	93.849	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		183,989
LSUHSC (Shreveport)		317,647
University of Louisiana at Monroe		6,435
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		809,699
LSUHSC (Shreveport)		461,827
University of Louisiana at Monroe		5,075
University of New Orleans		176,157
<u>Through: Columbia University</u>		
LSUHSC (New Orleans)		1,161
<u>Through: Emory University (#NS33430)</u>		
LSUHSC (Shreveport)		46,359
<u>Through: Rush-Presbyterian - St. Luke's Medical Center (#NS36643)</u>		
LSUHSC (Shreveport)		19,672
Biological Basis Research in the Neurosciences	93.854	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		265,966
<u>Through: Columbia University</u>		
LSUHSC (New Orleans)		19,642

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF LOUISIANA**  
 Schedule of Expenditures of Federal Awards  
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	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Allergy, Immunology and Transplantation Research	93.855	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$211,320
LSUHSC (Shreveport)		88,649
Microbiology and Infectious Diseases Research	93.856	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		304,931
LSUHSC (New Orleans)		984,234
LSUHSC (Shreveport)		1,409,406
Southern University at New Orleans		199,145
Southern University at Shreveport-Bossier City		17,173
<u>Through: Brigham and Women's Hospital</u>		
LSUHSC (New Orleans)		118,453
<u>Through: GL Synthesis, Inc.</u>		
LSUHSC (New Orleans)		77,307
<u>Through: Social and Scientific Systems</u>		
LSUHSC (New Orleans)		2,624
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		51,148
<u>Through: University of Florida</u>		
LSUHSC (New Orleans)		45,185
<u>Through: University of Indiana</u>		
LSUHSC (New Orleans)		185,007
<u>Through: University of Washington</u>		
LSUHSC (New Orleans)		33,468
Pharmacology, Physiology, and Biological Chemistry Research	93.859	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		263,013
LSUHSC (Shreveport)		275,294
Genetics and Developmental Biology Research and Research Training	93.862	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		14,666
LSUHSC (Shreveport)		314,840
<u>Through: Northern Arizona University</u>		
LSU A&M College (Baton Rouge)		74,032

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster: (Cont.)</u>		
Genetics and Developmental Biology Research and Research Training (Cont.)	93.862	
<u>Through: SUNY Research Foundation - University at Albany (#R4GM65580A)</u>		
LSU A&M College (Baton Rouge)		\$42,024
<u>Through: University of Utah (#R1 GM59290)</u>		
LSU A&M College (Baton Rouge)		105,135
LSUHSC (New Orleans)		(41)
Center for Research for Mothers and Children	93.865	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		74,352
LSUHSC (New Orleans)		373,170
LSUHSC (Shreveport)		558,207
Pennington Biomedical Research Center		187,544
<u>Through: Children's Mercy Hospital</u>		
LSUHSC (Shreveport)		1
Aging Research	93.866	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		690,630
LSUHSC (New Orleans)		909,243
LSUHSC (Shreveport)		27,767
Pennington Biomedical Research Center		2,684,176
University of Louisiana at Monroe		43,545
Vision Research	93.867	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		76,536
LSUHSC (New Orleans)		5,438,653
<u>Through: Johns Hopkins University</u>		
LSUHSC (New Orleans)		259,428
<u>Through: University of Michigan</u>		
LSUHSC (New Orleans)		(445)
<u>Through: University of Missouri at Kansas City</u>		
LSUHSC (New Orleans)		52,450
<u>Through: University of New Mexico HSC</u>		
LSUHSC (New Orleans)		239

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Medical Library Assistance	93.879	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$62,519
Minority Access to Research Careers	93.880	
<u>Direct Awards:</u>		
LSU A&M College (Baton Rouge)		14,511
Health Care and Other Facilities	93.887	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		4,600
Alcohol Research Center Grants	93.891	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		1,964,448
Grants for Faculty Development in Family Medicine	93.895	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		93,661
Rural Health Outreach and Rural Network Development Program	93.912	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		543,482
Southeastern Louisiana University		179,390
Southern University and A&M College (Baton Rouge)		6,760
<u>Through: Southeastern Louisiana Area Health Education Center</u>		
LSUHSC (New Orleans)		355,292
Healthy Start Initiative	93.926	
<u>Through: Family Road of Greater Baton Rouge (#1H49MC00107-01)</u>		
LSU A&M College (Baton Rouge)		33,264
HIV Demonstration, Research, Public and Professional Education Projects	93.941	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		(64,699)

(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, 2003

	CFDA OR OTHER NUMBER	ACTIVITY
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$668,789
<u>Through: Denver Health and Hospital</u>		
LSUHSC (New Orleans)		13,138
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		7,140
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		87,184
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	
<u>Direct Awards:</u>		
LSUHSC (Shreveport)		196,778
Alterations in Signal Transduction Molecules in Breast Cancer	93.RD.263-MQ-803537	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		13,485
Analysis of DNA Repair and SOS Regulation in Brucella	93.RD.1R15AI47297-01	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		22,508
Cancer Information Services	93.RD.4-63347-02-109	
<u>Through: University of Kentucky</u>		
LSUHSC (New Orleans)		54,483
Cancer in North America Monograph	93.RD.263-MQ-014065	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		484
Comparative Effectiveness of Antipsychotic Medicines in Patients with Alzheimer's and Schizophrenia	93.RD.N01MH90001	
<u>Through: University of North Carolina at Chapel Hill</u>		
LSUHSC (Shreveport)		84,964

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Determine Genetic Susceptibility to Lung Cancer <u>Direct Awards:</u> LSUHSC (New Orleans)	93.RD.N01-HG-65404	\$169,656
Develop Model for Bioterrorism and Emergency Preparedness <u>Through: Tulane University</u> LSUHSC (New Orleans)	93.RD.U90CCU616974	33,203
Expansion of Chimpanzee Holding Facilities <u>Direct Awards:</u> University of Louisiana at Lafayette	93.RD.1C06RR14491-01	389,867
The Genetics of Speciation in Drosophila <u>Through: Rutgers, The State University of New Jersey</u> <u>(#R01GM58060-04)</u> LSU A&M College (Baton Rouge)	93.RD.SUBK#975/ACT#4-22402	28,759
HCFA Rural and Minority Provider Education DQC <u>Direct Awards:</u> LSUHSC (Shreveport)	93.RD.HCFA 000386	(11,699)
HIV Sensitivity Test of Antiviral Susceptibility <u>Through: Norion Diagnostic Innovations, Inc.</u> LSUHSC (New Orleans)	93.RD.149200431A (PS #)	33,809
Maintenance of an SPF Pigtail Breeding Colony <u>Direct Awards:</u> University of Louisiana at Lafayette	93.RD.N01-A0-12747	955,270
Oligoamine Based Chemotherapy of Microsporidia <u>Through: SLIL Biomedical Corporation</u> LSUHSC (New Orleans)	93.RD.R44AI43094	83,882
Phase 3 Efficacy Trial of Azithromycin Ve Benzthine Pen <u>Through: University of North Carolina</u> LSUHSC (New Orleans)	93.RD.UNC-CH5-35002	1,429
Pilot Project to Overcome the Digital Divide <u>Through: University of Kentucky</u> LSUHSC (New Orleans)	93.RD.471346-01-113	48,075

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Research and Development Cluster:</u> (Cont.)		
Polygenic Regulations	93.RD.R1DK64071	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		\$26,168
Population Based Multidisciplinary Study of Centenarians	93.RD.P01AG17553	
<u>Through: University of Georgia</u>		
LSUHSC (New Orleans)		202,759
Risk Reduction for Young African American IDU's	93.RD.R01DA138899	
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		169,129
Sentinel Hospital Survey and EPII Study/Rotavirus Gastroenteritis	93.RD.UR6-CCU617968	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		4,490
Study of Slow, Latent and Temperate Infections of the Nervous Systems	93.RD.NO1-NS-9-2302	
<u>Direct Awards:</u>		
University of Louisiana at Lafayette		529,935
Technical Assistance for Cancer Surveillance	93.RD.N02PC05030	
<u>Through: NAACR-CSCP</u>		
LSUHSC (New Orleans)		(987)
Total Research and Development Cluster		<u>66,815,191</u>
<u>Student Financial Assistance Cluster:</u>		
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		66,591

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)</b>		
<u>Student Financial Assistance Cluster: (Cont.)</u>		
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	
<u>Direct Awards:</u>		
LSUHSC (New Orleans)		\$11,883
Northwestern State University		336,241
Southeastern Louisiana University		49,780
Southern University and A&M College (Baton Rouge)		35,340
University of Louisiana at Lafayette		112,500
		<hr/>
Total Student Financial Assistance Cluster		612,335
		<hr/>
<b>Total U.S. Department of Health and Human Services</b>		<b>\$4,154,277,947</b>
		<hr/> <hr/>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>		
Retired and Senior Volunteer Program	94.002	
<u>Direct Awards:</u>		
University of Louisiana at Monroe		\$78,692
		<hr/>
State Commissions	94.003	
<u>Direct Awards:</u>		
Office of the Lieutenant Governor		163,481
		<hr/>
Learn and Serve America - School and Community Based Programs	94.004	
<u>Direct Awards:</u>		
Department of Education		361,270
		<hr/>
AmeriCorps	94.006	
<u>Direct Awards:</u>		
Office of the Lieutenant Governor		2,188,869
<u>Through: Jumpstart National - AmeriCorps</u>		
LSU A&M College (Baton Rouge)		50,119
		<hr/>
Total AmeriCorps		2,238,988
		<hr/>
Planning and Program Development Grants	94.007	
<u>Direct Awards:</u>		
Office of the Lieutenant Governor		67,344
		<hr/>
Training and Technical Assistance	94.009	
<u>Direct Awards:</u>		
Office of the Lieutenant Governor		79,626
		<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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CONT.)</b>		
<u>Foster Grandparent/Senior Companion Cluster:</u>		
Foster Grandparent Program	94.011	
<u>Direct Awards:</u>		
Pinecrest Developmental Center		\$293,280
<b>Total Corporation for National and Community Service</b>		<b>\$3,282,681</b>
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>		
Office of National Drug Control Policy		
<u>Direct Awards:</u>		
<u>Department of Public Safety and Corrections -</u>		
<u>Public Safety Services:</u>		
Asian Organized Crime Task Force	95.10PGCP550	(\$2,157)
Caddo/Bossier HIDTA Task Force	95.11PGCP551	8,227
Intelligence Coordination Network Initiative	95.10PGCP557	(12,641)
Intelligence Coordination Network Initiative	95.11PGCP557	47,981
Louisiana Operations Center Initiatives	95.11PGCP501	95,493
Louisiana Operations Center Initiatives	95.12PGCP501	126,545
Middle Louisiana Major Investigation Team	95.10PGCP508	(274)
Total Office of National Drug Control Policy		263,174
<b>Total Executive Office of the President</b>		<b>\$263,174</b>
<b>SOCIAL SECURITY ADMINISTRATION</b>		
Social Security - Benefits Planning, Assistance, and Outreach Program	96.008	
<u>Direct Awards:</u>		
Executive Department		\$127,117
LSUHSC (New Orleans)		337,550
Total Social Security - Benefits Planning, Assistance, and Outreach Program		464,667
United States Inspector General - Social Security Administration	96.unknown	
<u>Direct Awards:</u>		
Department of Justice		19,599

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>SOCIAL SECURITY ADMINISTRATION (CONT.)</b>		
<u>Disability Insurance/SSI Cluster:</u>		
Social Security - Disability Insurance	96.001	
<u>Direct Awards:</u>		
Department of Social Services		\$31,684,875
<b>Total Social Security Administration</b>		<b>\$32,169,141</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Emark From the District of Columbia	97.unknown	
<u>Direct Awards:</u>		
University of New Orleans		\$248,375
<b>Total U.S. Department of Homeland Security</b>		<b>\$248,375</b>
<b>OTHER</b>		
<u>Research and Development Cluster:</u>		
Modified Neighborhood Level Factors and Low Birth Rate	99.RD.unknown	
<u>Through: Tulane University</u>		
LSUHSC (New Orleans)		\$100,789
<b>Total Other</b>		<b>\$100,789</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS EXCLUDING LOANS</b>		<b>\$7,583,285,307</b>
<b>LOAN ACTIVITY</b>		
Federal Family Education Loans	84.032	\$1,404,050,257
Federal Perkins Loan Cancellations	84.037	1,247,928
College Housing and Academic Facilities Loans	84.142	2,981,111

(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, 2003

	<b>CFDA OR OTHER NUMBER</b>	<b>ACTIVITY</b>
<b>LOAN ACTIVITY (CONT.)</b>		
<u>Student Financial Assistance Cluster:</u>		
Federal Family Education Loans	84.032	\$410,642,105
Federal Perkins Loan Program - Federal Capital Contributions	84.038	50,393,616
Federal Direct Loan	84.268	3,876,515
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	7,735,678
Nursing Student Loans	93.364	1,375,781
<b>Total Loan Activity</b>		<b><u><u>\$1,882,302,991</u></u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS INCLUDING LOANS</b>		<b><u><u>\$9,465,588,298</u></u></b>

(Concluded)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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## STATE OF LOUISIANA

### Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2003

#### **A. PURPOSE OF THE SCHEDULE**

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires management to prepare a schedule of expenditures of federal awards for the period covered by the financial statements. The schedule will present total federal awards expended for each federal program, the program name, 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 Office of Statewide Reporting and Accounting Policy within the Division of Administration required each state agency, hospital, and university to prepare a schedule of expenditures of federal awards. These schedules were combined into 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, 2003. Pass-through entities include other states, local governments, or nonprofit organizations that provided federal financial assistance to the state.

#### **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 accounting principles generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America.

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 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.



**STATE OF LOUISIANA**

## Notes to the Schedule of Expenditures of Federal Awards

(Continued)

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 (CFDA 39.003) 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.

Food Stamp Program - Expenditures of the Food Stamp Program (CFDA 10.551) are reported in the Schedule of Expenditures of Federal Awards at the amount of food stamp benefits expended for food purchases by recipients that obtain their benefits through electronic benefit transfer.

Issues of the commodities programs (CFDA 10.550, 10.565, 10.569) 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 and supplies for the state's Boll Weevil Eradication Program (Plant and Animal Disease, Pest Control, and Animal Care - CFDA 10.025) are reported in the Schedule of Expenditures of Federal Awards at cost.

**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 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.

**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

**E. LOAN AND LOAN GUARANTEES OUTSTANDING  
AND NON-CASH ASSISTANCE**

The accompanying Schedule of Expenditures of Federal Awards and related notes include certain non-cash assistance as presented in the following schedule.

CFDA Number	Loans and Loan Guarantees	Loans Disbursed During Year Ended June 30, 2003	Loans and Loan Guarantees Outstanding June 30, 2003
84.032	Federal Family Education Loans (note F)	\$410,642,105	\$1,552,315,707 (a)
84.038	Federal Perkins Loan Program - Federal Capital Contributions (note K)	11,263,648	57,129,189
84.142	College Housing and Academic Facilities Loans (note M)		1,988,000
84.268	Federal Direct Student Loans (note G)	3,876,515	
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (note J)	885,220	7,122,341
93.364	Nursing Student Loans (note J)	322,815	1,294,980
	Expenditures of Federal Awards Year Ended June 30, 2003 Other Non-Cash Assistance		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	6,213,477	
10.550	Food Donation	20,241,129	
10.565	Commodity Supplemental Food Program	14,596,636	
10.569	Emergency Food Assistance Program (Food Commodities)	8,680,275	
39.003	Donation of Federal Surplus Personal Property	1,617,446	
	Total	\$478,339,266	\$1,619,850,217

(a) As of June 30, 2003, the original principal on outstanding loans guaranteed under the Federal Family Education Loans Program, which are guaranteed by the Office of Student Financial Assistance, amounted to \$1,552,315,707 (note F).

**F. FEDERAL FAMILY EDUCATION LOANS**

Public institutions of higher education administer loans under the Federal Family Education Loans (FFEL) Program (CFDA 84.032). The objective of this program is to encourage lenders such as banks, credit unions, savings and loan associations, pension funds, insurance companies, and schools to make loans to vocational, undergraduate, and graduate students enrolled at eligible postsecondary institutions to help pay for educational expenses. The loans are insured by a state or private nonprofit guaranty agency and reinsured by the federal

**STATE OF LOUISIANA**

## Notes to the Schedule of Expenditures of Federal Awards

(Continued)

government. OMB considers this loan program a part of the Student Financial Assistance (SFA) cluster of programs when it is administered by public institutions of higher education as presented in Part 5 of the OMB Circular A-133, *Compliance Supplement*. The *Compliance Supplement* states, however, that the FFEL Program at the guaranty agencies is not considered a part of the SFA cluster.

The Office of Student Financial Assistance (OSFA) is a guaranty agency that is a component unit of the State of Louisiana. OSFA guarantees 100% of the loans it makes to students under the FFEL Program. 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, 2003, OSFA paid lending institutions \$31,232,274 for defaulted student loans, and the average federal participation in these default payments was 97.4%. New loans made to students during the year ended June 30, 2003, which are guaranteed by OSFA, amounted to \$363,276,875. These new loans are included as part of the SFA cluster. As of June 30, 2003, the original principal on outstanding loans guaranteed under the FFEL Program, which are guaranteed by OSFA, amounted to \$1,552,315,707.

The amounts of loans disbursed during the year under this program are presented in the following schedule. The amounts include new loans made to students that are guaranteed by OSFA as described above, as well as those loans guaranteed by private agencies. The loans are reinsured by the federal government.

<u>University</u>	<u>Loans Disbursed During Year Ended June 30, 2003</u>
Bossier Parish Community College	\$5,404,717
Delgado Community College	18,959,764
Grambling State University	20,522,427
LSU and A&M College (Baton Rouge)	74,951,174
LSU at Alexandria	6,626,041
LSU at Eunice	5,499,000
LSU Health Sciences Center (New Orleans)	24,786,004
LSU Health Sciences Center (Shreveport)	8,821,698
LSU in Shreveport	7,222,269
Louisiana Tech University	17,410,043
McNeese State University	14,309,452
Nicholls State University	1,268,358
Northwestern State University	26,985,471
Southeastern Louisiana University	39,279,431
Southern University and A&M College (Baton Rouge)	38,025,379
Southern University at New Orleans	13,282,896

**STATE OF LOUISIANA**Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

<u>University</u> (Continued)	Loans Disbursed During Year Ended June 30, 2003
University of Louisiana at Lafayette	\$21,890,570
University of Louisiana at Monroe	21,925,264
University of New Orleans	<u>43,472,147</u>
Total	<u><u>\$410,642,105</u></u>

**G. FEDERAL DIRECT STUDENT LOANS**

The federal government provides loan capital directly to vocational, undergraduate, and graduate students and their parents under the Federal Direct Student Loans (CFDA 84.268). During the year ended June 30, 2003, loans totaling \$3,444,629 and \$431,886 were made to students at the campuses of Nunez Community College and Southern University at Shreveport-Bossier City, respectively.

**H. 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, 2003, is presented in the following schedule.

State Portion (Benefits Paid)	\$365,334,704
Federal Portion (Administrative Costs)	<u>37,365,929</u>
Total	<u><u>\$402,700,633</u></u>

**I. 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, Office of Hearings and Appeals (OHA) 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.

**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

**J. 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, 2003, are presented in the following schedule.

<u>Hospital/University</u>	<u>Nursing Student Loans</u>		<u>Health Professions Student Loans</u>	
	<u>Loans Made During the Year Ended June 30, 2003</u>	<u>Outstanding Balance June 30, 2003</u>	<u>Loans Made During the Year Ended June 30, 2003</u>	<u>Outstanding Balance June 30, 2003</u>
Grambling State University		\$107,986		
LSU at Eunice		5,347		
LSU Health Sciences Center (New Orleans)	\$322,815	980,347	\$647,720	\$5,632,083
LSU Health Sciences Center (Shreveport)				207,611
McNeese State University		4,425		
Nicholls State University		2,415		
Southeastern Louisiana University		21,661		
University of Louisiana at Lafayette		139,531		
University of Louisiana at Monroe		33,268	237,500	1,282,647
Total	<u>\$322,815</u>	<u>\$1,294,980</u>	<u>\$885,220</u>	<u>\$7,122,341</u>

**K. 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, 2003, are presented in the following schedule.

**STATE OF LOUISIANA**Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

<u>University</u>	<u>Perkins Loans</u>	
	<u>Loans Made During the Year Ended June 30, 2003</u>	<u>Outstanding Balance June 30, 2003</u>
Delgado Community College		\$5,080
Grambling State University	\$25,010	1,978,211
LSU and A&M College (Baton Rouge)	3,820,055	13,593,687
LSU at Eunice	123,350	571,348
LSU Health Sciences Center (New Orleans)	672,515	2,735,224
LSU Health Sciences Center (Shreveport)	264,563	1,295,327
Louisiana Tech University	1,397,730	7,145,583
McNeese State University	461,041	2,374,693
Nicholls State University	7,000	34,246
Northwestern State University	418,761	3,181,534
Southeastern Louisiana University	357,930	2,621,012
Southern University and A&M College (Baton Rouge)		2,025,776
Southern University at New Orleans		9,294
Southern University at Shreveport-Bossier City		559,684
University of Louisiana at Lafayette	1,934,184	9,665,551
University of Louisiana at Monroe	668,787	4,267,604
University of New Orleans	1,112,722	5,065,335
Total	<u>\$11,263,648</u>	<u>\$57,129,189</u>

**L. 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, 2003, are presented in the following schedule.

**STATE OF LOUISIANA**Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

<u>University</u>	<u>Principal and Interest Cancelled</u>
Grambling State University	\$6,207
LSU and A&M College (Baton Rouge)	118,912
LSU at Eunice	16,784
LSU Health Sciences Center (New Orleans)	49,826
Louisiana Tech University	204,762
McNeese State University	130,779
Nicholls State University	3,873
Northwestern State University	127,083
Southeastern Louisiana University	37,135
University of Louisiana at Lafayette	294,393
University of Louisiana at Monroe	232,143
University of New Orleans	26,031
	<hr/>
Total	<u><u>\$1,247,928</u></u>

**M. COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS**

Public institutions of higher education received 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. During 1998, the program was discontinued, but outstanding balances remain at some universities. The outstanding balances of loans made under this program as of June 30, 2003, are presented in the following schedule.

<u>University</u>	<u>Outstanding Balance June 30, 2003</u>
Grambling State University	\$1,146,000
LSU and A&M College (Baton Rouge)	842,000
	<hr/>
Total	<u><u>\$1,988,000</u></u>

**N. DEPARTMENT OF EDUCATION - HOUSING ACT OF 1950 "TITLE IV" LOAN**

The University of Louisiana System Board of Supervisors has a loan agreement, on behalf of Grambling State University, with the U.S. Secretary of Education for \$3,500,000. These funds are to be used for financing the construction of four new dormitories pursuant to Title IV of the Housing Act of 1950. The loan shall bear interest at the rate of 3% per annum on the unpaid

**STATE OF LOUISIANA**

## Notes to the Schedule of Expenditures of Federal Awards

(Continued)

balance. The principal and interest shall be payable in semiannual installments of \$88,877 over a term of 30 years. The payments are to commence at the point any of the new dormitories become revenue-producing. As of June 30, 2003, the outstanding loan balance is \$2,709,790. Payments totaling \$94,411 were made during the year.

**O. SPECIAL SUPPLEMENTAL NUTRITION  
PROGRAM FOR WOMEN, INFANTS,  
AND CHILDREN (WIC PROGRAM)**

During the fiscal year ended June 30, 2003, the Louisiana Office of Public Health received cash rebates from infant formula manufacturers in the amount of \$36,131,702 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 946,599 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 593,287 less participants than were actually served during the fiscal year.



**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

**P. MAJOR FEDERAL AWARD PROGRAMS**

The State of Louisiana's major federal award programs for the year ended June 30, 2003, 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-151) and the outstanding loan balances for certain loan programs as of and for the year ended June 30, 2002. The state's Type A federal award programs for the year ended June 30, 2003, were all federally assisted programs for which program activity and the federal government's risk in the outstanding loan balances as of June 30, 2002, was equal to or greater than \$22,057,171.

A total of 28 Type A programs/clusters were identified. Auditors designated three Type A programs/clusters as low-risk. These three Type A programs/clusters were not audited as major during the 2003 fiscal year. The three Type A programs/clusters identified as low-risk are as follows:

- 17.225 Unemployment Insurance
- 83.543 Individual and Family Grants
- 93.667 Social Services Block Grant

OMB Circular A-133, Section 520 describes two options for identifying high-risk Type B programs/clusters to audit as major. Option 2 allows identification of high-risk Type B programs/clusters by selecting one high-risk Type B program/cluster for each low-risk Type A program/cluster identified. Because there were three Type A programs/clusters assessed as low-risk for the 2003 fiscal year, three high-risk Type B programs/clusters were identified and audited as major. The three high-risk Type B programs/clusters audited as major during the 2003 fiscal year are listed below.

- 93.917 HIV Care Formula Grants

Aging Cluster:

- 93.044 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Citizens
- 93.045 Special Programs for the Aging - Title III, Part C - Nutrition Services

Employment Services Cluster:

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

## STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

The major programs cumulatively account for approximately 88% of the state's expenditures/issues/loans of federal award programs for the year ended June 30, 2003. 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
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		\$82,071,348	\$2,415,837
10.558	Child and Adult Care Food Program		48,054,581	47,409,445
14.228	Community Development Block Grants/State's Program		44,014,584	43,108,097
83.544	Public Assistance Grants		75,523,818	
84.010	Title I Grants to Local Educational Agencies		206,706,894	202,152,964
84.032	<u>Federal Family Education Loans:</u>			
	Administrative Expenditures		26,484,144	
	Loan Activity		1,404,050,257	
84.048	Vocational Education - Basic Grants to States		23,498,207	11,167,259
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States		41,468,760	
84.340	Class Size Reduction		22,438,070	22,405,326
84.367	Improving Teacher Quality State Grants		31,190,902	29,921,855
93.558	Temporary Assistance for Needy Families		243,115,651	103,705,569
93.563	Child Support Enforcement		26,220,483	10,292,038
93.658	Foster Care - Title IV-E		54,356,793	
93.767	State Children's Insurance Program		73,400,859	
93.917	HIV Care Formula Grants		20,622,233	5,676,629
93.959	Block Grants for Prevention and Treatment of Substance Abuse		25,083,197	10,951,596
<b>Food Stamp Cluster:</b>				
10.551	Food Stamps	\$661,262,662		
10.561	State Administrative Matching Grants for Food Stamp Program	39,275,858	700,538,520	932,472
<b>Child Nutrition Cluster:</b>				
10.553	School Breakfast Program	44,548,330		43,966,357
10.555	National School Lunch Program	143,181,852		142,015,703
10.556	Special Milk Program for Children	47,493		36,050
10.559	Summer Food Service Program for Children	6,626,588	194,404,263	6,201,127
<b>Employment Services Cluster:</b>				
17.207	Employment Service	10,879,438		
17.801	Disabled Veterans' Outreach Program	705,031		
17.804	Local Veterans' Employment Representative Program	664,035	12,248,504	
<b>WIA Cluster:</b>				
17.258	WIA Adult Program	25,017,342		19,582,765
17.259	WIA Youth Activities	24,698,396		21,851,634
17.260	WIA Dislocated Workers	25,739,859	75,455,597	20,566,483

## 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
<b>Highway Planning and Construction Cluster:</b>				
20.205	Highway Planning and Construction	<u>\$490,670,749</u>	\$490,670,749	
<b>Student Financial Assistance Cluster:</b>				
84.007	Federal Supplemental Educational Opportunity Grants	7,211,983		
84.032	<u>Federal Family Education Loans:</u>			
	Loan Activity	410,642,105		
84.033	Federal Work-Study Program	9,332,118		
84.038	<u>Federal Perkins Loan Program -</u>			
	<u>Federal Capital Contributions:</u>			
	Administrative Expenditures	556,148		
	Loan Activity	50,393,616		
84.063	Federal Pell Grant Program	190,927,244		
84.268	<u>Federal Direct Student Loans:</u>			
	Loans Disbursed	3,876,515		
93.342	<u>Health Professions Student Loans,</u>			
	<u>Including Primary Care Loans/</u>			
	<u>Loans for Disadvantaged Students:</u>			
	Administrative Expenditures	66,591		
	Loan Activity	7,735,678		
93.364	<u>Nursing Student Loans:</u>			
	Loan Activity	1,375,781		
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	<u>545,744</u>	682,663,523	
<b>Special Education Cluster:</b>				
84.027	Special Education - Grants to States	100,242,029		\$93,742,563
84.173	Special Education - Preschool Grants	<u>5,659,618</u>	105,901,647	5,121,693
<b>Aging Cluster:</b>				
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Citizens	5,481,455		4,744,419
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	<u>7,797,792</u>	13,279,247	7,797,792
<b>Child Care Cluster:</b>				
93.575	Child Care and Development Block Grant	126,286,642		17,472
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	<u>23,923,765</u>	150,210,407	

## 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
<b>Medicaid Cluster:</b>				
93.775	State Medicaid Fraud Control Units	\$1,313,574		
93.777	State Survey and Certification of Health Care Providers and Suppliers	7,634,068		
93.778	Medical Assistance Program	<u>3,300,714,123</u>	\$3,309,661,765	
<b>Disability Insurance/SSI Cluster:</b>				
96.001	Social Security - Disability Insurance (DI)	<u>31,684,875</u>	31,684,875	
<b>Research and Development Cluster:</b>				
	U.S. Agency for International Development	6,483		
	U.S. Department of Agriculture	9,878,139		\$86,968
	U.S. Department of Commerce	7,164,952		84,050
	U.S. Department of Defense	24,021,788		814,794
	Central Intelligence Agency	6,632		
	U.S. Department of Housing and Urban Development	395,978		
	U.S. Department of Interior	4,187,235		165,850
	U.S. Department of Justice	168,049		
	U.S. Department of Transportation	43,932		
	Federal Emergency Management Agency	18,551		
	General Services Administration	48,375		
	National Aeronautics and Space Administration	4,781,856		668,405
	National Foundation on the Arts and the Humanities	42,220		
	National Science Foundation	16,823,685		670,639
	Small Business Administration	1,384,762		
	U.S. Department of Veterans Affairs	5,618		
	Environmental Protection Agency	5,663,596		588,502
	U.S. Department of Energy	4,803,570		361,040
	U.S. Department of Education	2,049,808		189,819
	U.S. Institute of Peace	376		
	U.S. Department of Health and Human Services	66,815,191		3,367,155
	Other	<u>100,789</u>	<u>148,411,585</u>	
	Total Expenditures (Activity) of Major Programs		<u>\$8,363,431,463</u>	<u>\$862,780,367</u>

**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

**Q. COMPONENT UNITS AUDITED BY OTHER  
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, 2003. To obtain the latest audit report of a particular entity, you may contact that entity using the following list of addresses:

Bayou D'Arbonne Lake Watershed District  
Post Office Box 1613  
Ruston, LA 71273-1613

East Jefferson Levee District  
203 Plauche Court  
Harahan, LA 70123

Louisiana Beef Industry Council  
4921 I-10 Frontage Road  
Port Allen, LA 70767

Fifth Louisiana Levee District  
222 North Cedar Street  
Tallulah, LA 71282

Board of Examiners of Certified  
Shorthand Reporters  
Post Office Box 3257  
Baton Rouge, LA 70821

\* Foundation for Excellence in Louisiana  
Public Broadcasting  
7733 Perkins Road  
Baton Rouge, LA 70810-1199

Bossier Parish Levee District  
Post Office Box 8279  
Bossier City, LA 71113

Greater Baton Rouge Port Commission  
Post Office Box 380  
Port Allen, LA 70767-0380

Caddo Levee District  
Post Office Box 78282  
Shreveport, LA 71137-8282

\* Greater New Orleans Expressway  
Commission  
Post Office Box 7656  
Metairie, LA 70010

Custodian of Notarial Records  
for Orleans Parish  
421 Loyola Avenue, Room B-4  
New Orleans, LA 70112

\* Jefferson Parish Human Services  
Authority  
3101 West Napoleon Avenue Suite 229  
Metairie, LA 70001

\* = Single Audit

**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

Lafourche Basin Levee District  
Post Office Box 670  
Vacherie, LA 70090

Louisiana Catfish Promotion and  
Research Board  
Post Office Box 95004  
Baton Rouge, LA 70895

Lake Borgne Basin Levee District  
Post Office Box 216  
Violet, LA 70092

Louisiana Crawfish Promotion and  
Research Board  
Post Office Box 95004  
Baton Rouge, LA 70895-9004

Louisiana Auctioneers Licensing Board  
8017 Jefferson Highway, Suite A-2  
Baton Rouge, LA 70809

Louisiana Economic Development  
Corporation  
Post Office Box 94185  
Baton Rouge, LA 70804-9185

Louisiana Board for Hearing Aid Dealers  
Post Office Box 6016  
Monroe, LA 71211-6016

Louisiana Educational Television Authority  
7733 Perkins Road  
Baton Rouge, LA 70810-1199

Louisiana Board of Examiners for Speech-  
Language Pathology and Audiology  
18550 Highland Road, Suite B  
Baton Rouge, LA 70809

\* Louisiana Housing Finance Agency  
2415 Quail Drive  
Baton Rouge, LA 70808

Louisiana Board of Massage Therapy  
12022 Plank Road  
Baton Rouge, LA 70811

Louisiana Licensed Professional  
Counselors Board of Examiners  
8631 Summa Avenue, Suite A  
Baton Rouge, LA 70809

Louisiana Board of Wholesale Drug  
Distributors  
12046 Justice Avenue, Suite C  
Baton Rouge, LA 70816

Louisiana Licensed Professional  
Vocational Rehabilitation Counselors  
Board of Examiners  
Post Office Box 41594  
Baton Rouge, LA 70835-1594

\* = Single Audit

**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
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Louisiana Motor Vehicle Commission  
3519 12th Street  
Metairie, LA 70002

Louisiana Rice Research Board  
Post Office Box 1429  
Crowley, LA 70527-1584

Louisiana Professional Engineering  
and Land Surveying Board  
9643 Brookline Avenue, Suite 121  
Baton Rouge, LA 70809

Louisiana School Employees'  
Retirement System  
Post Office Box 44516  
Baton Rouge, LA 70804-4516

Louisiana Public Facilities Authority  
2237 South Acadian Thruway, Suite 650  
Baton Rouge, LA 70808

Louisiana Soybean and Grain Research  
and Promotion Board  
Post Office Box 95004  
Baton Rouge, LA 70890

Louisiana Real Estate Appraisers Board  
Post Office Box 14785  
Baton Rouge, LA 70898

Louisiana Stadium and Exposition District  
1500 Poydras Street, Sugar Bowl Drive  
New Orleans, LA 70112

Louisiana Real Estate Commission  
Post Office Box 14785  
Baton Rouge, LA 70898

Louisiana State Board of Architectural  
Examiners  
9625 Fenway Avenue, Suite B  
Baton Rouge, LA 70809

Louisiana Retirement Systems Building  
Management Partnership  
Post Office Box 44213  
Baton Rouge, LA 70804

Louisiana State Board of Certified  
Social Work Examiners  
18550 Highland Road, Suite B  
Baton Rouge, LA 70809

Louisiana Rice Promotion Board  
223 East Hutchinson  
Crowley, LA 70526

Louisiana Board of Chiropractic  
Examiners  
8621 Summa Avenue  
Baton Rouge, LA 70809

**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

Louisiana State Board of Embalmers  
and Funeral Directors  
Post Office Box 8757  
Metairie, LA 70011

Louisiana State Board of Practical  
Nurse Examiners  
3421 North Causeway Blvd., Suite 203  
Metairie, LA 70002

Louisiana State Board of Examiners in  
Dietetics and Nutrition  
18550 Highland Road, Suite B  
Baton Rouge, LA 70809

Louisiana State Board of Veterinary  
Medicine  
263 Third Street, Suite 104  
Baton Rouge, LA 70801

Louisiana State Board of Examiners of  
Interior Designers  
2900 Westfork Drive, Suite 200  
Baton Rouge, LA 70827-0004

Louisiana State Cemetery Board  
2901 Ridgelake, Suite 212  
Metairie, LA 70002

Louisiana State Board of Medical  
Examiners  
Post Office Box 30250  
New Orleans, LA 70190-0250

Louisiana State Employees' Retirement  
System  
Post Office Box 44213  
Baton Rouge, LA 70804-4213

Louisiana State Board of Optometry  
Examiners  
Post Office Box 555  
Oakdale, LA 71463

Louisiana State Police Pension and  
Retirement System  
3100 Brentwood Drive, Suite B  
Baton Rouge, LA 70809

Louisiana State Board of Pharmacy  
5615 Corporate Blvd., Suite 8E  
Baton Rouge, LA 70808

Louisiana State Radio and Television  
Technicians Board  
6554 Florida Blvd., Suite 109  
Baton Rouge, LA 70806-4474

Louisiana State Board of Physical  
Therapy Examiners  
714 E. Kaliste Saloom Road, D2  
Lafayette, LA 70508

Louisiana Tax Free Shopping  
Commission  
World Trade Center, Suite 1017  
2 Canal Street  
New Orleans, LA 70130



**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
(Continued)

Louisiana Used Motor Vehicle and  
Parts Commission  
3132 Valley Creek Drive  
Baton Rouge, LA 70808

Pontchartrain Levee District  
Post Office Box 426  
Lutcher, LA 70071

Millennium Port Authority  
Post Office Box 90046  
New Orleans, LA 70160

Radiologic Technology Board of  
Examiners  
3108 Cleary Avenue, Suite 207  
Metairie, LA 70002

Natchitoches Historic District  
Development Commission  
Post Office Box 37  
Natchitoches, LA 71457

Red River Levee and Drainage District  
Post Office Box 433  
Coushatta, LA 71019

Natchitoches Levee and Drainage District  
Post Office Box 1209  
Natchitoches, LA 71458-1209

Red River, Atchafalaya, and Bayou  
Boeuf Levee District  
Post Office Box 8235  
Alexandria, LA 71306

Nineteenth Louisiana Levee District  
Post Office Box 267  
Colfax, LA 71417

Sabine River Authority  
15091 Texas Highway  
Many, LA 71449

North Bossier Levee District  
Post Office Box 338  
Benton, LA 71006

South Lafourche Levee District  
Post Office Box 426  
Galliano, LA 70354

North Lafourche Conservation, Levee,  
and Drainage District  
Post Office Drawer 230  
Raceland, LA 71006

Louisiana State Plumbing Board  
2714 Canal Street, Room 512  
New Orleans, LA 70119

**STATE OF LOUISIANA**

Notes to the Schedule of Expenditures of Federal Awards  
(Concluded)

Teachers' Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, LA 70804-9123

Tensas Basin Levee District  
Post Office Box 68  
Rayville, LA 71269

\* West Jefferson Levee District  
7001 River Road  
Marrero, LA 70072

\* = Single Audit

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# Appendix B

## Management's Corrective Action Plans and Responses to the Findings and Recommendations



LEGISLATIVE AUDITOR

Appendix B

STATE OF LOUISIANA  
Management's Corrective Action Plans and  
Responses to the Findings and Recommendations

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*STATE OF LOUISIANA*  
**DEPARTMENT OF EDUCATION**  
*POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064*  
<http://www.doe.state.la.us>  
1-800-453-2721

October 27, 2003

Grover Austin, CPA  
Acting Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

The Department of Education concurs in part with the finding entitled **Improper Charging of Administrative Expenditures to Federal Awards**, with questioned costs of \$304,056.

The Department understands the importance and takes seriously the responsibility to appropriately utilize all federal funds. Consequently, it is Department policy that all obligations originate with program staff responsible for the administration of federal funds. All items of obligation (purchase orders, contracts, etc.) are prepared and approved by program staff and reviewed by program staff, with subsequent executive level approval.

While the Department concurs that source documentation may be improved, we believe federal funds have been appropriately used to support federal objectives. Accordingly, the Department will implement additional procedures to further clarify individual grant goals on source documents for contracts and purchase orders to assist the Legislative Auditor in future audits and to further ensure that documentation supports the allocation of costs. The Director of the Division of Appropriation Control will be responsible for corrective action.

1. The Department does not concur administrative expenditures totaling \$278,271 were not properly charged to federal programs.

The questioned cost of \$209,858 was incurred for seven (7) professional service contracts with the Teach Louisiana State Certification Project. These contracts were charged to the Local Teacher Quality Project 8(g) and IDEA-B. The Local Teacher Quality Project consists of the two main components of teacher certification and teacher training.

Prior to FY 2003, the Local Teacher Quality Project, (formerly known as Tuition Exemption) was 100% 8(g) funded and consisted of the teacher training component only. In FY 2003, SBESE combined a number of 8(g) projects into the single Local Teacher Quality Block Grant. At that time, the second, or supplemental, component of Local Teacher Quality encompassing the certification component was initiated. It is this component that provides for teacher certification activities for both regular and special education teachers. Therefore, the Department feels Special Education IDEA-B funds were appropriately charged.

\$68,413 expended for Learning Intensive Networking Communities for Success Program (LINCS) contracts was noted as inappropriately charged to federal programs.

The LINCS program has historically been funded with statutorily dedicated 8(g) funds. Program focus is whole school reform through content emphasis, working with teachers to improve achievement of students. This program did not historically require service to Special Education students in the whole school improvement process. In FY 2003, the program was expanded to promote inclusion of Special Education students in the whole school

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improvement process through the addition of a Special Education member on the content leadership team. Inclusion is the primary objective of all Special Education funding.

Additionally, all 8(g) funding had been exhausted, and in accordance with federal policy, federal funds were utilized to provide for supplementary levels of expanded activities. Therefore, the Department believes the use of IDEA-B funding in a supplemental fashion for the LINCS program is appropriate.

2. The Department does not concur expenditures totaling \$25,785 were charged to programs other than the actual program affected.

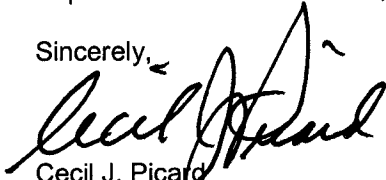
Of the above questioned costs, \$12,200 for computer purchases was noted for eight (8) individuals. Seven (7) of the eight (8) computers purchased were support equipment for the Certification Counselors noted in #1 above. See response #1. The purchase of one (1) computer not assigned to a Certification Counselor contract for \$1,525 was charged to the correct fund source for the individual through journal voucher J6 5775 on 05/03/03. A copy of this journal voucher is being provided separately to the Legislative Auditor.

\$13,585 expended for rental and data ports of the above amount is noted as a portion of the above. These costs are allocated based on funding for each position. In instances where employees work away from federal position funding or are moved to another position, an adjustment is made to the grants affected for salary and related benefits. Adjustments are not made in these instances to rent, and data port charges as the federal position and all related expenditures continue to exist.

As recommended by the Legislative Auditor, the Department will consult with the U.S. Department of Education regarding the above questioned costs.

We appreciate your assistance as we continue to strive for excellence in all operations. If you require additional information, please contact me.

Sincerely,



Cecil J. Picard  
State Superintendent of Education

CJP/MJL

c: Carole Butler-Wallin  
Marlyn J. Langley  
John Guilbeau





STATE OF LOUISIANA  
**DEPARTMENT OF EDUCATION**  
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064  
<http://www.doe.state.la.us>  
1-800-453-2721

January 30, 2004

Grover Austin, CPA, Acting Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

The Department of Education does not concur with the finding entitled *Inadequate Controls over Federal Payroll Certifications*. No questioned costs are noted in the finding.

The Department believes that we have complied with OMB Circular A-87 related to payroll certifications of actual effort on federal programs. In conjunction with legal consultants, the Department revised and adopted extensive Payroll Certification procedures for federal programs in 2001. These procedures were provided to the Legislative Auditor at that time for review and comment. Extensive annual training has taken place in subsequent years for all Department staff to ensure employees were knowledgeable of requirements for certification of actual work performed on federal programs. The main issues identified in the above finding are addressed below.

**(1) The Division of Appropriation Control performs incompatible functions.**

The Department believes the federal intent for certification of actual effort to federal programs is to reflect financial adjustments to grant dollars where actual effort is different from the anticipated ("budgeted") effort. We do not interpret that the federal intent is to drive the payroll process within the states. As such, the Department viewed the receipt, maintenance, and adjustments of grants to reflect effort to be financial in nature. We believe the location of the performance of these functions to be a management decision. Additionally, management elected to place performance of these functions within the Division of Appropriation Control for reasons noted in (3) below. Automation of this process was not previously possible within the ISIS/HR system. Consequently, this has been a manual process.

**(2) Certain employees' payroll charges were based on budget estimates rather than actual work performed.**

All employees are directed through Department policy and training to complete certification forms which reflect their actual effort rather than their budgeted effort. Additionally, each form is reviewed and signed by the employee's supervisor. The anticipated ("budgeted" effort) is also entered on the form to ensure the requirements outlined in OMB Circular A-87 are met. Under the requirements, a comparison of anticipated and actual effort must occur. It is the Department's interpretation that the comparison process must begin at the employee level.

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- (3) The SDE's policies and procedures prohibit time administrators from maintaining copies of time certifications with time and attendance records.** To accommodate a Legislative Audit concern in FY 2001 regarding having to locate and pursue forms from all employees in the Department, housed over 10 floors, certification records were centralized in the Division of Appropriation Control. As the Legislative Auditors were housed with the Division of Appropriation Control, centralization of the records in this division was done to facilitate the auditors' time in the audit process. We note that the Legislative Auditor recommends that the records continue to be maintained in a centralized location, specifically the Human Resource Office. Also, please see response (1).
- (4) The SDE did not perform quarterly comparisons of actual efforts to budgeted efforts to determine if payroll adjustments were needed.** The Department did perform quarterly comparisons and performed financial adjustments as necessary. For the audit period, the Department performed payroll corrections through the ISIS/HR system where actual effort differences were deemed to be of a permanent nature. These adjustments were done on an ongoing basis through the audit period. Consequently, our quarterly review did not indicate a need for the adjustment. A final review of all A-87 transactions in comparison to actual payroll costs was performed immediately after the close of the 4<sup>th</sup> quarter, and the final adjustment was input. This was the Department's method to ensure that all certifications were properly allocated to the grants.

The ISIS/HR system has just recently been modified by the Division of Administration in a manner that may permit the entry of actual effort into the payroll system. If actual effort is reported as different from the budgeted salary coding, the budgeted salary default coding will be overridden, and the grant receiving the benefit will be immediately charged. We are researching this option for possible use in automation of the A-87 process. If this option proves viable, the timekeepers will enter actual effort as the payroll is completed, and the A-87 certifications could be maintained with the payroll, eliminating the need for the quarterly reconciliation process. However, prior to implementation, as required by OMB Circular A-87, the Department will seek approval from the granting agencies for use of a substitute reconciliation method.

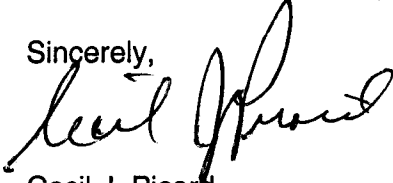
The Department will refer our position on the finding to the U.S. Department of Education for their final resolution. Individual responsible for resolution is Mrs. Kitty Littlejohn, Director, Division of Appropriation Control.

The Department remains committed to compliance with all aspects of federal program laws and regulations, and continually strives to improve policies and processes for the

Mr. Grover Austin, CPA  
Page 3  
January 30, 2004

payroll certifications required by OMB Circular A-87. We appreciate the efforts of your office to assist us in this objective.

Sincerely,

A handwritten signature in black ink, appearing to read "Cecil J. Picard". The signature is fluid and cursive, with a large initial "C" and "P".

Cecil J. Picard  
State Superintendent of Education

CJP:MJL:KCL

c: Carole B. Wallin  
Marlyn J. Langley  
John J. Guilbeau  
Kitty C. Littlejohn



STATE OF LOUISIANA  
**DEPARTMENT OF EDUCATION**  
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064  
<http://www.doe.state.la.us>

November 3, 2003

Mr. Grover Austin  
Acting Legislative Auditor  
Office of the Legislature Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

The Department of Education concurs with the finding entitled **Ineffective Controls Over Subrecipient Monitoring**.

The Department understands the importance and takes very seriously the responsibility of Subrecipient Monitoring of federal funds. The Department has made great strides in improving our monitoring programs over the last several years. To continue this success, the Department has taken the following steps to correct or address the areas noted:

- The Department concurs that in the 14 TANF monitoring files reviewed, none of the files contained sufficient documentation that a review of the allowability of expenditures was conducted. In the TANF grants, there are 5 purchases that are unallowed. In the monitoring procedures for the After School for All Program, expenditures were examined for allowability; however, this review was not documented satisfactorily. In the Adult and Family Literacy Program and the Pre-GED/Skills Options Programs, the allowability of expenditures was not examined. In the LA4 Program, since January 2003, the allowability of expenditures has been examined and documented in a brief manner. As corrective action for this deficiency, program staff will implement procedures to 1) review the allowability of expenditures based on TANF guidelines, and 2) sufficiently document the items reviewed and the results of the review, ie., compliance/noncompliance.
- The Department concurs that one TANF monitoring file did contain documentation of possible fraudulent transactions not listed as exceptions by the monitor. It was determined that weaknesses in the internal controls of the computer system allowed duplicate students to be reported in this one instance. The Department has taken action to work with the computer system contractor to revise the system to eliminate this capability and strengthen internal

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Mr. Grover Austin  
Page 2  
November 3, 2003

controls. In addition, when this instance was confirmed, reimbursement requests totaling \$33,119.10 were held. This action reduced the total overpayments to \$44,561.13. The Department is currently seeking the repayment of the known questioned costs of \$44,561.13 through the appropriate channels.

Upon identification of this instance of noncompliance, *all* claims for *all* subrecipients in this program were reviewed to determine if this same event occurred more than once. This examination process verified that no other instances had occurred.

- The Department concurs that complete and proper audit resolution was not performed on 4 reportable conditions for Title I and Special Education reported in a single audit for one school district. Training will be provided to program staff regarding the proper actions necessary to resolve findings.
- The Department concurs that an attempt was made to recover questioned costs for the Special Education program totaling \$15,490. Rather than issuing the Department a check in the amount of the questioned costs, the subrecipient reduced a reimbursement claim for the amount of the questioned costs. The subrecipient did not notify the Department as to which claim the reduction was made or the amount. As a result, Department staff could not identify this action. As a corrective action, the Department will amend its Grants Management policies to clarify the requirement that subrecipients issue a check in the amount of any questioned costs; the reduction of claims will not be allowed. The Department is pursuing correcting this situation with the identified subrecipient.
- The Department concurs that fiscal reviews of subrecipients conducted by the Division of Education Finance for allowable activities for Title I and Special Education are limited in number and are not performed in a timely manner. The Division of Education Finance staff has entered into discussions with the Legislative Auditor's Office staff to gain knowledge regarding their interpretation of the federal compliance requirements. As a result, the Division of Education Finance will be revising its audit plan to include three types of reviews in the future: 1) limited scope, but more timely monitoring reviews, 2) expanded scope reviews of entities with findings, and 3) special projects.

Mr. Grover Austin  
Page 3  
November 3, 2003

- The Department concurs that the 5 Adult Education monitoring files did not include documentation of fiscal monitoring procedures. The Department will take the following corrective actions to address this matter:
  - 1) The Division of Education Finance will assume the responsibility for the fiscal monitoring responsibilities for Adult Education as of November 2003.
  - 2) The Department concurs that the FY 2001-02 Adult Education files included no evidence of follow-up procedures or corrective actions as defined by the Legislative Auditor's Office. In FY 2001-02, the format for Adult Education reports included the words "findings" or "exceptions," and these terms were used interchangeably. In later discussions with the Legislative Auditor's Office staff, it was determined that they interpreted "findings" differently than Adult Education program staff had intended. Program staff had intended to identify instances of noncompliance but also issues for discussion only. As soon as this was brought to the attention of the program staff, corrective actions were implemented to redesign the reporting format for monitoring visits to more clearly specify the type of problem or issue encountered. In addition, a system of checks and balances was put into place to track monitoring documents to ensure that all issues and required actions are brought to closure.
  - 3) The Department concurs that some files had no documentation of technical assistance planned or provided, even though technical assistance was provided via telephone, email, or fax communications. Adult Education program staff will implement procedures to ensure that each instance of technical assistance provided to entities requiring this action as a result of a monitoring visit is documented in writing.
  - 4) The Department concurs that one file did not contain the performance measures worksheet documenting whether the measures were met. Training will be provided to Adult Education program staff to ensure that required documentation is maintained in every file.

Mr. Grover Austin  
Page 4  
November 3, 2003

5) The Department concurs that review results were not communicated to one subrecipient in a timely fashion. Based on proactive efforts by the program staff to ensure required documentation was present in the monitoring files, a review of all files was conducted. At that time, it was determined that one closure letter was not issued timely. The program staff immediately drafted and distributed the necessary letter. At the time the Legislative Auditor's staff reviewed the file, this action had already taken place. The program staff also instituted corrective actions to include a periodic completeness review of all files and training for staff to ensure they are aware of all required documentation.

- The Department concurs that management should ensure program monitors are adequately trained. Arrangements have been made to provide training to program staff regarding DOE grant policies, program monitoring, fiscal monitoring, fraud detection, and audit resolution of both single audit findings and in-house findings, including issuance of management decisions, verification of corrective actions taken, and collection of questioned costs. These classes are scheduled for December 4, 2003, and January 16, 2004.

As recommended by the Legislative Auditor, the Department will consult with the appropriate federal agencies regarding any noted questioned costs. The Director of the Division of Education Finance will be responsible for coordinating the corrective actions noted here.

We appreciate your assistance as we continue striving for excellence in the administration of all of our many programs.

Sincerely,



Cecil J. Picard  
State Superintendent of Education

CJP/MJL/BS

c: Carole Butler-Wallin  
Marlyn J. Langley  
John Guilbeau



M. J. "MIKE" FOSTER, JR.  
GOVERNOR

**STATE OF LOUISIANA**  
GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

P. O. Box 80374

**Baton Rouge, LA 70898-0374**

(225) 342-7100

FAX (225) 342-7133

March 10, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Austin:

Finding:  
Ineffective Monitoring of subrecipients Audit Reports

Response:  
The agency agrees with the finding. The failure to timely review these audits was caused primarily by two factors. One auditor has been ill and absent from work. Another auditor was confused as to when to initially respond to the audits.

Corrective Action:  
The agency does have procedures in place to ensure that subrecipients receive audits, not only in accordance with OMB Circular A-133, but also as required under state law. The reassignment of audit reviews among the staff and a planned training on the Audit Review guide and the reviewing audit reports should ensure the timely review of future audits.

Contact Person: Corlis Green

Anticipated Completion Date: March 10, 2003

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Arceneaux, Jr.", written over a horizontal line.

P.F. "Pete" Arceneaux, Jr., Executive Director



# State of Louisiana



PATIENTS' COMPENSATION FUND  
OVERSIGHT BOARD  
OFFICE OF THE EXECUTIVE DIRECTOR  
650 NORTH SIXTH STREET  
BATON ROUGE, LA 70802  
(225) 342-6052  
FAX (225) 342-6053  
pcf@lapcf.state.la.us

November 21, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Inadequate Fund Balance

Dear Mr. Austin:

We concur with the audit finding against the PCF for failing to achieve the fund surplus as required by the medical malpractice statute; however, this agency continues to make steady progress in reducing the unfunded liability.

The statute mandates that the Fund must be maintained so as to provide a surplus of 50% of the total of the annual surcharge premiums, current claim reserves, reserves for anticipated claims and expenses. When the Oversight Board assumed the responsibility for the Fund in late 1990, it inherited a large fund deficit. The surplus level was 9% in 1991. The Fund has made significant headway and at the close of the FY 02/03, the surplus had grown to 25.2%. Last fiscal year the surplus was 23.2%. An overall rate increase 7.4% was requested and approved by the Louisiana Insurance Rating Commission and will become effective January 1, 2004. This rate increase included a 5% deficit reduction load specifically to address the unfunded liability.

The Board continues to take measures toward meeting the statutorily imposed funding level. The implementation in 2002 of a fee schedule for medical payments, has reduced the overall payout in that area. Further, claims are regularly reviewed to ensure appropriate reserves are set. The staff continues to work to ensure claims are

Page 2

appropriately and timely paid or defended if necessary. Administrative costs are closely monitored and kept as minimal as possible. There is a yearly actuarial study done to determine if a rate increase is necessary. The Board intends to introduce legislation in 2004 to make the statute more reflective of the industry standard for appropriate funding levels.

The Patient's Compensation Fund has always met its obligations to both the health care providers and injured parties, and will continue to do so in the future.

Should there be any questions or additional information needed, please contact me at 342-6051.

Sincerely,

A handwritten signature in cursive script, reading "Lorraine LeBlanc".

Lorraine LeBlanc  
Executive Director



M. J. "MIKE" FOSTER, JR.  
GOVERNOR

State of Louisiana  
DIVISION OF ADMINISTRATION  
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

November 20, 2003

Mr. Grover Austin, CPA  
Legislative Auditor  
1600 North Third Street  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Austin:

Re: Audit Comment-Lack of Internal Audit Function in the Executive Department

We concur with the finding on this issue. This department did submit a request for funding in the prior years 2002-2003 and 2003-2004 for this purpose which were not approved. We will again request funding for this activity in our fiscal year 2004-2005 budget submission.

While funding has been an issue, another issue remains which has prevented implementation within this agency. Although Civil Service positions have been established, it remains our opinion, that the pay grade allocations provided are inadequate to attract the level of personnel having the qualification to perform this function. Filling of positions with personnel not having the experience and qualifications to perform the functions is not a practical resolution.

We agree this issue is important, not only to this department, but to all departments.

Sincerely,

Mark C. Drennen  
Commissioner of Administration

MCD/wjk

B-15



Kathleen Babineaux Blanco  
GOVERNOR

State of Louisiana  
DIVISION OF ADMINISTRATION  
OFFICE OF THE COMMISSIONER

Jerry Luke LeBlanc  
COMMISSIONER OF ADMINISTRATION

February 4, 2004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

RE: Finding-Weaknesses in Information Systems' Controls

This is being provided in response to the aforementioned finding. Due to the format of the finding, we are providing a general response as well as specific responses on those items specifically enumerated in the finding.

1. The physical access control to a sensitive computer programming area was bypassed.

Response: We concur with the finding, but would note that the access point in question was done on a temporary basis in response to providing an ADA accommodation to a handicapped employee until such time as a permanent solution could be obtained. The point was monitored to assure that only employees were accessing through the entry point. Subsequent to the audit, a permanent card reader providing restricted access was installed.

2. For the second consecutive year, at least ten individuals were granted inappropriate access and/or incompatible duties to operating systems and/or the Integrated Statewide Information System (ISIS) Human Resources (HR) system without have appropriate compensating controls.

Response: We do not agree to the finding as written. Based upon your preliminary finding, we did in fact review all SAP\_ALL userids in the PRD system and as a consequence did make the following changes: (1) ITSADM was changed from a dialog to a system userid; (2) MAINTAIN01 was changed from a SAP\_ALL dialog userid to a userid with less authorization; (3) SAPACC1 had its "Valid to" date updated, limiting its exposure; and (4) SOLOMANACC was deleted from the PRD system. It should be noted, however, that 6 of the ID's referenced in the finding were Background/Communication userids that would not allow user logon and therefore the risk factor did not exist.

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Mr. Grover Austin  
February 9, 2004  
Page 2

3. All of the ISIS programmers could execute jobs in the production environment.

Response: We agree with the finding but would note that currently only programmers have the necessary skill and knowledge to successfully execute the bi-weekly and daily cycles. The lack of resources and other priority determinations have prevented the deployment of the UC4 job scheduling software. It is our hope that resources will become available in the next fiscal period to address this deficiency.

4. Certain sensitive data were not properly encrypted.

Response: We concur with the finding. The DOA mainframe has 7600 potential users. To address this issue would conservatively cost on average approximately \$32 per user with total costs of over \$240,000. That request has been submitted in our FY 04-05 budget request.

5. Not all of the DOA servers and PC's were equipped with the latest system patches creating a vulnerability to a denial of service attack.

Response: We do not agree with the finding as drafted. As we have noted previously, Security Patches, Windows Patches, Driver Updates, etc., come out on a daily basis. To address this issue OCS has implemented multiple Microsoft SUS servers, which are updated each day and "synched" to the associated workstations. We are in the process of acquiring Client Management software to further assist us in handling updates more efficiently and timely.

What the finding fails to disclose is that many of the issues of vulnerability are beyond the Division's control due to the fact that the Microsoft software environment continues to be a hospitable environment for viruses, intrusion, etc. Consequently solely Microsoft itself often drives the solution.

6. Internal IS audits were not performed on statewide data centers and systems.

Response: We concur with the finding. Funding was not provided for this function in the prior fiscal period nor has it been provided for in the current fiscal period. It will be requested again for FY 04-05. As noted previously, the DOA has and will continue to utilize the Office of Inspector General to provide specific and limited internal audits for operational units of the Division.

7. For the second consecutive year, certain operating system controls were lacking and OIT's password policy was not implemented for some systems.

Response: As the specific finding provisions were not enumerated, we are providing a response based upon the three specific ECHO findings presented to us.

Mr. Grover Austin  
February 9, 2004  
Page 3

LCAA – We concur with the finding that the Fixed Asset system does not currently allow non-expiring password and that provision is not in accordance with OIT policy. LCAA will seek to have the vendor modify to allow compliance with the standard.

LAN User ID's – We concur that the current DOA password rules for LAN User ID's were not in full compliance with the state IT standards which state that passwords should contain at least one numeric value and shall not contain more than two consecutive repeated characters. This finding has been corrected and DOA password rules for LAN User ID's are now in compliance.

SAP Password Not In Compliance with OIT Standards that password must contain at least one numeric value – We concur with the finding but would note that the current password is substantially in compliance with current OIT policies. The password reset remained at 90 days rather than the standard of 30 days due to the fact that until the State Employee Portal (LEO) was implemented in December, 2003, the process had to be handled manually. By March 31, 2004, the automatic password reset period will be reduced to 31 days and the required password length will be increased from six to eight characters. Additional password controls, including the requirement for numeric and special characters, will be available in the next release of the SAP software and it is our intention to be in compliance following the upgrade in October, 2004.

8. Policies were lacking at the statewide level over wireless network and background checks. In addition, background checks were not performed on individuals prior to hiring them in a sensitive security administration positions.

Response: We concur in part with the findings. Standards regarding wireless networks are being developed and will hopefully be in place by FY 04-05. We do not concur with the portion of the finding regarding background checks. It is our position that due to our not being the body able to set policies regarding employment coupled with the complexities brought on by the federal privacy laws precludes our ability to move forward with background checks at this time.

We appreciate the opportunity to provide a response on the proposed findings.

Sincerely,



Whitman J. Kling, Jr.  
Deputy Undersecretary

WJK/sm



# Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

January 9, 2004

Mr. Michael B. Bruno, CPA  
Managing Partner  
Bruno & Tervalon, LLP  
4298 Elysian Fields Avenue  
New Orleans, LA 70122

Re: Audit Finding Reference Number: 2003-03 – Federal Financial Reports/Cash Management

Dear Mr. Bruno:

Management concurs with the finding. While the university had a receivable of \$72,223 from the U.S. Department of Education for Work Study, it had drawn down only \$10,187 more than the amount authorized. This error occurred because of corrections to work-study expenses and the resulting carryover amounts dating back to FY 1999. The previous FISAPS have been amended and reported.

Sincerely

Neari F. Warner  
Acting President



# Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

September 10, 2003

(318) 274-6117

FAX: (318) 274-6172

## REVISED

Mr. Grover C. Austin  
First Assistant Legislative Auditor  
OFFICE OF THE LEGISLATIVE AUDITOR  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

Management concurs with the finding's facts that unlocated items of property reported to Louisiana Property Assistance Agency (LPAA) in December 2002 totaled \$884,087. Subsequent to December 2002, 94 items totaling \$224,040 were located, leaving \$660,047 in new unlocated items. These unlocated items represent 2.85% of the University's total capital and non-capital movable property (\$23,122,950).

1. The new GSU Property Manager reported the unlocated movable property (items that cost \$1,000 and over) to LPAA in December 2002 following a physical observation of equipment. In May 2003, a physical observation of movable property was conducted by the Property Manager and the GSU Finance staff to identify areas of concern. There are additional items that must be located prior to the annual certification in October 2003.
2. Prior to observing inventory in 2002, the long-time Property Manager resigned. Immediately after hiring a new Property Manager, the LPAA regional representative trained the Property Manager, two senior accountants, and one general accountant on the use of the State's property system and the State's property regulations. This training was reinforced with a number of follow-up visits.
3. Management believes that the unlocated property was the result of (1) self-reporting without the benefit of independent physical observation; and (2) the lack of detailed policies and procedures to supplement LPAA's regulations that address the consequences for not accounting for movable property significantly contributed to unlocated property.
4. BF-11 Forms were completed by departments at the time that property was removed in mass from all departments and buildings on campus, but were later unaccounted.
5. The University's new Property manager and other members of the Finance staff are adequately trained. However, university-wide employees must be trained and policies and procedures revised to ensure compliance with LPAA regulations and department and unit heads are aware of the requirement to account for property assigned to them. However, systems of internal controls are based on the integrity of those responsible for the movable property. The President and vice presidents have reminded deans, department and unit heads in monthly Interdepartmental Council meetings and other meetings regarding their responsibility and accountability for movable property assigned to their respective areas.



Mr. Grover C. Austin  
September 10, 2003  
Page 2

The Vice President for Finance and Associate Vice President for Finance/Controller have overall oversight responsibility, and the Property Manager, area vice presidents, deans, department and unit heads have direct responsibility and accountability of all movable property. The corrective action plan is as follows:

1. The Vice President for Finance will revise the movable property policies and procedures by September 30, 2003 to include sign-offs for movable property assigned to each department or unit, and establish responsibility criteria for not adhering to the policies. Further, he will ensure that all employees are trained on the property policies and procedures.
2. The Vice President for Finance will ensure that the Finance staff continues its efforts to locate items of movable property and ensure that unlocated items are reported to LPAA in accordance with its rules and regulations and federal guidelines, where appropriate.
3. Area vice presidents, deans, department and unit heads, and the property manager will be required to provide explanations for all items of property that are not located by September 30, 2003. They will also ensure that appropriate employees are held accountable and are aware of the consequences of not properly accounting for movable property.
4. The University will continue its new policy of recording the location of property in the LPAA's system and Banner. Further, the Internal Auditor and the Property Manager will begin the process of taking periodic counts throughout the years to verify location of property.

The University is committed to safeguarding and maintaining control over its movable property in accordance with LPAA and federal rules and regulations.

Sincerely,

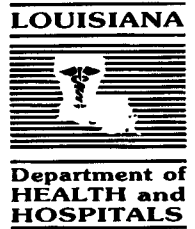
A handwritten signature in black ink that reads "Neri F. Warner" followed by a stylized flourish or initials in parentheses.

Neri F. Warner  
Acting President

NFW:jj



STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS



M.J. "Mike" Foster, Jr.  
GOVERNOR

David W. Hood  
SECRETARY

November 14, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
1600 North Third Street  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Austin:

This letter is in response to your finding regarding the Office for Addictive Disorders' "Lack of Internal Control over TANF Initiatives".

We do concur with the findings that were submitted to us on November 4, 2003.

The Office for Addictive Disorders has already taken steps to correct some of the deficiencies that were found. Our TANF Project Coordinator, Quinetta Rowley, is responsible for the corrective action. We anticipate that the corrective action plan will be in place by January 6, 2004. Steps taken are as follows:

#### **Residential Corrective Action Plan**

1. Regional Administrators and Human Services Districts will receive written notification to review all provider invoices for incomplete billing, incorrect billing for a different contract, duplicate billing of invoices, and mathematical errors. In addition, OAD's Fiscal Director, in conjunction with the Statewide TANF Coordinator, will again review all invoices submitted from Regional Administrators and Human Services Districts for accuracy. TANF Coordinator will also provide technical assistance and information to programs regarding their responsibility to accurately prepare invoices, with sufficient documentation.
2. OAD will provide a statewide in-service for OAD Regional Administrators, Human Services Districts, and providers to ensure providers accurate completion of the TANF-EZ form and accurately determine eligibility prior to billing any services rendered to the client. To ensure compliance and assess statewide improvement, contract monitor, Jacques Detiege will routinely monitor these procedures for compliance.

B-22

3. OAD will amend all present contracts to reflect the CFDA number for the award and the applicable compliance standards.

### **Substance Program Corrective Action Plan**

1. As mentioned above in the Residential Corrective Action Plan OAD will: provide Regional Administrators and Human Services Districts with written notification to review all provider invoices for incomplete billing, incorrect billing for a different contract, duplicate billing of invoices, and mathematical errors. In addition, OAD's Fiscal Director, in conjunction with the Statewide TANF Coordinator, will again review all invoices submitted from Regional Administrators and Human Services Districts for accuracy. TANF Coordinator will also provide technical assistance and information to programs regarding their responsibility to accurately prepare invoices and that they are adequately supported.
2. As mentioned above in the Residential Corrective Action Plan OAD will: provide a statewide in-service for Regional Administrators, Human Services Districts, and providers to ensure programs accurate completion of the TANF-EZ form and accurately determine eligibility prior to billing any services rendered to the client. To ensure compliance and assess statewide improvement, contract monitor, Jacques Detiege will routinely monitor these procedures for compliance.
3. OAD will amend all present contracts to reflect the CFDA number for the award and the applicable compliance standards

Please inform us if this corrective action plan meets with your approval, or if we can provide you with any additional information.

Sincerely,

  
Michael Duffy  
Assistant Secretary

MD/QR:fmd

c Stan Mead



**LOUISIANA WORKS**  
DEPARTMENT OF LABOR

**M.J. "Mike" Foster, Jr.**  
Governor

**Dawn Romero Watson**  
Secretary

January 9, 2004

**OFFICE OF THE SECRETARY**

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
State of Louisiana  
1600 North Third Street  
P.O. Box 94397  
Baton Rouge, LA 70804

Dear Mr. Austin:

Please accept this as our written response to your November 5, 2003 letter regarding the ineffective monitoring of Memorandums of Understanding (MOUs). While the Department concurs in the logic of the auditor's recommendations, the Department strongly urges the Auditor to reconsider characterizing the findings as "administrative findings" instead of "reportable audit findings" since none of the specifics cited can be found as specifically required by federal law or rule.

Appropriate cost allocation through MOUs in a One Stop environment has been a challenge in the vast majority of states. In fact, Congress has considered, as part of the WIA reauthorization legislation, provisions authorizing Governors to mandate costs on all mandatory partners. Further, as noted on the attached email (Attachment A2), Training Registration Form (A3) and Agenda (A4), the U.S. Department of Labor (USDOL) recognizes the problems inherent in developing a system where costs are shared by various agencies through multiple funding streams. To assist the states and local areas in addressing this problem, the training session noted above is being provided by USDOL in New Orleans at the end of January in an ongoing nationwide effort to implement the One-Stop system.

In addressing this issue, this Department has established procedures to ensure that the MOUs contain the required elements per WIA regulations and has continued to monitor this process quarterly through developed staff procedures. (See attachment A) This process was discussed with staff in coordination meetings held in July, August and September of 2003. The WIA Program Coordinator and the Director of Field Operations for the benefit of field staff and Local Workforce Investment Area Partners conducted MOU Development Meetings statewide. (See Attachment B)

- Finding: There is no indication that the Secretary of the Department of Labor has reviewed or approved the MOUs.

Management Response: Management concurs with exception.

Although clearly prudent, there is no requirement in the Workforce Investment Act or the accompanying Regulations requiring the Secretary of Labor to review or approve the MOUs.

Attachment can be  
provided upon request.

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The signatory sheet is being revised and a draft is attached that will require review by the Appointing Authority, the Undersecretary, and the Secretary.  
(See Attachment C)

- Fiscal Section was unaware of existence of MOUs.

Management Response: Management does not concur.

Although clearly necessary, this is not required by the Act or regulations. A copy of each MOU and cost allocation plan was provided to and signed for by Fiscal on April 17, 2003 (Attachment E). Any updates to MOUs and cost allocation plans will be sent to Fiscal in the future.

- The MOUs signed by each partner contained the participating agency's name, but not the federal program(s) each operated.

Management's Response: Management concurs with exception.

This is not required by the Act or regulations. The partner agencies are identified and required signatures for each MOU are included, the funding streams operated by each partner are not listed. An attachment to the MOUs will be created to identify such.

- 75% of the MOUs reviewed failed to list all comprehensive centers or affiliated sites

Management's Response: Management concurs with exception.

The Act requires only one comprehensive center in each LWIA. An MOU must be completed for each site. In an effort to meet the requirements of WIA to have a comprehensive One-Stop operating in each area, the State elected to designate one comprehensive One-Stop in each area initially and concentrate on developing the MOUs for those sites first for greatest impact. The MOUs for satellite sites are under development.

- Lack of billing by One-Stop administrators of shared costs and lack of payment by LDOL of shared cost.

Management's Response: Management concurs with exception.

One-Stop administrators billed the agency, and those invoices were submitted for payment utilizing the agency's form 761 process. In a letter dated 08-07-03, the Fiscal unit returned to the Director of Field Operations several 761s for payment of these invoices. The letter explained that Fiscal would no longer process payment in this manner, as they could not reconcile them against the MOUs. A Cost Allocation Plan Review Guide, checklist and forms have been developed to facilitate reconciliation between MOUs and invoicing. A timeline outlining the efforts to resolve this issue is included. (See Attachment D, F, and G).

- MOUs did not define common areas like rent and utilities.

Management's Response: Management concurs in part.

It cannot be determined if the MOUs cited in this finding are incomplete or if the costs were settled through prior agreements, which may indicate shared costs. In some instances, there are leases and/or agreements pre-dating the MOU, which specify how costs such as rent and utilities will be divided among the partners. Detail concerning space, common areas, use and utilities should be included in the cost allocation plan, which provides detail to the MOU. The cost allocation plan for each One-Stop is an addendum to each MOU. This document may be adjusted or corrected without requiring a modification to the MOU. (Paragraph 2 on page 29639 of Federal Register Vol. 66 No. 105; May 31, 2001 states "regulations ...do not require the inclusion of a budget in the local MOU.") The CAPs and the budgets for each center are included for the LWIAs cited as of April 2003. All MOUs will be reviewed for completeness.

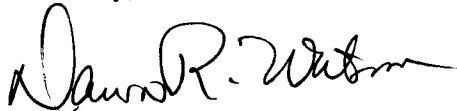
- Participating agencies have not been billed for their share of the One Stop delivery system's operating costs, nor has the Department been billed for its share of the One Stop delivery system's operating costs.

Management's Response: Management does not concur.

It cannot be determined if the One-Stop systems cited in this finding did or did not invoice partners as this department is not the lead (billing agency) in each One-Stop. In some cases partners may be providing in-kind or equal services and space in a separate location to offset any such costs. Each MOU specifies who will perform the invoicing of the partners. It is sometimes the lead agency and at other times another partner. As pointed out in the response to the fifth bullet point of the audit, some systems did submit invoices to the Department for our share of the costs and we are in the process of finalizing the payment processing procedures. All MOUs will be reviewed and reciprocal billing addressed.

Thank you for the assistance your staff continues to provide us.

Sincerely,



Dawn Romero Watson  
Secretary

c: Sujuan Williams Bouttè, Assistant Secretary, OWD  
Joseph Bryant, Undersecretary, OMF



**LOUISIANA WORKS**  
DEPARTMENT OF LABOR

**M.J. "Mike" Foster, Jr.**  
Governor

**Dawn Romero Watson**  
Secretary

November 14, 2003

**OFFICE OF THE SECRETARY**

Mr. Gover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804

Dear Mr. Austin:

The following is a response to the audit finding "Inaccurate and Incomplete Annual Fiscal Report" as presented by the Legislative Auditor.

The Department concurs with the finding and has initiated immediate corrective action.

**Inaccurate and Incomplete Annual Fiscal Report**

The Department of Labor has had some managerial and staff assignment changes since the previous Annual Fiscal Report. This resulted in some parts of the report being prepared by individuals who did not have previous experience in compiling the data.

This situation culminated in the AFR being completed and assembled without adequate time for managerial staff to review and proof the information. Therefore some of the information was incomplete or inaccurate. More specifically:

1. The Reconciliation of Schedule 8 to Schedule 1 was overlooked. Later the reconciliation was completed and it balanced.
2. The Schedule 8-3 summaries were corrected and are now in electronic files so that they can be generated easily for next year's AFR.
3. Schedule 8-4 was prepared for the year ended June 2003, but the 2002 schedule was submitted in error. The fact that only 11 months' expenditures were included is attributable to the fact that there was a new manager in the grants section and he did not realize that he needed to pick up the 13<sup>th</sup> period expenditures from YE 6/30/02.

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Mr. Gover C. Austin, CPA  
November 14, 2003  
Page 2


4. See #3.
5. The omission of the Operating and Capital Grants note was an oversight.
6. The omission of the Pass-Through Grants note was an oversight.
7. The contracts in question are the obligations of the Incumbent Worker Training Program. The contracts that expired on or before June 30 were not removed because the contracts were yet to be closed out with final invoices. With regard to the contracts that did not start until after June 30, the program considers an obligation to exist when an application is approved by the Governor.
8. The note on Judgments, Claims, and Similar Contingencies was understated because the Fiscal Unit had not received a final determination from the USDOL requiring potential repayment of costs from the Year 1999 and 2000 audits. The Fiscal Unit had only received an initial determination on questioned costs for those years.
9. In a rush to submit a report by the August deadline, the Fiscal Unit was given a list of additional payables to be included in the AFR and was not aware that these amounts were duplicates that had already been accounted for.

All identified reports were corrected and resubmitted by September 18, 2003. Discussions have already occurred between the Fiscal Director and the manager of the Reporting and Control Section of the Fiscal Unit regarding the need to complete projects of this nature in sufficient time to allow the Director or other managerial staff time to proof the information.

The Department is establishing written procedures to ensure the timely and accurate preparation of financial information in the future.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

  
Dawn Romero Watson  
Secretary of Labor

DRW/WK





**LOUISIANA WORKS**  
DEPARTMENT OF LABOR

**M.J. "Mike" Foster, Jr.**  
Governor

**Dawn Romero Watson**  
Secretary

November 14, 2002

**OFFICE OF THE SECRETARY**

Mr. James Stevens, CPA  
Senior Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Stevens:

In response to the notice of your reportable audit finding of Louisiana Employers Overcharged for Workforce Development Training Account, we have reviewed the finding and disagree with the conclusion.

For the second consecutive year, the Legislative Auditor's legal analysis of Chapter 11 of Title 23 of the Louisiana Revised Statutes is fundamentally flawed. Specifically, the auditor misinterprets the law regarding the calculation of the social charge assessment of the state unemployment tax attributable to the Workforce Development Training Account. As in the previous year, the auditor errs in trying to relate cash balances to the social charge calculation in three fundamental areas: (1) Costs associated with expenses for the program; (2) Current year collections; and, (3) Applications approved by the Governor.

The first error is in the failure to acknowledge that there will be administrative expenses associated with the program. The program provides that no more than ten percent of the program costs may be administrative. One of the largest administrative expenses is the thirteenth month adjustment for collection. Incumbent Worker Training Program (IWTP) funds are collected as part of the State Unemployment Tax Act taxes. Funding for administration of the assessment and collection of all SUTA taxes comes from the United States Department of Labor (USDOL). USDOL allows the generation and collection of the IWTP funds through the system provided that an adjustment is made in the thirteenth month to reimburse for costs associated with this state initiative. The LDOL-USDOL negotiated cost allocation for the reimbursement is a percentage of the taxes collected. That figure cannot be calculated until the fourth quarter collections are finalized and therefore will not appear in a June 30<sup>th</sup> bank balance. This adjustment should be accounted for in calculating the assessment for the subsequent year. Also, administrative costs associated with obligating and monitoring grants, processing invoices and promoting the program need to be accounted for. The charts do not recognize this.

The second error by the auditor is a result of logistics, i.e. including the current year's first quarter collections into the formula to determine the assessment. The deadline for obligation of dollars associated with the taxes paid on wages paid in calendar year 2002, is June 30, 2003. Adjustments based on the over-collections, interest, de-obligations, etc. impact the assessment for taxes on wages to be paid in calendar year 2004. Logically, there will always be a year in flux (e.g. 2003), while data

B-29

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Mr. James Stevens, CPA

from the past year (e.g. 2002) is being considered for determination of assessment for the upcoming year (e.g. 2004). The bank statement on the account for the end of June 2003 will reflect first quarter collections for taxes paid on wages paid in 2003. It is not possible to obligate first quarter collections before June 30<sup>th</sup> of that year as they are not due in the department until April 30<sup>th</sup>. In addition, R.S. 23:1514 provides that the money shall not be obligated until collected and some time will be spent getting tax contributions from the approximately 96,000 different employers deposited and into the system. Finally, the authority to obligate the 2003 collections resides in the budget beginning July 1<sup>st</sup>. Again, this is not recognized in the charts.

The third fundamental error by the auditor results from not considering applications approved by the Governor as "obligations" for the purpose of assessment calculations. Immediately following the approval of an application by the Governor, the LDOL sends a letter of commitment to both the employer and the training provider. The department considers "obligation", as that term is used in R.S. 23:1553, for the purpose of calculating tax rates for the next calendar year, as applications approved by the Governor and on which commitment letters were sent. An IWTP application is a thorough description of the training project signed off on by all parties. It is the substance of the application to which boilerplate is added to for the contract that is eventually sent to the Office of Contractual Review. Any Governor approved application that does not materialize into a contract is accounted for as a de-obligation for purposes of the next year's assessment. While approval of the application may not be binding as an obligation of the state according to Title 39, the law does not prohibit its consideration for calculation of the social charge.

As indicated in last year's response, basic decisions were made when the program was implemented so that those employees working the program, from assessment to collections to obligations to expenditures, could understand one another and work along common definitions. It was decided that funding would be tracked relating it to the year in which the tax liability occurred. The assessment is on wages paid in the calendar year. It is due in our office at the end of the month following the end of the quarter. It takes about a quarter for all collections to be keyed into the system.

The department has a legal obligation to those parties in which it entered cooperative endeavors to honor invoices consistent with the terms of the agreement. As long as there is an outstanding obligation, the cash balance is accounted for. If there is not an obligation and "cut off" dates are past, that cash amount has been reduced from the next year's assessment.

As a result of last year's audit, the informal process when calculating the social charge of accounting for actual collections generated, interest earned, any obligations and de-obligations has been formalized.

If additional information is needed, please contact myself or Mrs. Ida Roberts in Unemployment Insurance, Experience Rating at (225) 342-1383.

Sincerely,

  
Dawn Romero Watson



**LOUISIANA WORKS**  
DEPARTMENT OF LABOR

**M.J. "Mike" Foster, Jr.**  
Governor

**Dawn Romero Watson**  
Secretary

October 21, 2003

**OFFICE OF THE SECRETARY**

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804

Dear Mr. Austin:

The following is a response to the audit finding "Noncompliance with State Movable Property Regulations" as presented by the Legislative Auditor.

The Department concurs with the finding and has initiated immediate corrective action.

**Timeliness of Reporting to LPAA**

We have modified the procedure for communicating the requisition and receipt of taggable movable property to include an independent tickler file system that incorporates the online receiving module of ISIS. This procedure reduces the reliance on field personnel to notify the unit upon receipt of taggable property and provides the Administrative Services Division unit with estimates on delivery time. Of the 31 items not reported timely to LPAA, 19 were from a single purchase requisition that was not properly "received" in the ISIS system. These items have since been entered into the system and tagged. The property control manager personally traveled to each location to ensure the identification tags were in place. Property control personnel have since been trained to use alternate screens in ISIS to verify receipt of goods.

The other twelve items listed as not reported timely were in fact entered into the LDOL property control system and submitted to LPAA via tape in a timely fashion. A computer glitch resulted in certain items failing to transfer properly from the tape to the LPAA system without appearing on the exception report. These items have been identified and added to the LPAA system. The change to the new Protégé property control application has eliminated the need to maintain two property control systems and will eliminate further occurrences of this sort.

While this finding is factually correct, we do not think it reflects routine failure to follow procedures. Rather, the finding identifies that confusion arose on a single requisition, and that the state's decision to scrap an antiquated computer system was warranted. We should have identified the discrepancies between the two property control databases, however. The Administrative Manager will sample the property control unit's processing of acquisitions on a monthly basis to further reduce the opportunity for error.

**Unlocated Property**

Since the latest certification, property in the amount of \$40,760 has been located. Efforts to locate the remaining unlocated items continue. It bears mentioning that the amount of unlocated property reported during the annual inventory has decreased substantially over the last four years. Currently, over 98% of the agency's movable property is accounted for.

This Department is committed to continuous improvement in our property control efforts. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Dawn R. Watson  
Secretary

B-31



*Changing Lives,  
Creating Futures*

## LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

October 17, 2003

System President:  
Walter G. Bumphus, Ph.D.

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

Management of the Board of Supervisors of the Louisiana Community and Technical College System (LCTCS) concurs with the finding and recommendations related to "Failure to Submit Complete (TANF) Reports".

### **Failure to submit complete reports:**

The TANF Office has removed the requirement that these reports be communicated by hard copy from the campus to the TANF office. All reportable measures are to be pulled off the student web-based system by the TANF office and submitted to the Workforce Commission. All corrections to the web-based system have been made and accurate data entry by each campus is now possible.

The LCTCS TANF office will enforce and impose sanctions on any campus if the data in the system for that campus is not accurate. The failure of the campus to make the necessary corrections to all inaccurate data will result in non-acceptance of the campus' reimbursement request/invoice for that month. Policies and procedures to ensure this action have been developed and communicated to all LCTCS campuses participating in the TANF initiative.

The person responsible for corrective action is Ms. Jacque Ackel. Her phone number is (318) 357-3155. Please let me know if you need additional information.

Sincerely,

  
Jan Jackson  
Senior Vice President for Finance and Administration

cc: Dr. Walter G. Bumphus  
Ms. Jacque Ackel

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Sean E. Reilly  
Stephen C. Smith  
F. Mike Stone  
Nicholas P. Trist, Jr.

Student Members:  
Angela Stanley  
Cedric Washington

Louisiana  
Community  
& Technical  
College System  
822 Neosho Avenue  
Baton Rouge, LA 70802

Phone 225-219-8700  
Fax 225-219-8710

[www.lctcs.net](http://www.lctcs.net)



## LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

December 15, 2003

*Changing Lives,  
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Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
1600 North Third Street  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

System President:

Walter G. Bumphus, Ph.D.

Dear Mr. Austin:

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Stephen C. Smith  
F. Mike Stone  
Nicholas P. Trist, Jr.

Student Members:

Angela Stanley  
Cedric Washington

Louisiana  
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822 Neosho Avenue  
Baton Rouge, LA 70802

Phone 225-219-8700  
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Management of the Board of Supervisors of the Louisiana Community and Technical College System (LCTCS) concurs with the finding and recommendation related to "Improper Allocation of Audit Costs."

### **Improper Allocation of Audit Costs**

Management was not aware of the restriction in the Statewide Cost Allocation Plan (PLAN) that Office of the Legislative Auditor audit costs were not to be charged directly to federal programs, as a copy of the Plan is not regularly sent to the LCTCS. Instead, the LCTCS phoned the Vocational Education – Basic Grants to States program officials and asked if a portion of the costs could be charged to the program. They said it was allowable and the LCTCS did so. As the LCTCS has now been made aware of the restriction, this error will not be repeated.

To correct the specific concern outlined in the finding, the LCTCS will reduce the next draw for Vocational Education – Basic Grants to States by \$54,534.

The person responsible for corrective action is Mr. F. Howard Karlton. His telephone number is (225) 219-8784. Please let me know if you need additional information.

Sincerely,

  
Jan Jackson  
Senior Vice President for Finance and Administration

Cc: Dr. Walter G. Bumphus  
Reba Poulson  
F. Howard Karlton  
Phyllis Jackson



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System President:  
Walter G. Bumphus, Ph.D.

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Student Members:

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Louisiana  
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College System

822 Neosho Avenue  
Baton Rouge, LA 70802

Phone 225-219-8700  
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[www.lctcs.net](http://www.lctcs.net)

## LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

October 17, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

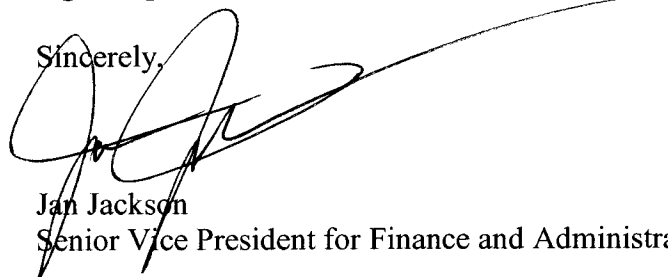
### Re: Inadequate Internal Control Over Pell Grant

Dear Mr. Austin:

In response to this finding, please see the attached letter from Ms. Beth Sigler, Vice Chancellor of Finance and Administration for the Louisiana Technical College, who is also the individual responsible for corrective action.

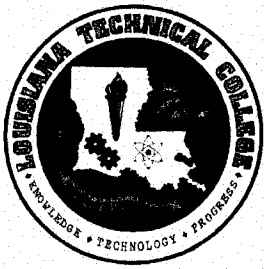
Please let me know if you have any questions or need additional information regarding our response.

Sincerely,



Jan Jackson  
Senior Vice President for Finance and Administration

cc: Dr. Walter G. Bumphus  
Dr. Margaret Montgomery  
Ms. Beth Sigler



# LOUISIANA TECHNICAL COLLEGE

## Office of the Chancellor

Margaret Montgomery-Richard, Ph.D., Chancellor

150 Third Street – Suite 200

Baton Rouge, Louisiana 70801

Telephone: 225/219-9532

Facsimile: 225/219-9497

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Delta Ouachita Campus  
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Florida Parishes Campus  
Folkes Campus  
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Hammond Area Campus  
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Jumonville Memorial  
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Campus  
Sidney N. Collier Campus  
Slidell Campus  
Sullivan Campus  
T. H. Harris Campus  
Tallulah Campus  
Teche Area Campus  
West Jefferson Campus  
Westside Campus  
Young Memorial Campus

An Equal Opportunity  
College

October 17, 2003

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

### **Re: Inadequate Internal Controls over Pell Grant**

Dear Mr. Austin:

Management of the Louisiana Technical College (LTC) concurs with the finding related to **Inadequate Internal Controls over Pell Grant**.

Policies and procedures were developed by management to properly monitor the return of funds and to ensure that refunds were deposited to the LTC Pell account and forwarded to the US Department of Education in a timely manner. The policies and procedures were disseminated to the LTC Campus Financial Aid Officers during 2003. However, due to a significant turnover in the Central Office management staff monitoring of the policy implementation occurred late in the fiscal year. Management is developing training for both the Financial Aid Officers and Campus Accounting Staffs to ensure compliance with the policy. The campus accounting and financial aid staff will be charged with monitoring and reporting the voids and refunds on at least a monthly basis. In addition, forms were created to track the determination date of the withdrawal for refund purposes. Management feels the procedures are now in place to ensure that all return checks are submitted with the proper documentation to monitor timeliness of remitting Pell Grant refunds.

Mrs. Mary Deville, Manager of Title IV, the Vice Chancellor's/Provost, and the Vice Chancellor of Finance and Administration are responsible to ensure the Return to Title IV Funds.

Sincerely,

Beth Sigler  
Vice Chancellor for Finance and Administration

B-35



*Changing Lives,  
Creating Futures*

## LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

December 15, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

System President:

Walter G. Bumphus, Ph.D.

Dear Mr. Austin:

Management of the Board of Supervisors of the Louisiana Community and Technical College System (LCTCS) concurs with the findings and recommendations related to "Inadequate Preparation of the Annual Fiscal Report."

Officers:

Ann H. Knapp  
*Chair*

Kathy Sellers Johnson  
*First Vice Chair*

Brett J. Mellington  
*Second Vice Chair*

Members:

Alden Andre  
E. Edwards Barham  
Gibson C. Chigbu  
John E. DeLaney  
Ava Dejoie  
Carl H. Franklin  
J. Kevin McCotter  
Sean E. Reilly  
Stephen C. Smith  
F. Mike Stone  
Nicholas P. Trist, Jr.

Student Members:

Angela Stanley  
Cedric Washington

Louisiana  
Community  
& Technical  
College System

822 Neosho Avenue  
Baton Rouge, LA 70802

Phone 225-219-8700  
Fax 225-219-8710

[www.lctcs.net](http://www.lctcs.net)

### **Inadequate Preparation of the Annual Fiscal Report**

Management concurs with the overall finding. Since the completion of the AFR and the submission to OSRAP, three CPAs have been added to the system accounting staff. This includes two former Legislative Auditors as well as the former director of OSRAP. In addition, the accounting section of the Louisiana Technical College has been fully staffed. The remaining item required to fully address the finding is to provide the system accounting staff with extensive PeopleSoft training. This will be scheduled in the late winter and early spring of 2004.

Management believes with the additional staff and a better understanding of GASB reporting requirements for the facility corporations, the timing and the quality of the submission for fiscal year 2004 will meet the requirements of both the OSRAP and the Legislative Auditor.

The person responsible for corrective action is Mr. F. Howard Karlton. His telephone number is (225) 219-8784. Please let me know if you need additional information.

Sincerely,



Jan Jackson

Senior Vice President for Finance and Administration

cc: Dr. Walter G. Bumphus  
F. Howard Karlton, CPA





*Changing Lives,  
Creating Futures*

System President:

Walter G. Bumphus, Ph.D.

Officers:

Ann H. Knapp  
*Chair*

Kathy Sellers Johnson  
*First Vice Chair*

Brett J. Mellington  
*Second Vice Chair*

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Student Members:

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Louisiana  
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822 Neosho Avenue  
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Phone 225-219-8700  
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## LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

December 15, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
1600 North Third Street  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Austin:

Management of the Board of Supervisors of The Louisiana Community and Technical College system (LCTCS) concurs with the finding and recommendations related to Information System Control Weaknesses in PeopleSoft Implementation.

### **Information Systems Control Weaknesses in PeopleSoft Implementation**

Although Management concurs with the overall finding, clarification and corrective action will be provided below for the concerns individually as expressed in this finding:

- Because of limited Information Technology staffing, for the first five months of the year the data base administrator also served as security administrator and basic security procedures were in place. In December 2002 a dedicated, official security administrator was employed at which time tighter security and more formal procedures were implemented. Management is unaware of colleges allowing access to employees to modify information in the accounting system for other campuses or for performing incompatible duties. Since December of 2002, appropriate, documented security and procedures are in place for all PeopleSoft system users.
- Facility restrictions and environmental concerns prohibit server room security at the system office. Management is exploring purchase of an air conditioning unit for the server room to allow securing of the servers. A move to the new system office facility in the next few months will permanently correct this problem.
- LCTCS is storing backup tapes daily in a safe, purchased for this purpose, located in the System Office, which is offsite from the PeopleSoft Operations Center located at the Baton Rouge Technical College Campus. This avoids the cost of a third party contractor, but management will explore this option. Management has identified funds and is reviewing installation of a duplicate operations center in the new System Office facility.

- Management is implementing the password rules of the Office of Information Technology (OIT). It is also exploring the possibility of a third party contractor to help meet all requirements until PeopleSoft Version 8 is implemented.
- Although, PeopleSoft training was available to all LTC staff and additional training was purchased by the LTC, management concurs that all LTC staff did not take advantage of, or benefit from the training. Management of the LTC is committed to ensure that appropriate personnel attend all future available PeopleSoft training sessions.
- In the first year of implementation of PeopleSoft, payroll expenses for the system office began posting to general ledger in October 2002, however LTC payroll did not post to general ledger until April 2003, largely attributed to LTC staff turnover. All payrolls have been posting to general ledger since that time.
- The human resources module in PeopleSoft allows employees to earn negative balances. However, manual procedures for making corrections to the negative balances were put in place and provided to colleges early in implementation of PeopleSoft. Management is in the process of implementing an outside time-entry system which will shortly eliminate this problem.
- Although planning for implementation of any system never seems sufficient, the LCTCS in tandem with its implementation partner, placed extensive emphasis on planning the PeopleSoft implementation as mandated via its PeopleSoft RFP. However, management believes that insufficient human resources contributed to a lack of planned implementation execution and was the major contributor to perceived problems.

The person responsible for corrective action is James Hobbs. He can be contacted at 225.219.8728. Please let me know if you need further information.

Sincerely,



Jan Jackson  
Senior Vice President for Finance and Administration

cc: Dr. Walter G. Bumphus  
Mr. Howard Karlton, Jr.  
Mr. James Hobbs, III



*Changing Lives,  
Creating Futures*

## LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

December 15, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
1600 North Third Street  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

System President:

Walter G. Bumphus, Ph.D.

Dear Mr. Austin:

Management of the Board of Supervisors of the Louisiana Community and Technical College System (LCTCS) concurs with the finding and recommendation related to "Overdraw of Federal Funds."

Officers:

Ann H. Knapp  
*Chair*

Kathy Sellers Johnson  
*First Vice Chair*

Brett J. Mellington  
*Second Vice Chair*

### **Overdraw of Federal Funds**

To ensure that accurate and timely draws were made, effective October 9, an accountant was transferred to the Grant area to monitor the Perkins program. This additional grant accountant, working in conjunction with the LCTCS fiscal staff responsible for making the draws, will provide checks and balances to ascertain this does not occur again. As the Grant accountant's sole function is grant reporting, monitoring, and accounting (which includes Perkins), management believes that the concerns outlined in the finding will be eliminated.

Members:

Alden Andre  
E. Edwards Barham  
Gibson C. Chigbu  
John E. DeLaney  
Ava Dejoie  
Carl H. Franklin  
J. Kevin McCotter  
Sean E. Reilly  
Stephen C. Smith  
F. Mike Stone  
Nicholas P. Trist, Jr.

To correct the specific overdraw outlined in the finding, LCTCS has immediately ceased drawing Perkins reimbursements until the \$872,407, which includes the interest, has been repaid to the Federal government. Greater emphasis will also be placed on making timely disbursements. It should be noted that the LCTCS in no way deliberately delayed the repayment. Internal personnel turnover contributed to the situation.

Student Members:

Angela Stanley  
Cedric Washington

The person responsible for corrective action is Mr. F. Howard Karlton. His telephone number is (225) 219-8784. Please let me know if you need additional information.

Sincerely,

Jan Jackson  
Senior Vice President for Finance and Administration

Louisiana  
Community  
& Technical  
College System

822 Neosho Avenue  
Baton Rouge, LA 70802

Phone 225-219-8700  
Fax 225-219-8710

[www.lctcs.net](http://www.lctcs.net)

cc: Dr. Walter G. Bumphus  
Reba Poulson  
F. Howard Karlton  
Phyllis Jackson



School of Medicine in New Orleans  
School of Medicine in Shreveport  
School of Dentistry  
School of Nursing  
School of Allied Health Professions  
School of Graduate Studies  
Health Care Services Division

October 15, 2003

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
Baton Rouge, LA 70804

RE: Legislative Audit Finding - Inadequate Collection Procedures for Self Pay Patients

Dear Mr. Austin:

The Louisiana Health Sciences Center-Health Care Services Division (LSUHSC-HCSD) concurs in part with your recent audit finding involving self pay collection practices at the LSUHSC-HCSD hospitals. Since your previous audit comments, LSUHSC-HCSD submitted proposed legislation that would allow our hospitals the flexibility to operate more efficiently and make better sound business decisions which included strengthening self pay collection practices and the ability to deny non-emergency services.

The passage of Act 906 in the 2003 Legislative Session has given LSUHSC-HCSD the opportunity as well as the authority to adopt policy and implement more aggressive self pay collections procedures at the LSUHSC hospitals while maintaining our commitment to serve those persons in need of medical care and the uninsured. We are providing you the following summary of corrective actions that we have initiated to increase the self pay collections rate.

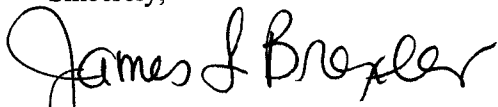
- Developed and adopted policies and procedures for the LSUHSC-HCSD hospitals to collect cash deposits at the point of registration and prior to treatment of non-emergency services being rendered. This policy establishes parameters on the amount of the required deposit which is based on the type of medical service being provided. The required deposits are: Clinic Visit \$15.00; Emergency Room \$25.00; Therapy visits \$15.00; Same Day Surgery \$100.00; Lab & X Ray, etc. \$10.00; Inpatient Admission \$100.00. (See Exhibit A)
- Initiated re-scheduling self pay patients seeking non emergency medical services when unable to pay the required deposit until such time as they can pay the requested amount. Exceptions are considered under unusual circumstances.
- Developed proper signage to increase public awareness. These signs have been posted in conspicuous places within the hospitals, informing self pay patients of their responsibility to pay for services provided. (See Exhibit B)
- In the process of developing and publishing informative pamphlet consisting of "Frequently Asked Questions" on financial responsibility requests, providing answers to common financial questions to further explain and emphasize to the public their responsibility to pay for services provided. (See exhibit C).

- In the process of publishing public service announcements. This includes publication in local newspaper and releasing radio announcements regarding new payment requirements. This action will further inform and educate the public of patient responsibility to pay for services provided at the Louisiana Public Hospitals
- Customizing and developing a legally binding Promissory Note for the patients to complete and sign. This document can be used as supporting documentation for possible legal action should the patient default the payment arrangement.
- Awarded two separate collections contracts with distinct specifications to expand the collection of delinquent accounts process until all efforts have been exhausted, and the account is considered uncollectible. Additionally, contractors will assist hospitals in establishing monthly payment arrangements and will be reporting unpaid accounts to a Credit Reporting Agency (Credit Bureau). This will provide additional incentives to the patient to pay the outstanding bill. The specifications and terms of these contracts will remain consistent for three consecutive years.
- Hospitals are analyzing their existing resources, staffing needs and departmental physical layout to identify and establish collection points while ensuring security and patient privacy.
- Where feasible, LSUHSC- HCSD hospitals are considering hiring dedicated financial counseling positions that will assist the patient with establishing reasonable monthly payment arrangements on outstanding account balances to ensure quick liquidation of amounts owed.

Improving self pay collections has been accelerated as a main initiative of the LSUHSC-HCSD. However, it will require continuous efforts in changing the public perception of the LSUHSC hospitals. We must continue to educate the patients of their responsibility to provide the required financial information consistently, upon registration, for accurate financial class assignment, while placing emphasis on payment requirements. A recent analysis of self pay collection activity over the last three years indicates a slight upward trend in self pay collection activity (FY 01 2.7%, FY 02 2.9% and FY 03 3.1%). We anticipate that this trend will gradually improve in subsequent years as the patient population becomes receptive to these new requirements and LSUHSC-HCSD continues with fully implementing the established procedures system wide. But given that the patient base of the hospitals consist largely of low income individuals (near or at the poverty levels), it is not realistic to expect a substantial increase in revenues from this source.

Thank you for your audit report and recommendations. Should you have any questions or need additional information, please contact Guy LaBauve Director of Patient Financial Services, at (225) 922-2223.

Sincerely,



James L. Brexler, MPA, FACHE  
Vice Chancellor and Chief Executive Officer

GL/AC

cc: Don Elbourne  
Art Landry  
Guy LaBauve  
Judy Albin  
Ken Laney



School of Medicine in New Orleans  
School of Medicine in Shreveport  
School of Dentistry  
School of Nursing  
School of Allied Health Professions  
School of Graduate Studies  
Health Care Services Division

September 5, 2003

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

RE: Audit Finding: Inadequate Support for Restatement of Capital Assets  
Fiscal Year Ended June 30, 2003

Dear Mr. Austin:

In response to your request dated July 29, 2003, please find below the information regarding the referenced draft audit finding on the Louisiana State University Health Sciences Center – Health Care Services Division (HCSD):

HCSD concurs in part with the legislative audit finding regarding the restatement of capital assets for the fiscal year ended June 30, 2003.

In general, we do not agree that there is inadequate support for the restatement of the capital assets. HCSD has utilized American Appraisal and Associates (AAA), a professional third party entity who prepares depreciation calculations in accordance with industry guidelines and standards, for over thirty-two years, and there has never been a federal audit finding in the area of capital assets and depreciation on the Medicare and Medicaid cost report settlements. AAA provides hundreds of pages of detailed schedules on an annual basis with regard to HCSD's capital assets.

We agree that AAA has a higher cost when compared to the Louisiana Property Assistance Agency (LPAA) and the Statewide Land and Building System (SLABS). However, LPAA and SLABS have different reporting requirements and purposes than AAA and the net capital assets as reported in the Annual Financial Report. AAA has been maintaining HCSD's capital assets at historical cost for thirty-two years. HCSD is confident that the most accurate record of capital assets, cost and accumulated depreciation, is AAA.

HCSD has made significant progress toward reconciling AAA with LPAA/SLABS. Phase 1 of the reconciliation process between the three systems has been completed. Variances between the systems have been identified through the fiscal year ended June 30, 2002. Tools have been developed in the PeopleSoft financial system to better identify purchased assets; as a result, there should be little, if any, variances for the fiscal year ended 2003. Additionally, HCSD has

changed its depreciation policy from \$1,000 to \$5,000 to match the State of Louisiana depreciation policy and the maximum required by the Federal government. This will decrease the number of items required to report to AAA, and reduce the risk or error.

Factors causing variances between the systems include: (1) AAA contains many fully depreciated assets that are no longer on LPAA (while this does inflate the cost of the asset, it does not affect the depreciated value as reported on the Statement of Net Assets); (2) AAA includes Land, Buildings, Moveable and Fixed equipment, whereas SLABS includes Land and Buildings and LPAA includes only moveable equipment – fixed equipment is rarely reported in SLABS; (3) AAA has different descriptions of assets (usually in much more detail) than LPAA and SLABS; it is difficult to match up items between the systems. AAA is maintained in accordance with Medicare and Medicaid federal regulations and is based on historical cost. Land and buildings in SLABS are periodically assigned a replacement cost value. The three systems also have different criteria for reporting major fixed medical equipment, computer software, computer wiring, renovations to buildings, etc. that make it difficult to identify and compare the items in each system on an item by item basis.

Phase 2 will be to search for those items that are in one system but not the other and update the appropriate system. Phase 3 will be to transfer all capital assets to the PeopleSoft Asset Management System. This will be our system of record in the future and will be monitored and maintained for accuracy. We will also develop external databases to keep track of assets added and retired throughout the course of the fiscal year. Quarterly training sessions are being conducted to adequately train property control managers and keep them apprised of changes.

HCSD estimates that Phase 2 will be completed by the close out of the year ending June 30, 2004, and Phase 3 will be completed during the fiscal year ending June 30, 2005. Phase 3 is not necessary to reconcile AAA with LPAA/SLABS, but will fully integrate all aspects of the procurement of capital assets in the PeopleSoft system.

Should you have any questions or need additional information, please contact Chris Bilski, Asset Manager, at (337) 261-6326; or Don Elbourne, Chief Financial Officer, at (225) 925-7060.

Sincerely,



James L. Brexler  
Vice Chancellor and Chief Executive Officer

JLB/JMA/jma

cc: Don Elbourne  
Art Landry  
Judy Albin  
Ken Laney



School of Medicine in New Orleans  
School of Medicine in Shreveport  
School of Dentistry  
School of Nursing  
School of Allied Health Professions  
School of Graduate Studies  
Health Care Services Division

September 5, 2003

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

RE: Audit Finding: Inventory System Not Fully Functional  
Fiscal Year Ended June 30, 2003

Dear Mr. Austin:

In response to your request dated July 29, 2003, please find below the information regarding the referenced draft audit finding on the Louisiana State University Health Sciences Center – Health Care Services Division (HCSD):

The HCSD concurs with the legislative audit finding that the PeopleSoft Inventory System was not fully functional for the fiscal year ended June 30, 2003. However, HCSD has made significant progress toward full implementation of a consistent, standardized inventory system.

During the fiscal year ended June 30, 2003, HCSD established a team to review and clean up the PeopleSoft inventory item master. This review and clean up, of over 18,700 items, has been completed. End-user security was modified to limit users authorized to change critical attributes for inventory items in PeopleSoft; six end-user training sessions were conducted to appropriately train staff on such critical issues as the integration of the PeopleSoft inventory module with others modules, how to monitor daily transactions, and how to identify items with invalid attributes and convert them to the corresponding items with valid attributes. Additionally, HCSD staff identified the design flaw responsible for the inventory valuation problem. PeopleSoft has acknowledged this error and is working on resolution. End-users have discontinued using the panel with the design flaw.

All inventory transactions in PeopleSoft for the fiscal year beginning July 1, 2003 utilize inventory items with valid attributes only. Structural re-design efforts have also taken place to point the procurement of the perpetual inventory items to the appropriate general ledger balance sheet accounts within the Peoplesoft system, beginning with the fiscal year 2003-2004 procurement activity.



Grover C. Austin  
Response to Inventory Audit Finding  
FYE 6/30/03  
Page 2

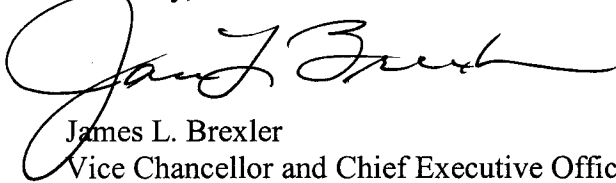
Additionally, due to the complexity of operating an integrated financial system, HCSD is in the process of evaluating the education, training and experience requirements to ensure the staff working in the inventory environment possess the necessary skills to fulfill the requirements of working in the PeopleSoft environment.

HCSD continues to work to resolve the inventory system issues within the budgetary constraints associated with the availability of limited staffing and the technical parameters of the PeopleSoft System.

PeopleSoft Inventory was re-implemented at the three largest HCSD hospitals July 1, 2003. HCSD staff is currently working with staff in those hospitals to monitor transactions and provide additional training to ensure that the inventory process is working correctly. The estimated completion date to have the PeopleSoft Inventory System fully functional in all aspects is December 31, 2003.

Should you have any questions or need additional information, please contact Mark Robichaux, Financial Reporting Manager at (225) 922-0772; Peter Omorotionmwan, PeopleSoft Purchasing Manager at (225) 922-3231; or Don Elbourne, Chief Financial Officer, at (225) 925-7060.

Sincerely,



James L. Brexler  
Vice Chancellor and Chief Executive Officer

JLB/JMA/jma

cc: Don Elbourne  
Art Landry  
Judy Albin  
Ken Laney

**LSU** Health Sciences Center  
NEW ORLEANS

Administration and Finance  
Office of the Vice Chancellor

School of Medicine  
School of Dentistry  
School of Nursing  
School of Allied Health Professions  
School of Graduate Studies

November 25, 2003

Re: Response to Audit Finding: No Formal Disaster Recovery Plan

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Post Office Box 94397  
Baton Rouge LA 70804-9397

Dear Mr. Austin,

I concur with the finding and recommendation.

**Corrective action plan:**

We have submitted a comprehensive budget request to the LSU System Office for disaster recovery that includes continuity of operations and complies with all known federal and state requirements including OIT policy, HIPAA, FERPA, Patriot Act, Graham Leach Bliley, as well as FDA regulation 21CFR11. Funding is included in the request for consulting services to help us develop the details of a comprehensive plan that is consistent with these audit findings.

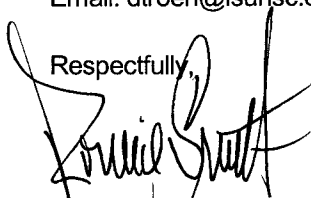
**Anticipated Completion Date:**

The target date to prepare a formal disaster recovery/continuity of operations plan is 12 months after receipt of funding.

**Person responsible for corrective action:**

David Troendle, Assistant Vice Chancellor for Information Technology  
Phone: 504-568-6130  
Email: dtroen@lsuhsc.edu

Respectfully,



Ronnie Smith  
Vice Chancellor for Administration and Finance

cc: John A. Rock, MD  
David Troendle  
David Dotter



# LOUISIANA TECHNICAL COLLEGE

## Office of the Chancellor

Margaret Montgomery-Richard, Ph.D., Chancellor

150 Third Street – Suite 200

Baton Rouge, Louisiana 70801

Telephone: 225/219-9532

Facsimile: 225/219-9497

### CAMPUSES:

Acadian Campus  
Alexandria Campus  
Ascension Campus  
Avoyelles Campus  
Bastrop Campus  
Baton Rouge Campus  
Charles B. Coreil Campus  
Delta Ouachita Campus  
Evangeline Campus  
Florida Parishes Campus  
Folkes Campus  
Gulf Area Campus  
Hammond Area Campus  
Huey P. Long Campus  
Jefferson Campus  
Jumonville Memorial  
Campus  
Lafayette Campus  
Lafourche Campus  
Lamar Salter Campus  
Mansfield Campus  
Morgan Smith Campus  
Natchitoches Campus  
North Central Campus  
Northeast LA Campus  
Northwest LA Campus  
Oakdale Campus  
River Parishes Campus  
Ruston Campus  
Sabine Valley Campus  
Shelby M. Jackson  
Campus  
Shreveport Bossier  
Campus  
Sidney N. Collier Campus  
Slidell Campus  
Sullivan Campus  
T. H. Harris Campus  
Tallulah Campus  
Teche Area Campus  
West Jefferson Campus  
Westside Campus  
Young Memorial Campus

**An Equal Opportunity  
College**

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

### **Re: Inadequate Internal Control**

Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above. Management concurs with this finding but would note that after a change in Financial Management was made in February 2003, major steps were taken to correct the internal control issues.

The steps included the issuance of monitoring tools for revenue, expenses and payroll leave balances, and the dissemination of policies and procedures to the Louisiana Technical College Campus personnel for processing financial transactions, which included procedures for reimbursement of federal funds. Management understands the importance of good internal controls over operations and has developed a plan that reinforces this commitment. The plan includes accounting workshops, professional development opportunities for the central/district/campus personnel, and the on-going review of existing policies and procedures, as well as the establishment and dissemination of new policies and procedures, as needed.

Responsibility for the development and implementation of this plan has been assigned to Beth Sigler, Vice Chancellor of Finance and Administration and Pam Diez, LTC Comptroller.

Sincerely,

Margaret Montgomery-Richard, Ph.D.  
Chancellor

Cc: Dr. Walter G. Bumphus  
LCTCS President

Ms. Beth Sigler, CPA

B-47



# Health Sciences Center

HEALTH CARE SERVICES DIVISION

Medical Center of Louisiana at New Orleans

Dr. Walter O. Moss Regional Medical Center  
E. A. Conway Medical Center  
Earl K. Long Medical Center  
Huey P. Long Medical Center  
Lallie Kemp Regional Medical Center  
Leonard J. Chabert Medical Center  
Medical Center of Louisiana at New Orleans  
University Medical Center in Lafayette  
Washington - St. Tammany Regional Medical Center

September 30, 2003

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

RE: Response to the Legislative Auditor Findings  
Medical Center of Louisiana at New Orleans  
Inadequate Controls Over Movable Property

Dear Mr. Austin,

Please find below the Medical Center of Louisiana at New Orleans management response to the fiscal year 2002-2003 audit finding relating to inadequate controls over movable property.

Management concurs with the two audit findings.

As of September 29, 2003, Property Accounting has identified an additional \$771,514 of the 2002 discrepancies reported to Louisiana Property Assistance Agency. We have located \$5.9 million in property that was reported as unlocated in prior years. Of the \$1.3 million reported as unlocated in 2003 only \$85,000 is for equipment purchased in 2001 and 2002. No equipment purchased in 2003 was reported as unlocated. The vast majority of the items purchased prior to 1997 were computers that probably were replaced and the old computer trashed and not reported correctly to LPAA. This year Property Management is going to work with departments to document that items reported as unlocated to LPAA have been disposed of and paper work will be submitted to LPAA to remove those items from our records.

In order to ensure that MCLNO locates, tags, records and updates LPAA AM18 system for all movable property items timely, the following steps will be taken:

1. Run weekly queries in PeopleSoft® to get new acquisitions identified and tagged timely. Property Manager will remind staff weekly that this must be done.
2. Reconcile monthly with our Budget Department on all new acquisitions.
3. Start, complete and certify our 2004 movable equipment inventory from October 2003, through April, 2004.

Page 2  
Legislative Auditor  
Response to Findings – Movable Property  
September 30, 2003

These actions will be the responsibility of Bernie Hebert, CFO-MCLNO and Philip H. Baldwin, Jr., Property Control Director-MCLNO. Property Accounting enforcement of MCLNO policies and procedures should resolve this finding to the Legislative Auditor's satisfaction and will continue to do so until successfully eliminated.

Respectfully,

  
Dwayne Thomas, MD  
Chief Executive Officer

DT/bh/esc

Cc: Bernie Hebert, CFO  
Ken Laney, Internal Audit Director  
Bruce Dyer, Assistant Comptroller  
Philip Baldwin, Property Accounting Director  
Edward Booker, Auditor-In-Charge

# State of Louisiana



M.J. "MIKE" FOSTER, JR.  
GOVERNOR

JACK C. CALDWELL  
SECRETARY

## DEPARTMENT OF NATURAL RESOURCES

October 28, 2003

Mr. Grover Austin, CPA  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

RE: Effective Internal Audit Functions

Dear Mr. Austin:

The Department of Natural Resources does not concur with the finding that the Department does not have an effective internal audit function. During fiscal 2002-03 the audits performed by both the current incumbent and his predecessor have ranged from payroll to data port utilization to timely deposit of revenue. Also included has been quarterly performance data review.

The Department does agree that the DNR risk management assessment has not been updated since 2001. However, our analysis of the audit reports done in 2002-03 reflects that all reports were directed to the Secretary of the Department. The only report not submitted to the Secretary was a special report on the disappearance of a cabletron hub which was submitted to the Undersecretary in association with his responsibility for property control and data processing. We do not consider this an audit weakness. As for submitting audit reports to the Audit Committee in the future, DNR will comply with our charter.

In closing, out of our concern for repeat audit findings, we will discuss with the incoming administration the need for a full-time auditor.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert D. Harper".

Robert D. Harper  
Undersecretary

RDH/mg

B-50

OFFICE OF THE SECRETARY P.O. BOX 94396 BATON ROUGE, LOUISIANA 70804-9396

AN EQUAL OPPORTUNITY EMPLOYER



M.J. "MIKE" FOSTER, JR.  
GOVERNOR

JACK C. CALDWELL  
SECRETARY

DEPARTMENT OF NATURAL RESOURCES

August 18, 2003

Mr. Grover Austin, CPA  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Re: Lack of Control Over Payroll Records

Dear Mr. Austin:

The Department of Natural Resources concurs with the above referenced audit finding. To address the problem of the lack of timely review and approval of employees' time sheets and leave slips, formal notification has been directed by Secretary Jack C. Caldwell to the various appointing authorities of the Department that all time sheets and leave slips must be approved by the appropriate supervisor. Also, to address the problem, our internal auditing plan has been modified to include a random quarterly audit of time sheets and leave slips.

In the case of payroll files not containing signed authorization forms, the effected employees have been contacted and the appropriate authorizations signed. Furthermore our records retention plan will be modified by departmental Personnel Officer, Anne Tillman, to exclude the purging of these forms.

If you have any questions in regard to this matter or wish to discuss it further, do not hesitate to call me at 342-4534.

Sincerely,

Robert D. Harper  
Undersecretary

RDH/mg

B-51

OFFICE OF THE SECRETARY P.O. BOX 94396 BATON ROUGE, LOUISIANA 70804-9396

AN EQUAL OPPORTUNITY EMPLOYER

# State of Louisiana



M.J. "MIKE" FOSTER, JR.  
GOVERNOR

JACK C. CALDWELL  
SECRETARY

## DEPARTMENT OF NATURAL RESOURCES

October 8, 2003

Mr. Grover Austin, CPA  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Re: Lack of Disaster Recovery/Business Continuity Plan

Dear Mr. Austin:

The Department of Natural Resources concurs with the above referenced audit finding. To address the finding in our budget request for fiscal year 2002-2003, the Department's first priority New or Expanded Program (N.E.) was for funding for this purpose. However, funding was not recommended for this in the Executive Budget nor appropriated during the legislative session. We then began working with the Chief Information Officer to try to effect an interim solution. As a result of this, on September 26, 2003, DNR along with the Department of Transportation and Development and the Department of Environmental Quality were able to obtain a \$281,250 grant from the Louisiana Innovative Technology Fund. The purpose of the grant is to pilot the use of specialized disaster recovery plan development software recently acquired by the Division of Administration. Rizwan Ahmed is the staff member responsible for this matter and we intend to have our plan in place in the current fiscal year.

If you have any questions in regard to this matter or wish to discuss it further, do not hesitate to call me at 342-4534.

Sincerely,

A handwritten signature in black ink that reads "Robert D. Harper".

Robert D. Harper  
Undersecretary

RDH/mg

B-52

OFFICE OF THE SECRETARY P.O. BOX 94396 BATON ROUGE, LOUISIANA 70804-9396

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# The Board of Commissioners

OF THE

## Orleans Levee District

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August 29, 2003

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
State of Louisiana  
Office of Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

**RE: No Formal Disaster Recovery Plan**

Dear Mr. Austin:

This is in response to the Legislative Auditor Fact Finding Form, requesting a response to the reportable condition for the Orleans Levee District, no formal disaster recovery plan.

**MANAGEMENT RESPONSE:**

The Orleans Levee District concurs with the auditor's recommendation. To that end, the District has drafted a business continuity plan (BCP) that will address multiple disaster scenarios, and has secured the data center equipment needed, including sixteen notebook computers to be used by the disaster recovery team. Additionally, the District has secured a location at its Franklin Facility, which is within flood protection, to act as the primary disaster recovery site. The disaster recovery team is in the process of being defined along with critical business functions and procedures. Once this has been established, the BCP will be fully documented and tested.

In conclusion, the District's BCP is in its infancy, but the District has made great strides in the past year towards a full BCP implementation. The District has procured the necessary equipment, has begun the process of documenting the necessary procedures, and defining the rolls and personnel needed in the execution of the BCP. The District understands the importance of a BCP and is committed to the process. The District has set an aggressive timeline of having a fully documented and tested BCP by July 2004.

Sincerely,

Max L. Hearn  
Executive Director

MLH/MEH/jd

cc: The Honorable James P. Huey, President  
Mary E. Herbert, CPA, CGFM, Comptroller



M.J. "Mike" Foster, Jr.  
GOVERNOR

STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS



November 10, 2003

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Austin,

The following is my response to the audit finding entitled **Improper Allocation of Audit Costs:**

The Department of Health and Hospitals Office of Public Health concurs that the Legislative Auditor's invoice for State Fiscal Year 2003 was incorrectly coded to an allocation pool that resulted in \$10,978 of overcharges to federal programs.

A correcting journal entry crediting the federal programs is scheduled for input into the accounting system on November 12, 2003. The contact person for this corrective action is Edward A. Holmberg III.

The cause of this finding was the result of a misrouting of the Legislative Auditor invoice. An approved, but uncoded invoice was routed directly to the OMF Accounts Payable Section where the payer applied the usual allocation coding for an Executive Overhead Organization, from which this invoice is paid. In all previous years, the invoice was directly routed to the Fiscal Administrator's Office, which then authorized the proper alternate coding required to remove the charge from the allocation process.

To prevent a reoccurrence of this finding, a verbal request was made to the on site Legislative Auditor to send future invoices directly to the Fiscal Administrator's Office who will in turn secure the proper OPH approvals and authorize the alternate coding to prevent the allocation of these costs. Also, on October 20, 2003 the Accounts Payable Section Manager was given a written listing of all interagency invoices, including the Office of Legislative Auditor, that require the prior approval of the Fiscal Administrator. And finally, this item was added to a year-end close checklist to assure compliance.

Sincerely,

Sharon Howard  
Assistant Secretary  
Office of Public Health

DEPARTMENT OF  
PUBLIC SAFETY AND CORRECTIONS

M. J. "MIKE" FOSTER, JR., GOVERNOR



RICHARD L. STALDER, SECRETARY

April 14, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

RE: Internal Audit Division

Dear Mr. Austin:

*The department agrees with your finding that an adequate internal audit function is needed for the department. As indicated each year, the department lacks sufficient resources to adequately staff and provide for the needed services in this area. The department has repeatedly requested the resources in the budget to properly staff this function and has repeatedly been denied. Furthermore, the department's workload continues to increase as does statutory reporting requirements. The department is continually asked to provide additional information and services while facing budget and position reductions each year in its administrative appropriation as well as having to absorb expenditure items which are necessary but unfunded.*

*In spite of this, the department continues to strive to have exemplary performance in all facets of operations. To this end, all institutions have been accredited by the American Correctional Association. The standards that are required to meet ACA accreditation set strict operating requirements on all field units, several of which involve internal controls dealing with the financial aspects of the operations. In order to remain accredited, the department must continue to meet these high standards.*

*The department continues to conduct operational audits annually for state-run adult and juvenile units, and quarterly for privately managed units in accordance with Department Regulation C-05-003, a copy of which is attached. The audit teams include representatives from both the Office of Youth Development and Adult Services and the Office of Management and Finance Personnel, Payroll, and Fiscal Services division. The purpose of this regulation is to provide ongoing audits of institutional programs to insure compliance with Department Regulations and Policies. It includes review of policy, procedures, and relevant documentation (normally in the ACA file) and such inspection/verification as may be needed to determine compliance status with key ACA standards, several of which deal directly with internal controls on several of the key financial areas in the institutions.*

B-55

P. O. Box 94304 ● Capitol Station ● Baton Rouge, Louisiana 70804-9304  
(225) 342-6740

AN EQUAL OPPORTUNITY EMPLOYER

Mr. Grover C. Austin, CPA  
April 10, 2003  
Page 2

Over the past fiscal year, staff conducted 65 such audits at various correctional facilities. Scopes of these audits included cash handling and management, movable property, inmate offender welfare and organization funds, accounting system reconciliations, budgeting, medical co-pay, indigent supplies and services and warehouse inventories. These audits were effective in providing assurances to management that assets are properly safeguarded, internal control structures are established and operating in accordance with applicable laws and Department Regulations and Procedures are sufficient to prevent or detect errors and irregularities in a timely manner. The department also requires all operating units to report monthly operating data to top management of the department through Department Regulation C-05-001, a copy of which is attached.

The department will continue to seek additional resources to have an effective internal audit division. Whatever assistance your office could provide in informing the legislature and other decision makers as to the pressing need to have these functions funded for the executive departments would certainly be appreciated.

Sincerely,



Bernard E. "Trey" Boudreaux, III  
Undersecretary

BEB/lor

Attachments: DOC Regulation C-05-001  
DOC Regulation C-05-003

c: Richard L. Stalder, Secretary  
Ron Granier, Chief Fiscal Officer  
Internal Audit



# Department of Public Safety and Corrections

## Public Safety Services

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

CHRISTOPHER A. KEATON  
UNDERSECRETARY

DPS-02-469  
August 20, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

The following is our official response to the audit finding "Ineffective Internal Audit Function" as well as our proposed corrective action plan.

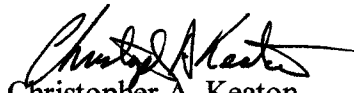
The Department of Public Safety concurs with your finding that we did not conduct a sufficient number of audits to be considered an effective internal audit function. This is due to the staff reductions that have occurred over the last several years. Additional audit resources are needed. The audit finding should not be read to imply that the audits performed are ineffective. We feel the audits performed are effective. Due to limited internal audit resources, we are not able to conduct as many audits as we would like.

We have chosen to audit the activities with the greatest potential for harm to the department and the state, those where a majority of the revenues are collected, in the Office of Motor Vehicles. The department feels that we do have proper procedures and internal controls in place that are operating within applicable laws and regulations. Specific efforts are dedicated to ensure that the internal audit staff is extensively involved in any procedures that ultimately safeguard the state's resources.

The department's corrective action plan will once again include a request for additional internal audit positions. We have, in prior years requested additional staffing through the budget process but have not been successful in that effort. Our budget request for fiscal year 2004-05 will include a request for 4 additional internal audit positions.

If you should have any questions or need further information, please feel free to contact me.

Sincerely,

  
Christopher A. Keaton  
Undersecretary

B-57

OFFICE OF MANAGEMENT & FINANCE, P.O. BOX 66614, BATON ROUGE, LOUISIANA 70896  
(225) 925-6032



January 16, 2004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

**RE: Financial Statement Information Not Properly Prepared**

Dear Mr. Austin:

Noncurrent Receivables and Refunds Payable

**We concur** that the receivable and refunds payable figures reported on the Annual Fiscal Report (AFR) understated revenue by a net \$4.2 million. The understatement of revenue was due to a variety of circumstances (e.g. some tax payments received at June 30, 2003 were not processed in time to be included on the receivable reports, programming errors caused some duplicate receivable and payable amounts to be reported and some escrow payments to be erroneously included as refunds payable, some data entry errors in processing tax returns went undetected, and a compilation error was made in calculating manual refunds payable).

Accounting Records and Reports Not Reconciled to Mainframe

**We concur in part** with this finding. We agree that ideally the accounting records (ISIS) and the mainframe database (Legacy system) should contain the same collection, refund and revenue adjustment data to ensure accrual amounts are reasonably accurate; however, the Legacy system was developed over 25 years ago and is an antiquated system with many limitations. The Legacy system was not designed to provide a means of reconciling its information to an external financial accounting system, such as ISIS. In addition, deposit data processed through the Operations Division is not necessarily loaded into the Legacy system the same day the funds are deposited into ISIS because deposit data must first be keyed and balanced by Operations. It may take several days or weeks for the deposit information to be posted to the Legacy system; therefore, ISIS and the Legacy system will never be in agreement because of these major timing differences. In order to accomplish the reconciliation as recommended in the audit finding, new processes would have to be developed and implemented in the Operations Division and a large amount of computer programming would also be required, which would be very time-consuming and costly.

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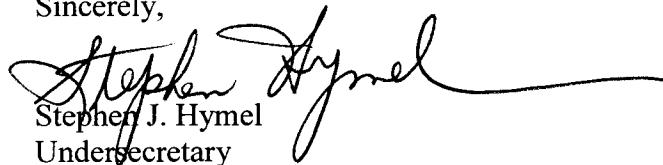
Mr. Grover Austin, CPA  
January 15, 2004

We **do not concur** with the part of the finding that states amounts recorded as collections are not reconciled to the new integrated tax system database (GenTax system). The Operations Division processes all tax payments made by paper check and generates a deposit detail batch report and batch file that are used to post to both the ISIS system and the GenTax system. The Controllers Division ensures that the batches of payments are posted correctly in ISIS and the Operations Division ensures (reconciles) that the batches of payments are posted correctly in the GenTax system. Tax payments received by LDR through electronic funds transfer are posted to the ISIS system and the GenTax system using the same data. The Controllers Division ensures that the EFT payments are posted correctly in ISIS and the Taxpayer Services Division ensures (reconciles) that the EFT payments are posted correctly in the GenTax system. In our opinion, performing additional reconciliations between the summary revenue data in ISIS and the GenTax system would be redundant and extremely costly.

Corrective Action Planned

The receivable and payable reports containing programming errors will be corrected and more detailed written procedures for compiling the AFR will be developed under the GenTax system. We will implement additional analytical procedures that should help to detect and correct data entry errors made in processing tax returns and payments that directly affect the receivable and payable reports used to compile the AFR. The persons responsible for such corrective action are Dale LeJeune and Margaret Roubique of the Controllers Division.

Sincerely,

  
Stephen J. Hymel  
Undersecretary

Cc: Cynthia Bridges  
Dale LeJeune  
Phyllis Perry



January 27, 2004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Information Systems Control Weaknesses

Dear Mr. Austin:

Regarding the Uniform Accounts Receivable System (UAR), we **concur in part** that some documentation of changes to this System is inadequate and that the existing Legacy "system" has limitations. Controls do exist to ensure the authorization and accuracy of computer program changes to this and all systems. Each change is initiated with an approved Service Request and entered into an assignment tracking system until complete. An entry is made in the Modification History of the computer program for every change documenting: the change made, the date of the change, who made the change, and who authorized it. In addition, a quality assurance review process is conducted for each change verifying that certain actions were taken and certain procedures were followed.

Specific responses to the items in this Finding are listed below:

- We **concur** that some financial information generated by the UAR System must be reviewed and adjusted for the information to be reliable. As noted in this Finding, the UAR and other Systems were developed many years ago and are currently being replaced by the new GenTax (DELTA) System which offers vast improvements in accounting for all Receivables.
- We **concur** that some System-generated reports lack specific, written business requirements as well as appropriate documentation to enhance their use by Department personnel. Through the years, most reports were generated on an "as-needed" basis by various managers and executive staff. As DELTA is developed, so are the rationale, documentation, and control procedures of all reports.
- We **concur in part** that there is limited review by supervisors of the data reentered from the Department's archival system (RDARS). Legacy "system" limitations require manual intervention once an account is "full". The account and/or older transactions are first "purged" from the System followed by identifying and restoring those "active" transactions by manual review if such restoration is appropriate. The RDARS is an archival media and is used as a reference for recreating the account and for historical record. It is not used to store active accounts.

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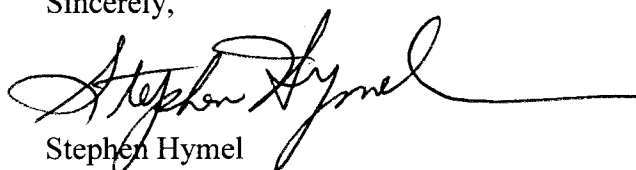


Grover Austin, CPA  
January 27, 2004

- We **concur** that this antiquated System is lacking in functionality. That's why procedures include various reviews and manual controls. To strengthen the controls on the issuance of refunds, UAR has been changed to allow sufficient time for a review to occur on all refunds over \$100. Once the review timeframe (28 days) has lapsed, an automatic hold is put on the affected tax period. Once the refund is verified and all approval requirements are met, the refund will not print until a manual release is keyed to the System.

Within available resources, the Department will continue to do everything possible to maintain adequate internal controls over the UAR System to ensure the integrity of data and financial reporting.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Hymel", with a long horizontal flourish extending to the right.

Stephen Hymel  
Undersecretary

Cc: Cynthia Bridges  
Gwen Scott  
Joy Shrum  
Phyllis Perry  
Greg Montagnino



January 20, 2004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

**RE: Insufficient Collection of Taxes Owed**

Dear Mr. Austin:

1. We **concur in part** with this finding. The process of flagging individual tax accounts that have business tax liabilities is a manual process and completed only once a year. The business tax master file in the Legacy and GenTax Systems and the Individual Income tax master file are not interactive. Sales and Withholding taxes have been converted to GenTax while the Individual Income tax master file is still in our Legacy system. Employees use a computer printout to physically enter garnishment codes on the Individual Income tax files only after verifying that the business owner and individual are one and the same through social security number verification.

The Department feels that it is doing everything possible to follow this procedure within the two Systems. The process will improve with the conversion of the Individual Income tax files to GenTax scheduled for implementation in October, 2004. Please note that regardless of what system contains the business and individual tax files, a match of the taxpayer's accounts cannot be obtained unless valid, verified social security numbers match on both accounts; otherwise, the State will be subject to wrongful seizure action by taxpayers.

2. We **concur** with this finding. The issue of prioritizing accounts assigned for collection efforts is being addressed with the conversion to GenTax. The "Warrant Manager" in GenTax allows for the sorting of assignments by taxpayer, tax type, office assignment (region), account ID, risk factor, balance due, age, etc. There are 26 different "stages" of the assignments, i.e. levy pending, waiver pending, offer-in-compromise, Currently Not Collectible, assigned, etc. Through the Warrant Manager, cases will be easier to monitor and employees' actions on the files will be easy to follow. Eight taxes have been converted to GenTax thus far and Severance tax, Corporation Income and Franchise Taxes as well as Individual Income Tax are scheduled for conversion in 2004. Once these taxes are converted, all major taxes collected by the Department will be on one system and final assessments will be in the Warrant Manager.
3. We **concur in part** with this finding. Employees are continually reminded of the importance of documenting all of the collection action taken on an account. The Legacy System has limited space for notes and is not user-friendly for tracking such notations. With the conversion of more taxes to GenTax, it will be easier to record and monitor each action taken. In fact, some actions taken on assignments in the GenTax Warrant Manager will be automatically captured by way of the action stages built into that system.

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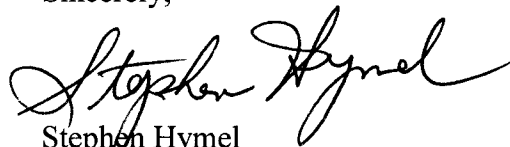
Grover Austin, CPA  
January 20, 2004

4. We **concur in part** with this finding. A detailed cost study was performed after the close of fiscal year ending June 30, 2002. The study indicates the cost of issuing a 10-day, 15-day or 30-day billing notice is \$12.56 and cost of issuing a 60-day notice is \$14.92. Management has reviewed the analysis but an updated PPM has not been drafted since another cost analysis must be performed once the employees master the use of GenTax.
5. We **do not concur** with this finding. The review for all tax years through 2001 was completed in April, 2003. Letters were sent to employees on May 12, 2003. In fact, if their 2002 income tax returns was not on file at that time they were reminded of that although the return was not due. The review for all tax years through the 2002 tax year was begun in October, 2003 and completed in December 2003. Employees have been notified by email of the tax delinquencies.

Because the employees of the Department of Revenue are held to a higher standard by Department management than other taxpayers regarding the filing and payment of income taxes, their income tax accounts are individually checked to ensure compliance above and beyond what is prescribed by statute, policy or standards. In addition, the accounts of all new employees are reviewed as part of the "New Employee Sign-In" with the Human Resources Division.

The Department is in agreement with your statement that 26 employees of the Department took advantage of the Tax Amnesty Program in 2001. The statute authorizing the program did not exclude Revenue employees or other State employees. Various circumstances can lead to employees owing taxes and being unable to pay them in a timely manner. While the Department holds its employees to a higher standard they are no different than the average citizen, in that, extenuating circumstances can and will affect their lives creating hardships.

Sincerely,

  
Stephen Hymel  
Undersecretary

Cc: Cynthia Bridges  
Kenneth Comeaux  
Phyllis Perry  
Gwen Scott  
Joy Shrum



January 20, 2004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**RE: Insufficient Control Over Refund Approval Process**

We **do not concur** that PPM 30.1.2 does not include sufficient control over the refund approval process. As noted in last year's response to a similar finding, it is our belief that the Department does have sufficient control procedures to ensure that refunds are valid and appropriately approved before issuance. Of the three refunds identified in the finding as having been issued without any supervisory approval, it is noted that all were issued in accordance with the provisions of PPM 30.1.2 and none were determined to not be due to the taxpayer under the information available. As noted in the finding, our current policy allows seven exceptions to the refund review and approval process as set forth in that policy. The basis for these seven exceptions is explained below.

- 1) *Refunds of excise taxes on original tax returns for accounts secured by bond or other financial assurance or for taxpayer accounts that have qualified for waiver of the bond requirements.* These refunds result from the dealer pre-paying tax on motor fuel that is ultimately shipped out-of-state.
- 2) *Refunds of corporation income and franchise taxes resulting from overpayment of estimated tax payments by the corporation.* These refunds occur when a corporation pre-pays its taxes in excess of the amount ultimately determined to be due.
- 3) *Refunds of corporation income and franchise taxes resulting from credits for payment of ad valorem taxes.* These refunds occur when the credit for ad valorem taxes paid to political subdivisions on certain inventory items held by manufactures, distributors and retailers exceeds the amount of tax due. The statute governing these credits specifically provide for the refunding of any credit not used to offset a tax liability.
- 4) *Tentative refunds of corporation income tax.* A taxpayer may request a tentative refund from the application of a net operating loss carry back under the provisions of Louisiana Revised Statute §47:287.86(G). As provided by statute, the auditing of these tentative refunds is conducted after the refunds are issued.
- 5) *Refunds of individual income tax resulting from overpayment of estimated tax payments by the individual.* When the total of the pre-payments by a taxpayer for his estimated taxes is in excess of the actual taxes calculated to be due, a refund will be issued of the excess.

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Mr. Grover Austin, CPA  
January 20, 2004

- 6) *Reimbursements of amounts remitted to the Department that have been determined to be owed to another agency and that are transferred to the other agency by interagency transfer.* This situation occurs when a taxpayer remits money to the Department of Revenue that belongs to another governmental agency. The funds are transferred to the appropriate agency.
- 7) *Duplicate or erroneous electronic fund transfers.* It is not uncommon for taxpayers to make errors when electronically transmitting their payments of taxes due. When this situation occurs, the respective divisions maintain proper documentation. Additional review and approval by the executive management would unnecessarily delay the issuance of the refund thereby placing the taxpayer in a potentially difficult situation monetarily.

As noted previously, an analysis of this process clearly indicates that sufficient controls are in place to protect the State from undue risks of erroneously issued refunds or issuance of fraudulent refunds. All steps in the refund process are documented and are available for review. Each of these exceptions involves routine overpayments and do not involve substantive tax issues. However, because of capabilities of the new GenTax system currently being implemented, the executive management team is considering revising the current policy to eliminate these exceptions.

Regarding the issuance of interest on refunds, we **concur in part** that refunds did not include interest due. Due to the limitations of the legacy computer system, interest on refunds was required to be calculated manually. To issue interest on all refunds would require a review of each refund regardless of amount and determination of the correct interest due, if any. The cost to the Department to have sufficient manpower to accomplish this task in a timely manner would be prohibitive and due to the longer delays in issuing the refunds, a significantly larger number of refunds would incur interest than might otherwise be required by statute. An interdepartmental procedure provides for the automatic calculation of interest on refunds that require manual review, which would generally be those refunds in an amount that required supervisory review and approval. Please note that refunds issued under the GenTax system automatically calculates and includes interest.

Sincerely,

  
Stephen Hymel  
Undersecretary

Cc: Cynthia Bridges  
Kenneth Comeaux  
Phyllis Perry  
Barbara Roe



January 23, 3004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

**RE: Lack of Control Within Online Error Resolution System**


Dear Mr. Austin:

The Online Error Resolution (OLER) System was developed in the late 1980's in an attempt to improve the error correction process for taxpayer errors and keypunch errors. Prior to OLER the process was overly labor-intensive and time-consuming and this resulted in an unacceptable delay in the processing of many tax returns and refunds. Since instituting OLER the Department has attempted to balance the need for adequate control and review with the demand of citizen taxpayers and others for more timely processing of returns and refunds. Review is mandatory for certain adjustments. Under the Legacy and GenTax Systems, audit trails do exist that allow us to determine the employee who worked the account and what adjustments were made to the account. The Department continues to work toward improving the integrity and accuracy of taxpayer records.

The following are responses to the specific issues raised in the Finding:

- We **concur in part** with this item. Due to the large number of on-line transactions, relatively high employee-to-supervisor ratio, significant limitations of the Legacy system, and limited personnel and financial resources, it is not feasible to institute measures to review all or even a majority of transactions especially prior to the transaction's completion. The new GenTax system being customized for Louisiana will allow the Department to more readily review such transactions. Eventually an optimum number of transactions will be reviewed and a selected sampling developed to continue to ensure the integrity of taxpayer data.
- We **concur in part** with this item. Because of the limitations of the Legacy system it may take several months for an error of a specific posting to be discovered and corrected. In the current "system", should the incorrect posting failure-to-post error result in an overpayment, the potential refund is reviewed through our normal review process and the necessary adjustments made to the posting error. Should a billing be erroneously issued, we would, upon notification, make the necessary adjustment to reflect the correct liability. With the use of GenTax, payments that have been reversed but not applied will be identified through an automated system as well as payments that have been moved but have no matching liability. As the Department migrates to this new System, more timely and more frequent reviews will occur.

Sincerely,

  
Stephen Hymel  
Undersecretary

Cc: Cynthia Bridges  
Kenneth Comeaux  
Gwen Scott  
Phyllis Perry  
Barbara Roe

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State of Louisiana  
Department of Revenue

M. J. "Mike" Foster, Jr.  
Governor

September 10, 2003

Cynthia Bridges  
Secretary

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**RE: Tax Collections Not Deposited Timely**

The Department of Revenue concurs with the finding concerning the timely deposit of collections. We agree that 76.30% of the funds collected are deposited timely. We further concur that the remaining 23.7% of funds, funds deposited manually, are deposited outside the 24-hour time frame.

Management recognizes that deposit of all funds within a 24-hour time frame is not cost effective. The Department's strategic plan calls for 75% of all funds to be deposited within 24 hours by the year 2006, and we have met that requirement this year. Management must balance the resources available among the objective to improve timely deposits and other strategic plan requirements, including processing returns and refunds timely, as well as the use of available funds for additional processing enhancements.

The Department of Revenue improved the percentage of funds deposited within 24 hours from 74.4% to 76.30% for this fiscal year. The average deposit time also improved by two days which indicates that our efforts to implement processing enhancements are achieving results. Additional methods for electronic and paper processing continue to be examined as part of the Department's continual improvement efforts to provide more timely deposits. Emphasis has been placed on the objective, and the achieved results are regularly posted to provide information on our performance to our employees.

The Department has long recognized the difficulties in obtaining statistical and monitoring information, and a "tax re-engineering" initiative is in process to implement a new system to provide better tracking information. The first phase of this program was implemented in February, 2003, with the second implementation in August, 2003. Other auxiliary systems continue to be refined to provide better monitoring information.

B-67

Mr. Grover C. Austin, CPA  
September 10, 2003  
Page 2 of 2

The additional costs to achieve deposit of all funds within "24 hours of receipt" would exceed your calculated \$470,868 of additional interest earned on deposited funds.

Janet Macmurdo, Director of the Operations Division, is the contact person regarding the corrective action plans for this finding.

If you have any questions, please contact my office at 219-2710.

Sincerely,



Stephen J. Hymel  
Undersecretary

Cc: Cynthia Bridges  
Kenneth Comeaux  
Phyllis Perry  
Janet Macmurdo



January 4, 2004


Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

**RE: Weaknesses in Controls Over Protested Tax Balances**

1. We concur that for quarters ended September 30, 2002 and December 31, 2002, no reconciliations were performed since the escrow records involving Protested Tax Balances were being restructured and a shared database was being developed.
2. We concur that for quarters ended March 31, 2003 and June 30, 2003, the Taxpayer Services Division and Controllers Division successfully reconciled its balances. Although no formal reconciliation was completed with the Legal Division ("Legal"), Legal did takes steps to verify the dollar amounts shown and the status of lawsuits pertaining to those amounts. Specifically, Legal now performs a monthly review of the escrow reports and maintains a separate log for payment made on protested tax balances. Legal has revised its "agreement to abide" procedure to ensure proper tracking of subsequent payments under protest.

As of this date, the Legal Division has reviewed and updated all accounts listed in the existing Escrow database for such Protested Tax Balances. The Controllers Division and Taxpayer Services Division will now work with Legal to reconcile any discrepancies for the next quarterly report. Persons responsible for such corrective actions include Dale Lejeune/Controllers Division, Rickey Hebert/Taxpayer Services Division, and Shone Pierre/Legal Division.

Sincerely,

  
Stephen Hymel  
Undersecretary

Cc: Cynthia Bridges  
Dale Lejeune  
Rickey Hebert  
Shone Pierre  
Kimberly Robinson  
Gwen Scott

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January 23, 2004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

**RE: Weaknesses in GenTax System**

Dear Mr. Austin:

The Louisiana Department of Revenue (LDR) began its project for a new integrated tax system in May, 2002. This new system's main component is the GenTax software package created by Fast Enterprises, LLC. The customized version of GenTax being developed for the twenty (20) largest revenue-producing taxes in Louisiana is called DELTA: "Defining Excellence in Louisiana Tax Administration".

We **do not concur** that there is insufficient internal control over the new tax accounting system (GenTax) functions. We **concur in part** that the Department's system of input, processing, and output controls for ensuring integrity of the GenTax System (and the existing Legacy "System") databases has been and continues to be an area of concern during this time of conversion and migration to the GenTax (DELTA) system.

In undertaking the DELTA project, LDR recognized the need to quickly demonstrate the viability of GenTax as a high-quality, tax administration product. The Department's choice of a rapid development methodology met several desirable goals. Among those goals were quick implementation, specific deliverables and deadlines, and the transferring of the majority of the implementation risks to the vendor. While this approach achieved several positive results, it required a heavy reliance on the expertise of vendor personnel in the earlier stages of the project such as Phase 1 covered in this audit. Although substantial dependence on the vendor is still necessary, LDR staff is steadily acquiring this expertise as each phase is completed. The contract stipulates five (5) phases. In addition, an independent project manager has been used from the start to oversee activity and evaluate risks.

The Department recognizes the need to continually review and update its accounting and control procedures to keep pace with the increasing technological advances it has undertaken in its efforts to modernize aging tax systems and improve customer services. This effort represents a major undertaking as LDR upgrades from a mainframe-based Legacy system to a "Windows"-based software package (GenTax) for tax administration. This change involves significant differences in the methods used for tax processing. It is likely that some accounting and control procedures must be modified. Efforts have begun to identify and address this need. These efforts will continue and become progressively more detailed throughout the course of this three-year project as each phase results in increasing expertise from the LDR staff.

With the implementation of this new tax system, LDR must review and adjust its accountability controls to reflect the new environment. Processes that were satisfactory in the Legacy system may no longer apply. In some instances, opportunities are surfacing for even more effective controls within the new system. LDR envisions forming a team to review these processes, validate that the existing processes are still effective, or recommend improvements where appropriate.

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Grover Austin, CPA  
January 23, 2003

The rapid-development nature of the DELTA project limits the amount of time and resources that can presently be devoted to an overall review of LDR's accountability controls as they relate to the new system. In addition, LDR personnel (both IT employees and business unit representatives) are still learning and do not yet have a comprehensive understanding of the complexities of the GenTax system to conduct such an analysis independently. Contractual obligations in getting taxes converted into GenTax from the DORT Legacy system restricts the time and effort that the contractor (FAST Enterprises) can devote to such a review. As expertise continues to develop among the LDR staff, this knowledge will be used for an increasingly more indepth assessment of the System's accounting and control procedures. While it will be challenging for LDR to allocate sufficient resources to complete this activity, work on independent components of the system of controls will continue throughout the project. The overall review of monitoring and control procedures will incorporate this work. In addition, the Secretary has directed that each Division begin updating all existing process maps to reflect changes resulting from GenTax. The re-mapping of business processes will continue to be given a high priority with emphasis on controls points in these processes.

Comprehensive documentation of the system is a recognized need. Initiatives are underway to improve this documentation in the following areas:

- Cataloging of GenTax reports and providing details on the purpose and the description of the data for each report.
- Technical documentation.
- Application documentation.

A major effort to compile technical documentation for LDR use has begun and is outlined in the DELTA project's *Technical Knowledge Transfer and Documentation Plan*, published and accepted on August 30, 2003. An LDR IT manager and technician have been assigned the task of organizing and archiving all DELTA project technical documentation. A strategy has been selected and work is in progress. Fast Enterprises will also be committing a resource person to this effort.

We **concur** that at the time of the audit, reconciliation procedures were not completely functional. However, currently such procedures are implemented and will be formally documented and refined as needed as the project progresses. The Operations Division reconciles the *Daily Collection Report* (non-EFT deposit by tax) to the GenTax *Batch Success Report*. This reconciliation verifies that the money deposited has been posted by GenTax. The Operations Division then reconciles the *Daily Reconciliation Report* to the *Daily Collection Report* to verify that the money has been posted to the appropriate tax. Corrections in these reconciliations are initiated as needed by Operations employees.

The *Daily Collection Report* is furnished to the Controllers Division to post in ISIS. Controllers uses the *Daily Collection Report* provided by Operations and the *EFT Report* provided by IS to post to the in-house ledger and ISIS. The in-house ledger also includes other reconciled data such as NSF information, bank errors, and reallocations. ISIS and the in-house ledger are reconciled on a monthly basis. Each month Controllers also reconciles total EFT payments from ISIS to Controllers EFT records.

We **concur** that at the time of the audit, a GenTax User Manual was not up-to-date. However, the basics of and framework for a detailed Users Manual has been created and is in use. This manual will continue to be enhanced and refined as the project progresses.

Grover Austin, CPA  
January 23, 2003

We **do not concur** that the Department lacks adequate security procedures to ensure appropriate access to hardware, software, and data. However, several activities are planned to validate and/or strengthen this security. These actions include a third party security vulnerability assessment in conjunction with the State's Office of Information Technology, a network intrusion testing assessment, and a review of all IT services provided by LDR groups to determine the best placement of those services in the organization. In addition, a review of all ID's for system administration, database administration, and security administration will be conducted. A review of all security groups within GenTax will also be done to verify that access is limited appropriately.

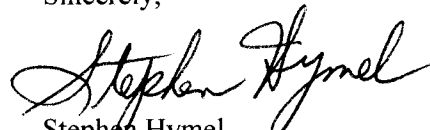
We **concur** that the Department has not yet employed an IT auditor. LDR has been working with the Department of Civil Service for many months to establish an appropriate job classification and description that meets the needs of our Internal Audit and IT Divisions. Thus far we have not been able to establish such a position but will continue to pursue hiring an IT Auditor.

We **concur** that the Department does not have in place a written business continuity or disaster recovery plan. However, we do have in place many of the components of such a plan. The State Office of Information Technology (OIT) is currently devising the requirements of such a plan for all State agencies and has procured software which will be made available to agencies to assist in achieving this objective. LDR intends to combine our efforts with OIT and other agencies to build a written plan and fully implement it. The Department has requested funding for this project for Fiscal Year 04-05

In summary, LDR is moving through a major transition as it upgrades its technology in the area of tax administration. During this transition the Department will mitigate risk by relying on the expertise of vendor personnel who are contractually obligated to protect the integrity of the tax system as well as assigning full-time agency staff to oversee project activity and using the services of an independent project manager. LDR staff has also been assigned full-time to learn the details of the System and to document these details as they relate to Louisiana. Rules and procedures of the past will also be scrutinized and revised when necessary. As the project moves closer to completion, LDR remains on schedule to successfully update its tax processing technology in an effective and secure manner which will significantly benefit the State in its revenue collection efforts.

The contact person for appropriate corrective actions is Greg Montagnino.

Sincerely,

  
Stephen Hymel,  
Undersecretary

Cc: Cynthia Bridges  
Greg Montagnino  
Phyllis Perry  
James Greeson



Kathleen Babineaux Blanco  
GOVERNOR

State of Louisiana  
DIVISION OF ADMINISTRATION  
OFFICE OF THE COMMISSIONER

Jerry Luke LeBlanc  
COMMISSIONER OF ADMINISTRATION

February 4, 2004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

RE: Office of Risk Management Audit Findings

**Finding: Deficit in Road Hazard Line of Insurance**

The Division of Administration, Office of Risk Management (ORM) does not concur with the finding since in large part the "finding" is based upon erroneous information, assumptions, and implications, which are invalid.

The finding is based in large part on the initial review and recommendations of the Division of Risk Litigation's attorney assigned to the case (not the DRL, Chief of Litigation Services as noted in the finding). The finding does not take into account subsequent events and discussions held between the Division of Risk Litigation, Office of Risk Management, Contract Attorney's, Plaintiff Attorney's, Attorney General, and Division of Administration, with regards to this case that eventually led to a decision to settle the claim.

The finding stipulated in Paragraph 4, Subparagraph 8, Page 2, is erroneous in that it assumes the litigation effort is complete. The 2<sup>nd</sup> Circuit Court of Appeals decision was the subject of a writ application filed by the plaintiffs to the Louisiana Supreme Court. This writ was granted in the fall of 2003. The case was argued before the Louisiana Supreme Court on January 22, 2004, and the parties are now awaiting a decision from that court. The matter as of this date is not final as to the excess carrier, therefore it is not evident that pursuit of this case may have saved the state up to \$5 million.

The finding is contradictory in that it states that "The state routinely settles claims, which is generally based on informed legal decisions." but later implies that improper processes were followed and that the body empowered with the final decision, namely the Litigation

Mr. Grover Austin  
February 9, 2004  
Page 2

Subcommittees of the Joint Legislative Committee on the Budget” was in error and their actions costs the state \$5 million dollars. The information presented to the committee was done in conjunction with the state’s chief legal counsel, namely the Attorney General, who after considerable review provided the decision and supporting justification for settlement. It is difficult to ascertain how the finding was issued when in fact the decision was based upon documented legal justification and confirmed by the appointed body of the State Legislature.

With regard to the Medicaid issue, ORM adjusters experience difficulty when attempting to determine the amounts paid by the Medicaid program for treatment rendered to a claimant. Medicaid prefers to deal directly with the claimant and does not respond to requests from ORM for information. As a result, when ORM is settling claims that include Medicaid liens, Medicaid is included as a payee on the settlement check and the plaintiff attorney/claimant must settle with Medicaid to secure their endorsement before the settlement check can be cashed.

In addition, ORM has reviewed its litigation management in order to prevent unnecessary payments. ORM also initiated the employment of a staff attorney whose duties are to counsel and advise the staff regarding tort litigation and review all Request for Settlement Authority documents for settlement, defense, and/or appeal of litigated cases

In closing, the ORM has always recommended and submitted actuarially based premiums in the annual budget request to the Division of Administration (DOA) that includes an amount for Road Hazard claims coverage and an amount to eliminate the existing \$605 million deficit over a ten year period. Budget constraints in recent years have required that the DOA reduce the premiums requested to the level of cash needs that excludes Road Hazard claims. Those decisions have been confirmed by action of the Legislature. Consequently, the provisions of the finding related to resolving the deficit in the Road Hazard Program appear to be misdirected.

Please be advised that Mr. J. S. “Bud” Thompson, Jr. is the contact person responsible for corrective action.

Sincerely,



Whitman J. Kling, Jr.  
Deputy Undersecretary

WJK/JST/THA

c: Mr. J. S. “Bud” Thompson, Jr.  
State Risk Director



State of Louisiana  
Department of Social Services  
OFFICE OF MANAGEMENT AND FINANCE  
DIVISION OF FISCAL SERVICES  
ADMINISTRATIVE  
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PHONE - 225/342-4247 - FAX - 225/342-4220

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

GWENDOLYN P. HAMILTON  
SECRETARY

December 15, 2003

Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**Child Care Cluster: Noncompliance with Grant Requirements**

Reporting and Earmarking

We concur that the Department did not comply with certain federal requirements for administering the federal child care cluster program. Currently, neither the child care subsystem reports nor ISIS reports identify earmarks. We have submitted a request to the Administration for Children and Families to allow us to use an agreed upon percentage to calculate the earmarks. Hence, a revised ACF-696 has not been submitted pending the response from our federal partner. In addition, Fiscal Services staff and Program staff are working diligently to resolve this problem as expeditiously as possible. If you need any additional information regarding the status of the ACF-696, you may contact Cheryl Sullivan at 342-4164.

Eligibility

We do not concur with the aspect of the finding because the Child Care Assistance Program requires child care providers to maintain proof of immunization for children enrolled in their care.

Questions on the case files can be addressed to Gwen Brooks 342-2783 or David Sigue at 342-3877.

Grover C. Austin, CPA  
December 15, 2003  
Page 2

Sincerely,

A handwritten signature in cursive script that reads "Cathy H. Lockett".

Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

c: Gwendolyn Hamilton  
Joel Hincks  
Al Sanford  
Mary Joseph





State of Louisiana  
Department of Social Services  
OFFICE OF MANAGEMENT AND FINANCE  
DIVISION OF FISCAL SERVICES  
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M. J. "MIKE" FOSTER, JR.  
GOVERNOR

GWENDOLYN P. HAMILTON  
SECRETARY

October 22, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**Re: Child Support Escrow Fund Not Reconciled**

We concur that the Department is not reconciling the Child Support Escrow Fund to the client accounts on a periodic basis. The Child Support Escrow Fund has been reconciled through June 30, 2003. This reconciliation consist of using the daily and monthly totals of the receipts and disbursements for the month of reconciliation between the ISIS and the LASES systems.

As previously communicated the LASES system does not have the capability of producing reports that reflect individual client account balances. The LASES would require major modifications to produce the type of reports that would reflect individual client account balances.

You may contact me at 342-0863 if you need any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Cathy H. Lockett".

Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

C: Gwendolyn Hamilton  
Joel Hincks  
Al Sanford  
Mary Joseph



State of Louisiana  
Department of Social Services  
OFFICE OF MANAGEMENT AND FINANCE  
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M. J. "MIKE" FOSTER, JR.  
GOVERNOR

GWENDOLYN P. HAMILTON  
SECRETARY

October 22, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**Re: Control Weaknesses Over the LaCarte Purchasing Card Program**

We concur that the Department of Social Services did not follow state and departmental control procedures relating to the LaCarte Purchasing Card Program.

Bulleted Item #1

The Division of Support Services will take corrective action to change the current Purchasing Log Form to include statements that require the Supervisor to read and verify that they have reviewed the bank statement, the receipt logs and the purchasing log. The anticipated date of completion is October 30, 2003.

You may contact Johnathan White, Division of Support Services Director if any additional information is needed at 342-4148.

Bulleted Item #2 & 3

OCS Administrative Memorandum 03-18 dated June 24, 2003 was issued to notify all state office, regional and parish staff regarding specific deficiencies cited in preliminary audit findings related to LaCarte control procedures. All staffs were instructed to review relevant LaCarte and TIPS policy. Supervisory staffs were reminded of their responsibility for insuring staff adherence to policy through review of staff expenditures, and education of cardholder staff regarding policy.

OCS Regional Administrator Memorandum 01-127 was issued September 8, 2003 directing the attention of OCS Regional Administrators to the necessity for follow-up on

the remaining balance of unreconciled and unclassified expenditures incurred for LaCarte purchases for fiscal year 2002/2003. A list was forwarded to each region with the names of staff that had not responded to requests from Fiscal Services for submission of required documentation. Regional Administrators were asked to ensure that these workers submit missing LaCarte logs to OCS Fiscal Section and that corresponding TIPS forms also be completed and processed. A new procedure was instituted whereby the OCS Fiscal Services Section will notify the worker, the parish manager and the Regional Administrator in communications concerning incomplete LaCarte reconciliations to ensure that logs and TIPS forms are completed and processed timely.

As of October 15, 2003, the remaining unreconciled/unclassified balance of all LaCarte purchases for the Fiscal Year period July 2002 through June 2003 was \$71,718.000 (down from \$203,312.96 as of August, 2003). The total amount of all LaCarte purchases for this period, which had been reconciled and classified was \$2,109,773.95, of a grand total of \$2,181,491.95 in FY 03 agency expenditures charged through LaCarte.

Because OCS foster care caseworkers throughout the state have responsibility to procure necessary items for foster children (clothing, etc.) in DSS custody (approximately 4200 foster children), OCS probably has more LaCarte cardholders and volume of small purchases than any other agency. The manual reconciliation of the caseworker log sheets and the agency's Bank of America statement by OCS Fiscal Services is very time consuming. A major element in the initial classification of LaCarte purchases by OCS cardholders is the breakout of "client-related" purchases as separate and distinct from non-client-related purchases (office supplies, etc.). It has been suggested that this aspect of the reconciliation process would be facilitated if we could distinguish on the OCS Bank of America master statement those specific LaCarte card numbers issued to employees whose main procurement responsibility is the purchase of non-client related (office administration) purchases. Generally there is only one LaCarte cardholder per OCS office site who is responsible for administrative or "non-client" purchases. DSS initiated an inquiry to DOA Office of State Purchasing and Travel (OSP) on the issue of whether it would be possible for OCS employees who are responsible for non-client related purchases to be issued LaCarte cards within an identifiable numeric series or have a numeric or letter indicator embedded in the card number string to enable us to distinguish the purchases listed for these cards as non-client related/administrative costs. A response was received from D of A that they would check with the Bank of America; however, if the bank could not comply with this request, OSP asked whether it would be of any assistance to create an alphabetical listing of cardholders who purchase for clients. Then DSS could use the master statement, the cardholder summary and not the cardholder activity, to find the cardholders and mark the statement. A plan has also been suggested for exploring possible methods, which could be developed by DSS through Infospan to see how reports from the statement can be specified.

Grover C. Austin, CPA  
October 22, 2003  
Page 3

Since the institution of Louisiana's LaCarte Procurement Card Program in December 2000, the Office of Community Services has been following a manual process for reconciliation of our LaCarte purchases with the agency's Bank of America Statement and for appropriate classification of costs for allocation to budget categories and funding sources. A project for developing an automated database system to facilitate the reconciliation process is underway. In this regard, OCS prepared a (DSS) System Planning Template documenting a proposed project for design and implementation of an automated database system to record, maintain and reconcile credit card purchases by OCS LaCarte cardholders. DSS Information Services has evaluated the needed functions of the proposed system and detailed specifications have been described in a Technical Design Document for a LaCarte Reconciliation Process System. Since the LaCarte reconciliation database will be used by OCS staff across the state, DSS Information Services has envisioned approaching this as a web project. The projected completion date for the development of this automated LaCarte Reconciliation System, which is intended to record, maintain and reconcile credit card purchases by OCS cardholders, is December 31, 2003.

You may contact Keyth Devillier, OCS Financial Management Director at 342-4028 or Debbie Johnson, OCS Budget Manager at 342-2766.

Bulleted Item #4

The Compliance Section has taken corrective action by completing policy and procedures, which were implemented October 3, 2003.

Bulleted Item #5

The Division of Support Services has taken corrective action by putting procedures in place to ensure reports are run monthly and forwarded to the Procurement Card Administrator for review. This procedure should be implemented by November 1, 2003.

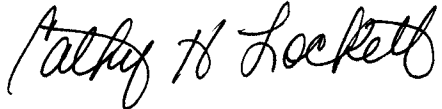
Bulleted Item #6

The Division of Support Services will take corrective action by contacting Bank of America for an implementation of an automated approval process to ensure segregation of duties will exist. This action should be complete by November 30, 2003.

You may contact Johnathan White, Division of Support Services Director, if any additional information is needed relative to item numbers 4, 5 or 6, at 342-4148.

Grover C. Austin, CPA  
October 22, 2003  
Page 4

Sincerely,

A handwritten signature in black ink that reads "Cathy H. Lockett". The signature is written in a cursive style with a large initial 'C'.

Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

C: Gwendolyn C. Hamilton  
Joel Hincks  
Al Sanford  
Carmen Weisner  
Johnathan White



State of Louisiana  
Department of Social Services  
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DIVISION OF FISCAL SERVICES  
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KATHLEEN BABINEAUX BLANCO  
GOVERNOR

ANN SILVERBERG WILLIAMSON  
SECRETARY

January 21, 2004

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Foster Care -- Title IV-E Program: Insufficient Controls Over Certain Grant Regulations

Dear Mr. Austin:

Reporting

We concur that underlying records for the ACF IV-E-1 were not accurate and complete. Percentages were being applied incorrectly in the calculation of IV-E Adoption expenditures. This procedure has been corrected as of the June 2003 quarter. The March 31, 2003 quarter report cited in the finding was revised on the September 30, 2003 submission of the report. Procedures have also been put in place to ensure that all supporting documentation is maintained with the completed reports.

Allowable Cost

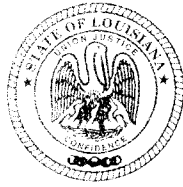
We concur that the Office of Community Services (OCS) did not rigorously follow control procedures related to retainer payments and special fees, resulting in the foster care program being overcharged by a total of \$9,470 (federal - \$6,750, state - \$2,720) in four of the payments tested.

OCS Regional Administrator Memorandum 2003-82 dated May 23, 2003 was issued to remind placement authorizing staff that OCS policy does not allow payment to any private provider program to hold a bed for a child pending placement.

Sincerely,

Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

c: Ann Williamson  
Joel Hincks  
Al Sanford  
Carmen Weisner



*State of Louisiana*  
*Department of Social Services*

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

OFFICE OF FAMILY SUPPORT  
755 THIRD STREET, 3<sup>RD</sup> FLOOR  
P. O. BOX 94065  
BATON ROUGE, LOUISIANA 70804-9065  
PHONE (225) 342-3950 FAX (225) 219-9399

GWENDOLYN P. HAMILTON  
SECRETARY

December 18, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
1600 North Third Street  
Baton Rouge, Louisiana 70804

RE: Legislative Auditor Finding - Fraudulent Charges of EBT Card Benefits

Dear Mr. Austin:

This is in response to the letter from Mr. Ernest F. Summerville, Jr., of your staff to Ms. Cathy Lockett of the Department of Social Services, Division of Fiscal Services regarding the referenced subject matter.

We did not pursue legal action against the employee who was involved in unauthorized work on the cases of relatives because we were unable to prove that the employee directly benefited monetarily from the actions. This employee has been terminated.

Results of the investigation pertaining to allegations that several employees of the Algiers District Office - Orleans Region shared their computer userid numbers and passwords to work on relatives' or friends' cases, found that no ineligible benefits were issued in the affected cases. Further, most of the employees involved in this activity have either resigned or transferred to other offices. Parish management will be required to review DSS/OFS Computer Security Policy and DSS/OFS policy regarding working on cases of relatives, friends, and acquaintances with all staff members to assure compliance.

Staff responsible for conducting case readings will be required to follow up with workers on all questionable issues resulting from the review to assure that concerns are addressed appropriately and timely. Measures will also be taken to assure that staff is reading the minimum number of cases and the correct percentage of cases.

The agency has measures in place to address separation of duties for the authorization of benefits and issuance of EBT cards. In parishes where a separation of duties is not feasible because of staffing limitations, the Parish Manager is responsible for incorporating provisions

Mr. Grover C. Austin, CPA

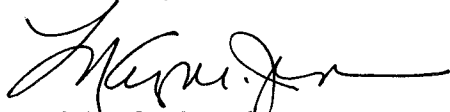
RE: Legislative Auditor Finding - Fraudulent Charges of EBT Card Benefits

Page 2

for monitoring and documenting the activities of any individual(s) having benefit authorization and EBT card issuance capabilities. The separation of duties may not totally prevent theft or misappropriation of benefits, however, it facilitates the detection of such theft. Moreover, the agency takes steps to effect investigation and appropriate legal/disciplinary action to deter such activity by staff. In reference to EBT cards taken prior to being mailed to the recipients, the agency will be moving toward the centralized issuance of EBT cards in an effort to provide better security.

If you need further information, please feel free to contact David D. Sigue by calling 342-3877.

Sincerely,



Mary M. Joseph  
Assistant Secretary

MMJ/DDS/GDB

c: Gwendolyn P. Hamilton  
Joel Hincks





State of Louisiana  
Department of Social Services  
OFFICE OF MANAGEMENT AND FINANCE  
DIVISION OF FISCAL SERVICES  
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M. J. "MIKE" FOSTER, JR.  
GOVERNOR

GWENDOLYN P. HAMILTON  
SECRETARY

December 1, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**Re: Improper Contracting of Guard Services**

We concur that the Department of Social Services did not follow state regulations for a two-year guard services contract.

The Support Services Procurement Director 3 has prepared a Request for Proposal for solicitation through the Office of Contractual Review to cover six departmental locations.

Documentation for administrative cost was provided on the time and attendance sheets based on what was agreed to in the original MOU. The costs were to cover scheduling and recruitment of officers and the cost of liability insurance. As in other contracts we required a valid Certificate of Insurance. However, we do not verify with the Insurer the cost of the policy.

Administrative cost of \$1.00 per hour for every hour worked by the guards was paid to RLA Police Security. Initially, the City of Baton Rouge Police Department and the East Baton Rouge Sheriff Department were not interested in handling this through their respective agencies because extra duty was considered overtime.

You may contact Johnathan White, Director Division of Support Services at 342-4148 for any additional information on the contracting of guard services.

Sincerely,

A handwritten signature in cursive script that reads "Cathy H. Lockett".

Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

Grover C. Austin, CPA  
December 1, 2003  
Page 2

c: Gwendolyn Hamilton  
Joel Hincks  
Al Sanford  
Carmen Weisner  
Mary Joseph  
Johnathan White



State of Louisiana  
Department of Social Services  
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M. J. "MIKE" FOSTER, JR.  
GOVERNOR

GWENDOLYN P. HAMILTON  
SECRETARY

September 25, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**Noncompliance with Federal Property Regulations**

We concur that the Office of Community Services and Louisiana Rehabilitation Services did not follow federal property regulations in that they did not indicate the percentage of federal participation for property acquired during fiscal year 2003.

Procedures are in place at both agencies to ensure that any movable property acquired in whole or in part with federal funds will reflect the percentage of federal participation. On June 1, 2003, the new state inventory system, Protégé, became available. Both offices are using this new system, which allows them to enter the required federal financial participation into data fields for funding type.

If you have any questions or need any additional information, you may contact me at 342-0863.

Sincerely,

A handwritten signature in black ink that reads "Cathy H. Lockett".

Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

C: Gwendolyn Hamilton  
Joel Hincks  
Al Sanford  
Carmen Weisner  
James Wallace



State of Louisiana  
Department of Social Services  
OFFICE OF MANAGEMENT AND FINANCE  
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M. J. "MIKE" FOSTER, JR.  
GOVERNOR

GWENDOLYN P. HAMILTON  
SECRETARY

October 6, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**Re: Noncompliance with State's Movable Property Regulations**

We concur that the Department of Social Services did not follow State Movable Property Regulations.

As of September 24, 2003, 146 of the 165 items accepted by the Office of the Secretary (OS) from the Office of Community Services (OCS) totaling \$485,815, remain unlocated. Efforts are ongoing to locate all missing inventory items. Due to consolidation of the Department's Office of Information Services, reassignment and disposal of equipment continues to be processed throughout the Department. We are confident that upon completion of this project all equipment will be accounted for, old and new, properly tagged and tracked.

The 170 computers previously not recorded in LPAA records have been added to the system this year. This error was also the result of the huge undertaking by the Department to consolidate all DSS Information Technology staff. These computers were purchased shortly before OCS Information Management Unit (IMU) staff was transferred. The printers have been located and either transferred to Information Services or sent to surplus.

We are required each year to report unlocated equipment. We are required to carry unlocated items for 3 years, each year trying to locate prior unlocated items and bring that number lower. Items are deleted from the active inventory after they have been unlocated for 3 full years. The following is the information reported on OCS Certification of Annual Property Inventory submitted 6/22/03:

Adjusted Total Dollar Amount of Inventory: \$7,643,462.

Previous Years Discrepancies:

1st Previous Year Dollar Amount (2002) 6 Items \$ 14,664  
*(1st Year will be deleted year after next- 2005)*

Mr. Grover C. Austin, CPA  
October 6, 2003  
Page 2

2nd Previous Year Dollar Amount	(2001)	42 Items	\$226,637
	<i>(2<sup>nd</sup> Year will be deleted next year-2004)</i>		
3rd Previous Year Dollar Amount	(2000)	48 Items	\$176,276
	<i>(3<sup>rd</sup> Year was deleted this year - 2003)</i>		

When FY 2000 unlocated was first reported, the figure was \$921,940. This discrepancy was addressed in a letter to LPAA in that same year. The original figure of \$921,940 included \$329,424 lost in the fire we suffered in our Lake Charles Regional office and Calcasieu Parish office which LPAA deleted after we submitted the loss to Office of Risk Management. Subsequently, \$592,516 remained unlocated (\$540,456 was computer equipment). It was found that the majority of the unlocated was related to a contract OCS had with Data Systems Network as well as movement of equipment by IMU Staff. There were meetings and letters addressing the problems and corrective action taken at that time. Over the past 3 years, we have located \$416,240 from the original FY 2000 figure. Also, in 2000, our Adjusted Total Dollar Amount of Inventory was \$18,271,877 (much more than our current \$7,643,462). The \$176,276 (2000 unlocated) that was deleted from the inventory this year, was less than 1% of what the total dollar inventory was at that time.

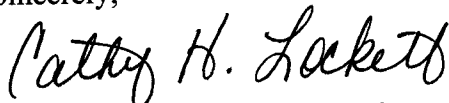
When 2001 unlocated was first reported, the figure was \$307,657. Again, the majority of this equipment was computer equipment and during that year, there were many changes in how computer equipment was being handled and movement of positions of IMU Staff and responsibilities. This was also the year OCS began transferring computer equipment to DSS OM&F/Division of Information Services.

Over the past 2 years, we located \$ 81,020, and expect to locate more this coming inventory before the certification is turned in. Again, in 2001, our adjusted total dollar amount of inventory was \$18,419,930. Even the current 2001 unlocated figure of \$226,637 is about 1% of what the total dollar inventory was at that time.

On June 1, 2003, the new State inventory system, Protégé, became available and all agencies are using it. The Protégé system prints reports on demand. These reports are user-friendly and offer an up-to-date analysis of property transactions. Property records are updated as they are reported from organizational units throughout the state. Protégé reports are printed by LRS and OCS Agency Property Managers and reconciled on a monthly basis.

If you have any questions or need additional information, you may contact me at 342-0863.

Sincerely,



Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

C: Gwendolyn Hamilton  
Joel Hincks  
Al Sanford  
Carmen Weisner  
James Wallace  
Johnathan White



**State of Louisiana**  
**Department of Social Services**  
**OFFICE OF MANAGEMENT AND FINANCE**  
**DIVISION OF FISCAL SERVICES**  
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**KATHLEEN BABINEAUX BLANCO**  
GOVERNOR

**ANN SILVERBERG WILLIAMSON**  
SECRETARY

January 23, 2004

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Subrecipient Monitoring – Noncompliance with Federal and State Regulations

Dear Mr. Austin:

We concur that the department did not monitor one contract. CART is now receiving reports that identify all of the department's contracts. Effective July 1, 2003, the Contract Accountability Review Team (CART) requested and is receiving a report from the Division of Support Services, which identifies all active contracts on CFMS. CART will compare this record to existing CART reports to identify new and terminated contracts. We also agree that the department did not require one subrecipient to take timely corrective action. These procedures are revised effective January 2004. A copy of the CART findings will be sent to the contract manager and to the contractor. The contract manager will be responsible for ensuring that the subrecipient takes timely corrective action. CART will also institute a tickler system to track corrective action responses to assure that if plans are not received timely, immediate follow-up will be done.

We concur that the Office of Family Support (OFS), Temporary Assistance for Needy Families (TANF) contracts that were tested did not include the CFDA Program Name in the applicable section on the first page of the contract. Further, 10 of the contracts tested did not identify the requirements imposed by laws, regulations, and the provision of contract or grant agreements and the only law mentioned in the contract is the Personal Responsibility & Work Opportunity Reconciliation Act of 1996 (PRWORA). The regulation numbers were not available from the Administration for Children and Families (ACF) when these contracts were originally set up and a master boilerplate for Teen Pregnancy contracts was completed. When PRWORA/TANF regulations were finally issued, the agency failed to insert the numbers in these contract documents. Program staff is aware of the requirement and the importance of informing contractors of all applicable federal laws and regulations.

We concur that 12 contracts were not designated as vendor or subrecipient. All of the twelve

Grover C. Austin, CPA  
January 23, 2004  
Page 2

contracts have been designated post audit. Eight of the twelve were vendor type contracts and four were subrecipient type contracts. The External Audit unit did not receive copies of the contracts for designation. Program offices have once again been prompted to forward a copy of all contracts (excepting certain types of contracts) to External Audit to make the vendor/subrecipient determinations and to be entered into the audit report tracking system.

We concur that 22 final evaluation reports were not submitted to the Office of Contractual Review (OCR) within 60 days. At the time of the audit nine had been submitted late. Of the remaining 13, two are Memorandums of Understandings (MOU). We are not required to submit monitoring reports to the OCR on MOUs. Six were submitted to the OCR after the audit was performed and the remaining five are being processed for submission. A tickler system is in place whereby the Division of Support Services sends transmittals to appropriate staff to bring about timely submission of the final performance reports. The Office of Community Services will maintain a log of all evaluation reports that are due and entering the date each is received. Weekly follow up will be done on evaluation reports that have not been submitted. In addition, they will routinely send follow up reminders or requests via e-mail to the assigned contract monitor (and/or supervisor) for reports that are missing or late.

If any additional information is needed, you may contact me at 342-0863.

Sincerely,



Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

C: Ann Williamson  
Joel Hincks  
Al Sanford  
Mary Joseph  
Carmen Weisner  
James Wallace



State of Louisiana  
Department of Social Services  
OFFICE OF MANAGEMENT AND FINANCE  
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KATHLEEN BABINEAUX BLANCO  
GOVERNOR

ANN SILVERBERG WILLIAMSON  
SECRETARY

January 21, 2004

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Temporary Assistance for Needy Families Program: Inaccurate Reporting

Dear Mr. Austin:

We do not concur that we did not have supporting documentation for federal unliquidated obligations submitted on the ACF-196 for the quarter ending September 30, 2002. Fiscal Services has documentation of unliquidated obligations in excess of the amount reported for the period audited. Further, this grant was completely liquidated as of the September 30, 2003 quarter.

We concur that the PMS-272 report was understated by \$ 5,192,213 for the December 31, 2002 quarter and \$ 35,169,869 for the March 31, 2003 and June 30, 2003 quarter. These amounts were corrected on the September 30, 2003 PMS-272 report.

We concur that we could not provide support for allocation of MOE expenditures to the Family Independence Temporary Assistance Program (FITAP), Kinship Care Subsidy Program, and FINDWork Programs submitted on the ACF-204 for federal fiscal year 2002. MOE expenditures reported on the ACF-204 balance in total to the expenditures in ISIS and on the ACF-196. Currently, there is not a conversion in ISIS to separate Kinship Care from regular assistance payments. Therefore, calculations were done to determine the amounts for FITAP, Kinship Care and FINDWork, which as previously stated balance in total to ISIS. A user request has been submitted to capture Kinship Care expenditures in separate coding in ISIS. The coding has already been set up by Fiscal Services for this purpose. FINDWork expenditures are identified in ISIS.

Support documentation is available for the number of families/children served for Starting



Grover C. Austin, CPA  
January 21, 2004  
Page 2

Points, Wrap Around Child Care, Diversion Assistance and Office of Community Services Child Welfare Programs. This information has been provided to the auditors.

The methodology used by the Department of Education for certifying MOE funds for the Remediation and Tutoring program experienced problems. According to Ms. Beth Scioneaux with the Department of Education, during the audit of their Department by the Legislative Auditors for fiscal year 2002 a review of the methodology for certifying funds for the MOE was performed. The auditors recommended that the Department of Education revise its procedures, which has been done to provide more accurate data.

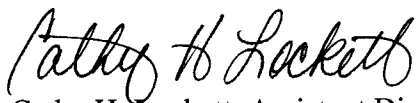
The Domestic Violence program does not meet the requirement for MOE designation. The state MOE can only be claimed for expenditures on "eligible families," which are defined as families which include a child living with a parent or other adult caretaker relative and which are determined to be financially eligible according to income/resource standards as established in the TANF State Plan. Expenditures for the Domestic Violence program are spent on services for the general public and are not limited to "eligible families."

The ACF-204 will be revised to correct MOE expenditures and total number served with MOE funds.

Procedures will be implemented to ensure that these reports are prepared in accordance with program requirements and that all supporting documentation is maintained with the completed reports.

You may contact Cheryl Sullivan if you need additional information on the ACF-196 or PMS-272 at 342-4164. Additional information on the ACF-204 can be obtained from Gwen Brooks at 342-2783.

Sincerely,



Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

c: Ann Williamson  
Joel Hincks  
Al Sanford  
Mary Joseph



State of Louisiana  
Department of Social Services  
OFFICE OF MANAGEMENT AND FINANCE  
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KATHLEEN BABINEAUX BLANCO  
GOVERNOR

ANN SILVERBERG WILLIAMSON  
SECRETARY

January 29, 2004

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Temporary Assistance for Needy Families Program:  
Noncompliance with Certain Federal and State Requirements

We concur in part with the finding that the agency did not have monitoring procedures established to ensure that TANF Initiative partners administered the federal funds in compliance with federal requirements and/or the requirements of the Memorandums of Understanding between DSS and the TANF Initiative partners. Although other state departments receive direct appropriation for TANF funds, the Department of Social Services, DSS is ultimately accountable for TANF spending as OFS is the Federally designated TANF agency. All Memorandums of Understanding between DSS and other state departments or entities have specific language regarding the partner's responsibility for directly monitoring their programs. Each partner must follow the same requirements as the Department of Social Services as they are also monitored by the Legislative Auditor. Also, each partner will be held accountable for any misappropriation and contractual obligations. The TANF Office of Evaluation and Oversight, in the Division of Administration, also monitors all state departments and entities that receive TANF funds. OFS has established a monitoring plan to ensure that TANF Initiative partners are administering federal funds in compliance with federal requirements.

We concur in part that certain contract payments were not reasonable and necessary. We also concur in part that the Office of Family Support (OFS) did not have adequate documentation to support contract expenditures. OFS has established procedures requiring contractors to provide documentation to support payment request.


We concur in part that documentation in client files tested was insufficient or did not exist to support compliance with TANF eligibility requirements. Each region will address the necessity of documenting case records with complete and accurate information and in taking action on cases in a timely manner. All workers responsible for FITAP will receive training on the policy of "residing in the home of a parent or other qualified relative."

Mr. Grover C. Austin, CPA  
January 29, 2004  
Page 2

We concur in part that certain TANF client information in the Department's database did not agree with, or was not supported by, documentation in the client's case file. Training will be conducted on verification required for updating participation hours. Each region will review the importance of all information being properly filed in the case record as the case is handled. Case records will be labeled when more than one case record exists. Staff will also be trained on the policy for budgeting income of household members for KCSP and verifying income at application or re-determination.

If additional information is needed, you may contact David Sigue at 342-3877 or Gwendolyn Brooks at 342-2783.

Sincerely,



Cathy H. Lockett, Assistant Director  
Division of Fiscal Services

c: Ann Williamson  
Joel Hincks  
Al Sanford  
Mary Joseph



M. J. "MIKE" FOSTER, Jr.  
GOVERNOR

**State of Louisiana**  
Department of Social Services  
LOUISIANA REHABILITATION SERVICES  
8225 Florida Blvd.  
Baton Rouge, LA 70806-4834  
Phone: 225-925-4131 (V/TDD)  
Fax: 225-925-4184

GWENDOLYN P. HAMILTON  
SECRETARY

December 29, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of Legislative Auditor  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

Re: Legislative Audit Finding – **Vocational Rehabilitation: Noncompliance with Federal Requirements**

The following is in response to your letter of December 12, 2003, regarding reportable audit findings of Louisiana Rehabilitation Services.

► **Period of Availability – Program Income**

Agency Response: The agency concurs with this finding. Louisiana Rehabilitation Services has contacted the Rehabilitation Services Administration advising of this finding. Louisiana Rehabilitation Services has documentation back to state fiscal year 1998, but the amount in this report is an accumulation of revenue back to 1993. The Rehabilitation Services Administration has advised the agency that the work papers will be requested from your office.

No corrective action necessary. The procedures for tracking Program Income were previously revised to include both State and Federal Years. The agency has documentation to support the figures for the last five years beginning with July 1998. If you have any questions, please contact Becky Blankinship.

► **Federal Financial Reporting**

Agency Response: The agency concurs with this finding.

Name Person Responsible for Corrective Action: Becky Blankinship

Corrective Action Planned: The federal report will be revised to correct the errors and understated expenditures.

Anticipated Completion Date: February 1, 2004

► **Responsible entity not accurately specified**

Agency Response: The agency concurs with this finding.

Contact Person Responsible for Corrective Action: Roseland Starks and Steve Roberts

Corrective Action Planned: The agency will implement in-service training to clarify procedures and instruct field staff regarding procedures for accurately identifying on the Individualized Plan for Employment (IPE) the entity (ies) responsible for providing vocational rehabilitation services. The LRS Quality Assurance program will continue to monitor for this item as it has done since January 2001.

Anticipated Completion Date: In-service training will be completed by March 15, 2004, and the QA program will continue to conduct annual monitoring exercises in each of the eight LRS regions.

► **Eligibility determinations not completed within 60 days**

Agency Response: The agency concurs with these findings.

Contact Person Responsible for Corrective Action: Roseland Starks and Steve Roberts

Corrective Action Planned: The agency will implement in-service training to clarify procedures and instruct field staff regarding the federal regulations 34 CFR Part 361.41 (b) (1). Also, agency procedures will be revised to stipulate that eligibility determinations must be made within 60 days, unless "exceptional and unforeseen circumstances beyond the control of the [agency] precludes" making an eligibility determination within 60 days. The agency's procedures were revised on June 25, 2003, to stipulate that if the eligibility decision cannot be made within 60 days the counselor and applicant must "agree to a specific extension of time" for the determination to be made. The LRS Quality Assurance program will continue to monitor for this item as it has done since January 2001.

Anticipated Completion Date: Procedure revisions and in-service training will be completed by March 15, 2004; and the QA program will continue to conduct annual monitoring exercises in each of the eight LRS regions.

► **Department may have improperly charged the federal program**

Agency Response: LRS concurs in part with this finding. Three of the four cases identified as not including sufficient documentation for the payment of invoices followed established agency procedures for processing payments to vendors and the agency is of the opinion that the costs associated with these cases were legitimate. LRS agrees, however, that by not requiring documented verification (signatures) on certain vendor and client invoices the risk of paying fraudulent or erroneous invoices is increased.

In a fourth case, involving the purchase of computer equipment for a consumer, LRS agrees that the counselor did not follow established agency procedures for completing an amended Individualized Plan for Employment (IPE) to initiate the purchase. LRS further agrees that there was no "validation" signature on the BRIS-3 document authorizing payment for the purchase and that there was no verification in the record that the consumer actually received the equipment. It is the agency's opinion, however, that since the purchase was made for an eligible LRS consumer, there are no "disallowed" federal costs associated with this action.

The fifth cited case involves the payment of transportation costs to an individual during semester breaks when he was not actually attending the training program for which the transportation assistance was being provided. LRS concurs with the finding in this case.

Concerning the questioned costs involved in all of these cases, the Rehabilitation Services Administration has advised the agency of the following: "We are going to wait until the Audit report is released and then see if there is enough detail in the report to write a Program Determination Letter to recover the funds. If not, we will request the work papers and go from there."

Contact Person Responsible for Corrective Action: Roseland Starks, Claire Hymel

Corrective Action Planned: The LRS Technical Assistance and Guidance Manual will be revised to specifically require case record documentation or verification of an individual's receipt of goods or services prior to the authorization of payment. In cases involving the reimbursement of consumer expenses for PCA services, procedures will be revised to require consumers (as employers) to verify payments to persons providing PCA services prior to LRS authorizing reimbursement.

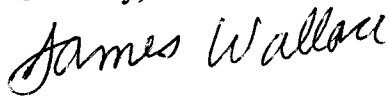
LRS will require training for the Lafayette regional staff concerning the authorization of transportation payments for only those days an individual is participating in authorized training or other services for which transportation assistance is being provided. In addition, LRS will initiate steps to recoup the over payment of transportation assistance. Training concerning the proper completion of an amended IPE, as well as the approval process and required signatures for IPE amendments will also be required in Lafayette.

Mr. Grover C. Austin  
December 29, 2003  
Page 4

Anticipated Completion Date: Procedure revisions and in-service training will be completed by March 15, 2004; and the QA program will continue to conduct annual monitoring exercises in each of the eight LRS regions.

If you require any additional information, please let us know.

Sincerely,

A handwritten signature in cursive script that reads "James Wallace".

James Wallace  
Director

JW/SR/ssb



# SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM

BATON ROUGE, LOUISIANA 70813  
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Baton Rouge, New Orleans,  
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LOUISIANA

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(225) 771-4680

October 17, 2003

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(225) 771-5522

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
State of Louisiana  
Baton Rouge, LA 70804-9397

## RE: Deficiencies in Southern University System (SUS) Disaster Recovery Plan

Dear Mr. Austin:

We concur with the audit finding concerning the Southern University Baton Rouge Campus Mainframe Computer System which houses application software that services the entire Southern University System. The finding further indicates a written disaster recovery plan does exist; however, the specifics of the plan have not been tested for validity.

Listed below is the System's corrective action plan.

No.	Corrective Action	Responsible Party	Comments
1.	Establish Disaster Recovery Facility at Southern University at New Orleans (SUNO) for the Southern University at Baton Rouge (SUBR) Operation.	Nathaniel Felder, James Ambroise	A Mainframe Computer System will be installed at SUNO with the capability of being a Disaster Recovery Site for Southern University at Baton Rouge. Expected completion is May, 2004.
2.	Install a new Fire Suppression System in the Technology Network Division computer room at SUBR.	Huey Lawson	A new system has been identified and the necessary paperwork completed to make the acquisition. Plans are to have this system in place by December, 2003.
3.	Upgrade the Mainframe UPS at SUBR.	James Ambroise	The electrical system requirements will be checked and upgraded as needed. To be completed by April 2004.



Mr. Grover C. Austin  
October 17, 2003  
Page 2

No.	Corrective Action	Responsible Party	Comments
4.	Test the Disaster Recovery Plan for SUBR at SUNO.	James Ambroise, Nathaniel Felders	Ensure that SUBR administrative systems are functional on the SUNO Mainframe. Expected completion is June, 2004.

Overall coordination for these tasks will be handled by Mr. Jesse L. Smith, Director of Information and Technology Resource Management (ITRM).

Sincerely,



Leon R. Tarver II, Ph.D.  
President  
Southern University System



# SOUTHERN UNIVERSITY

Agricultural & Mechanical College

Office of the Chancellor  
P. O. Box 9374  
[504] 771-5020  
FAX [504] 771-2018

January 9, 2004

Bruno & Tervalon LLP  
Certified Public Accountants  
4298 Elysian Fields Avenue  
New Orleans, LA. 70122

Attention: Sean Bruno

Dear Mr. Bruno:

I am transmitting, per your request, responses to the audit finding and the management letter comments for **Southern University-Baton Rouge Campus, Single Audit for the fiscal year ending June 30, 2003.**

We are deeply indebted to your staff for the cooperation and professional manner in which this audit was conducted. If you have any questions or require additional information, please contact Mr. Flandus McClinton, Jr., Vice Chancellor for Finance and Administration, at (225) 771-5021.

Sincerely,

Edward R. Jackson  
Chancellor

Attachments

cc: Mr. Flandus McClinton, Jr.

B-102

**SOUTHERN UNIVERSITY SYSTEM  
BATON ROUGE CAMPUS  
FINDINGS  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2003**

**2003-01      Aid Exceeded Documented Need**

**Condition and Perspective**

During our audit we noted that four (4) students' out of seventy (70) tested received financial aid in excess of their documented need.

**Recommendation**

We recommend that the University adhere to established procedures and ensure that the total financial aid received by students does not exceed their documented need.

***Response:***

***The University will adhere to established procedures and ensure total financial aid received by students does not exceed their documented need by monitoring and reconciling the students' budgets with resources received from all sources.***

***Responsible Parties:***                      ***Mr. Phillip Rodgers***

***Anticipated Completion Date:***      ***March 15, 2004***



State of Louisiana  
DIVISION OF ADMINISTRATION  
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

September 11, 2003

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

RE: Tobacco Financing Corporation Audit Finding – Articles of Incorporation were not Filed.

This is being provided to you in response to your office's September 1, 2003 correspondence delineating the aforementioned audit finding.

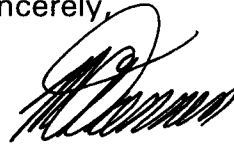
**Response: This is a repeat finding from last year. We again do not concur with this repeat finding.** Counsel for the Corporation, inclusive of the Attorney General's Office, has clearly indicated that a filing of Articles of Incorporation would be a redundancy of effort and expense providing no additional shield of protection beyond that already provided through statute, and such articles could not provide any protection not already provided by the enabling statutes. In addition, it should be noted that the issue of state liability was settled by the process of the bond validation suit (The Board of Directors of the Tobacco Settlement Financing Corporation versus ALL TAXPAYERS, PROPERTY OWNERS, CITIZENS OF THE STATE OF LOUISIANA, AND NON-RESIDENTS OWNING PROPERTY OR SUBJECT TO TAXATION THEREIN, AND ALL OTHER PERSONS INTERESTED IN OR AFFECTED IN ANY WAY BY THE ISSUANCE OF TOBACCO SETTLEMENT ASSET-BACKED BONDS OF THE TOBACCO SETTLEMENT FINANCING CORPORATION Docket Number 487871, Division H 19<sup>th</sup> Judicial District Court, Parish of East Baton Rouge) which was heard and confirmed by the courts on October 9, 2001. Such judgment specifically found the covenants of the Corporation in the Indenture were valid and enforceable and the Indenture, Purchase Agreement or other means provides for the payment of the bonds and the validity of all pledges of revenues and of all covenant provisions that constitute a part of the contract between the Corporation and the owners of the Bonds are valid. In all, it could not have been clearer that the state was not liable in any respect for the payment of the Bonds.

B-104

Mr. Grover C. Austin  
September 11, 2003  
Page 2

If you 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 in a cursive style.

Mark C. Drennen, Chairman  
Tobacco Finance Settlement Corporation

MCD/WJK/sm



State of Louisiana  
DIVISION OF ADMINISTRATION  
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

September 11, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

RE: Tobacco Financing Corporation Audit Finding – Internal Control Weaknesses  
Over Operations

This is being provided to you in response to your office's September 1, 2003 correspondence delineating the aforementioned audit finding.

**Response:** *This is a repeat finding (comprised of several sub-issues) from the prior year. For the second year in a row we will respond to each sub-component finding separately.*

a. Cooperative Endeavor agreements were not formally established with the Department of Treasury as required by statute.

**Response:** We agree with that portion of the finding indicating that a formal cooperative endeavor had not been executed but disagree with the implication that the lack of the cooperative endeavor allowed the Treasurer to not fulfill its duties.

b. The corporation engaged a certified public accountant (CPA) to prepare the financial statements. Because the corporation had no books of original entry, the CPA had to prepare spreadsheets to summarize the transactions of the corporation. CPAs typically charge fees based on the number of hours estimated to be necessary to complete a job. It is likely that the corporation incurred additional expense because of its failure to provide books of original entry. In addition, failure to prepare books of original entry makes it more difficult for management to monitor the transactions of the corporation.

**Response:** *We do not concur* that the engaged CPA's fees or effort were necessarily increased due to a lack of books of original entry. The Corporation maintained adequate records, inclusive of spreadsheets, that provided the engaged CPA sufficient information to prepare the contracted for financials.

B-106

Mr. Grover C. Austin  
September 11, 2003  
Page 2

c. The board did not monitor investment activity and did not determine if the trustee maximized the investment income that could have been earned on tobacco settlement revenues.

**Response:** *We do not concur with the finding* in that it would imply inadequate monitoring of investments and investment earnings maximization. The investment and fiscal staff of the Treasurer's Office do provide a monthly review of the investment activities of the various investment accounts, which in our opinion is sufficient to assure that funds are invested properly and timely in the vast majority of cases.

**We would further note again this year that the auditor's finding is in error and represents a misunderstanding of the investment earnings** particularly with respect to the investment of the Bond Reserve account the auditor failed to take into account the Liquidity Reserve Account Forward Delivery Agreement and the Reserve Fund Agreement, which provide for the delivery of securities to the Trustee, which produces an annual return on the Reserve Account of 4.63% and 4.36%, respectively, for the Corporation. These rates of return were agreed to after a competitive bidding process and represent the best market rate at the time of the bidding. The Corporation has no legal ability to do as suggested in prior year findings (invest in a mutual fund) and any attempt on the part of the Corporation to do so would be a default under such agreements. The Corporation is receiving the rate of return it negotiated for under the bidding process even if at some points in the year there are monies invested in securities with a zero investment return. This is because the rate of return on the securities held by the Trustee is blended. It does not mean there is no return. The Trustee has statements showing that the Corporation received its guaranteed annual rate of return.

d. Operating expenses totaling \$41,920 were incorrectly paid from the Cost of Issuance Account instead of the Operating Account. The expenses were not related to the issuance of the bonds, but were for professional services. Section 8.06 of the bond indenture states, in part, that at such a time as an authorizing officer (of the corporation) notifies the trustee that the Cost of Issuance have been fully paid, the Trustee may close and terminate the Cost of Issuance account. The funds remaining therein, if any, shall then be transferred to the Millennium Trust pursuant to the direction of an authorized officer. The payments totaling \$41,920 paid from the Cost of Issuance account lowered the balance, that when closed, would have been transferred to the Louisiana Fund and the Millennium Trust. The Cost of Issuance Account was not closed until April 2003 although no

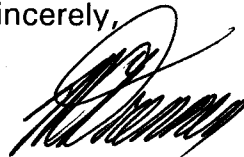
Mr. Grover C. Austin  
September 11, 2003  
Page 3

disbursements, related to the issuance of bonds, had been made since January 30, 2002. By not closing the account timely the corporation also incurred additional bank fees of \$1,538. The Millennium Trust lost the interest that would have accrued on these funds, as well as the use of the funds.

**Response: We agree with most of the finding.** To correct this action, the Chairman, on August 7, 2003, requested the Treasurer to move \$31,920 from the Operating Account to the Millennium Trust Fund and a provided a requested transfer base. The remaining \$10,000 balance was requested on August 27, 2003. **We do not concur** that there was a loss of total interest to the Millennium Trust Funds as proceeds of the Costs of Issuance and Operating Account earned interest that ultimately flowed to be distributed to both the Louisiana and Millennium Trust Funds.

Should you have any questions, please contact Mr. Whitman Kling, Deputy Undersecretary at 342-7085.

Sincerely,



Mark C. Drennen, Chairman  
Tobacco Finance Settlement Corporation

MCD/WJK/sm

c: Ms. Angele Davis, Deputy Commissioner





## TREASURER OF THE STATE OF LOUISIANA

John Neely Kennedy  
Treasurer

P. O. Box 44154  
Baton Rouge, LA 7080  
(225) 342-0010

November 10, 2003

Mr. Grover C. Austin, CPA  
First Assistant Legislative Auditor  
Office of the Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

RE: Response to finding of over-collection of fees – Oil Spill Contingency Fund

Dear Mr. Austin:

The Department of the Treasury concurs with the reportable finding that the Department did not timely certify to the secretary of the Department of Revenue (DOR) that the balance in the Oil Spill Contingency Fund ("Fund") reached \$10,000,000 as required by law. Treasury is responsible for administering over 300 funds and the Contingency Fund is one of these accounts. I will not minimize the inaction, but I want to point out that the impact was nominal and had no effect on the State General Fund or state budget.

The Department has implemented appropriate procedures to regularly monitor the Fund balance as depicted in ISIS, the state's centralized accounting system, in order to avoid this occurring in the future. Further, we have directed our Internal Auditor to conduct a thorough review of all other funds to ascertain any other potential problems.

Thank you for the opportunity to reply to this matter. If you have any questions please call me at 342-0055.

Sincerely,

A handwritten signature in black ink that reads "Ron J. Henson".

Ron J. Henson  
First Assistant State Treasurer

RJH:mr



January 14, 2004

Mr. Grover Austin, CPA  
First Assistant Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

**RE: Untimely Monitoring of the Oil Spill Contingency Fund**

We concur that the Department of the Treasury did not timely certify to the Secretary of the Department of Revenue that the balance in the Oil Spill Contingency Fund reached \$10,000,000 as required by law.

In accordance with R.S.1621, the Department of Revenue will issue refunds to the appropriate taxpayers, and in accordance with R.S. 30:2487, these refunds will be drawn from the Oil Spill Contingency Fund with authorization from the Department of the Treasury.

Contact persons for the corrective action for this finding are Dale Lejeune and Carl Reilly of the Department of Revenue and Gary Hall of the Department of the Treasury. We expect these refunds to be issued in March, 2004.

Sincerely,

Stephen Hymel  
Undersecretary

Cc: Cynthia Bridges  
Dale Lejeune  
Carl Reilly  
Gary Hall

# Appendix C

## Findings and Recommendations Index by State Agency



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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
<b>Findings Covering More Than One Federal Agency</b>				
<b>Education, Department of:</b>				
2002	73	F-02-CC-EDUC-1	Improper Charging of Administrative Expenditures to Federal Awards	Various
2001	55	F-01-CC-EDUC-1	Improper Charging of Administrative Expenditures to Federal Awards	Various
2002	76	F-02-CC-EDUC-2	Ineffective Controls Over Subrecipient Monitoring	Various
2001	57	F-01-CC-EDUC-2	Ineffective Controls Over Subrecipient Monitoring	84.Variou/93.575
<b>Grambling State University:</b>				
2002	88	F-02-CC-GSU-3	Allowable Costs	84.038/93.364
2002	89	F-02-CC-GSU-4	Federal Financial Reports	Various
2002	90	F-02-CC-GSU-5	Inventory Management of Equipment	Various
2002	87	F-01-CC-GSU-2	Financial Management System (2001)	Various
<b>Labor, Department of:</b>				
2000	69	F-00-CC-LABR-1	Improper Charging of Payroll Expenditures to Federal Programs	10.561/17.Variou
1999	77	F-99-CC-LABR-1	Improper Charging of Payroll Expenditures to Federal Programs	Various
2000	71	F-00-CC-LABR-2	Improper Cost Allocation	Various
2000	74	F-00-CC-LABR-3	Inadequate Internal Control Over Disbursements	Various
<b>Social Services, Department of:</b>				
2002	78	F-02-CC-DSS-1	Noncompliance With Federal Property Regulations	Various
2002	81	F-02-CC-DSS-2	Subrecipient Monitoring - Noncompliance With Federal and State Regulations	Various
2000	76	F-00-CC-DSS-1	Monitoring of Federal Subrecipients and State Contractors Not Sufficient or Effective	Various
1999	81	F-99-CC-DSS-1	Inadequate Monitoring of Federal Subrecipients and State Contractors	Various
<b>Southern University at New Orleans:</b>				
2002	91	F-02-CC-SUNO-1	Federal Financial Reports	84.Variou/93.658
<b>University of Louisiana at Monroe:</b>				
2002	83	F-02-CC-ULM-1	Grant Accounting Control Procedures Not Effective	Various
<b>Women's Services, Office of:</b>				
2002	85	F-02-CC-OWS-1	Improper Expenditures for Promotional Items	17.255/20.205

(Continued)

State Agency	Questioned Costs	Current Status Per Auditee	Page No.
Education	\$610,219	Partially corrected; QC unresolved; repeat in 2003, p. 76	D-15
Education	\$117,204	Partially corrected; QC unresolved	D-16
Education	\$474,530	Partially corrected; QC unresolved; repeat in 2003, p. 66	D-17
Education	\$12,862	Partially corrected; QC unresolved	D-18
Grambling	\$163,150	Fully corrected, QC resolved	D-19
Grambling	N/A	Fully corrected	D-20
Grambling	N/A	Fully corrected	D-21
Grambling	N/A	Fully corrected	D-22
Labor	\$498,644	Partially corrected; QC unresolved	D-23
Labor	\$705,634	Partially corrected; QC unresolved	D-24
Labor	\$6,967,031	Partially corrected; QC unresolved	D-25
Labor	\$225,466	Partially corrected; QC unresolved	D-26
Social Services	N/A	Not corrected; repeat in 2003, p. 72	D-27
Social Services	N/A	Partially corrected; repeat in 2003, p. 73	D-28
Social Services	\$2,556,686	Partially corrected; QC resolved	D-29
Social Services	\$3,070,225	Partially corrected; QC resolved	D-30
Southern (New Orleans)	N/A	Fully corrected	D-31
ULM	\$626	Fully corrected, QC resolved	D-32
Women' s Services	\$6,346	No further action needed; QC unresolved	D-33

**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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**U.S. Department of Interior**

**Wildlife and Fisheries, Department of:**

2002	92	F-02-INTERIOR-DWLF-1	Federal Funds Expended on Defective Fish Hatchery	15.F-80
2002	93	F-02-INTERIOR-DWLF-2	Theft of Funds	Various

**U.S. Department of Labor**

**Labor, Department of:**

2001	70	F-01-USDOL-LABR-4	Unemployment Insurance Costs Charged Outside of Funding Period	17.225
2000	95	F-00-USDOL-LABR-9	Unemployment Insurance Costs Charged Outside of Funding Period	17.225
2000	93	F-00-USDOL-LABR-7	Noncompliance With the Unemployment Insurance Program Requirements	17.225
1999	92	F-99-USDOL-LABR-5	Noncompliance With the Unemployment Insurance Program Requirements	17.225

**Women's Services, Office of:**

2002	94	F-02-USDOL-OWS-2	Improper Expenditure of Federal Funds	17.255
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**U.S. Department of Transportation**

**Transportation and Development, Department of:**

2001	75	F-01-DOT-DOTD-5	Untimely Closing of Projects	20.205
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**Women's Services, Office of:**

2002	96	F-02-DOT-OWS-3	Inadequate Control Over Program Administration	20.205
2002	98	F-02-DOT-OWS-4	Noncompliance With State Procurement Regulations	20.205

**Environmental Protection Agency**

**Environmental Quality, Department of:**

2001	76	F-01-EPA-DEQ-1	Subrecipient Audit Reports Not Monitored	66.458
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**U.S. Department of Energy**

**Natural Resources, Department of:**

2002	100	F-02-ENERGY-DNR-1	Questionable Claims in the Home Energy Rebate Option Program	81.SW2027
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(Continued)

State Agency	Questioned Costs	Current Status Per Auditee	Page No.
Wildlife and Fisheries	\$12,454,421	Partially corrected; QC unresolved	D-34
Wildlife and Fisheries	\$79,713	Fully corrected; QC unresolved	D-35
Labor	\$808,857	Partially corrected; QC unresolved	D-36
Labor	\$3,143,111	Partially corrected; QC unresolved	D-37
Labor	\$45,217	Partially corrected; QC unresolved	D-38
Labor	\$1,823,516	Partially corrected; QC unresolved	D-39
Women's Services	\$647,060	No further action needed; QC unresolved	D-40
DOTD	N/A	Partially corrected	D-41
Women's Services	\$159,052	No further action needed; QC resolved	D-42
Women's Services	\$135,250	Fully corrected: QC unresolved	D-43
Environmental Quality	\$1,573,134	Fully corrected: QC unresolved	D-44
Natural Resources	\$19,296	Fully corrected: QC unresolved	D-45

**LEGISLATIVE AUDITOR**

**STATE OF LOUISIANA**  
**Summary Schedule of Prior Federal Audit Findings**

Fiscal Year	Single Audit Page Number	Finding Number	Finding Title	CFDA Number
<b><u>U.S. Department of Education</u></b>				
<b>Education, Department of:</b>				
2002	101	F-02-ED-EDUC-3	Inadequate Controls Over Title I Program	84.010
<b>Elementary and Secondary Education, Board of:</b>				
2001	77	F-01-ED-BESE-1	Lack of Internal Controls Over Public Charter Schools Program	84.282
<b>Grambling State University:</b>				
2002	110	F-02-ED-GSU-8	Aid Exceeded Documented Need	84.032
2002	111	F-02-ED-GSU-9	Exit Counseling	84.032
2002	111	F-02-ED-GSU-10	Federal Work-Study	84.033
2002	112	F-02-ED-GSU-11	Return of Title IV Funds	84.007/032/033/063
2002	108	F-01-ED-GSU-6	Return of Title IV Funds (2001)	84.032/84.063
2002	113	F-02-ED-GSU-12	Satisfactory Academic Progress	84.032/84.063
2002	114	F-02-ED-GSU-13	Satisfactory Academic Progress	84.007/033/063/268
2002	115	F-02-ED-GSU-14	Student Status Confirmation Reports	84.032
2002	109	F-01-ED-GSU-7	Special Reporting (2001)	84.007/033/038/063
<b>Louisiana Community and Technical College System:</b>				
2002	102	F-02-ED-LCTCS-1	Inadequate Internal Control Over Pell Grant	84.063
<b>Louisiana State University Health Sciences Center (New Orleans):</b>				
2002	103	F-02-ED-LSUHSCNO-1	Untimely Student Loan Refunds	84.032
<b>Louisiana Technical College, Avoyelles Campus:</b>				
2000	102	F-00-ED-LTCAVOY-1	Improper Payroll Charges to a Federal Program	84.048
2000	104	F-00-ED-LTCAVOY-3	Noncompliance With Documentation Requirements for Federal Program	84.048
<b>Louisiana Technical College, Sowela Campus:</b>				
2002	103	F-02-ED-LTCSOWELA-1	Untimely Return of Federal Pell Grant Program Funds	84.063
<b>Louisiana Technical College, Tallulah Campus:</b>				
2002	104	F-02-ED-LTCTALLULAH-1	Federal Pell Grant Program - Eligibility and Refund/Repayment Program Requirements	84.063
<b>Social Services, Department of:</b>				
2002	106	F-02-ED-DSS-3	Vocational Rehabilitation: Noncompliance With Federal Requirements	84.126

(Continued)

State Agency	Questioned Costs	Current Status Per Auditee	Page No.
Education	N/A	Fully corrected	D-46
BESE	\$871,482	Fully corrected: QC unresolved	D-47
Grambling	\$2,875	Partially corrected; QC unresolved	D-48
Grambling	N/A	Fully corrected	D-49
Grambling	N/A	Fully corrected	D-50
Grambling	N/A	Fully corrected	D-51
Grambling	\$148	Fully corrected, QC resolved	D-52
Grambling	\$7,475	Partially corrected; QC unresolved	D-53
Grambling	N/A	Fully corrected	D-54
Grambling	N/A	Fully corrected	D-55
Grambling	N/A	Fully corrected	D-56
LCTCS	N/A	Partially corrected; repeat in 2003, p. 80	D-57
LSUHSC (New Orleans)	N/A	Fully corrected	D-58
LTC, Avoyelles	\$4,000	Fully corrected; QC unresolved	D-59
LTC, Avoyelles	\$2,103	Fully corrected; QC unresolved	D-60
LTC, SOWELA	N/A	Partially corrected	D-61
LTC, Tallulah	\$16,350	Fully corrected; QC unresolved	D-62
Social Services	N/A	Partially corrected; repeat in 2003, p. 82	D-63

**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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**U.S. Department of Education (Cont.)**

**Southern University and A&M College (Baton Rouge):**

2002	115	F-02-ED-SUBR-1	Federal Work-Study	84.033
2002	116	F-02-ED-SUBR-2	Return of Title IV Funds	84.032/84.063
2001	87	F-01-ED-SUBR-3	Return of Title IV Funds	84.032/84.063

**Southern University at New Orleans:**

2002	117	F-02-ED-SUNO-2	Refund of Title IV Funds	84.032/063/268
2002	118	F-02-ED-SUNO-3	Satisfactory Academic Progress	84.032/84.063
2001	90	F-01-ED-SUNO-4	Satisfactory Academic Progress	84.007/032/063

**Southern University at Shreveport-Bossier City:**

2002	119	F-02-ED-SUSH-1	Return of Title IV Funds	84.007/84.063
2002	120	F-02-ED-SUSH-2	Satisfactory Academic Progress	84.063/84.268
2001	97	F-01-ED-SUSH-4	Satisfactory Academic Progress	84.063/84.268
2002	121	F-02-ED-SUSH-3	Verification	84.063/84.268

**University of Louisiana at Lafayette:**

2002	107	F-02-ED-ULL-1	Inaccurate Federal Reporting	84.044
2001	81	F-01-ED-ULL-1	Failure to Perform Due Diligence Collection Procedures	84.038
2000	108	F-00-ED-ULL-1	Failure to Perform Due Diligence Collection Procedures	84.038

**University of New Orleans:**

2000	111	F-00-ED-UNO-2	Weaknesses in the Administration of the Rehabilitation Service - Vocational Rehabilitation Grants to States Program	84.126
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**U.S. Department of Health and Human Services**

**Elderly Affairs, Governor's Office of:**

2001	103	F-01-HHS-ELDAFF-4	Ineffective Monitoring of Subrecipient Audit Reports	93.044/93.045
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**Executive Department:**

2002	121	F-02-HHS-EXEC-1	Subrecipients Not Monitored	93.558
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**Executive Department (OSRAP):**

2002	122	F-02-HHS-CAFR-1	Inappropriate Billing of Insurance Premiums	93.778
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(Continued)



State Agency	Questioned Costs	Current Status Per Auditee	Page No.
Southern (Baton Rouge)	\$4,696	Fully corrected; QC resolved	D-64
Southern (Baton Rouge)	N/A	Partially corrected	D-65
Southern (Baton Rouge)	\$2,692	Partially corrected; QC resolved	D-66
Southern (New Orleans)	\$6,068	Fully corrected; QC resolved	D-67
Southern (New Orleans)	\$19,985	Fully corrected; QC resolved	D-68
Southern (New Orleans)	\$19,915	Fully corrected; QC unresolved	D-69
Southern (Shreveport)	N/A	Fully corrected	D-70
Southern (Shreveport)	\$11,887	Partially corrected; QC unresolved	D-71
Southern (Shreveport)	\$12,412	Partially corrected; QC resolved	D-72
Southern (Shreveport)	\$7,448	QC unresolved	D-73
ULL	N/A	Fully corrected	D-74
ULL	\$1,493,677	Fully corrected; QC unresolved	D-75
ULL	\$1,242,378	Fully corrected; QC unresolved	D-76
UNO	\$77,509	Fully corrected; QC unresolved	D-77
Elderly Affairs	\$600,532	Partially corrected; QC resolved; repeat in 2003, p. 85	D-78
Executive	N/A	Fully corrected	D-79
Executive (OSRAP)	Undetermined	Not corrected; QC unresolved	D-80

**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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**U.S. Department of Health and Human Services (Cont.)**

**Health and Hospitals, Department of:**

2002	124	F-02-HHS-DHH-1	Improper Claims by Case Management Providers	93.778
2002	125	F-02-HHS-DHH-2	Improper Claims by Waiver Services Providers	93.778
2001	110	F-01-HHS-DHH-2	Improper Claims by Waiver Services Providers	93.778
2000	127	F-00-HHS-DHH-3	Improper Claims by Waiver Services Providers	93.778
2002	127	F-02-HHS-DHH-3	Improper Disproportionate Share Payments	93.778
2002	128	F-02-HHS-DHH-4	Improper Payments for TANF Initiative Recipients	93.558
2002	129	F-02-HHS-DHH-5	Medicaid Provider Overpayment Errors	93.778

**Labor, Department of:**

2000	132	F-00-HHS-LABR-11	Inadequate Monitoring Procedures for Community Services Block Grant	93.569
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**Louisiana Community and Technical College System:**

2002	130	F-02-HHS-LCTCS-2	Failure to Submit Complete Reports	93.558
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**Louisiana State University Health Sciences Center (New Orleans):**

2002	131	F-02-HHS-LSUHSCNO-2	Federal Financial Reports Not Submitted Timely	93.107/93.837
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**Social Services, Department of:**

2002	132	F-02-HHS-DSS-4	Child Support Escrow Fund Not Reconciled	93.563
2002	133	F-02-HHS-DSS-5	Foster Care: Insufficient Reimbursements From Child Support Collections	93.645/658/667
2001	118	F-01-HHS-DSS-5	Foster Care: Insufficient Reimbursements From Child Support Collections	93.645/658/667
2002	134	F-02-HHS-DSS-6	Foster Care - Title IV-E Program: Insufficient Controls Over Program Administration	93.658
2001	119	F-01-HHS-DSS-6	Foster Care - Title IV-E Program: Insufficient Controls Over Program Administration	93.658
2002	136	F-02-HHS-DSS-7	Fraudulent Transactions in TANF	93.558
2002	138	F-02-HHS-DSS-8	Temporary Assistance for Needy Families Program: Inaccurate Reporting	93.558
2002	140	F-02-HHS-DSS-9	Temporary Assistance for Needy Families Program: Noncompliance With Certain Federal and State Requirements	93.558
2001	122	F-01-HHS-DSS-7	Temporary Assistance for Needy Families Program: Noncompliance With Certain Federal and State Requirements	93.558
2000	137	F-00-HHS-DSS-7	Temporary Assistance for Needy Families Program: Noncompliance With Certain Federal and State Requirements	93.558

(Continued)

State Agency	Questioned Costs	Current Status Per Auditee	Page No.
Health and Hospitals	\$3,885	Fully corrected; QC resolved	D-81
Health and Hospitals	\$117,600	Partially corrected; QC resolved	D-82
Health and Hospitals	\$77,876	Partially corrected; QC resolved	D-83
Health and Hospitals	\$68,869	Partially corrected; QC resolved	D-84
Health and Hospitals	\$185,605,936	Fully corrected; QC unresolved	D-85
Health and Hospitals	\$12,804	Partially corrected; QC resolved; repeat in 2003, p. 86	D-86
Health and Hospitals	\$374,003	Fully corrected; QC resolved	D-87
Labor	\$669,497	Partially corrected; QC unresolved	D-88
LCTCS	N/A	Partially corrected; repeat in 2003, p. 88	D-89
LSUHSC (New Orleans)	N/A	Fully corrected	D-90
Social Services	N/A	Not corrected; repeat in 2003, p. 90	D-91
Social Services	\$95,024	Fully corrected; QC unresolved	D-92
Social Services	\$241,616	Fully corrected; QC unresolved	D-93
Social Services	\$213,171	Partially corrected; QC unresolved; repeat in 2003, p. 91	D-94
Social Services	\$301,250	Partially corrected; QC unresolved	D-95
Social Services	\$2,013	Fully corrected; QC resolved	D-96
Social Services	N/A	Partially corrected; repeat in 2003, p. 92	D-97
Social Services	\$91,057	Partially corrected; QC unresolved; repeat in 2003, p. 94	D-98
Social Services	\$22,838	Partially corrected; QC resolved	D-99
Social Services	\$25,310	Partially corrected; QC resolved	D-100

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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U.S. Department of Health and Human Services (Cont.)

W.O. Moss Regional Medical Center:

2002	143	F-02-HHS-WOMOSS-1	Payroll Charges to Federal Program Not Verified	93.918
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Women's Services, Office of:

2002	144	F-02-HHS-OWS-5	Internal Control Weaknesses Over TANF Expenditures	93.558
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(Concluded)

State Agency	Questioned Costs	Current Status Per Auditee	Page No.
W.O. Moss Reg. Med Center	\$22,813	Fully corrected; QC resolved	D-101
Women's Services	\$23,344	Fully corrected; QC unresolved	D-102

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**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Louisiana Department of Education  
For the Year Ended June 30, 2003

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Finding Title: Improper Charging of Administrative Expenditures To Federal Awards

Reference Number(s): F-02-CG-EDUC-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 610,219.00

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?

Still in negotiation. The SDE has provided a written statement of position upholding the allowability of these charges to the grantor and is currently awaiting their decision.

Page Number (from Single Audit Report): 73-75

Program Name(s): Various Programs

Federal Grantor Agency: US Department of Education, Health and Human Services, Labor & Agriculture

CFDA Number(s): 10.558, 10.560, 17.255, 84.002, 84.010, 84.011, 84.048, 84.181, 84.186, 84.276, 84.281, 84.298, 84.318, 84.332, 84.338, 93.558, 10.559, 84.027, 84.173

Status of Finding (check one):

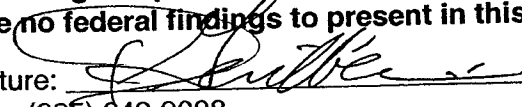
Fully Corrected   
Partially Corrected   
Change of Corrective Action

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):

Corrective actions were implemented and remain in progress.

**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) 342-2098

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Louisiana Department of Education  
For the Year Ended June 30, 2003

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Finding Title: Improper Charging of Administrative Expenses to Federal Awards

Reference Number(s): F-01-CC-EDUC-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ 117,204.00

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?

Questioned costs totaling \$17,571 were refunded to the federal government. The remaining questioned costs have been resolved with the federal government, with the exception of \$39,784 and \$39,080 referred to USDOE and USDA, respectively.

Page Number (from Single Audit Report): 55-56

Program Name(s): Various

Federal Grantor Agency: US Departments of Education, Agriculture, & Labor

CFDA Number(s): 10.558; 17.255; 84.010; 84.048; 84.027; 84.173

Status of Finding (check one):

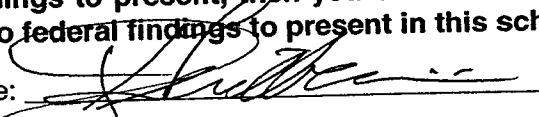
Fully Corrected \_\_\_\_\_  
Partially Corrected X  
Change of Corrective Action \_\_\_\_\_

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 actions were implemented and remain in progress.

**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) 342-2098



**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Louisiana Department of Education  
For the Year Ended June 30, 2003

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Finding Title: Ineffective Controls over Subrecipient Monitoring

Reference Number(s): F-02-CC-EDUC-2  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 474,530.00

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 SDE has been consulting with granting agencies regarding resolution of questioned costs. The SDE is still in negotiation with the granting agencies.

Page Number (from Single Audit Report): 76-78

Program Name(s): Various

Federal Grantor Agency: US Department of Education

CFDA Number(s): 84.010, 84.340

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):

Corrective actions were implemented and remain in progress.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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) 342-2098

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Louisiana Department of Education  
For the Year Ended June 30, 2003

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Finding Title: Ineffective Controls Over Subrecipient Monitoring

Reference Number(s): F-01-CC-EDUC-2  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ 12,862.00

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?

Questioned costs in the amount of \$11,006 were received from LEA, and the funds are in the process of being returned to the federal government. The \$1,856 is still in negotiation. The Department has provided a written statement of position upholding the allowable of these charges to the grantor and is currently awaiting their decision.

Page Number (from Single Audit Report): 57

Program Name(s): Various

Federal Grantor Agency: US Departments of Education and Health and Human Services

CFDA Number(s): 84.010; 84.340; 84.027; 84.173; 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):

The following corrective actions were made:

Corrective actions were implemented and remain in progress.

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**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) 342-2098

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Grambling State University

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For the Year Ended June 30, 2003

Finding Title: Allowable Costs

Reference Number(s): RE: (2002) F-02-CC-GSU-3

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$163,150

Status of Questioned Costs (check one): Resolved Yes Unresolved: \_\_\_\_\_

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?  
Are they still in negotiation?

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Page Number (from Single Audit Report): 88

Program Name(s): Nursing Student Loan Program and Perkins Loans.

Federal Grantor Agency: U.S. Dept. of Health and Human Services, U.S Dept. of Education

CFDA Number(s): 93.364 and 84.038

Status of Finding (check one):

Fully Corrected   X  

Not Corrected

Partially Corrected \_\_\_\_\_

No Further Action Needed   X  

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): \_\_\_\_\_

Finding resolved July 2003 and August 2003 with U.S. Department of Education and U. S. Department of Health and Human Services.

Additionally, management has implemented procedures to ensure that the FISAP for Perkins Loans and the Fiscal Operations Reports (FOR) for the Nursing Student Loan Program are reconciled to the University's accounting records and the loan servicer's detail records. The general ledger was reduced for the FISAP and FOR notes receivable to agree to the balances shown by the loan servicer's detail records.

The general accountant prepares the FISAP Report. The Assistant Controller/Director of Grants Administration and the Director of Student Financial Aid and Scholarships review the reports for accuracy before submitting it to the Vice President for Finance for approval. Discrepancies are identified and resolved prior to submission of the reports.

Preparer's Signature:

*Montine J. Sanders*

Phone Number:

*318-274-2704*

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Grambling State University

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For the Year Ended June 30, 2003

Finding Title: Federal Financial Reports

Reference Number(s): RE: (2002) F-02-CC-GSU-4

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: N/A

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?

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Page Number (from Single Audit Report): 89

Program Name(s): Parallel and Distributed Evaluations, Basic and Applied Research, and Welfare Grant. Child

Federal Grantor Agency: U.S. Dept. of Defense -- Dept. of the Navy, U.S Dept. of Education

CFDA Number(s): DAAH04-95-1-0250, 12.300, 93.CFMS54570A

Status of Finding (check one):

Fully Corrected	<u>  X  </u>	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):

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Management hired a new grants director in March 2002 and additional staff and implemented expanded policies and procedures on grants management to ensure that financial reports are prepared accurately and submitted to sponsoring agencies in a timely manner.

The Grants Administration Office is properly staffed and is submitting accurate financial status reports and invoices monthly, quarterly, or as required by the sponsoring agencies. Financial status reports and invoices are supported by the University's general ledger and reconciliations. The Assistant Controller/Director of Grants Administration reviews all invoices and financial reports for accuracy prior to submission to the Vice President for Finance and the sponsoring agencies.

Additionally, the University contacts sponsoring agencies regarding any unpaid invoices sixty days past due.

Preparer's Signature:

*Montine Sanders*

Phone Number:

*318-274-2704*

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Inventory Management of Equipment

Reference Number(s): RE: (2002) F-02-CC-GSU-5

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: N/A

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?

Page Number (from Single Audit Report): 90

Program Name(s): Parallel and Distributed Evaluations, Basic and Applied Research, and Child Welfare Grant, Trio-Student Support Service, Trio-Upward Bound, Workforce Investment Act Youth Activities.

Federal Grantor Agency: U.S. Dept. of Defense - Dept. of the Navy, U.S Dept. of Education, and U. S. Dept of Labor

CFDA Number(s): DAAH04-95-1-0250, 12.300, 93.CFMS545709, 84.042, 84.047, and 17.259

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):

At the completion of the A-133 audit in October 2002, the University had not taken a physical inventory in two years as required by federal regulations. In November 2002, the University's property manager completed an audit that resulted in an unacceptable number of missing items. In April 2003, a second inventory was started and will be completed prior to end of the FY 2003 audit.

Preparer's Signature:

*Michelle Daniels*

Phone Number:

318-274-2704

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Grambling State University

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For the Year Ended June 30, 2003

Finding Title: Financial Management System(2001)  
Reference Number(s): RE: (2002) F-01-CC-GSU-2

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: N/A

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?

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Page Number (from Single Audit Report): 87

Program Name(s):  
Federal Grantor Agency:

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):

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Management has implemented procedures to ensure compliance with federal and state laws, rules and regulations, as well as the University's policies. Additionally, the University has established polices on Grant Routings and Review, Managing Grants and Contracts, and Grants Billing and Collection. The Polices also emphasize the extreme importance of proper supporting documentation and accurate accounting records.

The University has increased the staff in the Grants Administration Office to improve the efficiency and effectiveness of its overall performance. The staff has been adequately trained.

Key Personnel attended the Annual SCT Banner (Financial Management System) User's Conference, in March 2003. The Conference offered training sessions, updates and informative data that have improved the knowledge and performance of the Grants Administration Office.

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Preparer's Signature:

*Montine Parker*

Phone Number:

318-274-2704

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Improper Charging of Payroll Expenditures to Federal Programs

Reference Number(s): F-00-CC-LABR-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1998

Amount of Questioned Costs in Finding: \$ 498,644

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?

Still in negotiation

Page Number (from Single Audit Report): 69

Program Name(s): Various

Federal Grantor Agency: U. S. Dept. of Labor, U. S. Dept. of Agriculture

CFDA Number(s): 10.561, 17.250, 17.246, 17.225

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):

Department continues to monitor expenditures to federal programs and develop procedures for assuring compliance.

**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: W. J. P. A.

Phone Number: 225-342-3103

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Improper Charging of Payroll Expenditures to Federal Programs

Reference Number(s): F-99-CC-LABR-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1998

Amount of Questioned Costs in Finding: \$ 705,634

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?  
Still in negotiation

Page Number (from Single Audit Report): 77

Program Name(s): Various

Federal Grantor Agency: U. S. Dept. of Labor, U. S. Dept. of Health and Human Services

CFDA Number(s): Various

Status of Finding (check one):  
Fully Corrected \_\_\_\_\_ Not Corrected \_\_\_\_\_  
Partially Corrected x \_\_\_\_\_ 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):  
Department continues to monitor expenditures of programs and develop procedures. Regarding the questioned costs from USDOL we have agreed to a reduced finding of \$139,256.00. We are presently repaying USDOL. HHS has deemed the finding closed.

**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: W. J. [Signature]

Phone Number: 225-342-3103



**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Improper Cost Allocation

Reference Number(s): F-00-CC-LABR-2  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ 6,967,031

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?

Still in negotiation

Page Number (from Single Audit Report): 71

Program Name(s): Various

Federal Grantor Agency: U. S. Dept. of Labor, U. S. Dept. of Health and Human Services, U. S. Dept. of Agriculture

CFDA Number(s): Various

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):

Revision has been made to the has allocation system.

USDOL has allowed all but \$18,209.00

**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: \_\_\_\_\_

225-342-3103

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Inadequate Internal Control Over Disbursements

Reference Number(s): F-00-CC-LABR-3  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 225,466

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?  
Still under negotiation

Page Number (from Single Audit Report): 74

Program Name(s): Various

Federal Grantor Agency: U. S. Department of Labor, U. S. Dept. of Health and Human Services, U. S. Dept. of Agriculture

CFDA Number(s): Various

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 have been established to correct the 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:

W. J. G.

Phone Number:

225-342-3103

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Noncompliance with Federal Property Regulations

Reference Number (from attached schedule of findings): F-02-CC-DSS-1

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ N/A

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?  
Not Applicable

Page Number (from Single Audit Report): 78

Program Name(s): Rehabilitation Services – Vocational Rehabilitation Grants to States  
Promoting Safe and Stable Families  
Temporary Assistance for Needy Families  
Child Support Enforcement  
Foster Care – Title IV-E  
State Administrative Matching Grants for Food Stamp Program  
Child Care Mandatory and Matching Funds of the  
Child Care and Development Fund

Federal Grantor Agency: Department of Health and Human Services  
Department of Agriculture  
Department of Education

CFDA Number(s): 10.561, 84.126, 93.556, 93.558, 93.563, 93.658, 93.596

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):

Each agency was informed of the requirements that the percentage of federal participation in the cost of the property was to be listed on property records. Agencies agreed to comply. However, some problems still exist with data entry into the LPAA system.

**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 D Williams  
Phone Number: (225) 342-4164

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Subrecipient Monitoring – Noncompliance with Federal and State Regulations

Reference Number (from attached schedule of findings): F-02-CC-DSS-2

Initial Year of Finding: 1998

Amount of Questioned Costs in Finding: \$ N/A

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?  
Not Applicable

Page Number (from Single Audit Report): 81

Program Name(s): Emergency Shelter Grants Program  
Rehabilitation Services – Vocational Rehabilitation Grants to States  
Promoting Safe and Stable Families  
Temporary Assistance for Needy Families  
Child Support Enforcement  
Refugee and Entrant Assistance – State Administered Programs  
Social Services Block Grant  
Chafee Foster Care Independent Living  
FOOD STAMP CLUSTER:  
State Administrative Matching Grants for Food Stamp Program

Federal Grantor Agency: Department of Health and Human Services  
Department of Agriculture  
Department of Education

CFDA Number(s): 10.561, 14.231, 84.126, 93.556, 93.558, 93.563, 93.566, 93.667, 93.674

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):

Some issues have been resolved. A section for federal information and requirements has been incorporated into contract document. Agency continues to implement procedures to ensure designation issues have been made, audit reports are being received, and all final evaluation reports are being sent to OCR timely.

**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 S. Williams  
Phone Number: (225) 342-4164

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Monitoring of Federal Subrecipients and State Contractors Not Sufficient or Effective.

Reference Number (from attached schedule of findings): F-00-CC-DSS-1

Initial Year of Finding: 1994

Amount of Questioned Costs in Finding: \$2,556,686

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?  
Federal agency has taken no action to disallow questioned costs. Time limit has passed.

Page Number (from Single Audit Report): 76

Program Name(s): Weatherization Assistance for Low-Income Persons  
Rehabilitation Services - Vocational Rehabilitation Grants to States  
Promoting Safe and Stable Families  
Temporary Assistance for Needy Families  
Child Support Enforcement  
Foster Care - Title IV-E  
State Administrative Matching Grants for Food Stamp Program  
Child Care Mandatory and Matching Funds of the  
Child Care and Development Fund

Federal Grantor Agency: Department of Health and Human Services  
Department of Agriculture  
Department of Education  
Department of Energy

CFDA Number(s): 10.561, 81.042, 84.126, 93.556, 93.558, 93.563, 93.658, 93.596

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):

Issues related to FY 2000 have been partially corrected. Work is continuing to fully resolve this issue.

**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 S. Williams  
Phone Number: (225) 342-4164

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Inadequate Monitoring of Federal Subrecipients and State Contracts

Reference Number (from attached schedule of findings): F-99-CC-DSS-1

Initial Year of Finding: 1994

Amount of Questioned Costs in Finding: \$ 3,070,225

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?

Federal agency has taken no action to disallow questioned costs. Time limit has passed.

Page Number (from Single Audit Report): 81

Program Name(s): Emergency Shelter Grants Program  
Low Income Home Energy Assistance  
Temporary Assistance for Needy Families  
Child Care Mandatory and Matching Funds of the  
Child Care and Development Fund  
Supported Employment Services for Individuals with Severe Disabilities

Federal Grantor Agency: Department of Health and Human Services  
Department of Housing and Urban Development  
Department of Education

CFDA Number(s): 14.231, 84.187, 93.558, 93.568, 93.596

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):

Issues related to FY 1999 have been partially corrected. Work is continuing to fully resolve this issue.

**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 S. Hillami  
Phone Number: (225) 342-4164

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
**SOUTHERN UNIVERSITY AT NEW ORLEANS**

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For the Year Ended June 30, 2003

Finding Title: Internal Control Over Compliance And Compliance  
Federal Financial Reports

Reference Number (from attached schedule of findings): F-02-CC-SUNO-1

Initial Year of Finding: 2002

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?

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Page Number (from Single Audit Report): \_\_\_\_\_

Program Name(s): TRIO Programs:Federal Pell Grant; Federal Workstudy Program

Federal Grantor Agency: U. S. Department of Education

CFDA Number(s): 84.042; 84.047; 84.004:84.033:84.063:93.658

Status of Finding (check one):

Fully Corrected	<input checked="" type="checkbox"/>	Not Corrected	<input type="checkbox"/>
Partially Corrected	<input type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Corrective Action	<input type="checkbox"/>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

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Previously the drawdown of federal funds were performed on the Baton Rouge campus  
and reports prepared on the New Orleans campus. All activities are now performed on the  
New Orleans campus in the Comptroller's Office.

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Preparer's Signature: *Gerald Williams*

Gerald Williams

Phone Number: (504) 286-5442

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) The University of Louisiana at Monroe

For the Year Ended June 30, 2003

Finding Title: Grant Accounting Control Procedures not Effective

Reference Number(s): F-02-CC-ULM-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 626.00

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?  
We notified the Ouachita Parish Police Jury (the Pass-Through Agency) of this questioned cost. They have not yet notified us that this is not an allowable cost.

Page Number (from Single Audit Report): 83

Program Name(s): WIA Adult Program

Federal Grantor Agency: US Department of Labor (Pass-Through Ouachita Parish Police Jury)

CFDA Number(s): 17.258

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):  
See attached  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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: Ann Colvin

Phone Number: (318) 342-5100



**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

OFFICE ON WOMEN'S POLICY

For the Year Ended June 30, 2003

Finding Title: Improper Expenditures for Promotional Items

Reference Number(s): F-02-CC-OWS-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 6,346

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?

No request has been received for the return of funds.

Page Number (from Single Audit Report): 85

Program Name(s): Highway Planning and Construction/Workforce Investment Act

Federal Grantor Agency: Federal Highway Administration, Department of Transportation/Employment & Training  
Administration, Department of Labor

CFDA Number(s): 20.205/17.255

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):

Programs are no longer under the Office on Women's Policy. The Office on Women's Policy is now under the direction  
of the Division of Administration.

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: Rachelle Young  
Phone Number: (225) 342-0700

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

DEPARTMENT OF WILDLIFE AND FISHERIES

---

For the Year Ended June 30, 2003

Finding Title: Federal Funds Expended on Defective Fish Hatchery

Reference Number: F-02-INTERIOR-DWLF-1

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$12,454,421

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 federal government has not requested a "refund". Litigation with the contractor  
is on going.

Page Number (from Single Audit Report): 92

Program Name: Dire Emergency Fund

Federal Grantor Agency: US Fish & Wildlife Services

CFDA Number: N/A

Status of Finding

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)

When the department realized that the hatchery was defective, the defects were communicated to the contractor. The contractor attempted to repair the hatchery. After determining that attempted repairs were not going to satisfactorily correct the defects, the department brought litigation against the contractor, the designer, and their insurers. Litigation with the contractor has been on going and the FWS has been kept advised of the status of the litigation. As presently stands, the department is prepared to receive in excess of \$1.9 M from the various parties as a final settlement in this litigation. The department is currently developing a plan to maximize the use of the money for repairs of the hatchery to achieve the efficiency intended at the time of the original construction. Don Puckett, General Counsel.

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 list 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Rose Milliken

Phone Number: (225) 765-2977

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

**DEPARTMENT OF WILDLIFE AND FISHERIES**

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For the Year Ended June 30, 2003

Finding Title: Theft of Funds

Reference Number: F-02-INTERIOR-DWLF-2

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$79,713

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 federal government has not requested a "refund" of these questioned costs.

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Page Number (from Single Audit Report): 93

Program Name: Sport Fish Restoration

Federal Grantor Agency: Department of Interior

CFDA Number: 15.605

Status of Finding

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)

Internal controls over purchasing have been implemented.

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---

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 list 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Rose Milliken

Phone Number: (225) 765-2977

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Unemployment Insurance Costs Charged Outside of Funding Period

Reference Number(s): F-01-USDOL-LABR-4  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ 808,857

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?  
Still in negotiation

Page Number (from Single Audit Report): 70

Program Name(s): Unemployment Insurance

Federal Grantor Agency: U.S. Department of Labor

CFDA Number(s): 17.225

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 have been established to correct the findings.

**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: Wg. J. Li

Phone Number: 225-342-3103

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Unemployment Insurance Costs Charged Outside of Funding Period

Reference Number(s): F-00-USDOL-LABR 9  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ 3,143,111

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?  
Still in negotiation

Page Number (from Single Audit Report): 95

Program Name(s): Unemployment Insurance

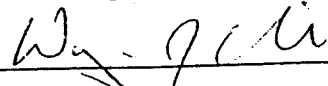
Federal Grantor Agency: U.S. Department of Labor

CFDA Number(s): 17.225

Status of Finding (check one):  
Fully Corrected \_\_\_\_\_ Not Corrected \_\_\_\_\_  
Partially Corrected x 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):  
Procedure has been established to correct the 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: 225-342-3103

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Noncompliance with the Unemployment Insurance Program Requirements

Reference Number(s): F-00-USDOL-LABR-7  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 45,217

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?

Still in negotiation

Page Number (from Single Audit Report): 93

Program Name(s): Unemployment Insurance

Federal Grantor Agency: U.S. Department of Labor

CFDA Number(s): 17.225

Status of Finding (check one):  
Fully Corrected \_\_\_\_\_ Not Corrected \_\_\_\_\_  
Partially Corrected X 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):  
Procedures have been established to correct the 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: W. J. Li

Phone Number: 225-342-3103

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Noncompliance with the Unemployment Insurance Program Requirements

Reference Number(s): F-99-USDOL-LABR-5  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 1,823,516

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?  
Still in negotiation

Page Number (from Single Audit Report): 92

Program Name(s): Unemployment Insurance

Federal Grantor Agency: U.S. Department of Labor

CFDA Number(s): 17.225

Status of Finding (check one):  
Fully Corrected \_\_\_\_\_ Not Corrected \_\_\_\_\_  
Partially Corrected X 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):  
Procedure had been established to correct the finding.  
Regarding the above questioned cost/we have agreed to reduced findings of \$609,629.00. We are  
presently repaying USDOL.

**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: W. J. Gu

Phone Number: 225-342-3103

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

OFFICE ON WOMEN'S POLICY

For the Year Ended June 30, 2003

Finding Title: Improper Expenditure of Federal Funds

Reference Number(s): F-02-USDOL-OWS-2

(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 647,060

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 Office on Women's Policy could not get a response from the Department of Labor.

Page Number (from Single Audit Report): 94

Program Name(s): Workforce Investment Act

Federal Grantor Agency: Employment and Training Administration, Department of Labor

CFDA Number(s): 17.255

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 Program is closed under the Office on Women's 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: Rachelle Young *Rachelle Young*  
Phone Number: (225) 342-0700



**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**  
Department / University or College / Commission / District: Department of Transportation and  
Development

(name of agency) Department of Transportation and Development

For the Year Ended June 30, 2000

Finding Title: Untimely Closing of Projects

Reference Number (from attached schedule of findings): F-01-DOT-DOTD-5

Initial Year of Finding: 1998

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 Single Audit Report): 75

Program Name(s): Highway Planning and Construction

Federal Grantor Agency: Federal Highway Administration

CFDA Number(s): 20.205

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):

Significant progress has been made in this area. The basic challenge remains addressing the huge volume of projects with a modest staff. The practice of identifying and expediting closure of projects where substantial funds would be release will continue, making them available for use on additional projects. No federal regulation has been violated here.

**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: Cheryl Himes  
Phone Number: 379-1676

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

OFFICE ON WOMEN'S POLICY

For the Year Ended June 30, 2003

Finding Title: Inadequate Control Over Program Administration

Reference Number(s): F-02-DOT-OWS-3

(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 159,052

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?

Questioned amounts were negotiated and remaining balance due was returned.

Page Number (from Single Audit Report): 96

Program Name(s): Highway Planning and Construction

Federal Grantor Agency: Federal Highway Administration, Department of Transportation

CFDA Number(s): 20.205

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 Program is no longer under the Office on Women's Policy. The Office on Women's Policy is now under the direction of the Division of Administration.

**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: Rachelle Young  
Phone Number: (225) 342-0700

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

OFFICE ON WOMEN'S POLICY

For the Year Ended June 30, 2003

Finding Title: Noncompliance With State Procurement Regulations

Reference Number(s): F-02-DOT-OWS-4  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 132,250

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 Federal Government has not requested any funds of the amount in question.

Page Number (from Single Audit Report): 98

Program Name(s): Highway Planning and Construction

Federal Grantor Agency: Federal Highway Administration, Department of Transportation

CFDA Number(s): 20.205

Status of Finding (check one):

Fully Corrected	<u>X</u>	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 Governor's Office on Women's Policy has implemented internal policies and procedures regarding the state procurement regulations.  
The administration is under the direction of the Division of Administration.

**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: Rachelle Young  
Phone Number: (225) 342-0700

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department of Environmental Quality/ Municipal Facilities Revolving Loan Funds

For the Year Ended June 30, 2003

Finding Title:           Ineffective Monitoring of Subrecipient Audit Reports

Reference Number: F-01-EPA-DEQ-1

Initial Year of Finding:           2001

Amount of Questioned Costs in Finding: 1,573,134

Status of Questioned Costs:           Unresolved

The questioned costs have not been refunded to the Federal government.  
The Federal government has not contacted us in regards to these costs.

Page Number:                           76

Program Name:                        Capitalization Grants for State Revolving Funds

Federal Grantor Agency:           EPA

CFDA Number:                        66.458

Status of Finding:                    Fully Corrected

Procedures have been put in place and a check list has been established to insure the each subrecipient's annual audit is reviewed annually.

Preparer's Signature                 Bernard Jimblehi

Phone Number:                        225-219-3887

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF NATURAL RESOURCES – OFFICE OF THE SECRETARY

For the Year Ended June 30, 2003

Finding Title: Questionable Claims in the Home Energy Rebate Option Program

Reference Number(s): F-02-ENERGY-DNR-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$19,296

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 District Attorney's office has not yet taken action on this.

Page Number (from Single Audit Report): 100

Program Name(s): Petroleum Violation Escrow Funds – Stripper Well

Federal Grantor Agency: U.S. Department of Energy

CFDA Number(s): 81.SW2027

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):

On December 3, 2002, Mr. Jack Caldwell (Secretary-Dept of Natural Resources) signed a letter addressed to David Dugas US District Attorney and Doug Moreau, Louisiana District Attorney advising them that DNR agreed with the audit findings and requesting appropriate action be taken to recoup the funds. As far as this office is aware, to date, there has been no action taken by either District Attorney office to recoup these funds.  
DNR has implemented the following procedures as corrective measures: 1) require the home-owner to sign the Form 1119 and 2) require copies of invoices pertaining to home renovations undertaken under the program.

**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: Lana Humphreys

Phone Number: (805) 342-4077

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Louisiana Department of Education  
For the Year Ended June 30, 2003

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Finding Title: Inadequate Controls over Title I Program

Reference Number(s): F-02-<sup>ED</sup>EE-EDUC-3  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ None

Status of Questioned Costs (check one): Resolved \_\_\_\_\_ N/A \_\_\_\_\_

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): 101

Program Name(s): Title I Grants to Local Education Agencies

Federal Grantor Agency: US Department of Education

CFDA Number(s): 84.010

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):

Corrective actions were implemented.

**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) 342-2098

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

Board of Elementary and Secondary Education

For the Year Ended June 30, 2003

Finding Title: Lack of Internal Controls Over Public Charter Schools Program

Reference Number(s): F-01-ED-BESE-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ 871,482

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 Single Audit Report): 77

Program Name(s): Charter Schools

Federal Grantor Agency: Office of Elementary and Secondary Education, Department of Education

CFDA Number(s): 84.282

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: (1) Information packets have been updated to include notification of relevant federal requirements;  
(2) Grant applications are reviewed to identify any unallowable expenses in the grantee's budget  
(3) Reimbursement request are reviewed to ensure agreement with the approved budget  
(4) Copies of invoices are required to be submitted by the grantees to support all claims for reimbursement.  
These invoices are kept on file by BESE  
(5) Copies of canceled checks are required to be submitted to support all claims for reimbursement.  
The audit for the year ended June 30, 2002 and subsequent months in th year ended June 30, 2003  
disclosed no additional questioned cost or other federal findings.

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: Travis P. Templet  
Phone Number: 342-0700

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Aid Exceeded Documented Need

Reference Number(s): F-02-ED-GSU-8

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$2875

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?

Waiting for final determination letter from DOE.

Page Number (from Single Audit Report): 110

Program Name(s):

Federal Grantor Agency: U. S. Dept. of Education

CFDA Number(s): \_\_\_\_\_

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):

Monthly over-award reports will be generated and reviewed by the Assistant Director. Awards will be reduced accordingly.

Preparer's Signature: Alvin Thomas

Phone Number: 318-274-6190



SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Exit Counseling

Reference Number(s): F-02-ED-GSU-9

Initial Year of Finding: 2002

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): 111

Program Name(s):

Federal Grantor Agency: U. S. Dept of Education

CFDA Number(s): \_\_\_\_\_

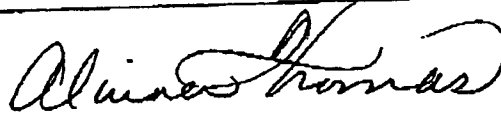
Status of Finding (check one):

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):

Preparer's Signature:



Phone Number: 518-274-6190

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Federal Work-Study

Reference Number(s): F-02-ED-GSU-10

Initial Year of Finding: 2002

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): 111

Program Name(s):

Federal Grantor Agency: U. S. Dept of Education

CFDA Number(s): \_\_\_\_\_

Status of Finding (check one):

Full/ Corrected  \_\_\_\_\_

Partially Corrected \_\_\_\_\_

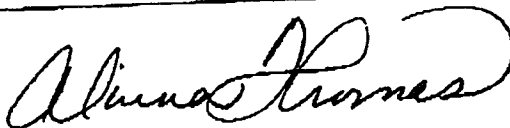
Change of Corrective Action \_\_\_\_\_

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):

Preparer's Signature:



Phone Number:

318-274-6190

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Return of Title IV Funds

Reference Number(s): RE: (2002) F-02-ED-GSU-11

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: N/A

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?

Page Number (from Single Audit Report): 112

Program Name(s): Federal Pell Grant Program, Federal Family Education Loan (FFEL),  
Federal Supplemental Educational Opportunity Grant, and Federal Work-  
Study Program

Federal Grantor Agency: U.S Dept. of Education

CFDA Number(s): 84.063, 84.032, 84.007, and 84.033

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):

Management hired a new accountant and implemented procedures to ensure that Title IV Funds are calculated accurately and in a timely manner and returned to the United States Department of Education. All Title IV Funds refunds have been calculated and forward to the Office of Student Financial Aid where funds were returned to the loan originators and notification sent to students.

The Students Accounts Receivable Office, Student Financial Aid and Scholarships and the Registrar's Office work closely together to ensure compliance with federal rules and regulations for the Return of Title IV Funds.

Preparer's Signature:

*M. J. Sanders*

Phone Number:

*318-274-2704*

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Return of Title IV Funds (2001)

Reference Number(s): RE: (2002) F-01-ED-GSU-6

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$148

Status of Questioned Costs (check one): Yes 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): 108

Program Name(s): Federal Pell Grant Program, Federal Family Education Loan (FFEL),  
Federal Supplemental Educational Opportunity Grant, and Federal Work-  
Study Program

Federal Grantor Agency: U.S Dept. of Education

CFDA Number(s): 84.063, 84.032, 84.007 and 84.033

Status of Finding (check one):

Fully Corrected   X  

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):

Management hired a new accountant and implemented procedures to ensure that Title IV Funds are calculated accurately and in a timely manner and returned to the United States Department of Education. All Title IV Funds refunds have been calculated and forward to the Office of Student Financial Aid where funds were returned to the loan originators and notification sent to students.

The Students Accounts Receivable Office, Student Financial Aid and Scholarships and the Registrar's Office work closely together to ensure compliance with federal rules and regulations for the Return of Title IV Funds.

Preparer's Signature:

*Martine Sanders*

Phone Number:

318-274-2704

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Satisfactory Academic Progress

Reference Number(s): F-02-ED-GSU-12

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 7475

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?

Waiting for final determination letter from DOE.

Page Number (from Single Audit Report): 113

Program Name(s):

Federal Grantor Agency: U.S. Dept. of Education

CFDA Number(s): \_\_\_\_\_

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 office will seek assistance from the Registrar's Office when reviewing academic transcripts from quarter-hour schools in order to determine satisfactory academic progress.

Preparer's Signature: Alvin Thomas

Phone Number: 318-274-6190

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Satisfactory Academic Progress

Reference Number(s): F-02-ED-GSU-13

Initial Year of Finding: 2002

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): 114

Program Name(s):

Federal Grantor Agency: U.S. Dept of Education

CFDA Number(s): \_\_\_\_\_

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):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Preparer's Signature: *Alvin Thomas*

Phone Number: 318-274-6190

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 2003

Finding Title: Student Status Confirmation Reports

Reference Number(s): F-02-ED-GSU-14

Initial Year of Finding: 2002

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): 115

Program Name(s):

Federal Grantor Agency: U.S. Dept of Education

CFDA Number(s): \_\_\_\_\_

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):

Preparer's Signature: *Alvin Thomas*

Phone Number: 318-274-6190

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Grambling State University

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For the Year Ended June 30, 2003

Finding Title: Special Reporting (2001)

Reference Number(s): RE: (2002) F-01-ED-GSU-7

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: N/A

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?

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Page Number (from Single Audit Report): 109

Program Name(s):

Federal Grantor Agency:

CFDA Number(s):

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):

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During the two-year audit for the years ended June 30, 2001 and 2002 where accounting records were reconstructed, it was determined that prior year FISAPs should be revised. Under the directions of the new Assistant Controller/ Director of Grants Administration the following action was taken.

- During September 2002 the University revised the FISAP for the year ended June 30, 2001 to reflect actual accounting data posted to the general ledger and supported by the University's loan servicer's records.
- FISAPs for the years ended June 30, 1999, 2000, and 2001 have been revised and filed with the Department of Education.
- Management will continue to ensure that its financial records and internal controls are adequate to ensure that financial reports are accurate and filed with the grantors on a timely basis.

Ms. Moroline J. Sanders, Assistant Controller/Director of Grants Administration, and Ms. Alvina Thomas, Director of Student Financial Aid, will work collaboratively to ensure that the information on the FISAP is accurate and supported by amounts on the general ledgers, financial aid records, and the University's loan servicer's detail receivable records.

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Preparer's Signature:

*Moroline Sanders*

Phone Number:

318 274 -2704



**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

**Department/University or College/Commission/District:**

Louisiana Community and Technical College System

**For the Year Ended June 30, 2003**

**Finding Title:** Inadequate Internal Control Over Pell Grant

**Reference Number** (from attached schedule of findings): F-02-ED-LCTCS-1

**Initial Year of Finding:** 2002

**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): 102

**Program Name(s):** Federal Pell Grant Program

**Federal Grantor Agency:** \_\_\_\_\_

**CFDA Number(s):** 84.063

**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):

Policies and procedures were developed by Management to properly monitor the return of funds and to ensure that refunds were deposited to the LTC Pell account and forwarded to the US Department of Education in a timely manner. Management feels the procedures are now in place to ensure return checks are submitted with the proper documentation to monitor timeliness of remitting Pell Grant refunds.

**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:** *Cheyl Washington*

**Phone Number:** 225-219-8740

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

**Louisiana State University Health Sciences Center New Orleans**

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For the Year Ended June 30, 2003

Finding Title: Untimely Student Loan Refunds

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Reference Number (from attached schedule of Findings):

F-02-ED-LSUHSCNO-1

Initial Year of Finding: 2002

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): 103

Program Name(s): Federal Family Education Loans

Federal Grantor Agency: Department of Education

CFDA Number(s): 84.032

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 audit finding has been fully corrected. The new system discussed in the corrective  
action plan was implemented in February 2003 and appears to be working very well. All  
refunds for the Spring 2003 semester were issued within the 30-day requirement.

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David H. Dotter  
Director of Internal Audit  
LSUHSC New Orleans

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:

LTC-AVOYELLES

For the Year Ended June 30, 2003

Finding Title: Improper Payroll Charges to a Federal Program

Reference Number (from attached schedule of findings): F-00-ED-LTCAVOY-1

Initial Year of Finding: FY 2000

Amount of Questioned Costs in Finding: \$ 4,000.00

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?

We have not been notified whether these funds are to be refunded.

Page Number (from Single Audit Report): 102

Program Name(s): Carl Perkins - Student Services Employees

Federal Grantor Agency: Vocational Education - Basic Grants to States

CFDA Number(s): 84.048

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):

To insure that payroll charges to a federal program are based on actual time worked on the program, this plan will be placed in effect. At a minimum, 5% of the payroll time will be charged to State General Funds for the following federal program employees: Guidance Aide, Health Occupations Teacher's Aide, and Skills Center Teacher's Aide. Should these employees work over 5% of their time on non-federal program activities, the time will be logged on the time sheet for two separate pay categories by the employee, will be approved by the school director, and appropriate charge made by the Accountant.

**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: Jane M Smith

Phone Number: (318) 876-2401

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:

LTC-AVOYELLES

For the Year Ended June 30, 2003

Finding Title: Noncompliance With Documentation Requirements for  
Federal Program

Reference Number (from attached schedule of findings): F-00-ED-LTCAVOY-3

Initial Year of Finding: FY 2000

Amount of Questioned Costs in Finding: \$ 2,103.00

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?  
We have not yet been notified whether these funds are to be refunded.

Page Number (from Single Audit Report): 104

Program Name(s): Vocational Education - Basic Grants to States

Federal Grantor Agency: Single Parent Program

CFDA Number(s): 84.048

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):  
To ensure that students provide the required documents to support eligibility determinations, we have developed two checklists - one for Carl Perkins program participants and the other for Sex Bias program participants. The checklists, along with copies of all supporting documents, will be prepared by the Special Program Coordinator and will be reviewed by the Director or his designee. Both of these employees will sign the checklist before benefits or services are provided to federal program participants.  
The checklist, along with all supporting documents, will be attached to the Carl Perkins participant's application. In addition, copies of all supporting documentation submitted by students will be date stamped, approved, and initialed by the Special Program Coordinator. All necessary supporting data has been collected.

**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: Jane M Smith

Phone Number: (318) 876-2401

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

**Department/University or College/Commission/District:**

Louisiana Community and Technical College System

**For the Year Ended June 30, 2003**

**Finding Title:** Untimely Return of Federal Pell Grant Program Funds

**Reference Number** (from attached schedule of findings): F-02-ED-LTCSOWELA-1

**Initial Year of Finding:** 2002

**Amount of Questioned Costs in Finding:** \$ -----

**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): 103

**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**   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):

Management concurred and presently concur with the findings and recommendations related to "Untimely Return of Federal Pell Grant Funds". Every effort has been made and will continue to be made to process Pell refunds within a manner that will allow for the completion of a refund process of 30 days after the student's withdrawal date.

**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:** Sonia LaCasse

**Phone Number:** 337-491-2134

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
LTC-Tallah Campus

For the Year Ended June 30, 2003

Finding Title: Federal Pell Grant Program – Eligibility and Refund/Repayment

Program Requirements

Reference Number(s): F-02-ED-LTCTALLULAH-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 16,350

Status of Questioned Costs (check one): Resolved: \_\_\_\_\_ Unresolved: XX

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?  
Are they still in negotiation?  
Costs were due to timing, no refund required

Page Number (from Single Audit Report): 104

Program Name(s): Pell

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.063

Status of Finding (check one):

Fully Corrected XX  
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):

A written policy is currently in place that requires any student applying for financial aid to submit a copy of their high school diploma, transcript, or GED certificate for completion of their financial aid file. In addition, procedures have been updated and revised to ensure that proper documentation is maintained for all students receiving financial assistance.

In reference to the Pell refund, management concurred and presently concurs with the finding and recommendation. The refund has been paid and the student financial aid officer has been trained on the process of handling Pell refunds.

**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: Louis Glass  
Phone # 318-574-4820

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Vocational Rehabilitation: Noncompliance with Federal Regulations

Reference Number (from attached schedule of findings): F-02-ED-DSS-3

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ N/A

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?  
Not Applicable

Page Number (from Single Audit Report): 106

Program Name(s): Rehabilitation Services – Vocational Rehabilitation Grants to States

Federal Grantor Agency: Department of Education

CFDA Number(s): 84.126

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):

Written procedures for documenting and tracking program income have been revised to include both state and federal years. Written procedures for calculating unliquidated obligations have been revised to include only obligations that have been identified in ISIS or the BRIS system.

**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 S. Williams*  
Phone Number: (225) 342-4164

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) Southern University and A&M College (Baton Rouge)

For the Year Ended June 30, 2003

Finding Title: Federal Work-Study

Reference Number(s): F-02-ED-SUBR-8<sup>1</sup>  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$4,696

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): 115

Program Name(s): Federal Work-Study

Federal Grantor Agency: U S Department of Education

CFDA Number(s): CFDA 84.033

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 does not concur with the amount of questioned costs cited by the auditor. The University confirms the questioned cost amount of \$2,652 was returned to the Department of Education on check #0193723, via certified mail on May 9, 2003. All other previous comments and corrective actions regarding this finding remain unchanged.  
\_\_\_\_\_  
\_\_\_\_\_

**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: *Phyllis M. [Signature]*

Phone Number: 225-771-2012



**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) Southern University and A&M College (Baton Rouge)

For the Year Ended June 30, 2003

Finding Title: Return of Title IV Funds

Reference Number(s): F-02-ED-SUBR-2  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

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?  
\_\_\_\_\_  
\_\_\_\_\_

Page Number (from Single Audit Report): 1160

Program Name(s): FFEL & Federal PELL

Federal Grantor Agency: U S Department of Education

CFDA Number(s): CFDA 84.063 and CFDA 84.032

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 updated our procedures and processing times for calculation of the Title IV Return of Funds due when students withdraw from the University. The updated procedures will be implemented to ensure the calculations and return of Title IV Funds are in compliance beginning with the 2003-2004 award year. The University is in the process of reviewing the auto-debit process to determine if it would assist in the timely return of funds. In addition, a fiscal administration functional department has been established in the Office of Student Financial Aid to monitor the timely notification of grant overpayments.

**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: Dorinda Gray

Phone Number: 225-771-2811

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) Southern University and A&M College (Baton Rouge)

For the Year Ended June 30, 2003

Finding Title: Return of Title IV Funds

Reference Number(s): F-01-ED-SUBR-3  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$2,692

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): 87

Program Name(s): FFEL & Federal PELL

Federal Grantor Agency: U S Department of Education

CFDA Number(s): CFDA 84.063 and CFDA 84.032

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 University has updated our procedures and processing times for calculation of the Title IV Return of Funds due when students withdraw from the University. The updated procedures will be implemented to ensure the calculations and return of Title IV Funds are in compliance beginning with the 2003-2004 award year. The University is in the process of reviewing the auto-debit process to determine if it would assist in the timely return of funds. In addition, a fiscal administration functional department has been established in the Office of Student Financial Aid to monitor the timely notification of grant overpayments.

**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: Deborah George

Phone Number: 225-771-2811

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District: SOUTHERN UNIVERSITY AT NEW ORLEANS

For the Year Ended June 30, 2003

Finding Title: Refund of Title IV Funds

Reference Number (from attached schedule of findings): F-02-ED-SUNO-2

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ 6,068.00

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): \_\_\_\_\_

Program Name(s): Federal Pell Grant; FFEL and Direct Lending Programs

Federal Grantor Agency: U. S. Department of Education

CFDA Number(s): 84.032; 84.063; 84.268

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):

During Fall 2001 semester, SUNO revised, published and implemented its refund policy  
to include standards as prescribed by Title IV regulations. The University also installed  
and implemented the USDOE software for calculating returns of Title IV resulting in  
refunds and notifications to students being timely and accurate.

Preparer's Signature: \_\_\_\_\_

*Gerald Williams*

Gerald Williams

Phone Number: (504) 286-5442

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
SOUTHERN UNIVERSITY AT NEW ORLEANS

For the Year Ended June 30, 2003

Finding Title: Satisfactory Academic Progress

Reference Number (from attached schedule of findings): F-02-ED-SUNO-3- Satisfactory Academic Progress

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 19,985

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?

All questioned costs as indicated in the report have been made.

Page Number (from Single Audit Report): \_\_\_\_\_

Program Name(s): Federal Family Educational & Federal Pell Grant Programs

Federal Grantor Agency: U. S. Department of Education

CFDA Number(s): 84.063; 84.032

Status of Finding (check one):

Fully Corrected	<input checked="" type="checkbox"/>	Not Corrected	<input type="checkbox"/>
Partially Corrected	<input type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Corrective Action	<input type="checkbox"/>	(See OMB A-133 Section 315(b)(4))	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The University has revised, published and implemented its satisfactory academic progress policy, effective Fall 2001 to include standards as prescribe by the Title IV regulations and is constantly monitoring the application of the revised policy.

The policy was monitored resulting in additional revisions to the policy effective for the 2002-03 academic year

Preparer's Signature: Gladys Allen

Gladys Allen

Phone Number: (504) 286-5230

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
SOUTHERN UNIVERSITY AT NEW ORLEANS

For the Year Ended June 30, 2002

Finding Title: Satisfactory Academic Progress

Reference Number (from attached schedule of findings): F-01-ED-SUNO-4

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ 19,915

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?

Questioned costs are still in negotiation with DOE.

Page Number (from Single Audit Report): 90

Program Name(s): FSEOG; Federal Family Educational & Federal Direct Student Loans

Federal Grantor Agency: U. S. Department of Education

CFDA Number(s): 84.007; 84.032; 84.063

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 University has revised, published and implemented its satisfactory academic progress policy, effective Fall 2001 to include standards as prescribe by the Title IV regulations and is constantly monitoring the application of the revised policy.

Additional revisions to ensure a fair and equitable policy were made effective Fall 2002.

Preparer's Signature: Gladys Allen

Gladys Allen

Phone Number: (504) 286-5230

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) Southern University at Shreveport-Bossier City

For the Year Ended June 30, 2003

Finding Title: Return of Title IV Funds

Reference Number(s): F-02-ED-SUSH-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2000

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?

N/A

Page Number (from Single Audit Report): 119

Program Name(s): Federal Pell Grant Program

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.063

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 University has begun implementation of a new computerized Student Information System that will allow fiscal personnel to access student withdrawal information on-line to meet established timelines for Title IV refunds and notifications to students who had a Pell Title IV refund. Additionally, student withdrawal information will be transmitted on a weekly basis from the Registrar's office to the Business office until the new system is operational. Title IV refund calculations will be reviewed by supervisory personnel in the fiscal office to ensure accuracy.

**IOTE:** 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

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:

(name of agency) Southern University at Shreveport-Bossier City

For the Year Ended June 30, 2003

Finding Title: Satisfactory Academic Progress

Reference Number(s): F-02-ED-SUSH-2

(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 11,887

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 contacted the Department of Education regarding in-voicing and payment of questioned cost.

Page Number (from Single Audit Report): 120

Program Name(s): Student Financial Aid Classes

Federal Grantor Agency: U. S. Department of Education

CFDA Number(s): 84.007; 84.033; 84.063; 84.628

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 revised its Satisfactory Academic Progress (SAP) policy to include a provision regarding the related hours attempted by students that subsequently represent class withdrawals as indicated by our Auditors. This policy revision will ensure compliance with federal regulations relative to the University's SAP policy and strengthen established policies and procedures designed to monitor the academic standing of all students prior to awarding student financial aid.

**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

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
(name of agency) Southern University at Shreveport-Bossier City

For the Year Ended June 30, 2003

Finding Title: Satisfactory Academic Progress

Reference Number(s): F-02-ED-SUSH-4  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 12,412

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?

Funds were refunded to Federal government and loan services.

Page Number (from Single Audit Report): 97

Program Name(s): Student Financial Assistance Cluster

Federal Grantor Agency: U. S. Department of Education

CFDA Number(s): 84.007; 84.033; 84.063; 84.268

Status of Finding (check one):

Fully Corrected	<input type="checkbox"/>	Not Corrected	<input type="checkbox"/>
Partially Corrected	<input checked="" type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Corrective Action	<input type="checkbox"/>		

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The University has revised its Satisfactory Academic Progress (SAP) policy to include a provision regarding the related hours attempted by students that subsequently represent class withdrawals as indicated by our Auditors. This policy revision will ensure compliance with federal regulations relative to the University's SAP policy and strengthen established policies and procedures designed to monitor the academic standing of all students prior to awarding student financial aid.

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



**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) Southern University at Shreveport-Bossier City

For the Year Ended June 30, 2003

Finding Title: Verification

Reference Number(s): F-02-ED-SUSH-3  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: 7,448

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 contacted the Department of Education to request  
invoicing for payment.

Page Number (from Single Audit Report): 121

Program Name(s): Federal Direct Student Loan and Federal Pell

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.268; 84.063

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 University has reviewed its internal procedures regarding obtaining document-  
ation for students selected for verification. Additionally, the new Financial  
Aid Director has conducted intensive training workshops with counselors to  
ensure adherence to established procedures regarding verification.

**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: Linda J. H...

Phone Number: (318) 674-3398

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
UNIVERSITY OF LOUISIANA AT LAFAYETTE

For the Year Ended June 30, 2003

Finding Title: Inaccurate Federal Reporting

Reference Number(s): F-02-ED-ULL-1

(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

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): 107

Program Name(s): TRIO Cluster

Federal Grantor Agency: U S Department of Education

CFDA Number(s): 84.042/044/047/066/217

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):

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: Melanie Comeaux

Phone Number: 337-482-6145

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
UNIVERSITY OF LOUISIANA at LAFAYETTE

For the Year Ended June 30, 2003

Finding Title: Failure to Perform Due Diligence Collection Procedures

Reference Number(s): F-01-ED-ULL-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$1,493,677

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?

U.S. Department of Education Case Management Team indicated on November 19, 2002  
that a focus review would be conducted at the institution.

Page Number (from Single Audit Report): 81

Program Name(s): Federal Perkins Loan Program Federal Capital Contributions

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.038

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):

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: Melanie Carneaux

Phone Number: 337-482-6145

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
UNIVERSITY OF LOUISIANA at LAFAYETTE

For the Year Ended June 30, 2003

Finding Title: Failure to Perform Due Diligence Collection Procedures

Reference Number(s): F-00-ED-ULL-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$1,242,378

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?

U.S. Department of Education Case Management Team indicated on November 19, 2002  
that a focus review will be conducted at the institution.

Page Number (from Single Audit Report): 108

Program Name(s): Federal Perkins Loan Program Federal Capital Contributions

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.038

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):

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: Melanie Comeaux

Phone Number: 337-482-6145

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) University of New Orleans

For the Year Ended June 30, 2003

Finding Title: Weakness in the Administration of the Rehabilitation  
Service-Vocational Rehabilitation Grants to States Program

Reference Number(s): F-00-ED-UNO-2  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ 77,509

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 funds have not been refunded to the federal government. We  
have not received final determination from the granting agency  
or the federal government, but do not anticipate having to refund

Page Number (from Single Audit Report): 111

the money.

Program Name(s): Rehabilitation Services-Vocational Rehabilitation Grants  
to States

Federal Grantor Agency: Department of Education through the Louisiana  
Department of Social Services-Louisiana Rehabilitation Services

CFDA Number(s): 84.126 (LRS)

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):

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: Lori Ferro Lori Ferro, Director, Office of  
Internal Audit

Phone Number: 504-280-5498

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) Governor's Office of Elderly Affairs

For the Year Ended June 30, 2003

Finding Title: Ineffective Monitoring of Subrecipient Audit Reports

Reference Number(s): F-01-HHS- ELD AFF-4  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ 600,532

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 Federal Agency agreed that the findings did not warrant any disallowed costs.

Page Number (from Single Audit Report): 103

Program Name(s): Aging Cluster

Federal Grantor Agency: HHS/AOA

CFDA Number(s): 93.044  
93.045

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 findings was included in the Fiscal Year 2003 audit because the backlog of unreviewed audits had not been fully reviewed at the time of the audit. However, the Auditor agreed that sufficient procedures were in place to avoid future problems. As of this time all prior audits have been reviewed.

**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: 342-6568

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

Workforce Commission Office

For the Year Ended June 30, 2003

Finding Title: Subrecipients Not Monitored

Reference Number(s): F-02-HHS-EXEC-1

(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

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?

Page Number (from Single Audit Report): 121

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: Louisiana Department of Social Services

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):

See Attachment

**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: Rachelle Young

Phone Number: (225) 342-0700

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
Executive Department - CAFR

For the Year Ended June 30, 2003

Finding Title: Inappropriate billing of insurance premiums

Reference Number(s): F-02-HHS-CAFR-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1998

Amount of Questioned Costs in Finding: \$ cannot be determined

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 finding published in 2002 had no questioned costs. See below.

Page Number (from Single Audit Report): 122

Program Name(s): Medicaid Cluster – Medical Assistance Program (and all major programs)

Federal Grantor Agency: Department of Health and Human Services

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):

The finding is divided into two parts. 1) The first part is a standing issue concerning inconsistent billings of premiums affecting federal programs. The state contracted with DMG/Maximus to study the finding. This study showed potential over billings to federal programs of \$19.5 million. The U.S. Department of Health and Human Services, Division of Cost Allocation, rejected the state's contention that this amount should be offset as the state has provided OMB-87 allowable administrative services and paid claims from general fund appropriations totaling \$192.3 million with the federal share being \$28.9 million. The state is beginning proceedings to take this issue into federal court.  
2) The second issue concerns the state not billing premiums for Road and Bridge Hazard Coverage to the Department of Transportation and Development. The state does not concur with the finding for the reasons enumerated in the response to the finding as published in the 2002 Single Audit Report and has therefore not begun any corrective action.

**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: *Walter J. King*

Phone Number: (225) 342 2085

Filename: s:\finaud\SINGLEAUDIT\03singau\Summary Schedule\form.doc  
Date: 6/3/03



**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DHH - Medical Vendor

For the Year Ended June 30, 2003

Finding Title: Improper Claims by Case Management Providers

Reference Number (from attached schedule of findings): F-02-HHS-DHH-1

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ 3,885

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 appropriate adjustments have been made.

Page Number (from Single Audit Report): 124

Program Name(s): Medical Assistance Program

Federal Grantor Agency: HHS


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: 

Phone Number: (225) 342-4379

AMENDED 9/25/03 as per conversation with Legislative Auditors  
SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
DHH-Medical Vendor

For the Year Ended June 30, 2003

Finding Title: Improper Claims by Waiver Services Providers

Reference Number (from attached schedule of findings): F-02-HHS-DHH-2

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ 117,600

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?  
Federal funds have been adjusted.

Page Number (from Single Audit Report): 125

Program Name(s): Medical Assistance Program

Federal Grantor Agency: HHS

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):

Partially Resolved - Will be exit comment only.

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) 342-4379

AMENDED 9/25/03 as per conversation with Legislative Auditors  
SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
DHH-Medical Vendor

For the Year Ended June 30, 2003

Finding Title: Improper Claims by Waiver Services Providers

Reference Number (from attached schedule of findings): F-01-HHS-DHH-2

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ 77,876

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?  
Federal funds have been adjusted.

Page Number (from Single Audit Report): 110

Program Name(s): Medical Assistance Program

Federal Grantor Agency: HHS

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):

Partially Resolved - Will be exit comment only.

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) 342-4379

AMENDED 9/25/03 as per conversation with Legislative Auditors  
SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:

DHH-Medical Vendor

For the Year Ended June 30, 2003

Finding Title: Improper Claims by Waiver Services Providers

Reference Number (from attached schedule of findings): F-00-HHS-DHH-3

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ 68,869

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?

Federal funds have been adjusted.

Page Number (from Single Audit Report): 127

Program Name(s): Medical Assistance Program

Federal Grantor Agency: HHS

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):

Partially Resolved - Will be exit comment only.

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) 342-4379

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DHH - Medical Vendor

For the Year Ended June 30, 2003

Finding Title: Improper Disproportionate Share Payments

Reference Number (from attached schedule of findings): F-02-HHS-DHH-3

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 185,605,936

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?

Costs are pending negotiations with CMS.

Page Number (from Single Audit Report): 127

Program Name(s): Medical Assistance Program

Federal Grantor Agency: HHS

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):

The Department of Health and Hospitals has strengthen our internal controls as they relate to LSU Health Care Services Division (LSUHCS) estimates of uncompensated care costs and their request for disproportionate share hospital (DSH) payments. DSH payments to HCS are based on estimates calculated from the latest filed cost reports and documented adjustments to current state fiscal year expenditures. All changes to the filed cost report estimates must be clearly supported by hospital-specific documentation including, but not limited to, current year expenditure amounts, budgeted amounts, admission inpatient and outpatient clinic data by financial class, payor source, and revenue/collection reports by financial class.

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) 342-4379

AMENDED 9/25/03 as per conversation with Legislative Auditors  
SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
**DHH - OFFICE OF ADDICTIVE DISORDERS**

For the Year Ended June 30, 2003

Finding Title: Improper Payments for TANF Initiative Recipients

Reference Number (from attached schedule of findings): F-02-HHS-DHH-4

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 12,804

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?  
Federal funds have been adjusted.

Page Number (from Single Audit Report): 128

Program Name(s): Temporary Assistance for Needy Families and Treatment Program TANF

Federal Grantor Agency: HHS

CFDA Number(s): 93.558

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):

Partially Resolved - May be exit comment only.  
The following action plan was in place by January 6, 2003:  
On-site monitoring with review of verification of documentation of client eligibility.  
Inquiries letters were sent to clarify TANF eligibility and appropriate documentation.  
Monthly phone conferences with residential providers and regional administrators.

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) 342-4379

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
**DHH - Medical Vendor**

For the Year Ended June 30, 2003

Finding Title: Medicaid Provider Overpayments Errors

Reference Number (from attached schedule of findings): F-02-HHS-DHH-5

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 374,003

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 FFP has been included in the 60-day receivable amounts reported on the CMS-64.  
Therefore, the FFP has been returned to the Federal Government.

Page Number (from Single Audit Report): 129

Program Name(s): Medical Assistance Program

Federal Grantor Agency: HHS

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: 

Phone Number: (225) 342-4379

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
Louisiana Department of Labor - Workforce Development

For the Year Ended June 30, 2003

Finding Title: Inadequate Monitoring Procedures for Community Services Block Grant

Reference Number(s): F-00-HHS-LABR-11  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 669,497

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?

Still in negotiation

Page Number (from Single Audit Report): 132

Program Name(s): Community Services Block Grant

Federal Grantor Agency: U. S. Dept. of Health and Human Services

CFDA Number(s): 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):

Procedures have been established to correct the 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: W. J. H.

Phone Number: 225-342-3103



**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

**Department/University or College/Commission/District:**

Louisiana Community and Technical College System

**For the Year Ended June 30, 2003**

**Finding Title:** Failure to Submit Complete Reports

**Reference Number** (from attached schedule of findings): F-02--HHS-LCTCS-2

**Initial Year of Finding:** 2002

**Amount of Questioned Costs in Finding:** \$ N/A

**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): \_\_\_\_\_

**Program Name(s):** Temporary Assistance for Needy Families (TANF)

**Federal Grantor Agency:** United States Department of Health and Human Services

**CFDA Number(s):** 93.558

**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 TANF office has removed the requirement that these reports be communicated by hard copy from the Campus to the TANF office. All reportable measures are to be pulled off the student web-based system by the TANF office and submitted to the Workforce Commission. All corrections to the web-based system have been made and accurate data entry by each campus is now possible.

The LCTCS TANF office will enforce and impose sanctions on any campus if the data in the system for that campus is not accurate. The failure of the campus to make the necessary corrections to all inaccurate data will result in non-acceptance of the campus reimbursement request/invoice for that month. Policies and procedures to ensure this action have been developed and Communicated to all LCTCS Campuses participating in the TANF initiative.

**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:**

Jeffery L. Mumphy

**Phone Number:**

(225) 219-0293

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Louisiana State University Health Sciences Center New Orleans

For the Year Ended June 30, 2003

Finding Title: Federal Financial Reports Not Submitted Timely

Reference Number (from attached schedule of Findings):

F-02-HHS-LSUHSCNO-2

Initial Year of Finding: 2002

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): 131

Program Name(s): Model State-Supported Area Health Education Centers, Heart and Vascular Diseases Research

Federal Grantor Agency: \_\_\_\_\_

CFDA Number(s): 93.107, 93-837

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 audit finding has been fully corrected. The situations that were in place at that time which caused the untimely submissions (staff vacancies/illness and modification of PeopleSoft) have since been resolved. Every FSR due subsequent to the audit has been filed on time.



David H. Dotter  
Director of Internal Audit  
LSUHSC New Orleans

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Child Support Escrow Fund Not Reconciled

Reference Number (from attached schedule of findings): F-02-HHS-DSS-4

Initial Year of Finding: 2000

Amount of Questioned Costs in Finding: \$ N/A

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?  
Not Applicable

Page Number (from Single Audit Report): 132

Program Name(s): Child Support Enforcement

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.563

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 have completed reconciliations for a two-year period, 7/1/01 through 6/30/02 and 7/1/02 through 6/30/03, between the ISIS and LASES systems. The reconciliation consisted of reconciling cash receipts and cash disbursements for each month for the two-year period. The next step in this process is to identify individual client balances from the various reports in LASES as of fiscal year end and compare to the ISIS escrow fund amount. We have identified certain suspense reports as being part of the listing of names to partially satisfy this finding. We are continuing to work on identifying any remaining difference.

**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 S. Williams

Phone Number: (225) 342-4164

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Foster Care: Insufficient Reimbursements from Child Support Collections

Reference Number (from attached schedule of findings): F-02-HHS-DSS-5

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ 95,024

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?  
Questioned costs are still in negotiation.

Page Number (from Single Audit Report): 133

Program Name(s): Child Welfare Services – State Grants  
Foster Care – Title IV-E  
Social Services Block Grant

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.645, 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):

Appropriate corrective action has been taken to correct this finding. A collaborative effort between OCS, OFS, and OMF to identify monies required to be reimbursed by families under the Title IV-A and Title IV-E programs for assistance provided from State. Each year a budget adjustment request (BA-7) will be submitted asking for the return of funds currently required to be returned to the State as Income Not Available (INA).

**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 S. Williams

Phone Number: (225) 342-4164

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Foster Care: Insufficient Reimbursements from Child Support Collections

Reference Number (from attached schedule of findings): F-01-HHS-DSS-5

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ 241,616

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?  
Questioned costs are still in negotiation.

Page Number (from Single Audit Report): 118

Program Name(s): Child Welfare Services – State Grants  
Foster Care – Title IV-E  
Social Services Block Grant

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.645, 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):

Appropriate corrective action has been taken to correct this finding. A collaborative effort between OCS, OFS, and OMF to identify monies required to be reimbursed by families under the Title IV-A and Title IV-E programs for assistance provided from State. Each year a budget adjustment request (BA-7) will be submitted asking for the return of funds currently required to be returned to the State as Income Not Available (INA).

**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 S. Wilkins

Phone Number: (225) 342-4164

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Foster Care--Title IV-E Program:Insufficient Controls over Program Administration

Reference Number (from attached schedule of findings): F-02-HHS-DSS-6

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$213,171

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?  
All adjustments to reports were made at the quarter ending March 31, 2003.

Page Number (from Single Audit Report): 134

Program Name(s): Foster Care -- Title IV-E

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.658

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):

Efforts are ongoing between the Office of Community Services and Information Services to modify programming to correct problems concerning calculations.

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 D. Williams

Phone Number: (225) 342-4164

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Foster Care--Title IV-E Program:Insufficient Controls over Program Administration

Reference Number (from attached schedule of findings): F-01-HHS-DSS-6

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$301,250

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?

Adjustments to federal reports were made at the quarter ending March 31, 2003.

Page Number (from Single Audit Report): 119

Program Name(s): Foster Care -- Title IV-E

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.658

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):

Efforts are ongoing between the Office of Community Services and Information Services to modify programming to correct problems concerning calculations.

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: Richard Williams

Phone Number: (225) 342-4164

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Fraudulent Transactions in TANF

Reference Number (from attached schedule of findings): F-02-HHS-DSS-7

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 2,013

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?  
Funds were recovered from individual prior to termination.

Page Number (from Single Audit Report): 136

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.558

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):

Individual was terminated and supervisor was scheduled for training.

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 S. Williams

Phone Number: (225) 342-4164



**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Temporary Assistance for Needy Families Program: Inaccurate Reporting

Reference Number (from attached schedule of findings): F-02-HHS-DSS-8

Initial Year of Finding: 2001

Amount of Questioned Costs in Finding: \$ N/A

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?  
Not Applicable

Page Number (from Single Audit Report): 138

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: Department of Health and Human Services

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):

The corrections needed to be made have been identified will be corrected on the appropriate reports.

**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: Rehema S. Williams

Phone Number: (225) 342-4164

SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Temporary Assistance for Needy Families Program: Noncompliance with Certain Federal and State Requirements

Reference Number (from attached schedule of findings): F-02-HHS-DSS-9

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 91,057

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?  
Questioned costs are still in negotiation.

Page Number (from Single Audit Report): 140

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: Department of Health and Human Services

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):

Efforts are ongoing to improve monitoring procedures related to 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: Rebecca A. Villanov

Phone Number: (225) 342-4164

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Temporary Assistance for Needy Families Program: Noncompliance with Certain Federal and State Requirements

Reference Number (from attached schedule of findings): F-01-HHS-DSS-7

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 22,838

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?  
Federal agency did not require reimbursement.

Page Number (from Single Audit Report): 122

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.558

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):

Issues related to FY 2001 have been partially resolved but work is continuing in order to totally resolve.

**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: Lehua S. Wilkani

Phone Number: (225) 342-4164

**SCHEDULE 8-3**  
**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
DEPARTMENT OF SOCIAL SERVICES

For the Year Ended June 30, 2003

Finding Title: Temporary Assistance for Needy Families Program: Noncompliance with Certain Federal and State Requirements

Reference Number (from attached schedule of findings): F-00-HHS-DSS-7

Initial Year of Finding: 1999

Amount of Questioned Costs in Finding: \$ 25,310

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?  
Federal agency did not require reimbursement.

Page Number (from Single Audit Report): 137

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.558

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):

Issues related to FY 2000 have been partially resolved but work is continuing in order to totally resolve.

**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 S. Williams

Phone Number: (225) 342-4164

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:  
(name of agency) W.O. Moss Regional Medical Center

For the Year Ended June 30, 2003

Finding Title: Payroll charges to Federal Program not verified

Reference Number(s): F-02-HHS-WOMOSS-1  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 22,813

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? Status of questionable cost resolved. No refunds were applicable. Certified statements signed by the employee and other applicable staff were obtain to support additional reimbursement.

Page Number (from Single Audit Report): 143

Program Name(s): Grants to provide outpatient Early Intervention Services with respect to HIV Disease  
Federal Grantor Agency: HRSA/HIV/AIDS Bureau

CFDA Number(s): 93.918

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):

Status completed. Certified statements signed by the employee, their supervisor and/or other as applicable were obtained and maintained to address cost in question. Implementation of Time and Effort effective July 1, 2002 to support future documentation.

**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: Cheryl Savoy

Phone Number: (337) 475-8137

**SCHEDULE 8-3  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

**OFFICE ON WOMEN'S POLICY**

For the Year Ended June 30, 2003

Finding Title: Internal Control Weaknesses Over TANF Expenditures

Reference Number(s): F-02-HHS-OWS-5  
(from attached schedule of findings, may include more than one)

Initial Year of Finding: 2002

Amount of Questioned Costs in Finding: \$ 23,344

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?  
No request as of yet.

Page Number (from Single Audit Report): 144

Program Name(s): Temporary Assistance for Needy Families

Federal Grantor Agency: Department of Health and Human Services

CFDA Number(s): 93.558

Status of Finding (check one):

Fully Corrected           X            
Partially Corrected \_\_\_\_\_  
Change of Corrective Action \_\_\_\_\_

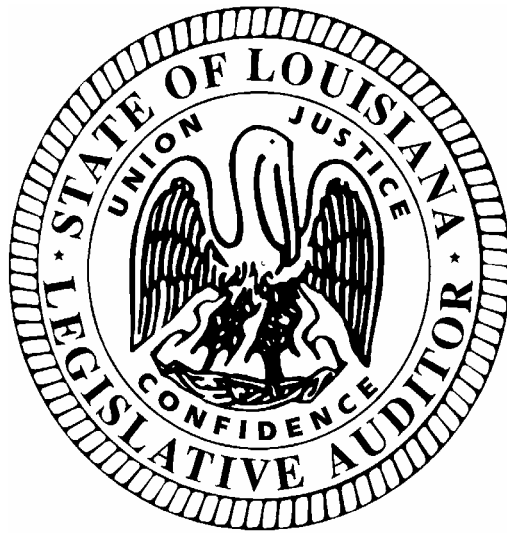
Not Corrected \_\_\_\_\_  
No Further Action Needed \_\_\_\_\_  
(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable):  
The Office on Women's Policy is now under the direction of the Division of Administration which includes both OFSS and OCR. Administrative costs are now allocated based on time utilization. The Microenterprise program is no longer under OWP direction. OWP now has one office located in Baton Rouge with one full-time TANF person and a contracted CPA who report directly to the Program Director.

**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: Rachelle Young  
Phone Number: (225) 342-0700

# Acknowledgments



## ACKNOWLEDGMENTS

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All other audit staff assistants

A very special thanks to the following people for their efforts in editing and processing the report:

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