

SOUTH CENTRAL LOUISIANA HUMAN
SERVICES AUTHORITY

LOUISIANA DEPARTMENT OF HEALTH
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
PROCEDURAL REPORT
ISSUED OCTOBER 4, 2021

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Louisiana Legislative Auditor

Michael J. “Mike” Waguespack, CPA

South Central Louisiana Human Services Authority
Louisiana Department of Health



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Introduction

The primary purpose of our procedures at the South Central Louisiana Human Services Authority (SCLHSA) was to evaluate certain controls SCLHSA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds.

The service area for SCLHSA includes seven parishes: Assumption, Lafourche, St. Charles, St. James, St. John the Baptist, St. Mary, and Terrebonne.

Results of Our Procedures

We evaluated SCLHSA’s operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of SCLHSA’s controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to revenue billings, federal grant revenues and expenditures, payroll and personnel, and public assistance expenditures.

Revenue Billings

SCLHSA uses the eClinicalWorks system to bill for services provided to its clients and to maintain medical records for services rendered and amounts owed. We obtained an understanding of SCLHSA’s controls over revenue billings. We reviewed system reports of charges billed, payments, and adjustments made to clients’ accounts for the two fiscal years ending June 30, 2021. We selected 24 transactions and examined supporting documentation for charges billed. Based on the results of our procedures, SCLHSA appropriately billed for its services and properly deposited related receipts.

Federal Grant Revenues and Expenditures

SCLHSA receives federal funds directly and through interagency transfers from the Louisiana Department of Health (LDH) and the Governor’s Office of Homeland Security and Emergency

Preparedness (GOHSEP). We obtained an understanding of SCLHSA's controls over the Coronavirus Relief Funds (CRF) federal grant revenues (received from GOHSEP).

For CRF, we reviewed payroll expenditure reimbursements to ensure they were supported and allowable per the CARES Act. Based on the results of our procedures, SCLHSA had adequate controls in place to ensure that grant revenues were supported by expenditures and were properly recorded.

Payroll and Personnel

Salaries and related benefits comprise approximately 60% of SCLHSA's expenditures in fiscal year 2020. We obtained an understanding of SCLHSA's controls over the time and attendance function and reviewed selected employee time statements and leave records during the period July 1, 2019, through November 1, 2020. We reviewed a listing of pay rate changes for the period July 1, 2019, through June 30, 2020, and examined pay rate authorizations for selected employees. We also reviewed leave payout payments made for separations and retirements, as well as payroll transactions involving prior-period adjustments for corrections, adjustments, or omissions for selected employees in fiscal years 2020 and 2021.

Based on the results of our procedures, SCLHSA had adequate controls in place to ensure timely review and approval of employee time statements and leave requests; employees were paid the amounts authorized; and leave payouts for separations and retirements and payroll transactions involving prior-period adjustments were appropriate and properly supported.

Public Assistance Expenditures

SCLHSA administers various public assistance programs that are funded by state appropriations and federal interagency transfers from the LDH Office of Behavioral Health. For the two years ended June 30, 2021, we reviewed expenditures for three program areas, including the Substance Abuse Prevention and Treatment Block Grant Prevention program, the Consumer Care Resources program, and the Individual and Family Support program.

The Substance Abuse Prevention and Treatment Block Grant Prevention program is federally funded to help plan, implement, and evaluate activities that prevent and treat substance abuse. The Consumer Care Resources program is state funded to establish or maintain a quality of life for eligible individuals with a mental illness and their families in a manner that respects both individual needs and aspirations responsibly and to link individuals to existing support and resources. The Individual and Family Support program is state funded to meet the needs of individuals with developmental disabilities, which exceed those normally met by existing resources.

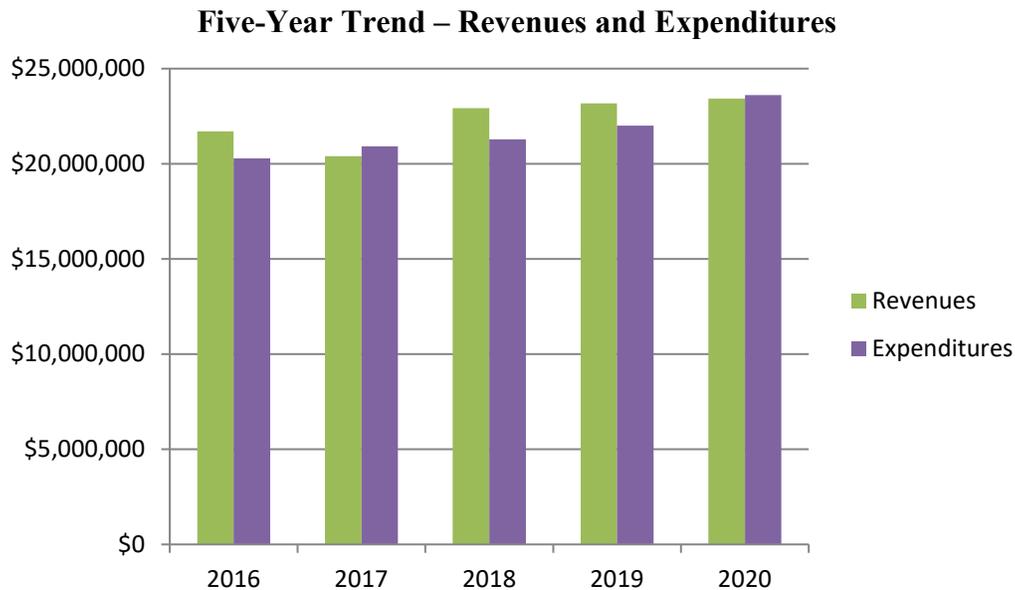
We obtained an understanding of SCLHSA's policies and procedures over these programs and reviewed selected transactions for the period July 1, 2019, through June 30, 2021. Based on the results of our procedures, SCLHSA had adequate controls in place to ensure payments were

reasonable and authorized; were made to appropriate vendors/program participants or, where applicable, to appropriate vendors on behalf of eligible individuals or families, and were for eligible program-related purposes.

Trend Analysis

We compared the most current and prior-year financial activity using SCLHSA’s Annual Fiscal Reports and obtained explanations from SCLHSA’s management for any significant variances. We also prepared an analysis of SCLHSA’s revenues and expenditures over the last five fiscal years ending June 30, 2020.

SCLHSA is funded with state general appropriations, federal funds, interagency transfers, and self-generated revenues. Revenues have remained fairly consistent from fiscal year 2018 through fiscal year 2020, but expenditures over the same period increased primarily due to increases in SCLHSA’s retirement and pension benefit obligations.



Source: Fiscal Year 2016-2020 Annual Fiscal Reports

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

Respectfully submitted,

Michael J. “Mike” Waguespack, CPA
Legislative Auditor

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the South Central Louisiana Human Services Authority (SCLHSA) for the period from July 1, 2019, through June 30, 2021. Our objective was to evaluate certain controls SCLHSA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review SCLHSA's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. SCLHSA's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated SCLHSA's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to SCLHSA.
- Based on the documentation of SCLHSA's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to revenue billings, federal grant revenues and expenditures, payroll and personnel, and public assistance expenditures.
- We compared the most current and prior-year financial activity using SCLHSA's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from SCLHSA's management for any significant variances that could potentially indicate areas of risk.

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