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Louisiana

**Single Audit Report
for the Year Ended
June 30, 1998**

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

State of Louisiana

Single Audit Report For the Year Ended June 30, 1998



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STATE OF LOUISIANA
Independent Auditor's Reports on
Compliance With State and Federal Laws
and Regulations, Internal Controls, and
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

The Auditor's Report on the State of Louisiana's General Purpose Financial Statements dated February 24, 1999, has been issued under separate cover.

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge, New Orleans, and Shreveport offices of the Legislative Auditor. Copies of this report are also being submitted to the federal clearinghouse. The clearinghouse will retain an archival copy of the report and also distribute a copy of the report to each federal awarding agency that provided federal financial assistance to the State of Louisiana for which audit findings were disclosed in the schedules of findings and questioned costs or the summary schedule of prior federal audit findings. The report will be distributed to any pass-through entities that provided federal financial assistance to the state for which audit findings were disclosed in the schedules of findings and questioned costs or the summary schedule of prior federal audit findings. The report is also being transmitted to the Regional Inspector General for Audit of the United States Department of Education, which is the cognizant federal agency for the Single Audit of the State of Louisiana.

March 31, 1999



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

The State of Louisiana Single Audit Report, along with the June 30, 1998, *Comprehensive Annual Financial Report*, provides an overview of the operations of Louisiana state government. Each year the Louisiana Legislative Auditor audits the activities of state government's departments, agencies, universities, and other organizational units to ensure accountability and to review agency compliance with certain laws and regulations relating to financial matters. The results of the Single Audit of Louisiana, including reportable findings, are included in my Single Audit Report.

As a result of my audit of the 1998 *Comprehensive Annual Financial Report*, I issued a qualified opinion on the state's general purpose financial statements contained in the separately issued Louisiana *Comprehensive Annual Financial Report*. My opinion, dated February 24, 1999, was qualified because the state's General Fund financial statements include an unexplained reconciling item of approximately \$2.4 million that is adjusted through revenue to make the Combined Balance Sheet and Combined Statement of Revenues, Expenditures, and Changes in Fund Balance reconcile. Because this item could not be identified, its effect on assets, liabilities, fund balance, revenues, and expenditures could not be determined. My opinion also included a qualification pertaining to disclosure relating to the Year 2000.

The 1998 Single Audit Report includes my report on the Schedule of Expenditures of Federal Awards, along with my reports on compliance with laws and regulations and internal control over financial reporting and federal programs for the State of Louisiana. The reports contain more than 68 matters that require the attention of state government.

The Executive Summary highlights the statewide issues that are major concerns as well as issues that are material to the state's financial operations. Two findings identify the significant weaknesses that exist with the procedures used to prepare the state's financial statements. The findings illustrate financial statement errors attributed to the Office of Statewide Reporting (Inadequate Compilation Process) and the Health Care Services Division (Inadequate Reporting of Receivables), which delayed the issuance of the *Comprehensive Annual Financial Report* for several months. Also of specific concern are the findings that have been repeated for several consecutive years.

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

Sincerely,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

STATE OF LOUISIANA
SINGLE AUDIT REPORT
For the Fiscal Year Ended June 30, 1998

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Executive Summary



EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1998

Introduction

The Single Audit Report for the fiscal year ended June 30, 1998, contains the Schedule of Expenditures of Federal Awards along with the auditor's report thereon. Also included are the auditor's reports on internal control and compliance related to the financial statements and internal control and compliance related to major federal award programs. These audit reports are supported by the schedules of findings and questioned costs in the accompanying report.

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

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

Our Mission

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

Our Objectives

- To provide the legislature and other public officials with accurate and relevant information for use in their decision-making process
- To provide quality audit services for state and local governments
- To evaluate the effectiveness, efficiency, and usefulness of state programs
- To project a positive public image
- To maintain a high degree of professionalism within the organization
- To provide a satisfying and rewarding place to work

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1998

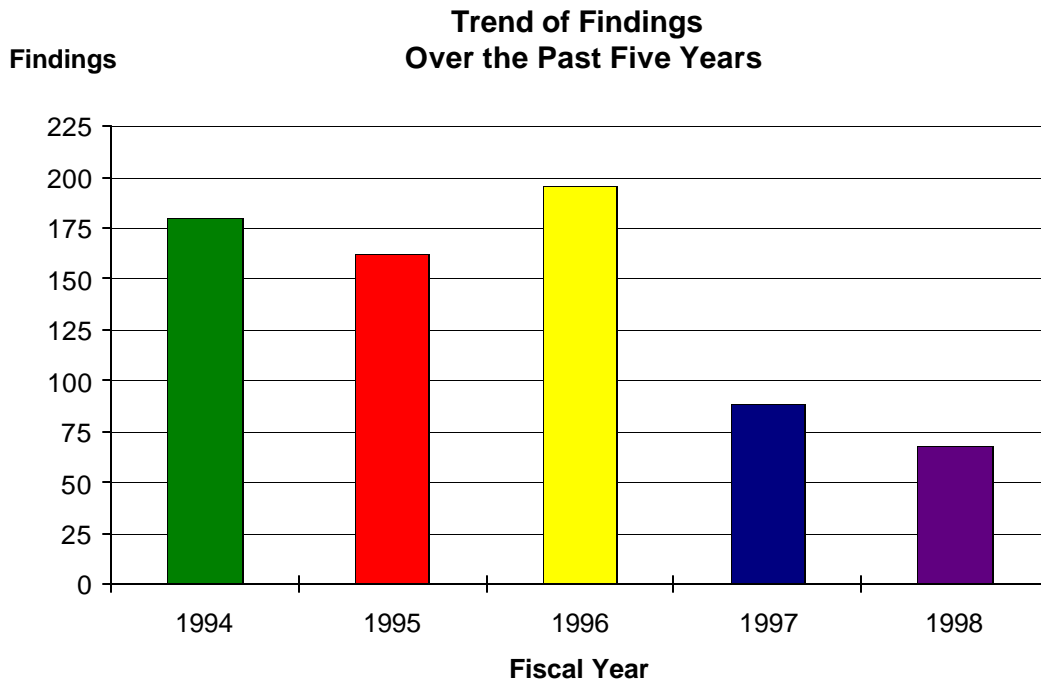
Findings and Questioned Costs

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

Our audit for fiscal year ended June 30, 1998, indicated that approximately 61% of the findings reported in the prior audit were resolved. A total of 68 findings were reported within this year's Single Audit Report. This total includes 28 repeat findings (41%) that were unresolved issues from the prior audit.

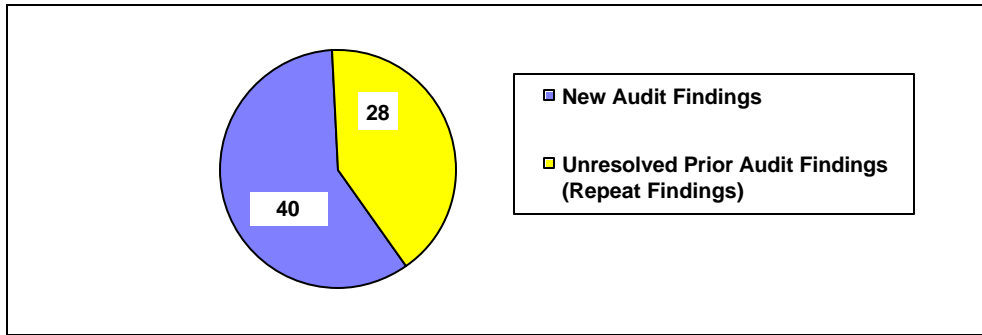
The 1998 Single Audit Report discloses questioned costs of \$4,848,643, which are detailed within the findings that are presented in the Schedule of Federal Award Findings and Questioned Costs (Schedule C) of the accompanying report. The resolution of these questioned costs will be determined by the respective grantors.

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



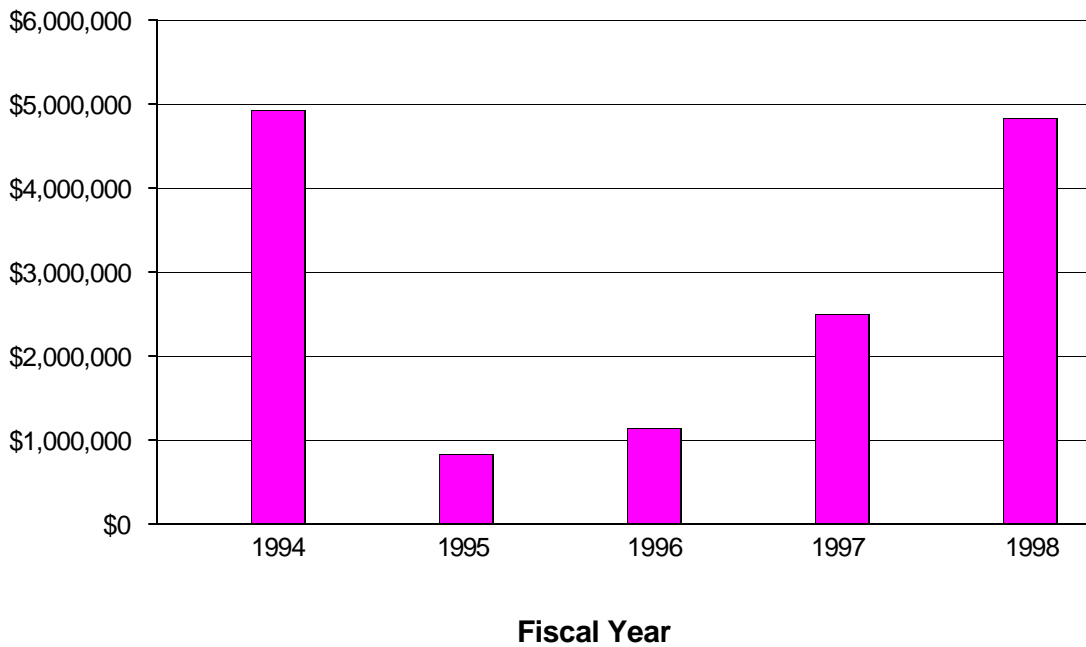
EXECUTIVE SUMMARY
For the Fiscal Year Ended June 30, 1998

**Fiscal Year 1998
Comparison of Repeat Findings
to New Findings**



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

Questioned Costs



EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1998

Statewide Areas of Concern

Eight findings were reported in the 1998 Single Audit Report that warrant statewide concern. Two of the findings represent material findings. "Inadequate Compilation Process" represents material noncompliance as well as a material weakness in internal controls. "Ineffective Internal Audit Function" represents a material weakness in internal controls. For a finding to be considered a statewide concern, it has one or more of the following characteristics:

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

Material Findings

Inadequate Compilation Process

For the third consecutive year, the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) did not have adequate procedures for compiling the state's *Comprehensive Annual Financial Report (CAFR)*. The initial draft of the *CAFR* contained significant errors that were later corrected for the final report. Furthermore, the *CAFR* was not issued by the statutory deadline required by Louisiana law. The compilation process has deficiencies in that (1) OSRAP is unable to reconcile prior year fund balance as reported in the computerized accounting system to prior year balances as reported in the prior year's *CAFR* for the General Fund; (2) many errors are not identified and corrected by OSRAP employees in the normal course of performing their assigned functions or in the supervisory review process; and (3) a number of significant misclassification errors were discovered by the auditors and corrected by OSRAP.

OSRAP should develop a compilation process that reconciles the General Fund fund balance in a timely manner. Also, OSRAP should improve its compilation procedures and supervisory review of financial information and note disclosures. Improvement in these areas would allow OSRAP to detect and correct errors in a timely manner before submitting that information to the auditors.

Ineffective Internal Audit Function

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

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

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1998

Other Statewide Findings

Improper Use of Nonrecurring Revenue

For the third consecutive year, the State of Louisiana did not use nonrecurring revenue to retire or defease bonds "in addition to existing amortization requirements of the state," as required by both the Louisiana Constitution and the Supplemental Appropriation Act (Act 319 of the 1997 Regular Session). Nonrecurring revenue of \$318,039,000, resulting from the General Fund unreserved-undesignated fund balance for fiscal year ended (FYE) June 30, 1996, was declared by the Revenue Estimating Conference and placed in an escrow agent bank account on June 24 and June 27, 1997. During FYE June 30, 1998, at least \$103 million of the \$318 million in escrow was used to defease debt with maturity dates falling in the 1998 fiscal year. Defeasing short-term debt requirements has the effect of reducing the state's debt service expenditures paid from current collections and frees up funds for other purposes. However, it does not fulfill the constitutional requirement that nonrecurring revenue be used "in addition to existing amortization requirements."

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

Noncompliance With State's Movable Property Regulations

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

An audit of movable property records throughout the state disclosed that twelve state agencies, two technical colleges, two state hospitals, and one state university did not maintain an adequate movable property control system. Many of these agencies have had movable property audit findings for more than one year. In addition, the Medical Center of Louisiana at New Orleans could not locate over \$9 million of movable property after performing its annual physical inventory.

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

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1998

Inadequate Controls in State's Electronic Data Processing Systems

The State of Louisiana did not have adequate internal controls at the agency level for the Advanced Governmental Purchasing System (AGPS), the Government Financial System (GFS), the Advantage Financial System (AFS), which replaced GFS during May of 1998, the Uniform Payroll System (UPS), the Contract Financial Management System (CFMS), and the Louisiana Property Assistance Agency (LPAA). Access to these systems is restricted through the use of passwords and user identification (ID) codes; however, this access was not properly restricted to ensure that the integrity of data was maintained.

Failure to establish adequate controls in an on-line data entry environment could result in the loss of data and the failure to prevent or detect errors or fraud in processing transactions.

The audit of internal controls relating to AGPS, GFS, AFS, UPS, CFMS, and LPAA throughout the state disclosed that effective internal controls did not exist in five state agencies, four technical colleges, and one state hospital. Often, computer access was not removed timely for terminated employees.

The State of Louisiana and its agencies should take the necessary measures to ensure that employees' duties are properly segregated and that user IDs assigned to individuals are valid and used only by that individual. In addition, written controls and procedures should be developed and implemented so that the security administrators are notified immediately of any change in employment status or duties of individuals so that the user IDs for individuals that no longer require access can be disabled timely.

Noncompliance With Year 2000 Regulations

The Office of State Purchasing did not comply with Executive Orders designed to ensure that current purchases of computer equipment and services are Year 2000 compliant by the turn of the century. Executive Order MJF 96-50, as amended by Executive Order MJF 98-04, requires all contracts in excess of \$5,000 for the purchase of computer hardware, software, firmware products, data processing services, information systems, and custom computer items to contain a provision requiring the items or services purchased to be Year 2000 compliant by July 1, 1999. The audit disclosed that none of the 32 statewide (brand name) contracts valued at \$32,380,692 included the required Year 2000 provision, and 5 of 15 (\$70,797 of \$3,883,503) one-time purchase contracts did not include the required Year 2000 provision.

Because the Year 2000 provision was not included in the contracts for these purchases, the state may have no recourse against vendors if the goods and services provided are subsequently found not to be Year 2000 compliant. Any cost associated with replacement or modification of these products might therefore be borne by the state. Furthermore, purchasing computer equipment and services that is not Year 2000 compliant could impair the state's ability to provide services to the public. Finally, the state's computer control systems, relied on for numerous sources of information, may become unreliable and inoperable.

The Office of State Purchasing should obtain assurances that the computer-related equipment or services purchased are Year 2000 compliant for the contracts awarded without the Year 2000 provision and should initiate corrective action if they are not. In addition, the Office of State Purchasing should include the Year 2000 provision in all future contracts in accordance with Executive Order MJF 98-04.

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Single Audit Report

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For the Fiscal Year Ended June 30, 1998



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Inconsistent Application of the Statewide Cost Allocation Plan

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

Annually, ORM bills each state agency for various types of insurance. To calculate the amount of premium necessary for each class of insurance, ORM considers exposure (the magnitude of potential losses) and experience (past losses). However, because of budget constraints, for fiscal years 1997 and 1998, OPB did not include the full amount of calculated premiums in the state's budget. In addition, rather than implementing an across-the-board reduction, OPB designated the specific amount of premium that each agency was to be charged.

As a result of the state's inconsistent reductions in billings, state agencies receiving federal funding through interagency transfers or directly may have been billed at a higher rate than agencies without available federal funding. The calculations necessary to determine the amount of questioned costs, if any, and the specific programs overcharged will require time and research. Consequently, an estimate of potential questioned costs cannot be determined at this time.

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

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For the Fiscal Year Ended June 30, 1998

Inadequate Monitoring of Cash Management Improvement Act Programs

The Office of Statewide Reporting and Accounting Policy (OSRAP) does not provide an adequate control and review function over programs that fall under the federal Cash Management Improvement Act (CMIA) agreement. Section 7.9 of the CMIA agreement requires an authorized state official to certify that each clearance pattern developed by the state accurately corresponds to the clearance activity of the program to which it is applied. This duty has been assigned to the director of OSRAP. In addition, OSRAP is responsible for calculating the interest liability/receivable owed to or from the federal government when program draws and reimbursements are not made according to the CMIA agreement. However, control deficiencies were noted.

OSRAP is certifying check clearance patterns for various programs without verifying that the data underlying the clearance pattern is representative of normal and actual check clearances for the program. OSRAP relies on state agencies to provide them with correct clearance patterns. After receipt of the clearance patterns from the agencies, OSRAP does no further investigation to assure that the check clearance patterns are representative of normal and actual clearance patterns before certification. Clearance patterns for certain federal programs were certified during the year, but the underlying data were either inaccurate or not accumulated as directed by the CMIA agreement. In addition, five of six agencies examined were not consistently notifying OSRAP when errors were discovered in their program draws. No formal notification procedures were developed by the agencies or OSRAP. Generally, the agencies correct the next draw after an error is identified without notification to OSRAP. Consequently, OSRAP cannot properly calculate the interest liability/receivable due to or from the federal government.

The lack of adequate review and control function over clearance patterns increases the risk that interest owed to the state by the federal government may not be collected, and that interest owed by the state to the federal government may not be reported and paid, which is a violation of the CMIA agreement.

OSRAP should verify before certification that check clearance patterns developed by state agencies are representative of normal and actual check clearance, and require state agencies to provide OSRAP with sufficient information or notification to determine that CMIA program draws were made in error.

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For the Fiscal Year Ended June 30, 1998

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For the Fiscal Year Ended June 30, 1998

Other Material Findings

During the 1998 Single Audit, there were four findings reported that were considered to be material weaknesses in internal controls of the state. One of these findings was also considered direct and material noncompliance with laws, regulations, contracts, and grants.

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

For a finding to be considered direct and material noncompliance, the noncompliance has been determined by the auditor to have a direct and material effect on the determination of financial statement amounts.

The statewide finding "Ineffective Internal Audit Function," discussed previously, is considered to be a material weakness in internal controls. Another of the statewide findings, discussed previously, "Inadequate Compilation Process," is considered to be material noncompliance, as well as a material weakness in internal controls.

Two other findings described below were considered to be material weaknesses in internal controls.

LOUISIANA STATE UNIVERSITY MEDICAL CENTER - HEALTH CARE SERVICES DIVISION

Inadequate Reporting of Receivables

The Health Care Services Division (HCSD), a component unit of the Louisiana State University Medical Center (LSUMC), failed to properly report receivables in its financial statements. An adequate system of internal control should include proper supervision and review to ensure that errors in financial statements are detected and corrected in a timely manner. The financial statements submitted by HCSD to LSUMC, for inclusion in the Louisiana State University System report, contained significant reporting errors. HCSD overstated Medicaid receivables by \$34,248,441, and overstated Ineligible Patient Fees receivables by \$66,521,573, in the initial financial statements submitted to LSUMC.

Management attributes these errors to several factors. First, there was a lack of history for comparing receivable amounts to amounts reported in the prior year since this was the first year that HCSD reported on a full accrual basis. Secondly, the merging of two reporting systems at the Medical Center of Louisiana at New Orleans caused a lack of emphasis on collection efforts, which in turn caused an overstatement of accounts receivable. Finally, the HCSD did not adequately adjust its allowance for doubtful accounts to reflect uncollectible accounts receivable.

HCSD should develop a compilation process that computes and reports receivables accurately. Also, HCSD should perform analytical procedures and improve supervisory review of financial information to detect and correct errors in a timely manner before submitting that information to LSUMC.

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Single Audit Report

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For the Fiscal Year Ended June 30, 1998

STATE EMPLOYEES GROUP BENEFITS PROGRAM

Inadequate Information Systems Controls

For the second consecutive year, the State Employees Group Benefits Program (SEGBP) did not have adequate internal controls over its computer-related Information System (IS) functions, which could affect the integrity of programs, processing, and data. An adequate system of internal control requires that SEGBP have proper disaster recovery procedures, have system reconciliation procedures, be able to provide accurate system information in a timely manner, and adopt procedures to address general control weaknesses. Annually, the program's Information Services Division processes information relating to approximately \$233 million of claims expenditures, as well as various other transactions.

Weaknesses were observed in both IS general controls and IS application controls. As a result, risk exists that programs and data could be accessed and modified without proper authorization, review, and approval; that errors or fraud could occur and not be detected; and that a disaster could occur and SEGBP may not be able to fully recover lost programs and data.

The following deficiencies in internal control were noted:

- SEGBP did not have adequate disaster recovery procedures. System failures did occur and data were lost.
- SEGBP did not reconcile system-generated reports to supporting claims detail information or SEGBP financial information.
- SEGBP could not provide accurate system information to the auditors in a timely manner.
- SEGBP had numerous general control weaknesses, including the lack of security software and monitoring on certain systems, which results in the risk of improper access to those systems.

SEGBP should establish adequate IS procedures and controls to ensure the integrity of programs, processing, and data. SEGBP should ensure that the program has proper disaster recovery and reconciliation procedures and is able to provide accurate system information in a timely manner.

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For the Fiscal Year Ended June 30, 1998

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1998

Louisiana Department of Education

Following is a summary of several state Department of Education (SDE) findings included in the accompanying report. The SDE administers several major federal award programs within the State of Louisiana.

Inadequate Controls Over Data in the Minimum Foundation Program

For the second consecutive year, the SDE has not audited financial information and personnel data reported by the parish and city school systems used in the allocation and distribution of the Minimum Foundation Program (MFP). In addition, the SDE does not have adequate controls to minimize the amount of errors reported by the local school systems that are input into the computer system and are used to determine the student membership for the MFP formula.

Improper Administration of Joint Conference

For the second consecutive year, the SDE did not have adequate controls to ensure that conference expenditures and program income related to the Special Education - Grants to States (CFDA 84.027) program complied with applicable federal and state regulations, resulting in questioned costs of \$7,815.

Inadequate Controls Over the Church-Based Tutorial Network

For the second consecutive year, the SDE did not maintain adequate internal controls over the Church-Based Tutorial Network, as prescribed by state laws and regulations and the provisions of its subrecipient contracts, resulting in questioned costs of \$51,788. Problems included controls over movable property, the lack of state eligibility criteria, and improper payments for payroll taxes.

Inadequate Controls for Federal Cash Management

For the second consecutive year, the SDE did not have adequate control procedures to ensure that the department and its subgrantees complied with federal cash management requirements. The SDE received 21 refunds of excess cash from subgrantees totaling \$177,005.

Unallowable Costs in Special Education Program

For the second consecutive year, the SDE did not have adequate procedures to ensure that the department complied with the terms of its Louisiana Special Education State Plan funded by the Special Education - Grants to States (CFDA 84.027) program, resulting in questioned costs of \$158,921.

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For the Fiscal Year Ended June 30, 1998

Inadequate Controls for the Safe and Drug-Free Program

The SDE did not have adequate controls to ensure contracts and expenditures of the Safe and Drug-Free Schools and Communities - State Grants (CFDA 84.186) program complied with federal laws, regulations, and cost principles, resulting in questioned costs of \$142,461. The SDE paid administrative costs in excess of program limits, and reimbursed a subgrantee for unallowable expenditures including 600 tote bags and 700 T-shirts.

Inadequate Controls Over Reimbursements to Subrecipients

The SDE did not have adequate control procedures to ensure compliance with federal regulations for reimbursements to subrecipients. In addition, certain payments to subgrantees were based on estimates and no official source documentation was received to support the payments. These conditions resulted in total questioned costs of \$214,211.

Unallowable Costs for Trip to Italy

The SDE improperly incurred costs for a trip to Italy, funded by the Special Education - Grants to States (CFDA 84.027) program, resulting in questioned costs of \$10,592.

Inadequate Controls for the Cash Management Improvement Act Agreement

The SDE did not correctly develop clearance patterns for federal grants as required by the Cash Management Improvement Act agreement. Because clearance patterns do not necessarily match actual program activity, the state could incur a future interest liability.

Inadequate Planning for the Year 2000 Computer Issues

The SDE has not adequately assessed or planned for the potential impact of the Year 2000 on the SDE's integrated educational management system that SDE shares with the local school districts.

In addition to these findings, the SDE had findings relating to inadequate controls over movable property and inadequate controls over electronic data processing systems that were included with the statewide findings.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1998

Expenditures of Federal Awards

In addition to auditing the state's general purpose financial statements, we examined expenditures of major federal award programs administered by the State of Louisiana reporting entity. For the fiscal year ended June 30, 1998, the State of Louisiana reported approximately \$6.1 billion in monetary and non-monetary activity (including loan programs) for the federal award programs administered by the state.

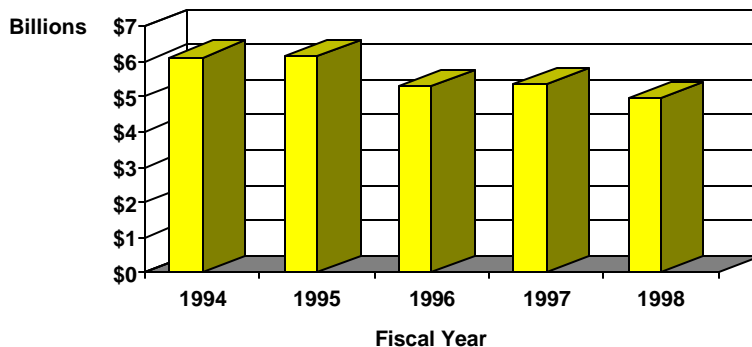
Major federal award programs within the State of Louisiana were identified on a statewide basis in accordance with the criteria established by OMB Circular A-133 and the Single Audit Act as amended in 1996. Major federal award programs for the year ended June 30, 1998, are programs for which total expenditures (activity) by the state and the federal government's risk in outstanding loan balances exceeded \$15,062,165 for the fiscal year. Cumulatively, these programs accounted for approximately 90% of the state's expenditures (activity) of federal award programs for the year ended June 30, 1998.

We performed our audit considering the internal controls and procedures relevant to compliance with requirements applicable to federal award programs as required by OMB Circular A-133. We obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk. We performed procedures to determine whether the State of Louisiana had complied with the applicable compliance requirements of major programs as identified in the *OMB Circular A-133 Compliance Supplement* issued in May 1998.

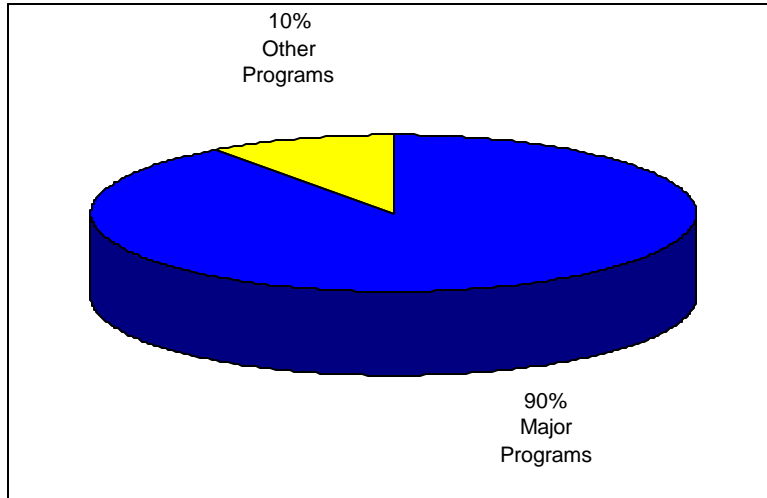
The following graph illustrates the trend of total expenditures of federal awards disbursed by the state (excluding the loan balances) over the past five years.

Trend of Expenditures of Federal Awards Over the Past Five Years

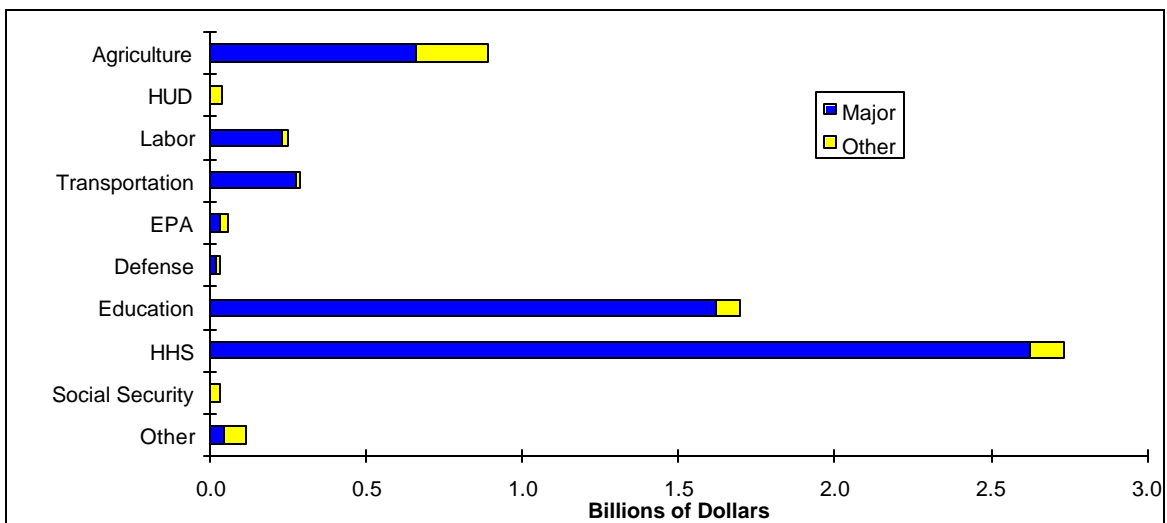
Fiscal Year 1998 Total Expenditures of Federal Awards
\$4,952,847,831
(excluding loan programs)



**Fiscal Year 1998
Major vs. Other Programs
(including loan programs)**



**Fiscal Year 1998
Expenditures of Federal Awards
by Federal Agency
\$6,139,178,361
(including loan programs)**



Audit Reports





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

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March 4, 1999

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

**HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE RANDY L. EWING, PRESIDENT, AND
MEMBERS OF THE SENATE
HONORABLE H. B. "HUNT" DOWNER, JR., SPEAKER, AND
MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
Baton Rouge, Louisiana**

We have audited the general purpose financial statements of the State of Louisiana as of and for the year ended June 30, 1998, and have issued our report thereon dated February 24, 1999, which was qualified because insufficient audit evidence exists to support the State of Louisiana's disclosures with respect to the Year 2000 issue. In addition, our report was qualified because the scope of our audit of the general purpose financial statements was limited, in that the state's General Fund financial statements include an unexplained reconciling item of approximately \$2.4 million that is adjusted through revenue, and its effect on assets, liabilities, fund balance, revenues, and expenditures cannot be determined. We did not audit the financial statements of certain component units of the State of Louisiana. Those financial statements were audited by other auditors whose reports have been furnished to us. This report, insofar as it relates to those component units, is based solely on the reports of other auditors.

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

Compliance

As part of obtaining reasonable assurance about whether the State of Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests of compliance disclosed the instance of noncompliance titled "Inadequate Compilation Process" in Schedule B page 17 that may be material to the general purpose financial

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STATE OF LOUISIANA**

March 4, 1999

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statements, but for which the ultimate resolution cannot presently be determined. In addition, the results of our tests disclosed other instances of noncompliance described in Schedule B (pages 11 through 36) and Schedule C (pages 55 through 106) that, although not material to the financial statements, are required to be reported herein under *Government Auditing Standards*. We also noted other insignificant instances of noncompliance in separate letters to management that are not required to be reported herein under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Schedule B (pages 37 through 54) and Schedule C (pages 55 through 106) of the accompanying schedules of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the items described in Schedule B pages 17 through 20, pages 42 through 43, pages 45 through 46, and pages 52 through 54 to be material weaknesses. We also noted other matters involving the internal control over financial reporting in separate letters to management, which are not required to be reported herein under *Government Auditing Standards*.

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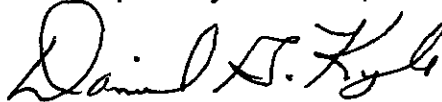
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In connection with our audit, we reviewed the prior audit findings on compliance and internal control to determine whether management had implemented appropriate action to correct the conditions giving rise to those findings. The results of our review indicate that management had taken appropriate corrective action with respect to the prior audit findings, except for the matters described in the Schedule of Unresolved Prior Audit Findings (Schedule D, page 107), 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. However, by provisions of state law, this report is a public document and its distribution is not limited.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MVG:MWB:dl

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

OFFICE OF
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March 4, 1999, except for the
Schedule of Expenditures of Federal Awards,
dated February 24, 1999

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

**HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE RANDY L. EWING, PRESIDENT, AND
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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, 1998. The State of Louisiana's major federal programs are identified in the Summary of Auditor's Results section (Schedule A, page 10) 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 those universities, is based solely on the reports of the other auditors.

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

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MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA**

March 4, 1999, except for the Schedule of
Expenditures of Federal Awards, dated
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audit does not provide a legal determination on 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, 1998. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in Schedule C (pages 55 through 106) of the accompanying schedules of findings and questioned costs.

Internal Control Over Compliance

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

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 55 through 106) of the accompanying schedules of findings and questioned costs.

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March 4, 1999, except for the Schedule of
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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described previously are material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the State of Louisiana as of and for the year ended June 30, 1998, and have issued our report thereon dated February 24, 1999, which was qualified because insufficient audit evidence exists to support the State of Louisiana's disclosures with respect to the Year 2000 issue. In addition, our report was qualified because the scope of our audit of the general purpose financial statements was limited, in that the state's General Fund financial statements include an unexplained reconciling item of approximately \$2.4 million that is adjusted through revenue, and its effect on assets, liabilities, fund balance, revenues, and expenditures cannot be determined. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards (Appendix A) is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Except for the matters relating to the unexplained reconciling item and the Year 2000 issue, such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements.

Certain portions of the Schedule of Expenditures of Federal Awards accompanying this report were not audited by us, but were audited by other auditors, including federal award programs administered by Grambling State University and the Southern University System. The federal award programs for those universities reflect total activity and the federal government's risk in their outstanding loan balances of \$69,660,395, which comprise approximately one percent of total activity and the federal government's risk in outstanding loan balances for the state as of and for the year ended June 30, 1998. Those schedules of expenditures of federal awards were audited by other auditors whose reports have been furnished to us, and our assurance,

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March 4, 1999, except for the Schedule of
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Page Four


insofar as it relates to the amounts included for the above mentioned universities, is based solely on the reports of the other auditors.

In our opinion, based on our audit and the reports of other auditors, except for the effects of the unexplained General Fund reconciling item mentioned previously and the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding Year 2000 disclosures, the information in the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

In connection with our audit, we reviewed the prior audit findings on compliance and internal control to determine whether management had implemented appropriate action to correct the conditions giving rise to those findings. The results of our review indicate that management had taken appropriate corrective action with respect to the prior audit findings, except for the matters described in the Schedule of Unresolved Prior Audit Findings (Schedule D, page 107), 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. However, by provisions of state law, this report is a public document and its distribution is not limited.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MVG:MWB:dl

[SA98]

Schedule A

Summary of Auditor's Results
For the Year Ended June 30, 1998



STATE OF LOUISIANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results
 For the Year Ended June 30, 1998

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

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

Noncompliance material to financial statements noted? X yes 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? yes X no

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

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

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

Federal Awards (Cont.)

Identification of major programs:

CFDA Number - Name of Federal Program or Cluster

- 10.550 - Food Distribution
- 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
- 10.558 - Child and Adult Care Food Program
- 17.225 - Unemployment Insurance
- 20.205 - Highway Planning and Construction
- 39.003 - Donation of Federal Surplus Personal Property
- 66.458 - Capitalization Grants for State Revolving Funds
- 84.010 - Title I Grants to Local Educational Agencies
- 84.048 - Vocational Education - Basic Grants to States
- 84.126 - Rehabilitation Services - Vocational Rehabilitation Grants to States
- 84.186 - Safe and Drug-Free Schools and Communities - State Grants
- 93.558 - Temporary Assistance for Needy Families
- 93.569 - Community Services Block Grant
- 93.575 - Child Care and Development Block Grant
- 93.596 - Child Care and Mandatory Matching Funds of the Child Care and Development Fund
- 93.658 - Foster Care - Title IV-E
- 93.667 - Social Services Block Grant
- 93.959 - Block Grants for Prevention and Treatment of Substance Abuse
- Food Stamp Cluster
- Fish and Wildlife Cluster
- JTPA Cluster
- Student Financial Assistance Cluster
- Special Education Cluster
- Medicaid Cluster
- Research and Development Cluster

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

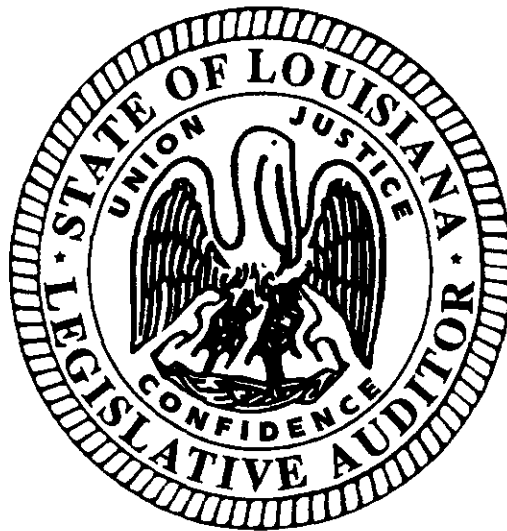
\$15,062,165

Auditee qualified as low-risk auditee?

 yes X no

Schedule B

Financial Statement Findings For the Year Ended June 30, 1998



STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Financial Statement Findings
For the Year Ended June 30, 1998

COMPLIANCE WITH LAWS, REGULATIONS,
CONTRACTS, AND GRANTS

BOSSIER PARISH COMMUNITY COLLEGE

Inadequate Controls Over the Payroll Function

Bossier Parish Community College does not have adequate internal controls over its payroll function, to ensure proper documentation for payroll expenditures and compliance with state and federal regulations, University of Louisiana System Board of Trustees' policies, and good business practices. Internal Revenue Code Section 3402(f)(2)(A) requires that an employee furnish his/her employer with a signed withholding certificate exemption certificate (Form W-4). Louisiana Revised Statute (R.S.) 47:112(G)(1) requires a similar filing at the state level (Form L-4). In addition, Title 8, United States Code, Sections 1324(a)(1)(B) and (b)(1)(A) require employers to verify employment eligibility on a form approved by the Attorney General (INS Form I-9). R.S. 42:290(A) requires the college to file with the Department of Civil Service, the name, address, position, date of employment, hours of work and salary of each unclassified employee. Also, the college must file the notification within 30 days of employment or change of employment. The University of Louisiana System Board of Trustees for Colleges and Universities (the Board) policies and procedures Chapter III, Section XXI C.3., states, "Attendance and leave records shall be maintained for all faculty and unclassified employees. These records shall be signed by the employee and the supervisor and reported at least monthly to the appropriate office at the end of each regular pay period." In addition, good business practices require that current documentation be included in employees' personnel files to adequately reflect authorization for employment, rate of pay, department charged, federal and state withholdings, and other authorization information. During our test of 70 payroll checks and the related personnel files for the month of May 1998, (11 unclassified employees, 13 classified employees, 36 faculty, and 10 student employees), the following weaknesses were noted:

- The college did not maintain complete personnel files as follows:
 - Four personnel files could not be located at the time of testing.
 - Six personnel files did not contain evidence of employment authorization.
 - Ten personnel files did not contain authorization for the current rate of pay.
 - Thirty-six personnel files did not contain documentation for the department to be charged.

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

- Thirty-six personnel files did not contain I-9 forms.
- Eight personnel files did not contain W-4 or L-4 income tax withholding forms.
- The college failed to submit required SF 1 forms to the Department of Civil Service as follows:
 - SF 1 forms for 31 faculty had not been submitted to Civil Service.
 - SF 1 forms for 5 faculty had not been prepared at the time of testing.
 - SF 1 forms for 11 unclassified employees had not been prepared at the time of testing.

In our test of time and attendance and leave records, we noted the following conditions:

- The college did not maintain adequate time and attendance reports for adjunct professors to capture the essential elements of time reporting and approval.
- The college did not maintain adequate leave records as follows:
 - Five leave slips were not available to support leave documented on the time report.
 - Two leave slips were not approved by a supervisor in support of leave documented on the time report.
 - Per discussion with the Benefits Training Manager, a cumulative leave report reflecting monthly beginning and ending balances and monthly leave earned and taken was not maintained timely throughout the fiscal year. Our attempt to review the May 1998 activity revealed that the report was not current.

The college began operations under the control of the University of Louisiana System on July 1, 1997, after nearly 30 years in existence as a parish community college under the control of the Bossier Parish School Board. Middle management positions were filled at various times throughout the year. As a result, the college did not institute all of the necessary policies and procedures to comply with applicable rules and regulations, thereby increasing the risk that inaccurate, unsupported, and/or fraudulent payroll data could be entered and processed in the payroll system.

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

Management of Bossier Parish Community College should establish written policies and procedures requiring all new employees to complete all forms required by federal and state regulations and should review all existing files and obtain the necessary documentation to complete these files. Furthermore, the college should comply with Civil Service regulations for completing and filing SF-1's and the board's policies related to time and attendance. Finally, management could help to ensure compliance with all policies and procedures by requiring the internal auditor to follow up on these areas of weakness. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-3).

Noncompliance With General Appropriations Act

Bossier Parish Community College did not comply with the General Appropriations Act (Act 18 of 1997) that requires "in the event revenues should be less than the amount appropriated, the appropriation shall be reduced accordingly." In addition, an adequate internal control system includes procedures to ensure that the college matches expenditures with available resources and does not spend more funds than it has or will collect. Such a system would also include review and approval of all journal entries to ensure accuracy. Management inadvertently understated the accrual of summer semester salaries at June 30, 1998, by approximately \$200,000, which, when corrected, resulted in a deficit. The college will have to address the deficit by reducing future expenditures or increasing future revenues or appropriations to compensate for this error.

Bossier Parish Community College should establish policies and procedures to continuously monitor both budget and actual revenues and expenditures. Furthermore, all adjustments for year-end accruals should be carefully reviewed for accuracy. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-6).

EDUCATION, DEPARTMENT OF

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

For the second consecutive year, the Department of Education (SDE) has not audited financial information and personnel data reported by the parish and city school systems used in the allocation and distribution of the Minimum Foundation Program (MFP). In addition, the SDE does not have adequate controls to minimize the amount of errors reported by the local school systems that are input into the computer system and are used to determine the student membership for the MFP formula. For fiscal year 1998, the SDE distributed a total of \$2,089,497,595 in state General Fund (MFP) monies to the local school systems.

Both R.S. 17:7(d) and Attorney General Opinion 89-185 require the SDE to be fiscally accountable for MFP and the information submitted by the school boards. The SDE established the Educational Finance Services section within the Office of Management and Finance to meet

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

this requirement. In addition, adequate controls for a computerized data collection system should include edit checks and reviews to detect errors.

A review of the SDE's policies, procedures, and 12 MFP student count audits for fiscal year 1998 disclosed the following weaknesses:

- The SDE did not audit approximately \$1.4 billion in ad valorem taxes, sales taxes, and other revenues that were reported by the local school systems and included in the fiscal year 1998 MFP formula. Local revenues are used to determine the equitable allocation of MFP funds and to determine if incentives should be paid for efforts above the minimum required of local school systems. The information transmitted by the local school systems is reported before independent audits by CPAs.
- The SDE did not audit the October 1, 1997, budgeted personnel data that were reported by the local school systems and used in the MFP formula. These data are used in the formula to determine the allocation of the funding specified for pay raise enhancements to local school system personnel. The total amount funded in fiscal year 1998 for these enhancements for 99,600 teachers and support personnel was approximately \$83 million.
- The SDE funded 308 students twice. The Student Information System (SIS) database permits more than one school system to enter a student who has the same state identification number, name, birth date, sex, and race (multiple enrollments). The SDE funds each school system that reported the student, even though at least one school system has reported the student in error. The SDE then performs audit procedures at each school system to determine which system, if any, is entitled to report the student. The estimated over-funding in fiscal year 1998 that resulted from the 304 multiple enrollment students who were denied funding in one system, and 4 students who were denied funding in both systems is \$812,339. While adjustments for errors found during MFP student count audits can be made in the following fiscal year, better SIS edits, review, and timely corrective action would prevent many of the data errors from resulting in funding errors.
- During fiscal year 1998, the SDE funded school systems for students that have the same phonetic first name, last name, birth date, and sex, but different state identification numbers (duplicate students) within the same system. The SDE then performs audit procedures to determine whether a duplicate exists. In a review of 12 MFP student count audits, the error rate for duplicate students within the same school system was 47%. The estimated total dollar amount of over-funding in fiscal year 1998 attributable to funding duplicate students in the same school system is \$333,048. Better SIS edits, review, and timely corrective action

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

are needed to prevent duplicate student funding errors that must be audited and adjusted in the next fiscal year.

- An exception report for one school board showed that 5 students had been entered with the name "ID, Changed To," which is an obvious mistake. These 5 students should have an actual student name listed also, which would result in duplicate entries. The SIS database allowed the incorrect entries to be funded as students in fiscal year 1998. The MFP internal audit workpapers indicated that the MFP auditor obtained the correct name and social security number for the 5 students for whom ID changes were intended. However, MFP workpapers and the database at October 23, 1998, indicate the auditor denied funding for only one "ID, Changed To" student and denied the associated actual student for non-attendance. Consequently, duplicate students were funded.
- A search of the entire SIS database showed a total of 13 students (including the 5 mentioned in the preceding paragraph) in the same school system, each with the name "ID, Changed To," who were funded. If all 13 "ID, Changed To" students had 13 associated actual students who were funded, the SDE over-funded the school system by an estimated \$32,392. Better SIS edits, review, and timely corrective action are needed to prevent obvious errors from resulting in funding errors that may not be detected or that must be audited and adjusted in the next fiscal year.

Without an audit of data reported by the local school systems and used in the MFP formula, the SDE cannot be sure that MFP funds are accurately and equitably distributed. The practice of allowing funding for multiple students in two or more school systems and duplicate students within the same school system results in over-funding and requires the use of limited audit resources to determine which school system, if any, is entitled to report each student listed on the exception reports. Also, failure to analyze and investigate suspicious data elements in the SIS results in over-funding.

The SDE should perform audits of the financial and personnel data reported by the local school systems and used in the MFP. In addition, the SDE should establish additional computer controls for the SIS and consider rejecting multiple enrollments between school systems and duplicate students within the same school system until the school systems provide evidence that the students are actually enrolled and in attendance. Finally, the SDE should analyze all suspect data and take appropriate corrective action in a timely manner. Management partially concurred with the finding and recommendation and outlined a plan of corrective action (B-11).

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

EXECUTIVE DEPARTMENT

Improper Use of Nonrecurring Revenue

For the third consecutive year, the State of Louisiana did not use nonrecurring revenue to retire or defease bonds "in addition to existing amortization requirements of the state," as required by both the Louisiana Constitution and the Supplemental Appropriation Act (Act 319 of the 1997 Regular Session). Nonrecurring revenue of \$318,039,000, resulting from the General Fund unreserved - undesignated fund balance for fiscal year ended (FYE) June 30, 1996, was declared by the Revenue Estimating Conference and placed in an escrow agent bank account on June 24 and June 27, 1997. During FYE June 30, 1998, at least \$103 million of the \$318 million in escrow was used to defease debt with maturity dates falling in the 1998 fiscal year. Defeasing short-term debt requirements has the effect of reducing the state's debt service expenditures paid from current collections and frees up funds for other purposes. However, it does not fulfill the constitutional requirement that nonrecurring revenue be used "in addition to existing amortization requirements."

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

In Attorney General (AG) Opinion 95-267-A, the AG states, "In interpreting a constitutional article, one is not bound by the literal interpretation, where it would lead to . . . a plain violation of the spirit and purpose of the enactment. The real purpose and intent of a constitutional provision, as determined from a consideration of all its component sections and paragraphs, must prevail over a literal meaning which would assign an effect contravening the primary purpose and intent thereof." The revised statute that was enacted to implement the Constitutional Amendment requires that the nonrecurring revenues be used for capital outlay, early retirement or defeasement of debt, or extraordinary and nonrecurring expenditures. When the amendment is read in conjunction with the related revised statute, the intent seems clear. Using nonrecurring revenues to finance debt service obligation that came due as early as 34 to 37 days after the funds were placed in the escrow account does not seem to comply with the spirit or intent of the Constitutional Amendment.

Management should use nonrecurring revenues to retire or defease bonds "in addition to the existing amortization requirements," instead of using the funds to meet existing amortization requirements. Management should consider selecting bonds for defeasement that would provide the greatest overall cost savings to the state in the long-term. Management did not concur with this finding. In part, the Commissioner of Administration stated that AG Opinion 96-519 ". . . fully supported the position that the utilization of the undesignated fund balance for purposes of a current defeasement was proper and legal in all respects." He also stated that

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the defeasance actions taken by the state would result in debt reductions totaling \$539 million over a four-year period. See management's response at B-126.

Inadequate Compilation Process

For the third consecutive year, the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) did not have adequate procedures for compiling the state's *Comprehensive Annual Financial Report (CAFR)*. The initial draft of the *CAFR* contained significant errors that were later corrected for the final report. Furthermore, the *CAFR* was not issued by the statutory deadline required by Louisiana law. The following are deficiencies in the current compilation process:

1. OSRAP is unable to reconcile prior year fund balances as reported in the computerized accounting system to prior year balances as reported in the prior year's *CAFR* for the General Fund. During the compilation process, OSRAP uses the "Fund Balance" account as the offset to post manual adjustments. Use of the "Fund Balance" account as a clearing account makes it difficult to verify that all effects of a required adjustment have been properly recorded. Since there is no separation between adjustments reversing prior year accruals, adjustments for restatements of prior year fund balance, and adjustments posted for current year transactions, it is difficult and time consuming to identify errors. Often, an unreconciled difference exists at year-end. Evidence of this problem is as follows:
 - On November 23, 1998, the state General Fund was given to the auditors with an unreconciled difference in fund balance of \$14.7 million.
 - Between November 23, 1998, and January 14, 1999, the auditors detected errors affecting the unreconciled difference that ranged from \$170,000 to \$74,500,000, and the unreconciled difference fluctuated with a high of \$68.2 million and a low of \$2.4 million.
2. Many errors are not identified and corrected by OSRAP employees in the normal course of performing their assigned functions or in the supervisory review process. The auditors and OSRAP expend significant time and effort to detect and correct the accounts and note disclosures that are misstated in the initial statements and notes provided to the auditors. Proper analysis of accounting information by OSRAP is necessary to determine whether the information is reliable and properly reported. Information should be evaluated to determine compliance with GAAP, as well as compliance with statutory requirements. Effective compilation procedures and an adequate supervisory review would ensure the completion of the *CAFR* before the statutory deadline. Examples of errors identified after the initial draft was provided to the auditors are as follows:

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- During the audit of the state's General Fund, errors were discovered that had the following effects: increased total assets by \$175.2 million, decreased total liabilities by \$25.2 million, increased unreserved - undesignated balance fund by \$191.9 million (from a \$97.7 million deficit to a \$94.2 million surplus), increased total fund balance by \$200.4 million, increased total revenue by \$40 million, and increased total other financing sources by \$124 million. Although OSRAP made several journal entries after the financial statements were presented to the auditor, the majority of the changes were due to 30 audit adjustments that OSRAP posted to the financial statements.
- For the Bond Security and Redemption Fund, after the initial draft was received, OSRAP posted 12 audit adjustments that had the following effects: increased total assets and total liabilities by \$10.9 million, decreased total revenues by \$20.3 million, and decreased total other financing uses by \$22.1 million.
- In the Bond Security and Redemption Fund, OSRAP failed to report the General Obligation Refunding Bonds, Series 1998-A, which consisted of \$352.4 million in refunding proceeds, \$350.6 million in bond escrow payments, and \$1.8 million in expenditures. OSRAP posted these audit adjustments.
- In the Escrow Fund, OSRAP overstated additions by \$75 million, overstated deletions by \$112 million, and understated the ending balance by \$37 million.
- OSRAP understated Transportation Trust Fund assets and revenues by \$30.2 million. The initial Transportation Trust Fund statement had a deficit in unreserved - undesignated fund balance; however, after the audit adjustment was posted by OSRAP, the deficit was eliminated.
- In note 3, the initial reconciliation of cash and investments per the balance sheet to cash and investments per the note included a \$150 million error.
- In note 3 (Deposits and Investments - Securities Lending), OSRAP understated the amount of securities on loan by \$1.1 billion for the Teachers' Retirement System and overstated the amount of securities on loan by \$37.4 million for the Louisiana State Employees Retirement System.

During the audit of the College and University Funds, errors were discovered after the initial draft that had the following effects:

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Financial Statement Findings (Continued)

- On the Combining Balance Sheet, total assets decreased by \$156 million, total liabilities increased by \$75 million, and total fund equity decreased by \$231 million.
- On the Combined Statement of Changes in Fund Balances, total revenues and other additions increased by \$357 million, total expenditures and other deductions decreased \$44.4 million, operating transfers in - other state funds decreased by \$52.7 million, and operating transfers out - other state funds increased by \$80 million.
- On the Combined Statement of Current Funds' Revenue, Expenditures, and Other Changes, total revenue decreased by \$27.9 million, total expenditures and transfers decreased by \$15.8 million, operating transfers in - other state funds decreased by \$52.7 million, and operating transfers out - other state funds increased by \$89.2 million.

Although OSRAP made several journal entries after the financial statements (universities) were presented to the auditor, the majority of the changes were due to the 42 audit adjustments that OSRAP posted to the financial statements.

3. A number of significant misclassification errors were discovered by the auditors and corrected by OSRAP. Examples of the errors are as follows:
 - The Fiduciary Fund Types Combining Balance Sheet had \$1.3 billion misclassified as investments instead of collateral held under securities lending program.
 - The Pension and Investment Trust Fund Combining Statements had \$910 million misclassified as mortgages instead of short-term investments.
 - The Bond Security and Redemption Fund financial statements had \$70.8 million misclassified as other revenue instead of tax revenue. In addition, the financial statements had \$16.9 million misclassified as accounts receivable instead of cash.
 - The state's General Fund financial statements had \$52.9 million misclassified as loans to providers instead of accounts receivable.
 - OSRAP misclassified \$38.4 million on the Combined Statement of Changes in Fund Balance and the Combined Statement of Current Funds' Revenues, Expenditures, and Other Changes.
 - The Discrete Levee Districts Fund financial statements had \$25.1 million misclassified as cash instead of investments.

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- The Louisiana State Police Retirement System financial statements had \$18.5 million misclassified as revenues instead of transfers from the state's General Fund. The state's General Fund had the corresponding misclassification as transfers out were misclassified as expenditures.

OSRAP should develop a compilation process that reconciles the General Fund fund balance in a timely manner. Also, OSRAP should improve its compilation procedures and supervisory review of financial information and note disclosures. Improvement in these areas would allow OSRAP to detect and correct errors in a timely manner before submitting that information to the auditors. While management did concur that the statutory deadline was not met, management did not concur with the part of the finding relating to inadequate compilation and review by OSRAP. Management described the "extraordinary" length of time spent in auditing some of the major funds. In addition, as part of management's response, it cited two examples of auditor error. The first example related to the failure to report the refunding of a bond issue in the amount of \$350.6 million, which was subsequently corrected after the initial audit adjustments were presented to OSRAP. The second example relates to a proposed audit adjustment of \$651 million that was not correct. Management also noted that the Department of Labor and the Department of Transportation (capital outlay) are being added to the state's central financial system, which should "improve the product received and the time frame for completion" of the *CAFR*. See management's response at B-128.

Additional Comments: The length of time auditing the funds is directly related to the risk of error that the auditor feels exists within those funds. As the finding indicates, the errors in the compilation process were pervasive, which supported the auditor's assessment of risk. Because compilation errors and agency adjustments were numerous, we do not feel the audit process took an "extraordinary" length of time. Furthermore, management's example of auditor error that related to the refunding bond issue is erroneous. The auditor's review process detected the error, which was subsequently corrected by OSRAP. The audit process is not complete until the opinion is signed. Review by audit management is a constant process. Management's second example of auditor error resulted from a lack of supporting documentation provided to the auditor by OSRAP for the budgetary statement.

**Inadequate Fund Balance -
Patients' Compensation Fund**

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

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For the fiscal year ended June 30, 1998, the accumulated balance of surcharges, reserves, and expenses is estimated to be approximately \$448 million, which under Louisiana law would require a fund balance of approximately \$224 million. As of June 30, 1998, the actual fund balance was approximately \$74 million, resulting in a shortfall of \$150 million. 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 board should maintain an adequate rate level to achieve the 50% surplus requirement over a reasonable period of time. Management of the department concurred with the finding and outlined a plan of corrective action (B-22).

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

The State of Louisiana did not ensure that all state agencies, hospitals, universities, and component units maintain adequate internal accounting controls over movable property as prescribed by the Commissioner of Administration and Louisiana law. Considering the amount of movable property additions (\$128,828,000), deletions (\$244,236,000), and ending balance (\$917,224,000) for the General Fixed Asset Account Group, and ending balances for enterprise funds (\$13,026,000, gross), internal service funds (\$21,749,000, gross), trust funds (\$12,320,000, gross), universities (\$1,359,064,000), and component units (\$132,380,000, gross), as reported by the Division of Administration, Office of Statewide Reporting and Accounting Policy for the year ended June 30, 1998, the state's policies and procedures should be uniformly applied to ensure that movable property is adequately safeguarded and accurately reported in the financial statements.

Good internal controls require that adequate control procedures be in place to ensure that (1) the acquisition, valuation, and disposition of movable property is accurately reflected in the accounting records; (2) the location of all movable items is monitored and updated frequently; and (3) the amounts recorded in the financial statements are materially correct. In addition, good internal controls should ensure that movable property is properly safeguarded against loss arising from unauthorized use, that movement of items from one location to another is recorded, and that errors in processing transactions are recognized and corrected. Furthermore, R.S. 39:323-325, 328, 330 and the Louisiana Administrative Code (LAC) Title 34 Part VII Section 313 (B) require the following:

1. Property managers are responsible for the maintenance of property identification marks as prescribed by the Commissioner.
2. The property manager is required to update the master inventory listing on a monthly basis by submitting all property transactions to the Commissioner.

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3. Each property manager is required to take a complete physical inventory of all property at least once each fiscal year. The Commissioner is to be notified in writing at least 30 days in advance of the date(s) on which the physical inventory will be conducted.
4. Upon completion of the annual inventory, each property manager is required to submit a certified report to the Commissioner containing all exceptions or discrepancies found when comparing the results of the physical inventory to the perpetual inventory records.

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

The audit of movable property records throughout the state disclosed collective amounts of \$61,799,205 in additions; \$31,292,678 in deletions; and \$433,583,300 in ending balances of movable property for those twelve state agencies, two technical colleges, two state hospitals, and one state university that have not maintained an adequate movable property control system as follows:

1. For the second consecutive year, the state Department of Education (SDE) did not maintain adequate internal controls over movable property. Various tests of movable property disclosed the following weaknesses:
 - The SDE did not perform an adequate annual inventory for the 761 items totaling \$1,038,499 of the Louisiana Learning Resources System (LLRS). Although the property liaison and assistant superintendent certified the annual inventory, the LLRS could not perform the inventory because it did not have access to its computerized inventory files. The LLRS lost access to its inventory files approximately two years ago when, as a cost-savings measure, these files were downloaded from the SDE mainframe computer for use on a personal computer. However, the LLRS personnel did not have the expertise to manage this information and other procedures were not taken to place the inventory into a readable format.
 - The SDE did not perform an adequate annual inventory for the 591 items totaling \$584,498 for the Church-Based Tutorial Network. The property liaison and division director certified the annual inventory. However,

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discrepancies in the inventory for the program indicate the annual inventory performed was inadequate.

- In a review of the property manager's suspense file, it was noted that the property manager did not receive information in a timely manner for 65 purchase orders totaling \$304,889. Consequently, these items were not reported to LPAA within 45 days of receipt of the items. At the time of the test, the items had not been reported to LPAA from 59 to 162 days after receipt, which would also understate the financial statements.
 - A sample of 34 movable property items totaling \$118,206 from various SDE property locations disclosed that 4 items (12%) totaling \$13,849 could not be located; 2 items (6%) totaling \$4,634 were transferred to other state agencies without the required prior approval of the property manager; and one item (3%) totaling \$3,825 was not in the property location indicated on the master inventory listing.
 - A sample of 15 purchase orders with 220 movable property items totaling \$384,812 disclosed that 13 items (6%) totaling \$17,614 were not reported to LPAA within 45 days of receipt. These items were reported between 52 to 157 days after receipt. Forty-one items (18%) totaling \$46,474 were not included on the SDE's master inventory listing for reporting in the financial statements.
2. For the second consecutive year, the Department of Social Services, Office of the Secretary, failed to maintain adequate internal controls over movable property. The test of movable property disclosed the following:
- Although monthly reconciliations were performed on internal records of additions and deletions to reports issued by the LPAA, they were not adequate to ensure the accurate preparation of the note disclosure on movable property in the Annual Fiscal Report for fiscal year ended June 30, 1998. The office made numerous adjustments at year-end, which were not adequately documented. The compilation of the note disclosure required the involvement of several staff members in addition to the property control manager.
 - The LPAA system is not being used as effectively as possible. As a result, the relevant information regarding certain asset categories, such as interagency transfers and leases, were not entered correctly, or at all, in the system.

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Financial Statement Findings (Continued)

- Adequate training was not provided to the property manager of Information Systems. As a result, incorrect acquisition dates were entered into the LPAA system and new additions were not tagged timely.
 - Analytical review procedures disclosed that the movable property balance at June 30, 1998, per the Annual Fiscal Report was \$1,002,359 more than the projected balance per the LPAA records at June 30, 1998. Also, the acquisitions per LPAA records were \$409,178 more than the capital outlay expenditures for the fiscal year. The property control manager could not explain or reconcile the differences.
3. For the second consecutive year, Southern University - Shreveport-Bossier City Campus has not complied with the state's movable property laws and regulations. In a test of 12 movable property items, 11 items (92%) were not tagged or reported to LPAA within 45 days of receipt. The items were reported between 57 and 220 days late.
 4. For the second consecutive year, the Office of Telecommunications Management did not update movable property records for acquisitions within 45 days of receipt. Tests of movable property disclosed that procedures are not adequate to ensure that all acquisitions are reported to the LPAA within 45 days. Of 67 items tested, 15 items (22%) totaling \$50,247 were not reported to LPAA until 58 to 213 days after acquisition.
 5. For the third consecutive year, the Department of Wildlife and Fisheries did not tag movable property and did not timely notify the LPAA of acquisitions. The department also failed to ensure that the state property master inventory listing, maintained by LPAA, was accurately updated for additions and deletions, and did not periodically reconcile its in-house movable property system to the state's master inventory listing. For 6 (24%) of the 25 acquisitions tested (\$13,030), departmental divisions did not notify the property manager that new property had been received and needed to be tagged and added to the state property master listing. The department did not ensure that all additions and changes to the state's master inventory listing were accurately recorded, and the department's in-house movable property system was not timely reconciled to the state property master inventory listing. Because the department did not review changes submitted to LPAA and did not perform a timely reconciliation, \$1,994,941 in acquisitions and \$1,025,941 in deletions were not recorded in the state property master inventory listing.
 6. For the third consecutive audit, Central Louisiana State Hospital did not maintain adequate internal accounting controls over movable property. A review of the list of additions for July 1, 1996, through September 30, 1997, revealed that the

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property manager reported three items of equipment costing \$2,241 between 63 and 123 working days after the items were received by the hospital. In addition, the hospital does not have formal written policies or procedures (1) to ensure that all acquisitions are properly tagged, valued, recorded, and reported, (2) for tracking movable property items acquired by the hospital, or (3) for taking the annual physical inventory of movable property.

7. The Medical Center of Louisiana at New Orleans did not maintain adequate internal accounting controls over movable property. On October 5, 1998, the medical center reported to LPAA that it could not locate \$9.4 million of movable property. The unlocated movable property represents approximately 11% of the \$81.7 million of the medical center's movable property at June 30, 1998. Items listed as unlocated ranged from a file cabinet valued at \$260 to X-ray equipment valued at \$390,900. As of October 23, 1998, LPAA had not certified the annual inventory submitted by the medical center on April 29, 1998, because of the unlocated movable property. As of November 20, 1998, management of the medical center informed us that \$3.4 million of the previously unlocated movable property had been located. All items valued at \$100,000 or greater have been located.
8. The State Employees Group Benefits Program did not comply with the state's movable property laws and regulations or with the Public Records Act. Furthermore, the agency did not have adequate internal controls to ensure proper reconciliation of property records. Eighteen (90%) of the 20 sample items tested were not tagged and added to the inventory system until 72 to 176 days after receipt of the property. One additional item, purchased in the prior fiscal year, was not added to the inventory system by the current fiscal year-end. In addition, only 3 (25%) of the 12 monthly reports (public records) from LPAA were retained by the agency during fiscal year 1998, and deletions and additions to the program property records were not reconciled to monthly reports issued by LPAA for the first 11 months of the fiscal year.
9. The Department of Revenue did not have adequate internal controls to ensure that movable property was properly and accurately reported to the LPAA and was not in compliance with state movable property regulations. Of the 1,314 items on the Property Acquisition/Change Rejected Transaction Report, dated June 23, 1998, 1,014 items (77%), totaling \$1,144,012, were 5 to 250 days beyond the 45 days in being added to the LPAA records. In addition, the department could not determine the value of acquisitions from July 1997 - September 1997. The department's property system, Atrack, failed to download to LPAA's on-line system correctly, and the department continued to use the system even though departmental personnel knew that problems existed.

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10. The Department of Public Safety and Corrections - Public Safety Services did not comply with state movable property regulations. Of 7,126 movable property items, totaling \$26,623,188, acquired during the fiscal year ending June 30, 1998, 698 items (9.8%), totaling \$532,779, were not tagged until 47 to 163 days after receipt.
11. The Department of Insurance did not comply with state movable property regulations. A review of movable property at the department disclosed that of 32 movable property items examined, totaling \$37,727, 11 items (34%), totaling \$3,927, were not properly marked with a state property control tag. Also, 17 items (53%), totaling \$9,067, were not reported to LPAA until 48 to 397 days after the receipt of the property. In a separate test of 24 movable property items, the location recorded for 8 of the items (33%) was not current. Also, there were 42 items at the department's warehouse valued at \$25,061 that were considered surplus property. As of October 5, 1998, a disposition request had not been processed for these items.
12. The Military Department did not maintain adequate controls over movable property. The following deficiencies in the department's internal controls over movable property were noted:
 - The department did not perform a reconciliation between acquisitions recorded in its property control system and acquisitions recorded in its accounting records (general ledger).
 - None of the 10 movable property dispositions examined were supported by the Property Control Form 1, which is required by the department to be completed before disposing of movable property.
 - No evidence was found that monthly property reports generated by the LPAA were reviewed.
 - The value of movable property reported in the department's Annual Fiscal Report at June 30, 1997, was actually the value of movable property at May 30, 1997, rather than June.
 - Of 26 movable property acquisition vouchers tested for fiscal years 1997 and 1998, 25 acquisitions (96%), totaling \$18,251, had not been added to the movable property records as of February 28, 1998, or 112 to 495 days after acquisition. In addition, 25 computers, totaling \$21,500, purchased for the department's Youth Challenge Program and received by the department on June 30, 1997, were not added to the movable property records as of March 6, 1998. As a result of untimely recording of these items in the movable property records, the movable property value

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reported by the department at June 30, 1997, was further understated by \$32,525.

13. The Department of Culture, Recreation and Tourism did not comply with state movable property regulations. In a test of 25 property items, 3 items (12%) were not tagged until 52 to 164 days after receipt of the items, and one item (4%) still had not been tagged as of the test date, 112 days since it was received.
14. The Department of Economic Development did not have adequate controls to ensure that movable property was reported properly and accurately to the LPAA. Movable property transactions for fiscal years 1997 and 1998 were tested, and the audit tests disclosed that the Office of Financial Institutions acquired 93 items totaling \$134,569 that were not reported to LPAA until 100 days to 7.5 years after the items were received. Also, the Louisiana State Board of Cosmetology acquired 6 items totaling \$2,204 that had not been tagged and reported to the LPAA from 51 to 77 days after receipt. Finally, the Louisiana State Board of Cosmetology did not file Certification of Annual Property with LPAA for the 1997 fiscal year.
15. The Baton Rouge Administrative Office of the Department of Veterans Affairs failed to tag and record timely all movable property within 45 days of acquisition. During fiscal years 1997 and 1998, the Baton Rouge Administrative Office acquired 106 movable property items totaling \$104,428. However, 21 (19%) of these items totaling \$10,227 were not tagged and recorded until 55 to 231 days after acquisition.
16. Louisiana Technical College, Ascension Campus did not tag movable property or update movable property records timely. Eighteen items valued at \$17,888 were not physically tagged, and movable property records were not updated within 45 days after receipt. The number of days between receipt of property and submission of information to LPAA ranged from 63 to 257 days.
17. Louisiana Technical College, Natchitoches Campus did not comply with state or federal movable property regulations. Eleven computer systems valued at \$23,857 were purchased through the Vocational Educational - Basic Grants to States (Carl Perkins) program (CFDA 84.048) and were not tagged or reported within the 45-day requirement. Eleven additional computer systems valued at \$21,670 were purchased with state funds and were not tagged or reported within the 45-day requirement. Eight items of other equipment valued at \$3,042 were also not tagged or reported within the 45-day requirement.

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

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Commissioner of Administration and Louisiana Law. Management concurred with the finding and outlined a plan of corrective action. See management's response at B-146.

Noncompliance With Year 2000 Regulations

The Office of State Purchasing did not comply with Executive Orders designed to ensure that current purchases of computer equipment and services are Year 2000 compliant by the turn of the century. Executive Order MJF 96-50, as amended by Executive Order MJF 98-04, requires all contracts in excess of \$5,000 for the purchase of computer hardware, software, firmware products, data processing services, information systems, and custom computer items to contain a provision requiring the items or services purchased to be Year 2000 compliant by July 1, 1999. Our audit disclosed the following:

- None of the 32 statewide (brand name) contracts valued at \$32,380,692 included the required Year 2000 provision.
- Five of 15 (\$70,797 of \$3,883,503) one-time purchase contracts did not include the required Year 2000 provision.

Language requiring Year 2000 compliance was omitted from the brand name contracts because purchasing officials felt that much of the brand name software, i.e., Microsoft, was already Year 2000 compliant and therefore, inclusion of the provision was unnecessary. In addition, the required language was omitted from many of the non-statewide (one-time purchase) contracts because purchasing officials were uncertain as to which items would require the provision. Because the Year 2000 provision was not included in the contracts for these purchases, the state may have no recourse against vendors if the goods and services provided were subsequently found not to be Year 2000 compliant. Any cost associated with replacement or modification of these products might therefore be borne by the state. Furthermore, purchasing computer equipment and services that is not Year 2000 compliant could impair the state's ability to accurately report its financial position and could adversely affect the state's ability to provide services to the public. Finally, the state's computer control systems, relied on for numerous sources of information, may become unreliable and inoperable.

The Office of State Purchasing should obtain assurances that the computer-related equipment or services purchased are Year 2000 compliant for the contracts awarded without the Year 2000 provision and should initiate corrective action if they are not. In addition, the Office of State Purchasing should include the Year 2000 provision in all future contracts in accordance with Executive Order MJF 98-04. Management agreed that 32 brand name contracts did not contain the Y2K compliance language, but did not concur with the other points in the finding. Management expressed in part that the state's financial and procurement systems reside on a mainframe computer that does not use any equipment purchased under the contracts in question. Therefore, the financial and procurement systems would not be affected. While management did not concur with the finding, the Office of State Purchasing will place the Y2K clause on all relevant solicitations in the future. See management's response at B-148.

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Additional Comments: Although the state's mainframe may not contain equipment purchased from any of the contracts in question, management should consider that various agencies use side systems that interface with the mainframe. If any of those side systems include equipment from the contracts that are not Y2K compliant, there is a risk that those systems might fail or no longer properly interface with the state's mainframe.

PUBLIC SAFETY AND CORRECTIONS -
CORRECTIONS SERVICES, DEPARTMENT OF

Improper Accumulation of Compensatory Leave

For the second consecutive year, the Department of Public Safety and Corrections - Corrections Services has not complied with Civil Service Rule 11.29 regarding the accumulation of straight-time compensatory leave. Civil Service Rule 11.29 requires that no more than 45 working days, or 360 hours, of compensatory leave be carried forward into the next calendar year. The compensatory balance can fluctuate above that amount during the year; however, as of December 31, each year, an employee's compensatory leave balance must be reduced to a maximum of 360 hours. Allowing more than 360 hours to be carried forward and used would violate Article VII, Section 14 of the Louisiana Constitution of 1974, prohibiting the donation of a thing of value (salary) of the state to a person.

Internal departmental regulation A-02-002 of Corrections Services, Section 7-I-4 (b), states that employees may accumulate and carry forward (to the next calendar year) an amount of hours equivalent to a maximum of 45 working days of straight-time compensatory leave. The department regulation defines the equivalent of 45 working days as 360, 450, or 540 hours depending on whether the employee normally works an 8, 10, or 12-hour day. Consequently, the department's hourly definition of 45 working days is not consistent with Civil Service's definition that limits the carry forward to 360 hours.

Our test of straight-time compensatory leave balances as of December 31, 1997, found that 670 of 7,234 employees (9.3%) had balances ranging from 1 to 1,281.5 hours in excess of 360 hours. Exceptions were detected in 12 of 13 budget units. These excessive balances were carried forward into January 1998, in violation of the Civil Service rule. Based on the exceptions, the risk exists that employees will be allowed to use and/or be compensated for compensatory time in excess of Civil Service rules.

The department should amend its regulations to ensure compliance with Civil Service rules for compensatory leave. Management responded that the department will continue to work with the Civil Service Commission in proposing a Civil Service rule change that will more clearly accommodate the work schedule of the department's workforce. See management's response at B-60.

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Financial Statement Findings (Continued)

**Improper Expenditures for Food
and Household Supplies**

- The Louisiana State Penitentiary (LSP) Incarceration Program incurred expenditures of \$41,559 for 174 separate purchases of food and household supplies that do not appear to be consistent with the purpose of the program or otherwise allowable by state laws or regulations. Act 18 of the 1997 Regular Session of the Louisiana Legislature, the annual appropriations act, authorized expenditures for LSP's Incarceration Program. The program description in the appropriation act states that the Incarceration Program "provides security, housing and clothing, nutritional services, and facility maintenance for approximately 4,878 maximum custody inmates."

Furthermore, R.S. 42:1461(a) provides that employees of any public entity assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property or other thing of value belonging to the public entity in which they are employed.

Questionable expenditures included the following meetings or banquets:

- Fire Marshall's meetings: \$127 for pork loin, roast beef, smoked turkey breast, ham, fresh fruit, desserts
- Religious revival banquets: \$991 for special cut steaks, chickens, lettuce, tomatoes
- Pardon Board meetings: \$448 for crawfish tails, whole fryers, boneless chicken breast, ham, chicken, boneless brisket, gumbo mix, Uncle Ben's rice, spices, Kraft cheese, vegetables, bread, fresh fruit, Cool Whip, Blue Bell ice cream, cheesecake mix, Nestles morsels, Mounds coconut, Slim Fast, Pine Sol cleaner, Irish Spring soap, Glade air freshener, toiletries, dryer sheets, batteries
- Cowboys for Christ banquet: \$567 for whole chickens, red potatoes, Italian dressing, charcoal, starter
- Chamber of Commerce meetings: \$929 for Zatarain's fish fry, Mounds coconut, bread, fresh fruit, bell peppers, napkin holders, baking cups, pie server, plates, silverware, toothpicks, platter, bowls, trays, napkins, cups, saucers, bowls, charcoal, household cleaning supplies, Tide detergent, Love-My Carpet, 409 cleaner, Mop & Glow cleaner
- Religious banquet: \$488 for whole fryers, potatoes
- United Way function: \$920 for smoke sausage, lettuce, tomatoes, pie plates, bowls, utensils, napkins

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

Financial Statement Findings (Continued)

- National Institute of Corrections (NIC) Deputy Director Conference: \$996 for ribs, chicken drumettes, sausage, whole chickens
- Camp D movie: \$467 for moon pies
- American Correctional Association (ACA) auditors: \$332 for sirloin tip roast, whole fryers, ground beef, quarter loin, boneless brisket, etouffee mix, Zatarain's gumbo file, Saran Wrap, Crisco, spices, dressing, Joy dishwashing soap, toilet tissue
- Food Department meeting: \$92 for roast beef, honey ham, potatoes, onions, bread, lettuce, Karo syrup
- Bible College graduation: \$483 for ribs, lettuce, tomatoes
- Social Workers Appreciation Week: \$394 for ribs, charcoal, red potatoes
- Grand Jury meals: \$209 for crawfish, etouffee mix, fish fry, roast beef, ham, smoked turkey breast, spices, corn on cob, bread, onions, garlic, cake mix, chocolate chips, coconut, Equal, Shout stain remover, Renuzit air freshener, Charmin tissue, Joy dishwashing soap
- Levee Board meetings: \$963 for pork loin, hot and mild sausage, whole chickens, sirloin tip roast, turkey breast, roast beef, special ribs, charcoal, lighter fluid
- Officer of Month awards banquet: \$360 for various meats, vegetables, potatoes, bread, fruit, paper plates, cups
- Museum Dedication: \$467 for Cajun ham, Cajun turkey breast, Cajun roast beef, fresh fruit
- Parole Board meetings: \$159 for quarter loin, crawfish tails, etouffee mix, rice, steak sauce, coconut, cheese cake mix, lettuce, potatoes, Lay's potato chips
- Outcamp Wardens Appreciation dinner: \$436 for ribeye steaks, potatoes, tomatoes, charcoal, lighter fluid
- Officer Appreciation Week: \$1,429 for lettuce, tomatoes, mayonnaise, mustard, onions, charcoal, lighter fluid--no purchases of meat were identified for this function
- K-9 visitors: \$445 for whole chickens and charcoal

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

- Corp of Engineers: \$206 for Slim Fast, charcoal, fresh fruit, coconut, potato chips, cake mix, oil, pepperoni, butter, cheese, brand name cleaning supplies
- Fourth of July, 1997: \$937 for charcoal and lighter fluid--no purchases of meat were identified for this function
- Fourth of July, 1998: \$452 for charcoal and lighter fluid--no purchases of meat were identified for this function

These examples of questionable expenditures totaled \$13,297. Another 136 purchases of similar food and household supplies totaling \$28,262 did not have a description on the payment voucher explaining the purpose for the purchase. LSP failed to implement policies and procedures that would ensure that Incarceration Program expenditures related to the program's purpose. Furthermore, authorizing employees to shop for these items during their workday, purchase them with public funds, and eventually consume them may be a violation of a public employee's obligation not to misappropriate funds outlined in Louisiana law.

LSP should implement policies and procedures that will ensure expenditures are necessary, reasonable, and directly relate to the Incarceration Program's purpose described in the appropriation act. LSP employees should comply with Louisiana law and not misuse or otherwise wrongfully take public assets. Management did not concur with the finding and stated at the exit conference that it would request clarification from the Attorney General regarding the appropriateness of the expenditures. Management grouped the finding points into categories and responded to those categories, in part, as follows:

1. Items grouped by the department into category 1 totaled \$11,392.89 for food items and \$475.82 for computer labels. Examples of the purchases included holiday meals and "Camp D movie moonpies." Management stated, "None of the items grouped in category 1 were purchased for use or consumption by employees, guests, or any other individuals," but, rather were for inmates, and therefore justifiable. Management stated that holidays are a time of low morale for inmates and special meals, like bar-b-ques, help to decrease violence.
2. Items grouped by the department into category 2 totaled \$10,700.78 for food items and \$823.65 for cleaning and household supplies. Examples of the purchases included the Fire Marshall meeting, Pardon Board meetings, Chamber of Commerce meeting, National Institute of Corrections training programs, American Correctional Association accreditation visits, a Grand Jury visit, Levee Board meetings, the museum dedication, Parole Board meetings, and K-9 visitors. Management stated, "Each of the food purchases was made for the purpose of providing meals to official guests," as allowed by Department Regulation A-06-004.

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

3. Items grouped by the department into category 3 totaled \$4,094.57 for food items and \$280.29 for cleaning supplies. Management stated, "It is the policy of the department to allow wardens and other unit heads to acknowledge the significant contribution and dedication of the employees of the department in accomplishing its mission by conducting employee appreciation events." Management also noted, "Correctional Officers who comprise 55% of the department's workforce are the lowest paid in the nation. . . ." Management concluded with an opinion that the incidental meals do not offend Article VII, Section 14(A) of the Constitution.
4. Items grouped by the department into category 4 totaled \$2,947.32 for food items purchased for banquets and other functions for inmate religious organizations. While these functions are often paid for by the related religious organization, the ones in question did not have a source of funding and LSP paid the cost. Management stated, "The presence of religious programming is absolutely essential for the 'moral rehabilitation' of the inmates."
5. Items grouped by the department into category 5 totaled \$389.61 in cleaning supplies for state facilities, and, as such, management felt the expenditures were properly coded and charged.
6. Items grouped by the department into category 6 totaled \$1,176.35 in food items that should have been charged to the Rodeo Fund. The department's Rodeo Fund will reimburse the General Fund.
7. Items grouped by the department into category 7 totaled \$9,517.28 for food items and \$1,375.97 for cleaning supplies. Management stated, "These expenditures are for meals served during various executive staff meetings held during the noon hour." Management expressed that because these employees are not paid for the lunch hour, the benefit of working through lunch outweighed the cost of the meal.

Management also noted that \$331.81 in expenditures for certain items have been reimbursed. See management's response at B-63.

Additional Comments: We offer the following in response to management's comments:

1. The vouchers for these expenditures did not include an adequate description of the reason for the purchase, or whether the items were purchased for use or consumption by inmates, employees, special guests, or other individuals.
2. The department cites Department Regulation A-06-004 as authorization to serve meals to "official guests." Employees should not be considered official guests and should reimburse the department for the cost of their meals. Furthermore,

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Financial Statement Findings (Continued)

the vouchers did not include lists of persons attending or references to matters discussed at the meetings to determine if the meeting met the purpose of the program.

3. The finding included four items totaling \$2,619 that were specifically identified as appreciation dinners. Effective July 1, 1998, after the audit period, the Civil Service Commission adopted Rule 6.16.1 allowing employee recognition and rewards, provided Civil Service has approved the policies and procedures established by each department in advance of the recognition program being held. The department's Rewards and Recognition Awards Policy was approved by the Civil Service Commission with an effective date of January 1, 1999. However, the documentation for the meals did not include a list of participants.
4. The use of public funds to purchase items for banquets and other functions for inmate religious organizations appears to be a violation of the Louisiana Constitution of 1974, Article VII, Section 14(A). The vouchers also did not include a list of employees, guests, or inmates attending.
5. Pine cleaner, glass cleaner, disinfectants, various soaps, and other janitorial products are manufactured by Prison Enterprises. Therefore, many of these cleaning supplies, as well as other household and cleaning supplies cited, could have been purchased from Prison Enterprises, possibly at a reduced cost, which would have benefited the department.
6. As the department states, the wrong program was charged. The vouchers for these expenditures did not include an adequate description of the reason for the purchase, or whether the items were purchased for use or consumption by inmates, employees, special guests, or other individuals.
7. LSP could have saved at least \$9,517 by scheduling staff meetings at times other than the noon hour. In addition, documentation for the meal did not include the name and title of each person attending the staff meeting.

Improper Procurement Practices

LSP did not comply with state purchasing laws and regulations. R.S. 39:1596 provides that any procurement not exceeding the amount established by executive order of the governor may be made in accordance with small purchase procedures prescribed by such executive order, except that procurement requirements shall not be artificially divided so as to constitute a small purchase. The governor's Executive Order MJF 96-14, (replaced by Executive Order MJF 98-20 dated May 4, 1998) Section 3(A), defines the purchasing requirements in part as (1) purchases up to \$500--no competitive bidding is required; (2) purchases over \$500 not to exceed \$2,000 must be made by telephone or facsimile quotations solicited from at least three

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

bona fide, prospective bidders and selection made on the basis of the lowest responsive quotation received.

Questionable expenditures included:

1. One hundred thirty-seven disbursements for 181 separate purchases of food and household supplies during the fiscal year. One hundred eighty of the purchases were for less than \$500, thus avoiding the competitive bidding and state contract requirements. These purchases were primarily from two grocery stores, a discount store, a warehouse club, and a food distributor.
2. The following purchases from one vendor were made in stages, reducing the individual amounts below the level requiring quotes:
 - Two separate purchases of onions, lettuce, and tomatoes for \$499 each were made two days apart.
 - Two separate purchases of margarine for \$494 each were made six days apart.
 - Two separate purchases of baking powder for \$499 each were made three days apart.
 - Two separate purchases of lettuce and tomatoes for \$499 and \$325 were made four days apart.
3. During the fiscal year, there were 37 other purchases totaling \$17,510 from the same vendor noted in item number 2 for produce, food seasoning, and meat. Some purchases were one day apart. Invoices ranged from \$387 to \$499.

Management has not placed adequate emphasis on compliance with the procurement code. Failure to comply with the procurement code increases the risk that the best prices will not be obtained and that public funds may be misspent.

LSP should comply with purchasing regulations and should not artificially divide purchases to circumvent those regulations. In response to item 1, management partially concurred and expressed that it will make an effort to ensure that low dollar orders are kept to a minimum and used only when necessary. In response to items 2 and 3, management concurred with the finding and outlined a plan of corrective action (B-79).

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Financial Statement Findings (Continued)

RISK MANAGEMENT, OFFICE OF

Overstatement of Reserves for Claim Payments

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

In a test of 10 open second injury claim payments, reserves were overstated beyond the legal limit in 9 claims, for a total of \$240,825, and no reimbursement was requested from the Second Injury Fund in the last 12 months for 3 of the 9 claims tested. In addition, 9 claims were closed within the fiscal year even though reimbursements of \$213,442 were still due from the Second Injury Fund. These errors occurred because management has not adequately emphasized the importance of setting reserves as required by law and requesting timely reimbursements. Failure to set reserves at the proper amount and failure to bill timely places the office at risk of losing reimbursements from the Second Injury Fund. In addition, errors in reserves cause misstatements on the financial statements of the State of Louisiana.

ORM should comply with legal limits on reserves for second injury claim payments. Furthermore, ORM should request timely reimbursements from the Second Injury Fund. Management concurred with the finding and outlined a plan of corrective action (B-84).

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Financial Statement Findings (Continued)

INTERNAL CONTROL OVER FINANCIAL REPORTING

EDUCATION, DEPARTMENT OF

**Inadequate Controls Over the
Church-Based Tutorial Network**

(See detailed reporting in finding #F-98-HHS-EDUC-1, in Schedule C, page 91.)

**Inadequate Planning for Year 2000
Computer Issues**

The Department of Education (SDE) has not adequately assessed or planned for the potential impact of the Year 2000 on the SDE's integrated educational management system. This system was developed to collect certain fiscal, student, personnel, and other information from the local city and parish school systems (districts). In addition, the SDE has not developed contingency plans for those districts that may not achieve Year 2000 compliance. The Year 2000 issue is critical because many computer systems were not designed to accommodate a four-digit year date, such as 1999 or 2000, and may sort and process date data using just the last two digits (00) of the year. By using only the last two digits, the computer may read the 2000 date as the year 1900, and may process information incorrectly.

Information in the various databases of the integrated educational management system is used for management decisions and to support funding for several education programs, such as the state funded Minimum Foundation Program and the federally funded Title I Grants to Local Educational Agencies (CFDA 84.010) and Special Education - Basic Grants to States (CFDA 84.027) programs. For the year ended June 30, 1998, the SDE expended approximately \$2.2 billion for these programs. R.S. 17:7(e) requires the Board of Elementary and Secondary Education through the SDE to develop and manage an integrated educational management system that includes a local subsystem component to be administered at the district level for input to the SDE. Mainframe and personal computer systems must be able to store, process, and report date data in ways that may change in the Year 2000 and beyond.

Management has not recognized the importance of the Year 2000 issue for the integrated educational management system it shares with the local school districts. If the SDE fails to identify those districts whose subsystem components may not become Year 2000 compliant and fails to develop appropriate contingency plans, federal and state funding for these districts may be delayed and/or incorrect. Additional expenditures may be required now to correct this problem, and those costs may escalate if the issue is not addressed timely.

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

The SDE should develop a strategic action plan to address the Year 2000 issue for the parish and city school system component of the integrated educational management system. This plan should include assessing the plans that the school districts have to become Year 2000 compliant and developing contingency plans for those districts that may not become Year 2000 compliant. Management partially concurred with the finding and recommendation and outlined a plan of corrective action (B-16).

EXECUTIVE DEPARTMENT

**Inadequate Controls in State's Electronic
Data Processing Systems**

The State of Louisiana did not have adequate internal controls at the agency level for the Advanced Governmental Purchasing System (AGPS), the Government Financial System (GFS), the Advantage Financial System (AFS), which replaced GFS during May of 1998, the Uniform Payroll System (UPS), the Contract Financial Management System (CFMS), and the Louisiana Property Assistance Agency (LPAA). Access to these systems is restricted through the use of passwords and user identification (ID) codes; however, this access was not properly restricted to ensure that the integrity of data was maintained.

Effective internal controls should provide the following:

- Individuals should be permitted business-need-only access to data files and functions necessary to perform their normal duties.
- Written procedures should be established for the issuance and timely deletion of user ID codes.
- Duties should be segregated so that no one employee is in a position to both initiate and conceal errors or fraud.
- Documentation should be maintained for system applications and authorization of user access.

Failure to establish adequate controls in an on-line data entry environment could result in the loss of data and the failure to prevent or detect errors or fraud in processing transactions.

Our audit of the internal controls relating to AGPS, GFS, AFS, UPS, CFMS, and LPAA throughout the state disclosed that effective internal controls did not exist in the following five state agencies, one state hospital, and four technical colleges.

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

1. For the second consecutive year, the state Department of Education did not have adequate control procedures for the assigning and monitoring of access given users for the input of transactions into AGPS and AFS. Fourteen of 109 user ID codes listed on the July 2, 1998, AFS System User ID Listing by Agency Report and 13 of the 98 active user IDs listed on the May 30, 1998, AGPS Security Report belonged to former employees whose access to the systems had not been disabled. Included on one or both of these reports was one employee that terminated employment in 1995; 7 that terminated employment in 1996; 11 that terminated employment in 1997; and 2 that terminated employment in 1998. Thirty-six of the 98 AGPS user IDs were assigned incompatible functions. Included in this total were 29 employees for whom the functions of requisitioning, purchasing, and receiving were not segregated from invoice processing, accounts payable, and general ledger functions and 7 employees for whom the functions to enter new vendors and approve payments were not segregated. One employee changed job positions on October 20, 1997, but as of August 12, 1998, his user ID profile had not been changed for his new position. Seven of the AGPS users both posted and approved for payment a total of 309 invoices. Posting and approving are incompatible functions.
2. For the second consecutive year, the Department of Public Safety and Corrections - Corrections Services did not establish adequate internal controls over Electronic Data Processing (EDP). The department had no written procedures pertaining to the deletion of user IDs once an employee terminates or no longer has a legitimate need for access. Furthermore, the department did not have adequate supervisory review to ensure that employees did not have access greater than their business need. Tests of controls for users with access to AGPS and AFS disclosed that 6 out of 148 AFS users were terminated and their user IDs were not disengaged. Eleven out of 303 AGPS users were terminated and the user IDs were not disengaged.
3. For the second consecutive audit, the Department of Wildlife and Fisheries did not establish adequate EDP controls for deleting user access to the AGPS and the GFS or for assigning user access that supports proper segregation of duties within AGPS. During a review of the department's security administration controls, 29 out of 198 AGPS user IDs tested were assigned to users who had not been employed by the department for as long as 31 months. Three user IDs were not disabled when users were transferred to other offices within the department and assigned new user IDs. Eight user IDs were for employees that had access to incompatible duties. These eight employees could enter receipt of goods and invoices for processing, and two of these employees could also approve invoices for payment and update the general ledger. Five of 45 GFS user IDs tested were assigned to users who had not been employed by the department for as long as 17 months. Management did not establish procedures for ensuring that the AGPS/GFS security administrator was notified of changes in

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

EDP users' employment status or for considering proper segregation of duties before user security access was assigned.

4. The Department of Culture, Recreation and Tourism did not establish adequate internal controls over the GFS. During a review of the department's EDP user controls, there were no adequate procedures for the deletion of user IDs once an employee terminated employment with the department. Access to GFS was not removed timely for three employees who terminated employment. Access for these employees was not deleted until at least 4 months after termination.
5. The Department of Economic Development did not maintain adequate control over the EDP systems used by the department. During a review of the department's EDP controls, it was determined that access to EDP systems was not limited to current employees and to files and programs necessary to perform their duties. Access to the AGPS by one former employee and to the GFS by two former employees was not removed timely because the department was not reviewing on-line security records and reports. Access to AGPS was not removed when one employee transferred to another section of the department. Two employees shared an AGPS user ID issued to an employee who transferred to another section. Update access to master payroll files in the UPS was not removed for three human resources employees who were no longer responsible for updating those records. In UPS, there was one instance in which the employee who made an adjustment to master payroll records also approved the report showing the adjustment. In UPS, one employee had multiple user IDs that allowed the same access. An audit trail was not always maintained. In the Contract Financial Management System, three employees could enter and amend professional service contracts as well as approve payments for those contracts.
6. Central Louisiana State Hospital did not establish adequate controls relating to EDP. In a review of the controls over EDP, nine employees had read/write access to the AGPS master vendor files without having a business need. Furthermore, there was no independent review of changes made on-line to the master vendor file. Four employees from the Patient's Account and Maintenance departments had write access to AGPS. In addition, three employees from the Patient's Account and Payroll/Personnel departments had entry and approval authority for certain documents in the GFS. None of these employees required this access to perform their assigned duties. The purchasing agent could perform all purchasing functions in AGPS and approve payment vouchers in GFS. The assistant purchasing agent was able to make changes to the vendor master files, enter purchase orders, and enter invoices for payment into GFS. To resolve a portion of a prior audit finding, the hospital adopted policies for terminating access to the UPS and its network; however, the hospital did not

STATE OF LOUISIANA
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Financial Statement Findings (Continued)

- consistently apply these policies. Two employees had access to the UPS from 6 to 72 days after their termination. Three employees had access to the hospital network system from 4 to 83 days after their termination. Furthermore, there were no records of when three other employees' access to the network was terminated.
7. Louisiana Technical College, Avoyelles Campus did not establish adequate internal controls over data entry into the statewide EDP systems. Tests revealed that no validation is made to ensure that transactions approved for payment in the AGPS were processed in GFS or that the output from GFS agrees to the input from AGPS. This validation has not been performed since the conversion to Integrated Statewide Information Systems and the reallocation from the regions to individual technical colleges. The accountant and chief clerk could both enter new vendors and approve payments in AGPS.
 8. Louisiana Technical College, Huey P. Long Campus did not establish adequate internal controls over the statewide EDP systems. Three administrative employees were given access to the AGPS to perform incompatible duties, including entering new vendors, purchase requisitions, purchase orders and receiving reports as well as processing invoices and payments in AGPS. No separate electronic approvals had been set up. The director was given unnecessary access to AGPS to request new vendors and changes to the master vendor files. The accountant and the administrative secretary were given access to AGPS to approve payment transactions, which was the responsibility of the director. Requests to delete ISIS user identification codes under AGPS and the GFS assigned to two employees were not submitted until 11 to 360 days after their transfer or extended leave starting date. These were past and current directors. The administrative secretary had unnecessary access to the UPS to input master file updates. The accountant entered employees' time, leave, and master record change information into UPS along with verifying the output to the source input documentation. There was no independent review of this documentation. There was no independent reconciliation of new equipment purchases entered on-line in the LPAA records and capital outlay purchases processed on-line through GFS. Additional responsibilities were placed on the director and accountant after the school was reorganized under the technical college system. Incompatible functions were assigned to system users as well as unnecessary access to three employees. Also, the school relied on the Office of Statewide Reporting to verify new vendors.
 9. Louisiana Technical College, Lamar Salter Campus did not establish adequate internal controls over the statewide EDP systems. The director and accountant had unnecessary access to the AGPS to request new vendors and changes to the master vendor files. The accounting specialist had unnecessary data entry access to the GFS. The administrative secretary had unnecessary access to the

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

UPS to input master file updates. The assistant director and the accounting specialist had unnecessary access to the AGPS to approve payment transactions. All four employees given access to AGPS were able to perform incompatible duties, including entering new vendors, purchase requisitions, purchase orders and receiving reports as well as processing invoices and payments in the AGPS. No separate electronic approval had been set up. Additional responsibilities were placed on the director and accountant after the school was reorganized under the technical college system. Incompatible functions were assigned to system users as well as unnecessary access to four employees. Also, the school relied on the Office of Statewide Reporting to verify new vendors.

10. Louisiana Technical College, North Central Campus did not have proper controls over access to its EDP systems. The security administrator for AGPS and GFS overrode existing access controls, which resulted in an improper segregation of duties. The same employee was allowed to both enter and approve the same transactions using two different user IDs. The user ID with approval authority belonged to the security administrator who is also the director of the school.

The State of Louisiana and its agencies should take the necessary measures to ensure that employees' duties are properly segregated and that user IDs assigned to individuals are valid and used only by that individual. In addition, written controls and procedures should be developed and implemented so that the security administrators are notified immediately of any change in employment status or duties of individuals so that the user IDs for individuals that no longer require access can be disabled timely. Management did not concur with the finding, and stated in part, "Security controls and procedures are well documented at both the statewide/systemwide level and for the internal functional and operational user level. We restate that we accept the responsibility to develop and establish control levels and mechanisms as well as verification mechanisms and will continue with the efforts mentioned above [in management's response]; however, it is clearly the agencies' responsibility to enforce adherence to those established policies within their own functional areas of control." See management's response at B-132.

Ineffective Internal Audit Function

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

Currently in Louisiana, approximately 120 internal auditors provide coverage to 19 state agencies, 9 state hospitals, 12 state colleges/universities (23 campuses), one court, and one levee district. The Governor also established the Office of the State Inspector General (IG) in fiscal year 1988 to provide an internal audit function for state agencies and to provide other

LEGISLATIVE AUDITOR

Schedule B

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valuable services to the state through investigative auditing and the operation of a complaint hotline. However, because of funding limitations, the IG does not have adequate staffing to perform an effective internal audit function. Currently, there are 13 auditors in the IG's office.

Although internal audit resources exist within the agencies noted previously, our study and evaluation of the state's internal controls for the year ended June 30, 1998, found that an *effective internal audit function did not exist in the following agencies. While the following should not be considered an all-inclusive list, their approximate collective assets and revenues demonstrate the need for an effective internal audit function within Louisiana state government.*

	Assets	General Appropriations/ Revenues
Department of Agriculture and Forestry	\$12,350,911	\$50,919,591
Department of Culture, Recreation and Tourism	10,000,000	43,000,000
Department of Economic Development	19,453,096	40,254,711
<i>Executive Department</i>	101,000,000	276,000,000
Department of Natural Resources	74,000,000	378,000,000
Department of Public Safety and Corrections - Corrections Services	65,310,535	500,149,515
Department of Revenue	700,000,000	5,000,000,000
Office of Risk Management	179,364,291	177,358,998
Office of Telecommunications Management	10,586,617	39,298,946
Department of Wildlife and Fisheries	10,000,000	59,000,000
Total	\$1,182,065,450	\$6,563,981,761

Act 18 of the 1997 Regular Session of the Louisiana Legislature requires agencies with an appropriation level in excess of \$30 million to use existing program resources and table of organization for the purpose of establishing an internal auditor position. Considering the state's reported assets (approximately \$43 billion) and its operating revenues (approximately \$15 billion) and the number of control and compliance findings contained in this report, we believe that an effective internal audit function is needed to ensure that the state's assets are safeguarded and that state policies and procedures are uniformly applied.

The State of Louisiana should take the necessary steps to establish an effective internal audit function by either reallocating or increasing available internal audit resources or by pursuing other alternatives to accomplish this objective. Management concurred in part with the finding and mentioned the lack of financial resources. See management's response at B-145.

STATE OF LOUISIANA
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Financial Statement Findings (Continued)

Weaknesses in Controls Over Claims Payments

The Patients' Compensation Fund Oversight Board has a lack of adequate internal controls over claims-related payments. Good internal controls should provide for adequate segregation of duties and an appropriate system of authorization and approval of transactions to safeguard assets, ensure that accounting data are both accurate and reliable, and ensure that errors and/or fraud are detected in a timely manner. During the year ended June 30, 1998, the board processed approximately \$64 million in claims and related contractual payments. The following weaknesses exist in internal controls over claims payments:

1. There is inadequate segregation of duties in that the same person, the claims manager, an employee of the Office of Risk Management, Division of Administration, has access to blank checks and the signature disk, approves the check payment forms, approves the check register, and reviews invoices and data supporting the payment.
2. There is no dollar limit on the amount of each check that can be signed with the signature disk.
3. Checks are not mailed directly to payees, but are returned to the same section that processed the checks before they are mailed.
4. In a test of 21 payments and related claims files:
 - There were no settlement authority forms in the files to document how the settlement amount was determined. These forms list the injured party's demand, the total estimated value of the case, the amount of payment by the primary carrier, the chance of losing the case, and the amount requested (proposed) for settlement.
 - There was no evidence of how the estimated amount to be paid for each claim was computed. Also, there was no evidence of supervisory review of the amount or any adjustments to the amount.
 - The individuals who have check signing authority do not receive and review invoices and data supporting the checks before releasing the checks.

Failure to develop and implement adequate internal controls over claims-related payments may result in errors and/or fraud that may not be detected in a timely manner.

STATE OF LOUISIANA
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Financial Statement Findings (Continued)

Management should establish internal controls that include an adequate segregation of duties and an appropriate system of authorization and approval of transactions. Management generally concurred with the finding and recommendation, but did not outline an adequate plan of corrective action (B-27).

Additional Comments: (1) There is a lack of segregation of duties in that one person, the claims manager, has access to the blank checks and signature disk. There was no evidence that anyone above the claims manager approves the check payment form, approves the check register, or reviews the invoices and data supporting the payment. (2) Management should establish a dollar limit on the checks that can be signed using the signature disk. (3) The payment clerk should mail the checks to the payee and not return them to the person who made the request for the checks. (4) The settlement authority forms were not in the files to document how the settlement amount was determined. There was no evidence that any work requests were completed for establishing or adjusting reserves or any individual review of invoices and data supporting the check before the releasing the check.

LOUISIANA STATE UNIVERSITY MEDICAL CENTER -
HEALTH CARE SERVICES DIVISION

Inadequate Reporting of Receivables

The Health Care Services Division (HCSD), a component of the Louisiana State University Medical Center (LSUMC), failed to properly report receivables in its financial statements. An adequate system of internal control should include adequate supervision and review to ensure that errors in financial statements are detected and corrected in a timely manner. The financial statements submitted by HCSD to LSUMC, for inclusion in the Louisiana State University System report, contained significant reporting errors as follows:

1. HCSD overstated Medicaid receivables by \$34,248,441 in the initial financial statements submitted to LSUMC. HCSD reported Medicaid receivables as \$60,079,896, while the Department of Health and Hospitals reported payments of \$25,831,455 that were due to HCSD at June 30, 1998. Upon further review, it was determined that \$25,831,455 was a more accurate figure, and subsequently an adjustment of \$34,248,441 was recorded in the financial statements.
2. HCSD overstated Ineligible Patient Fees receivables by \$66,521,573 in the initial financial statements submitted to LSUMC. HCSD initially reported \$85,452,405 in the financial statements. Upon further review, HCSD determined that \$18,930,832 was a more accurate figure, and subsequently recorded an adjustment of \$66,521,573 in the financial statements.

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

Management attributes these errors to several factors. First, there was a lack of history for comparing receivable amounts to amounts reported in the prior year since this was the first year that the HCSD reported on a full accrual basis. Secondly, the merging of two reporting systems at the Medical Center of Louisiana at New Orleans caused a lack of emphasis on collection efforts, which in turn caused an overstatement of accounts receivable. Finally, the HCSD did not adequately adjust its allowance for doubtful accounts to reflect uncollectible accounts receivable.

HCSD should develop a compilation process that computes and reports receivables accurately. Also, HCSD should perform analytical procedures and improve supervisory review of financial information to detect and correct errors in a timely manner before submitting that information to LSUMC. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-44).

MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS

Electronic Data Processing Control Weaknesses

The Medical Center of Louisiana at New Orleans has deficiencies relating to access to its Shared Medical System (SMS), an on-line electronic data processing (EDP) system. An adequate system of internal controls requires that individuals be permitted access only to data files and functions necessary to perform their normal duties. Furthermore, a periodic review of user access to the SMS should be done to eliminate unnecessary access. In a test of 22 user identification codes, the following deficiencies were noted:

- One former medical center employee still had access to the SMS although he had been terminated almost a year earlier.
- Two users had more than one user identification code issued to them.
- Eleven employees had not signed onto the SMS from 287 to 355 days before the date of test, which indicates that access was no longer needed.

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

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

Management of the medical center should establish written procedures that require security administrators to regularly review user access to the EDP systems and eliminate unnecessary access. In addition, the medical center should restrict access to application data files to current employees on a business-need-only basis. Management of the medical center concurred with the finding and recommendation (B-52).

Inaccurate Patient Charges

For the eleventh consecutive year, the Medical Center of Louisiana at New Orleans has not completed the development and implementation of effective procedures to provide management with assurance that all charges incurred by patients are accurate and billed timely. Also, the medical center does not have adequate procedures in place to perform a regular, complete review and evaluation of the Charge Description Master (CDM). The CDM is a file that contains the description, coding and fee schedule for all chargeable services and supplies used for patient care by the medical center. It is the file that drives the third party billing process. Complete and accurate information on patient charges is needed to ensure that the medical center is maximizing revenue.

In a review of the patient billings, the following deficiencies were noted:

1. Eleven (41%) of 27 sampled patients' bills were not produced timely. Final bills for the 11 patients were prepared in excess of 30 days following discharge.
2. At our request, the medical center's Coding and Revenue Enhancement Department audited 27 bills totaling \$210,853. Those audits by the Coding Department revealed inaccuracies in all 27 of the bills. It was determined that 24 bills contained undocumented charges (overcharges) totaling \$25,328 (7%). Also, there were undercharges or unbilled charges on 26 of the bills totaling \$50,049 (24%).
3. A periodic review and evaluation of the CDM is not performed.

In addition, in a test of inpatient Medicare and Medicaid charges, for 6 (25%) of the 24 patients tested, bills were not produced timely. Bills for the 6 patients were produced in excess of 30 days.

As a result, management has no assurance that all services performed are billed to patients or that amounts billed to patients are timely and accurately reflect charges for services actually received.

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

Management of the Medical Center of Louisiana at New Orleans should:

1. Ensure that all charges are documented in the patients' medical records and are processed into the billing system
2. Continue to establish written procedures for patient account information to provide assurance that charges incurred by patients are accurate and billed timely
3. Perform regular evaluations of the CDM

Management of the medical center concurred in part with the finding and recommendation (B-54).

NATURAL RESOURCES, DEPARTMENT OF

Errors in Classification of Mineral Income

The Department of Natural Resources inaccurately classified approximately \$13.5 million in major state revenues (mineral income) for the fiscal year ended June 30, 1998, as follows:

- \$2.7 million that should have been posted in July 1997 was not posted as of the date of the audit test in May of 1998.
- \$3.8 million was classified to the wrong revenue organization.
- \$7.1 million was classified to the wrong fiscal year during the 45-day close period.

The above-mentioned errors were brought to management's attention in enough time for corrections to be made to ensure accurate financial reporting; however, the department's system of internal controls failed to detect these errors, which were caused by a lack of adequate supervisory review before approval.

Generally accepted accounting principles, the Division of Administration, and state law prescribe accounting procedures for the recognition and classification of revenues. Considering the department's collection of approximately \$300 million in major state revenues, the department should have an adequate system of internal controls, including supervision and review, to ensure that errors in classifications are detected and corrected in a timely manner. Failure to detect errors in classifications could cause material misstatements to the department's financial statements as well as material misstatements to the State of Louisiana's Comprehensive Annual Financial Report.

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

The department should develop and implement review procedures to ensure that major state revenues are correctly classified between funds and fiscal years. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-56).

NORTHEAST LOUISIANA UNIVERSITY

Financial Statements Not Properly Prepared

Northeast Louisiana University's annual financial statements originally submitted to the Office of Statewide Reporting and Accounting Policy were not prepared in accordance with the instructions of that office and contained numerous errors. Good internal controls should provide the university with procedures to record, process, summarize, and prepare accurate financial statements. Also, good internal control procedures should require that a review of the financial statements be performed so that any preparation errors can be detected and corrected in a timely manner. The university's year-end financial statements were compiled with the use of EXCEL spreadsheets to prepare working trial balances and recap ledger accounts. The adjustments between the ledger totals and the working trial balances did not always have sufficient explanations or supporting documentation. In some instances, certain adjustments that were required to make the financial statements materially correct were not included. Note disclosures contained errors in amounts and did not always agree with the financial statements. The financial statements did not include eight required schedules as provided in the instructions of the Office of Statewide Reporting and Accounting Policy.

The lack of adequate internal control procedures over the preparation and review of the financial statements results in the risk that errors relating to financial reporting could occur and not be detected in a timely manner. For the current year, this lack of adequate procedures resulted in 11 audit adjustments totaling approximately \$37,500,000 to correct the financial statements. In addition, seven of the notes to the financial statements required monetary adjustments so that they would agree with the financial statements.

Northeast Louisiana University should review and adhere to control procedures relating to recording, processing, summarizing, and preparing financial statements to ensure compliance with the instructions provided by the Office of Statewide Reporting and Accounting Policy. Management partially concurred with the finding and recommendation because in its opinion the majority of the dollars noted as audit adjustments dealt with construction-in-progress and resulted from a difference in interpretation of the instructions, that some audit adjustments were reclassification adjustments and that audit adjustments are a normal part of the audit process, and that other information noted in the finding was optional and since it did not apply to the university, it chose not to include. Management also provided that if the auditor had informed the university of the need to include construction-in-progress, then it would have done so. See management's response at B-57.

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

Additional Comments: While we agree that audit adjustments may be a normal part of the audit process, adjustments are only made when the university prepared financial statements do not properly reflect the operations of the university. In relation to discussions between the auditor and the university during the report preparation process, the auditor emphasized the necessity of following all instructions from the Office of Statewide Reporting and Accounting Policy and suggested that all information requested in the instructions be provided. In summary, the Office of Statewide Reporting and Accounting Policy uses university prepared financial statements to prepare the financial statements for the State of Louisiana, and if an audit of Northeast Louisiana University had not been conducted for the current year, the State of Louisiana financial statements would have contained this incorrect information.

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

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

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

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

In addition, the current DCI warden receives a housing and subsistence allowance totaling \$9,620 per year, and the department is incurring additional commuting costs because he has been displaced by the LSP warden. The DCI warden resides in a private home approximately seven miles from the institution and, as a result, neither warden is on-site to address emergencies at their respective institutions.

The department should review the housing arrangements at LSP and DCI, and give consideration to providing housing to the wardens at their respective institutions to provide for immediate on-site availability. Management did not concur with the finding and recommendation (B-82).

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

RISK MANAGEMENT, OFFICE OF

Lack of Review of Original Documentation

For the fifth consecutive year, the Office of Risk Management (ORM) is not performing, on a sample basis, a field review of the original source documentation to support billings by contract attorneys. We noted that for fiscal year 1998, contract attorneys were compensated and/or reimbursed approximately \$9,838,267 for expenses that included legal services and other expenses such as telephone, copying charges, postage, et cetera. In support of expenses, it is a practice of ORM to accept from attorneys, copies of receipts and summaries of time worked for legal services substantiated by an affidavit. Claim adjusters then perform desk reviews of these copies of supporting documents using the contract and ORM's billing guidelines as the criteria for review.

A field review of original source documentation has not been conducted since 1990. Considering the magnitude of payments to contract attorneys each year, adequate internal controls would require that ORM perform a field review, on a sample basis, of original source documentation to ensure that billings are accurate and expenses are allowable.

ORM should conduct field reviews on a sample basis of original source documentation maintained by the contract attorneys to ensure that ORM is being properly billed. Management concurred with the finding and outlined a plan of corrective action (B-83).

STATE EMPLOYEES GROUP BENEFITS PROGRAM

Failure to Reconcile Financial Records

The State Employees Group Benefits Program (SEGBP) did not reconcile health claims expenditures recorded in the state's general ledger accounting system to health claims expenditures recorded in its subsidiary health claims processing system before submitting its *Annual Fiscal Report to the Office of Statewide Reporting and Accounting Policy*. Adequate internal control requires timely reconciliations of the general ledger to the subsidiary systems to support financial statement amounts.

SEGBP attempted to reconcile the systems four months after the end of the fiscal year. However, the reconciliation resulted in a net difference of \$1.9 million. Inability to reconcile these systems and resolve the outage results in the risk of undetected errors in the financial statements or fraud.

SEGBP should reconcile the general ledger system to the subsidiary systems in a timely manner before completing the Annual Fiscal Report. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-117).

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

Improper Claims Payments

SEGBP's internal control system did not effectively prevent overpayments of health claims. Adequate internal control requires the review of impending claims payments at a level sufficient to detect potential overpayments. Failure to detect overpayments results in erroneous expenditures of SEGBP funds. Total receivables for known claims overpayments to both participants and providers at June 30, 1998, are \$3,163,472. In addition to these known receivables, approximately 2,410 claims overpayments for both participants and providers have been reported to Customer Service but have not been processed or quantified by the Research and Recovery division.

As an example of the problem with overpayments, one plan member was paid \$181,121 for a \$3,329 claim, resulting in an overpayment of \$177,792. The overpayment occurred when a claims processor failed to use the foreign exchange rate when processing the claim, although the plan member included an estimated foreign exchange rate in her claim letter to the program. Furthermore, the claim payment amount, as processed, exceeded the claims processor's maximum allowable claim amount. The claim payment was held by the system and was released by a claims supervisor without adequate review. The Quality Assurance division did not review the payment although it was the largest payment to a claimant during the 1998 fiscal year; the second largest payment to a claimant was only \$15,113. The auditor discovered the overpayment subsequent to fiscal year 1998.

SEGBP should ensure that internal control is adequate to prevent overpayments of health claims. Management concurred with the finding and recommendation in part and outlined a plan of corrective action (B-118).

Inadequate Information Systems Controls

For the second consecutive year, SEGBP did not have adequate internal controls over its computer-related Information System (IS) functions, which could affect the integrity of programs, processing, and data. An adequate system of internal control requires that the program have proper disaster recovery procedures, have system reconciliation procedures, be able to provide accurate system information in a timely manner, and adopt procedures to address general control weaknesses. Annually, the program's Information Services Division processes information relating to approximately \$233 million of claims expenditures, as well as various other transactions.

IS general controls include controls over (1) organization and management of IS activities, (2) application systems development 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 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

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

the processing of transactions is performed in accordance with management's design and intent. Weaknesses were observed in both general controls and applications controls. Control deficiencies could affect the integrity of programs, processing, and data. As a result, risk exists that programs and data could be accessed and modified without proper authorization, review, and approval; that errors or fraud could occur and not be detected; and that a disaster could occur and the program may not be able to fully recover lost programs and data.

The following deficiencies in internal control were noted:

1. **SEGBP did not have adequate disaster recovery procedures as follows:**
 - The claims processing system failed on June 10, 1998, and was not operational until June 22. However, before that failure, on February 19, 1998, the SEGBP Quality Assurance (QA) division had issued an audit report on backup procedures. The QA report warned that "adequate backup and recovery procedures for maintaining security copies of transaction history and log files needed for restarts and reruns have not been implemented in the claims processing system." Management responded that "backup and recovery procedures are in place and documented." When the system failed, the claims data had not been backed up since May 27, 1998, although program policies required nightly backup. Furthermore, claims history data were lost during the failure and were not fully recovered until the end of September, three months later.

During the two weeks the system was inoperable, all non-essential personnel were granted special leave and were not required to report to work. Once the system was operational, these personnel were granted paid overtime to process the backlog of claims. Total paid overtime resulting from the computer crash totaled approximately \$85,085. In addition, more than 29,000 claims were paid more than 30 days after receipt in July through September 1998, in violation of R.S. 22:657. Noncompliance with this statute "shall subject the insurer to a penalty payable to the insured of double the amount of the health and accident benefits due under the terms of the policy or contract during the period of delay, together with attorney's fees to be determined by the court." Consequently, SEGBP incurred a large potential liability due to the computer failure. SEGBP also incurred the cost of a consultant to correct the problems with the claims system.

- The claims imaging system failed in October 1997 and images were lost. Although these images were subsequently recovered, images were lost once again three days later during the conversion to a new imaging software program because of inadequate planning. SEGBP and vendor personnel attempted to restore lost images during the year; however, the

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

data were not fully restored at fiscal year-end. Claims images represent the supporting documentation upon which claims are paid, and lost images impair the program's ability to process claims in a timely manner. In addition, lost images hamper the audit verification process.

- SEGBP did not prepare reports on the June 1998 and October 1997 systems failures to describe what caused the failures, what quantitative and qualitative impact the down-time had on the program, what procedures should have been implemented to restore lost data in a timely manner, and what steps could have prevented or reduced the adverse impact of each failure on the program. Without this documentation, SEGBP's plans to avert future incidents like these system failures may not be adequately communicated to appropriate staff.
 - SEGBP did not have an off-site processing contract, which may have mitigated the financial costs of granting employees special leave and subsequent paid overtime. The availability of off-site processing would help to ensure that claims are paid timely and in compliance with R.S. 22:657.
2. SEGBP did not reconcile system-generated reports to supporting claims detail information or SEGBP financial information. The inability to reconcile summary reports results in the risk of undetected errors or fraud and provides no assurance that the report or underlying data are correct.
 3. SEGBP could not provide accurate system information to the auditors in a timely manner. Data provided were untimely and contained errors, which hampered the audit process.
 4. SEGBP had numerous general control weaknesses, including the lack of security software and monitoring on certain systems, which results in the risk of improper access to those systems.

SEGBP should establish adequate IS procedures and controls to ensure the integrity of programs, processing, and data. SEGBP should ensure that the program has proper disaster recovery and reconciliation procedures and is able to provide accurate system information in a timely manner. Management concurred with the findings and recommendations and outlined a plan of corrective action (B-119).

Schedule C

Federal Award Findings and Questioned Costs For the Year Ended June 30, 1998



STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs
For the Year Ended June 30, 1998

FINDINGS COVERING MORE THAN ONE FEDERAL AGENCY

COMPLIANCE

EDUCATION, DEPARTMENT OF

F-98-CC-EDUC-1 - Inadequate Controls Over Reimbursements
to Subrecipients

	<u>Questioned Costs</u>
10.558 – Child and Adult Care Food Program	\$1,163
84.010 – Title I Grants to Local Educational Agencies	120,099
84.048 – Vocational Education - Basic Grants to States	3,988
84.151 – Chapter 2 - State Block Grants	561
<u>Special Education Cluster:</u>	
84.027 – Special Education - Grants to States	60,585
84.173 – Special Education - Preschool Grants	<u>27,815</u>
	<u>\$214,211</u>

The State Department of Education (SDE) did not have adequate control procedures to ensure compliance with federal regulations for reimbursements to subrecipients. In addition, certain payments to subgrantees were based on estimates and no official source documentation was received to support the payments. The Code of Federal Regulations [7 CFR 226.7(d)] states that the U.S. Department of Agriculture (USDA) shall not be responsible for reimbursing unpaid program obligations reported later than 120 days after the close of the federal fiscal year in which they were incurred. In addition, the U.S. Department of Education (34 CFR 80.23) requires that all expenditures charged to a grant must be obligated within the grant's "period of availability" (grant fiscal year) and must be liquidated within 90 days after the end of the period of availability. Finally, the Louisiana Constitution of 1974, Article VII, Section 14(a) states in part that funds, credit, property, or things of value of the state shall not be loaned, pledged, donated to or for any person, association, or corporation, public or private. Audit tests of federal compliance disclosed that:

- The SDE reimbursed a subgrantee of the Child and Adult Care Food Program (CFDA 10.558) \$1,163, on March 20, 1998, or 51 days after the federal deadline. Therefore, \$1,163 is considered questioned costs.
- A test of reimbursements for various U.S. Department of Education grants disclosed that expenditure obligations ranged from 31 to 253 days later than the federal deadline, and reimbursements to subrecipients ranged from 18 days to

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

208 days later than the federal deadline. As a result, a total of \$197,463 is considered questioned costs.

- One school board submitted a billing for "estimated" supplies expense, and another school board submitted a billing for two "pending" invoices. The resulting payments totaled \$15,585 and were charged to the Special Education - Grants to States (CFDA 84.027) program. Actual invoices supporting the payments were not received. Since the payments were not supported by official source documents, the effect is that a loan was made in violation of the Louisiana Constitution and federal regulations, and \$15,585 is considered questioned costs.

The SDE did not implement adequate controls or adequately train its personnel. As a result, \$214,211 of federally funded expenditures is questioned costs.

The SDE should implement controls to ensure that reimbursements to subrecipients comply with federal and state laws. In addition, the SDE should ensure that personnel responsible for approving federal expenditures are familiar with the applicable period of availability requirements and state law. Finally, the SDE should consult with the U.S. Departments of Agriculture and Education regarding the resolution of the questioned costs. Management partially concurred with the finding and recommendation and outlined a plan of corrective action. Management did not agree with the part of the finding related to the Child Care and Adult Food Program, and further stated that the SDE adhered to the USDA guidance allowing for a one-time exception to the subgrantee after the federal deadline. See management's response at B-14.

Additional Comments: While the SDE did partially follow the USDA guidance, the SDE did not submit the required "Request for Advance or Reimbursement (Form SF 270)" to the USDA for subsequent approval.

EXECUTIVE, DEPARTMENT OF

**F-98-CC-EXEC-1 – Inconsistent Application of the Statewide
Cost Allocation Plan**

- 10.550 – Food Distribution
- 10.557 – Special Supplemental Nutrition Program
for Women, Infants, and Children
- 10.558 – Child and Adult Care Food Program
- 17.225 – Unemployment Insurance
- 20.205 – Highway Planning and Construction
- 39.003 – Donation of Federal Surplus Personal Property
- 66.458 – Capitalization Grants for State Revolving Funds

**Questioned Costs
Cannot Determine**

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

- 84.010 – Title I Grants to Local Educational Agencies**
- 84.048 – Vocational Education - Basic Grants to States**
- 84.126 – Rehabilitation Services - Vocational Rehabilitation Grants to States**
- 84.186 – Safe and Drug-Free Schools and Communities - State Grants**
- 93.558 – Temporary Assistance for Needy Families**
- 93.569 – Community Services Block Grant**
- 93.575 – Child Care and Development Block Grant**
- 93.596 – Child Care Mandatory and Matching Funds of the Child Care and Development Fund**
- 93.658 – Foster Care - Title IV-E**
- 93.667 – Social Services Block Grant**
- 93.959 – Block Grants for Prevention and Treatment of Substance Abuse**
- Food Stamp Cluster:**
 - 10.551 – Food Stamps**
 - 10.561 – State Administrative Matching Grants for Food Stamp Program**
- Fish and Wildlife Cluster:**
 - 15.605 – Sport Fish Restoration**
 - 15.611 – Wildlife Restoration**
- JTPA Cluster:**
 - 17.246 – Employment and Training Assistance - Dislocated Workers**
 - 17.250 – Job Training Partnership Act**
- Student Financial Assistance Cluster:**
 - 84.007 – Federal Supplemental Educational Opportunity Grants**
 - 84.032 – Federal Family Education Loans**
 - 84.033 – Federal Work-Study Program**
 - 84.038 – Federal Perkins Loan Program - Federal Capital Contributions**
 - 84.063 – Federal Pell Grant Program**
 - 84.268 – Federal Direct Loan**
 - 93.342 – Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students**
 - 93.364 – Nursing Student Loan**
 - 93.820 – Scholarships for Students of Exceptional Financial Need**
- Special Education Cluster:**
 - 84.027 – Special Education - Grants to States**
 - 84.173 – Special Education - Preschool Grants**

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

Medicaid Cluster:

93.775 – State Medical Fraud Control Units

**93.777 – State Survey and Certification of Health Care
Providers and Suppliers**

93.778 – Medical Assistance Program

Research and Development Cluster:

Various Programs

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

Annually, ORM bills each state agency for various types of insurance. To calculate the amount of premium necessary for each class of insurance, ORM considers exposure (the magnitude of potential losses) and experience (past losses). However, because of budget constraints, for fiscal years 1997 and 1998, OPB did not include the full amount of calculated premiums in the state's budget. In addition, rather than implementing an across-the-board reduction, OPB designated the specific amount of premium that each agency was to be charged. For example, in fiscal year 1998, ORM calculated that the Department of Social Services should pay 2.3% of the state's total projected insurance cost. However, after adjustments by OPB, the department's share increased to 3.2% of the total premiums that OPB allowed. Conversely, ORM calculated that the Department of Public Safety and Corrections - Corrections Services should pay 7.1% of the state's total projected insurance costs. However, after adjustments by OPB, the department's share decreased to 5.9% of the total. The Department of Social Services has significant federal funding sources while the Department of Corrections does not.

As a result of the state's inconsistent reductions in billings, state agencies receiving federal funding through interagency transfers or directly may have been billed at a higher rate than agencies without available federal funding. The calculations necessary to determine the amount of questioned costs, if any, and the specific programs overcharged will require time and research. Consequently, an estimate of potential questioned costs cannot be determined at this time.

The state should immediately begin the process of determining which federal programs, if any, have been charged an inequitable amount of insurance cost and the amount of those overcharges. Any identified overcharges should be reimbursed to the federal government. In

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

the future, if insurance premium reductions should be necessary, the state should use a method that will ensure that federal programs bear an equitable share of costs. Management concurred that the potential for possible inequitable federal participation did exist and stated that steps have been taken to ensure that the problem is corrected for future billing periods starting with the fiscal year ending June 30, 2000. In addition, management met with representatives of the cognizant federal agency to advise them of the problem. Once the impact to the state is determined, management will obtain concurrence from the appropriate federal entities as to the method of remediation, if any, to be used. See management's response at B-143.

HEALTH AND HOSPITALS, DEPARTMENT OF

F-98-CC-DHH-1 – Audits of Federal Subrecipients and State Contractors Not Obtained

	<u>Questioned Costs</u>
10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children	\$0
93.196 – Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	
93.630 – Developmental Disabilities Basic Support and Advocacy Grants	
93.917 – HIV Care Formula Grants	
93.940 – HIV Prevention Activities - Health Department Based	
93.958 – Block Grants for Community Mental Health Services	
93.959 – Block Grants for Prevention and Treatment of Substance Abuse	
93.991 – Preventive Health and Health Services Block Grant	
93.994 – Maternal and Child Health Services Block Grant to the States	

For the third consecutive year, the Department of Health and Hospitals (DHH) failed to adhere to federal requirements and departmental policies that require audits of subrecipients and social services contractors. The Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996, requires the department to ensure that each subrecipient of federal pass-through funds totaling \$300,000 or more has an annual audit in accordance with OMB Circular A-133. In addition, departmental policy requires that (1) all subrecipients who receive between \$25,000 and \$300,000, and (2) all state/local governments and corporations (profit/non-profit) other than subrecipients that have a social services contract with DHH and receive \$100,000 or more in funds from one or more state contracts must have a financial and compliance audit performed in accordance with *Government Auditing Standards*.

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

During the fiscal year ended June 30, 1996, the department developed a comprehensive monitoring system to track contracts that require audits and to monitor the receipt of audit reports and the resolution of any findings. In addition, DHH policy numbers 3175-95 and 3105-96 were issued defining responsibility in the department for audit report monitoring and defining federal and departmental audit requirements.

A review of the monitoring system disclosed the following:

1. Thirty-three of the 180 contracts that required audits for the fiscal year ended June 30, 1997, were not submitted by June 30, 1998, although they were due by December 31, 1997. Total expenditures for these contracts were \$5,470,314.
2. Three of the 147 audits performed for the fiscal year ended June 30, 1997, had unresolved audit findings at June 30, 1998. Total expenditures for these contracts were \$415,934.
3. During the audit of the fiscal year ended June 30, 1997, it was reported that 15 of the 153 contracts that required audits for the fiscal year ended June 30, 1996, were not submitted by June 30, 1997, although they were due by December 31, 1996. As of June 30, 1998, audit reports for 8 contracts still had not been received. Total expenditures for these contracts were \$847,096.
4. During the audit of the fiscal year ended June 30, 1997, it was reported that 27 of the 138 audits performed for the fiscal year ended June 30, 1996, had unresolved audit findings at June 30, 1997. At June 30, 1998, the department still had not resolved the audit findings on 8 contracts. Total expenditures for those 8 contracts were \$1,087,787.
5. During the audit of the fiscal year ended June 30, 1996, it was reported that 92 of the 251 contracts that required audits for the fiscal year ended June 30, 1995, were not submitted by June 30, 1996, although they were due by December 31, 1995. For the 1997 audit, it was reported that audit reports for 63 of the 92 contracts still had not been received. Total expenditures for those contracts were \$7,013,528. At June 30, 1998, audit reports for 25 of the contracts still had not been received. Total expenditures for those contracts were \$2,705,620.
6. During the audit of the fiscal year ended June 30, 1996, it was reported that 32 of the 159 audits performed for the fiscal year ended June 30, 1995, had unresolved audit findings at June 30, 1996. At June 30, 1997, the department still had not resolved audit findings on 22 of those 32 contracts. Total expenditures for the 22 contracts were \$2,135,614. At June 30, 1998, the department still had not resolved the audit findings on 18 of the contracts. Total expenditures for those contracts were \$1,477,225.

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

Employees are not following the established procedures for reporting audit information to the contracts management section, for ensuring that required audits are performed and for ensuring that all findings are reviewed for subsequent resolution in a timely manner.

Failure to ensure that federal subrecipients or state contractors receive the required audits and failure to promptly follow up on the report findings increases the risk that federal and/or state funds will not be expended in accordance with applicable laws and regulations.

DHH should ensure that employees follow departmental policies regarding audit requirements so that federal subrecipients and social services contractors are audited as required by applicable laws and regulations and so that all findings are reviewed for subsequent resolution in a timely manner. Management concurred with the finding and recommendation and indicated the corrective action that has been implemented in each area (B-31).

LABOR, DEPARTMENT OF

**F-98-CC-LABR-1 – Improper Charging of Payroll Expenditures
 to Federal Programs**

	<u>Questioned Costs</u>
93.569 – Community Services Block Grant	\$65,403
<u>JTPA Cluster:</u>	
17.250 – Job Training Partnership Act	<u>109,556</u>
	<u>\$174,959</u>

Certain payroll expenditures charged by the Department of Labor to the Community Services Block Grant (CSBG) (CFDA 93.569) and Job Training Partnership Act (JTPA) (CFDA 17.250) programs were not based on actual costs. OMB Circular A-133 contains general criteria affecting the allowability of costs under federal awards, including the requirement that costs be allocated to a program based on the relative benefits received.

In testing administrative expenditures, the following instances were noted where payroll expenditures were charged to federal programs, but were not based on actual costs:

- A salary of \$57,299 for one attorney was distributed equally to CSBG, JTPA, and the Office of Labor without regard to how the actual time was spent.
- Although two Equal Opportunity and Compliance Division employees performed work for other programs, their salaries of \$46,303 and \$46,573 were charged 100% to CSBG and JTPA, respectively. Their supervisor stated that other employees in the EOC section (including herself) work on the CSBG and JTPA programs and their salaries are not charged directly to these programs.

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

- Salaries and related benefits for four Fiscal Division personnel, who perform the accounting and financial reporting functions for JTPA, are charged to the JTPA Title II program although they perform these functions for the JTPA Title III program also.
- The \$43,883 salary for one JTPA Fiscal Monitor was charged to the program although there is no evidence that any monitoring function was performed. The fiscal monitor did not provide any working papers, monitoring reports, technical assistance logs/working papers, or monthly activity reports that he completed or processed. The monitor is domiciled in Alexandria and is responsible for performing fiscal monitoring of JTPA subrecipients.

The current method of charging salaries to these programs was established several years ago, and there is no one who can explain how or why this system was established. Because actual time spent on these programs by employees is not documented, the CSBG and JTPA programs are not being charged for the actual expenditures incurred by the programs.

Administrative expenditures for the CSBG and JTPA programs should reflect actual costs of administering these programs based on a cost allocation plan. Salary costs should be based on actual time spent on each program. Management of the department concurred with the finding and outlined a plan of corrective action (B-41).

F-98-CC-LABR-2 – Inadequate Monitoring of JTPA and CSBG Subrecipients

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

The Department of Labor did not adequately monitor subrecipients of the Job Training Partnership Act (CFDA 17.250), the Employment and Training Assistance - Dislocated Workers (CFDA 17.246) (JTPA), and the Community Services Block Grant (CSBG) (CFDA 93.569) programs. OMB Circular A-133, Part 3 states that a pass-through entity is responsible for monitoring a subgrantee's activities to provide reasonable assurance that the subgrantee administers federal awards in compliance with federal requirements. In addition, good internal controls require that documentation be maintained to support and document procedures used to administer and monitor these programs.

Tests of JTPA program monitors' reports, working papers, and related correspondence indicated that monitors had not reviewed the programs for all compliance requirements in OMB Circular A-133 that were applicable to JTPA. In one instance, supporting working papers could not be located for a monitoring report. Also, there was no evidence that the supervisor(s) of the

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

program monitors reviewed working papers for content and completeness and agreement with statements in the monitoring report.

The CSBG program monitors provided checklists as support for performing their monitoring function and as the basis for the monitoring reports issued; however, there were no working papers to document the procedures performed or compliance requirements reviewed. Two program monitors stated that they marked the checklists without actually performing a test, review, interview and/or audit observation for the question answered. Also, one program monitor stated that he did not retain his working papers once any findings were resolved.

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

The Department of Labor should ensure that its employees adequately monitor subrecipients' compliance with the JTPA and CSBG program regulations and should instruct its employees to prepare and retain working papers and other documents as evidence of their work. Management did not concur with the portion of the finding concerning monitoring of JTPA subrecipients because all subrecipients are audited regularly and the department feels its monitoring guidelines are adequate. The department also did not concur with the portion of the *finding concerning maintaining CSBG subrecipients monitoring working papers* because the department maintains working papers for the problem areas. The department concurred with the other parts of the finding and recommendation and outlined a plan of corrective action (B-42).

Additional Comments: The department is ensuring that required single audits of subrecipients are performed and that the subrecipients take prompt corrective action on any audit findings. However, OMB Circular A-133 provides that the pass-through entity (Department of Labor) is also responsible for identifying to the subrecipient the federal award information and applicable compliance requirements, monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements, and evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable federal regulations. Both the JTPA and CSBG monitoring working papers did not support an audit conclusion that all significant areas of compliance had been identified and reviewed by program monitors. For some of the JTPA working papers reviewed, there was no evidence that the monitoring guide adopted by the department was used and when the guide was used, all applicable sections had not been addressed by the monitors. CSBG checklists were not supported by adequate and reasonable working papers. In addition, the JTPA monitoring guide and the CSBG monitoring checklist have not been updated to incorporate all of the provisions of OMB Circular A-133. Without current updated guidelines, the department cannot ensure that its program monitors are adequately addressing all of the requirements of the JTPA and CSBG programs. The department should maintain all working papers to document its monitoring function.

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

SOCIAL SERVICES, DEPARTMENT OF

**F-98-CC-DSS-1 – Failure to Perform Cost Allocation
Samples Timely**

	<u>Questioned Costs</u>
93.558 – Temporary Assistance for Needy Families	\$0
93.575 – Child Care and Development Block Grant	
93.658 – Foster Care - Title IV-E	
93.667 – Social Services Block Grant	
<u>Food Stamp Cluster:</u>	
10.561 – State Administrative Matching Grants for Food Stamp Program	

For the second consecutive year, the Department of Social Services did not always ensure that the random moment sampling (RMS) process was conducted timely. 45 CFR Part 95, Subpart E and OMB Circular A-87 require the department to prepare, obtain federal approval for, and follow a plan for the allocation of indirect costs to the federal programs administered by the department. The approved plan designates RMS for the allocation of personnel costs to the Office of Family Support (OFS) and the Office of Community Services (OCS). Our audit tests revealed that the designated observer did not conduct the random moment sample at the scheduled time for 14% (2 of 14) of the observed samples for OFS and 31% (4 of 13) of the observed samples for OCS. The cost allocation plan also requires the department to perform a random monitoring observation of the RMS process for each location at least once per quarter to assure compliance with prescribed procedures. Two of 26 (7.7%) of the monitoring reports requested were not performed.

Failure to follow the internal control procedures designed to encourage and ensure compliance with prescribed procedures may contribute to the high rate of noncompliance. These deviations in prescribed procedures could result in developing inaccurate random moment statistics for the allocation of approximately \$18.2 million in personnel costs to the following major federal programs administered by OFS and OCS:

- CFDA 10.561 - State Administrative Matching Grants for Food Stamp Program
- CFDA 93.558 - Temporary Assistance for Needy Families
- CFDA 93.575 - Child Care and Development Block Grant
- CFDA 93.658 - Foster Care - Title IV-E
- CFDA 93.667 - Social Services Block Grant

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

The Department of Social Services should ensure that coordinators and observers adhere to the prescribed procedures for conducting and monitoring the random moment sampling process as required by the department's cost allocation plan. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-86).

INTERNAL CONTROL OVER COMPLIANCE

EDUCATION, DEPARTMENT OF

**F-98-CC-EDUC-2 – Inadequate Controls for the Cash
Management Improvement Act Agreement**

	<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	
93.575 – Child Care and Development Block Grant	
<u>Child Nutrition Cluster:</u>	
10.553 – School Breakfast Program	
10.555 – National School Lunch Program	
<u>JTPA Cluster:</u>	
17.250 – Job Training Partnership Act	
<u>Special Education Cluster:</u>	
84.027 – Special Education - Grants to States	

The State Department of Education (SDE) did not correctly develop clearance patterns for federal grants as required by the Cash Management Improvement Act (CMIA) agreement. Programs included in the CMIA agreement are the School Breakfast Program (CFDA 10.553), the National School Lunch Program (CFDA 10.555), the Child and Adult Care Food Program (CFDA 10.558), the Job Training and Partnership Act (CFDA 17.250), Title 1 Grants to Local Educational Agencies (CFDA 84.010), Special Education - Grants to States (CFDA 84.027), Vocational Education - Basic Grants to States (CFDA 84.048), and the Child Care and Development Block Grant (CFDA 93.575). The CMIA agreement between the U.S. Treasury and the State of Louisiana requires states to use payment clearance patterns for each applicable funding component for each program to determine the timing of drawdowns of federal funds. State agencies are to develop actual clearance patterns for programs covered by the agreement and to recertify the clearance patterns at least every five years. Actual clearance patterns are to be developed by tracking the funds disbursed from issuance to clearance for a period of at least three consecutive months. An authorized state official must certify the clearance pattern.

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

Tests of all five clearance patterns developed by the SDE and submitted to the Office of Statewide Reporting and Accounting Policy (OSRAP) disclosed the following:

- The SDE incorrectly used payments that included 34 different federal grants and numerous state funded programs to develop the clearance patterns for the National School Lunch Program, the Job Training and Partnership Act, Title 1 Grants to Local Educational Agencies, and Special Education - Grants to States. Also, the payments included both program and administrative costs, which should have had separate clearance patterns.
- The Director of OSRAP, who is the "authorized state official" for CMIA, instructed the SDE to apply the clearance pattern developed for the National School Lunch Program to drawdowns for the School Breakfast Program, Child and Adult Care Food Program, and Vocational Education - Basic Grants to States program without determining whether this clearance pattern reflected actual activity for the other programs. As noted in the first bullet, the clearance pattern for the National School Lunch Program was not developed properly.
- The SDE developed the clearance pattern for the Child Care and Development Block Grant by using payments from three nonconsecutive months, which is not in compliance with CMIA guidelines.

The complex financial reporting structure and numerous programs at the SDE makes it difficult and time consuming to obtain the information necessary to develop actual clearance patterns for each federal program. Because clearance patterns do not necessarily match actual program activity, the state could incur a future interest liability.

The department should establish and implement procedures to ensure actual clearance patterns are developed in accordance with the CMIA agreement, and the SDE should submit revised clearance patterns as necessary to OSRAP for all programs included in the CMIA agreement. Management partially concurred with the finding and recommendation and outlined a plan of corrective action (B-9).

EXECUTIVE, DEPARTMENT OF

**F-98-CC-EXEC-2 – Inadequate Monitoring of Cash Management
Improvement Act Programs**

	<u>Questioned Costs</u>
10.558 – Child and Adult Care Food Program	\$0
17.225 – Unemployment Insurance	
20.205 – Highway Planning and Construction	
84.010 – Title I Grants to Local Educational Agencies	
84.048 – Vocational Education - Basic Grants to States	

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

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

93.558 – Temporary Assistance for Needy Families

93.575 – Child Care and Development Block Grant

93.658 – Foster Care - Title IV-E

93.667 – Social Services Block Grant

**93.959 – Block Grants for Prevention and Treatment of
 Substance Abuse**

96.001 – Social Security - Disability Insurance

Child Nutrition Cluster:

10.553 – School Breakfast Program

10.555 – National School Lunch Program

Food Stamp Cluster:

**10.561 – State Administrative Matching Grants for
 Food Stamp Program**

JTPA Cluster:

**17.246 – Employment and Training Assistance -
 Dislocated Workers**

17.250 – Job Training Partnership Act

Special Education Cluster:

84.027 – Special Education - Grants to States

Medicaid Cluster:

93.778 – Medical Assistance Program

OSRAP does not provide an adequate control and review function over programs that fall under the federal Cash Management Improvement Act (CMIA) agreement. Section 7.9 of the CMIA agreement requires an authorized state official to certify that each clearance pattern developed by the state accurately corresponds to the clearance activity of the program to which it is applied. This duty has been assigned to the director of OSRAP. In addition, OSRAP is responsible for calculating the interest liability/receivable owed to or from the federal government when program draws and reimbursements are not made according to the CMIA agreement. However, the following control deficiencies were noted:

- OSRAP is certifying check clearance patterns for various programs without verifying that the data underlying the clearance pattern is representative of normal and actual check clearances for the program. OSRAP relies on state agencies to provide them with correct clearance patterns. After receipt of the clearance patterns from the agencies, OSRAP does no further investigation to assure that the check clearance patterns are representative of normal and actual clearance patterns before certification. Clearance patterns for the following programs were certified during the year, but the underlying data were either inaccurate or not accumulated as directed by the CMIA agreement:

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

- 10.555 National School Lunch Program
- 17.250 Job Training Partnership Act
- 84.010 Title I Grants to Local Educational Agencies
- 84.027 Special Education - Grants to States
- 93.575 Child Care and Development Block Grant
- 93.778 Medical Assistance Program
- Five of six agencies examined were not consistently notifying OSRAP when errors were discovered in their program draws. No formal notification procedures were developed by the agencies or OSRAP. Generally, the agencies correct the next draw after an error is identified without notification to OSRAP. Consequently, OSRAP cannot properly calculate the interest liability/receivable due to or from the federal government.

The lack of an adequate review and control function over clearance patterns increases the risk that interest owed to the state by the federal government may not be collected, and that interest owed by the state to the federal government may not be reported and paid, which is a violation of the CMIA agreement.

OSRAP should verify before certification that check clearance patterns developed by state agencies are representative of normal and actual check clearance and require state agencies to provide OSRAP with sufficient information or notification to determine that CMIA program draws were made in error. Management does not concur with this finding and does not believe that corrective action is required. The Commissioner of Administration states, in part, that OSRAP has always relied upon the abilities of the state agencies responsible for the programs in question to perform duties related to calculating clearance patterns accurately. He states that the Legislative Auditor is responsible for determining when clearance patterns for a specific program are established incorrectly. The Commissioner also maintains that OSRAP does not rely solely upon agencies to identify incorrect draws but reviews each draw to ensure that it was requested and received on the correct day and states that the auditors have in no instance found where the interest calculation has been reported incorrectly. See management's response at B-138.

Additional Comments: Six clearance patterns based on flawed agency data were submitted to OSRAP and subsequently certified by OSRAP, which indicates that complete reliance on agency personnel for this information is unfounded. OSRAP must take additional steps to ensure the accuracy of clearance patterns. While it is the Legislative Auditor's responsibility to audit compliance with federal regulations, it is clearly the Division of Administration's

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

responsibility to establish adequate monitoring controls to ensure that accurate information is reported.

OSRAP's procedures to determine whether federal funds are requested and received on the proper dates appear adequate, and these procedures were not questioned in the finding. However, this is only one type of error that could result in an interest liability to the state. *A liability for interest will also result if an agency draws more than it is entitled to through errors in calculating the amount of the draw.* Because OSRAP has no formal procedures requiring agencies to report the amount of an overdraw and the number of days the overdraw was outstanding, there is increased risk that the associated liability for interest will not be reported.

U.S. DEPARTMENT OF AGRICULTURE

INTERNAL CONTROL OVER COMPLIANCE

UNIVERSITY MEDICAL CENTER

F-98-AG-UMC-1 – Inadequate Controls Over Food Instruments

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

Questioned Costs

\$0

University Medical Center has not established adequate internal controls over the issuance of food instruments for the Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557, WIC) program. The WIC program requires that an applicant must be certified by a competent professional authority to be at nutritional risk and that food instruments must be controlled.

The medical center's competent professional authorities certify applicants and submit written orders for food instruments to be printed by a clerk. However, we noted that there is no subsequent supervisory review to determine that all food instruments issued have been properly authorized. Without adequate controls over the issuance of food instruments, the risk exists that federal funds could be misused, and errors and/or fraud could occur and not be detected in a timely manner.

University Medical Center should establish and maintain adequate internal controls over the issuance of food instruments. Management should provide for subsequent supervisory review of copies of food instruments retained by the medical center. The review should be performed by someone other than the person who prints the instruments to determine if sequential numbering of the instruments is intact, and the instruments are being issued properly and in accordance with program requirements. Management concurred with the finding and

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

recommendation and stated that the medical center has developed procedures to determine that all food vouchers issued are properly authorized (B-124).

U.S. DEPARTMENT OF INTERIOR

COMPLIANCE

WILDLIFE AND FISHERIES, DEPARTMENT OF

**F-98-INT-DWLF-1 – Vehicles Acquired With Federal Funds
Used for Unallowed Activities**

	<u>Questioned Costs</u>
<u>Fish and Wildlife Cluster:</u>	
15.611 – Wildlife Restoration	\$102,653

The Department of Wildlife and Fisheries is using seven vehicles purchased with federal funds for enforcement activities, which is an unallowable activity under federal program provisions. The U.S. Fish and Wildlife Service, Department of Interior, Wildlife Restoration Act of 1937, (CFDA 15.611), specifically prohibits using these funds for law enforcement activities. In September 1997, the department transferred to the Enforcement Division, seven vehicles costing \$102,653, which were purchased during 1994 and 1995 with federal funds. The department acknowledged that the transfer did occur, and the department may be required to reimburse the U.S. Fish and Wildlife Service, Department of Interior for the federal share of the fair market value of these vehicles greater than \$5,000 at the time of transfer.

The Department of Wildlife and Fisheries should contact the U.S. Fish and Wildlife Service regarding the possible reimbursement for the federal share of these vehicles and/or should use them only for allowable program purposes. Management stated that the U.S. Fish and Wildlife Service has been advised of the transfer of the vehicles, and negotiations are underway concerning grant reimbursement. See management's response at B-125.

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

U.S. DEPARTMENT OF TRANSPORTATION

COMPLIANCE

TRANSPORTATION AND DEVELOPMENT, DEPARTMENT OF

**F-98-DOT-DOTD-1 – Failure to Monitor Preliminary
Engineering Projects**

20.205 – Highway Planning and Construction

**Questioned Costs
\$820,445**

For the Highway Planning and Construction Program (CFDA 20.205), the Department of Transportation and Development (DOTD) did not advance 10 projects from the preliminary engineering phase to either the construction phase or the acquisition of right-of-way phase within ten years after federal funds were authorized. Title 23 of the Code of Federal Regulations (CFR), Part 630.307(c), requires that projects in the preliminary engineering phase be advanced to either the acquisition of right-of-way phase or the construction phase within 10 years of the authorization of federal funds to the project.

While DOTD has a system to track the progress of projects, it has not kept the system current for projects in the preliminary engineering phase resulting in a failure to monitor and advance these projects. Projects that do not advance to another phase within the 10-year time frame are required by the federal regulations to be withdrawn from federal funding and any federal funds expended on the project are to be refunded to the Federal Highway Administration (FHWA). Federal funds of \$820,445 were used on the projects and may have to be refunded to FHWA. In addition, projects that do not advance from the preliminary engineering phase into the construction phase within the 10-year time frame deprive the residents of Louisiana of improvements to the highway system.

DOTD should advance projects from the preliminary engineering phase to the construction or right-of-way phase within 10 years as required by 23 CFR 630.307(c). Management for the department does not concur with the finding and recommendation because the department has a system for tracking preliminary engineering projects. See management's response at B-122.

Additional Comments: While DOTD does have a system for tracking projects, it has not kept the system up to date. Three of the projects were not in the tracking system and DOTD did not know what their status should be. Four projects were either dropped or withdrawn but were still in the preliminary engineering phase and any federal funds spent on them should be returned to the FHWA. For the three active projects that have been in process over 10 years, DOTD should request an extension for completion of these projects from the FHWA and update its tracking system so their status can be monitored.

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

F-98-DOT-DOTD-2 – Untimely Closing of Projects

20.205 – Highway Planning and Construction

Questioned Costs
 \$0

For the Highway Planning and Construction Program (CFDA 20.205), DOTD has not closed completed projects timely and has not filed final vouchers timely with the Federal Highway Administration (FHWA) as required by departmental procedures and federal law. The DOTD Construction Contract Administration Manual contains procedures for closing contracts within 90 days of final acceptance of the completed project. Final acceptance is defined as a project being ready and available for public use. Title 23 of the CFR, Part 140.107 requires that a final voucher on each project be submitted promptly (within one year) to FHWA following project completion. At June 30, 1998, DOTD has 1,277 completed projects, with \$59,762,000 in allocated funds remaining that had not been closed within 90 days. Of the 1,277 completed projects, 107 were tested for compliance with final estimate procedures outlined in the department's Construction Contract Administration Manual. The following deficiencies were noted in the test:

- For 73 projects, the project files either did not have project file information from the project engineer to complete the final estimate or information submitted to the estimate section was incomplete. Eight of the 73 projects had a final acceptance date of over one year old with the oldest dating back to 1994.
- Information from cities, municipalities, parishes and others was needed to complete the final estimate for 15 projects. Twelve of the 15 projects had a final acceptance date of over one year old with the oldest dating back to 1981.
- For 18 of the 19 projects tested that had the final estimate completed, only one project was completed within the 90-day time frame.

FHWA provided a listing of 524 federally participating projects, which were included in the 1,277 completed projects previously mentioned, that it considered to be completed. At June 30, 1998, final vouchers have not been submitted to FHWA for these projects. Of 32 projects tested from the list, 31 projects had final acceptance dates that exceeded one year from project completion. The dates ranged from 2 to 11 years after project completion, with 15 projects having a final acceptance date of over 5 years.

The delay in closing completed projects and filing final vouchers with the FHWA is caused primarily by project engineers not submitting adequate and accurate information for preparing the final estimates on the projects. Without final estimates, completed projects cannot be closed and remaining funds allocated to other projects.

DOTD should adhere to procedures contained in the Construction Contract Administration Manual for closing completed projects by preparing final estimates within 90 days and reallocating unexpended funds promptly. DOTD should also comply with the Code of Federal

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

Regulations by submitting the final voucher to FHWA within one year of final acceptance of the project. Management generally concurred with the finding and recommendation and outlined a plan of corrective action (B-123).

GENERAL SERVICES ADMINISTRATION

COMPLIANCE

EXECUTIVE DEPARTMENT

F-98-GSA-EXEC-1 – Inadequate Subrecipient Monitoring

39.003 – Donation of Federal Surplus Personal Property

**Questioned Costs
\$0**

The Louisiana Federal Property Assistance Agency (LFPAA) does not have an adequate monitoring system to ensure that subrecipients spending \$300,000 or more in federal funds are audited in accordance with *Government Auditing Standards*. Federal regulations (OMB Circular A-133) require the LFPAA to ensure that a subrecipient expending \$300,000 or more in federal awards in a year has an audit performed that will comply with this circular. The receipt of surplus property is considered a federal award under OMB Circular A-133.

Supporting documentation for 20 property items distributed to subrecipients under the Donation of Federal Surplus Personal Property Program (CFDA 39.003) was reviewed to determine if an audit was required for these subrecipients. The documentation contained no evidence LFPAA had determined the amount of federal funds expended by any of these subrecipients and whether or not an audit was required.

Failure to ensure that federal subrecipients are audited increases the risk that subrecipients will not expend federal awards in accordance with applicable laws and regulations.

The LFPAA should provide for an adequate monitoring system to ensure that subrecipients spending \$300,000 or more in federal funds are audited in accordance with *Government Auditing Standards* and federal regulations. Management of the agency concurred with the finding and outlined a plan of corrective action (B-25).

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

INTERNAL CONTROL OVER COMPLIANCE

EXECUTIVE DEPARTMENT

F-98-GSA-EXEC-2 – Inaccurate Federal Financial Reports

39.003 – Donation of Federal Surplus Personal Property

Questioned Costs
\$0

LFPAA does not have adequate controls in place to ensure that federal financial reports for the Donation of Federal Surplus Personal Property Program (CFDA 39.003) are accurate. The Code of Federal Regulations (41 CFR 101-44.4701) requires that the agency submit a donation report of surplus personal property (Form 3040) each quarter to the General Services Administration (GSA). An adequate system of controls requires accurate reports supported by accounting records and adequate supervision and review to ensure that errors are detected and corrected timely.

Four quarterly donation reports submitted to GSA during the 1998 fiscal year were reviewed, and the following deficiencies were noted:

1. There were seven instances where amounts on the reports did not agree to the monthly inventory reports generated from LFPAA's property management system. On one report, the additions did not agree; on four reports, the deletions did not agree; and on two reports, the beginning inventory balance did not agree with the ending inventory balance of the previous report.
2. A master listing of surplus property at June 30, 1998, did not agree to the inventory balance on the June 1998 monthly inventory report or the June 1998 quarterly donation report. The listing totaled \$5,413,111, the ending inventory balance on the monthly report was \$5,385,472, and the ending inventory balance on the quarterly donation report was \$5,466,241, a difference of \$27,638 and \$53,130, respectively.

These errors were caused by the failure to reconcile property items received (additions) and donated (deletions) as listed in the property management system to the amounts recorded on the monthly inventory reports and the quarterly donation reports. Failure to properly supervise and review the federal financial reports increases the risk that errors will occur and not be detected or corrected timely.

LFPAA should establish adequate controls to ensure that federal financial reports are accurate and that errors are detected and corrected in a timely manner. Management of the agency concurred with the finding and outlined a plan of corrective action (B-20).

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

U.S. DEPARTMENT OF EDUCATION

COMPLIANCE

EDUCATION, DEPARTMENT OF

F-98-ED-EDUC-1 – Improper Administration of Joint Conference

Questioned Costs

Special Education Cluster:

84.027 – Special Education - Grants to States

\$7,815

For the second consecutive year, the State Department of Education (SDE) did not have adequate controls to ensure that conference expenditures and program income related to the Special Education - Grants to States (CFDA 84.027) program complied with applicable federal and state regulations. The Code of Federal Regulations (34 CFR 80.25) provides that program income shall be used only for the purposes specified under the conditions of the grant agreement, and grantees are encouraged to earn program income to defray program costs. Furthermore, OMB Circular A-87 provides that to be allowable, costs must be necessary and reasonable for proper and efficient performance and administration of the federal award. It also provides that costs of entertainment are unallowable. In addition, the Louisiana Constitution of 1974, Article VII, Section 14(A) states in part that the funds, credit, property, or things of value of the state shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. Finally, state travel regulations (PPM 49) state that the most cost-effective method of transportation that will accomplish the purpose of the travel shall be selected.

During a review of the Special Education Administrators' Conference that the department co-sponsored during the 1998 fiscal year, the following matters were noted:

- The SDE co-sponsored the conference held in New Orleans, Louisiana, on July 29 - August 1, 1997, with the Louisiana Association of Special Education Administrators (LASEA). No written agreement existed between the parties. The department allowed LASEA to act as fiscal agent for the conference, and LASEA did not submit copies of its conference records to the SDE for the SDE to determine the amount of program income, if any, and to determine whether all conference costs were allowable by federal regulations. The SDE paid a total of \$7,523 for two contracted speakers, two conference luncheons, and printing of the conference itinerary. The department was not reimbursed by LASEA for these costs, which constitutes a donation of public funds. In addition, the conference itinerary indicated that entertainment would be provided at one of the functions, which is a violation of OMB Circular A-87.

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

- The SDE reimbursed some of its staff for travel expenses totaling \$292 not in compliance with state travel regulations. For example, reimbursing employees for meals when meals were provided at the conference, reimbursing employees on the same day for both parking and taxi fare, et cetera.
- Of the SDE's 21 Baton Rouge staff members attending the conference, 15 were reimbursed both mileage totaling \$725 and parking fees totaling \$541 because carpooling was not used to its fullest extent.
- The SDE paid \$3,250 in registration fees for 26 of its staff members attending the conference, even though the majority of the session speakers were provided for by the SDE, either through contractors or some of the SDE staff.

The SDE co-sponsored this conference with LASEA because they have similar training objectives. However, the SDE neither has a grant with this entity nor does the entity administer the Special Education - Grants to States program, which would allow it to use program income. These conditions can be attributed to department personnel not being fully familiar with federal and state regulations; therefore, they have not implemented the controls necessary to ensure compliance with those regulations.

As a result, questioned costs include the \$7,523 of non-reimbursed conference expenses and the \$292 of travel expenses. In addition, since LASEA did not submit copies of its conference records, it could not be determined whether all conference costs are allowable by federal regulations, including entertainment, and if any program income was generated and kept by LASEA that would constitute a donation of public funds.

The SDE should implement the necessary controls to ensure that any future conferences comply with federal and state regulations applicable to program income, allowable costs, and travel. The SDE should maintain accurate and complete records for each conference. In addition, the department should seek recovery of any program income from LASEA. Finally, the department should confer with the U.S. Department of Education regarding the resolution of the questioned costs. Management partially concurred with the finding and recommendation and outlined a plan of corrective action (B-7).

F-98-ED-EDUC-2 – Inadequate Controls for the Safe and Drug-Free Program

84.186 – Safe and Drug-Free Schools and Communities - State Grants

Questioned Costs

\$142,461

The SDE did not have adequate controls to ensure contracts and expenditures of the Safe and Drug-Free Schools and Communities - State Grants (CFDA 84.186) program complied with federal laws, regulations, and cost principles. The SDE receives funds from this federal program for distribution to local educational agencies and community-based organizations for

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

use in drug and violence prevention activities. The audit of program records, contracts, and visits to two program sites disclosed the following instances of noncompliance:

- The SDE paid administrative costs that were \$118,422 in excess of the limit set by program regulations. Pursuant to the federal Safe and Drug-Free Schools and Communities Act of 1994, Section 4113(A) and (B), the Governor's Safe and Drug-Free Program is allocated 20% of the annual program funds received by the SDE, which it distributes, to community-based organizations. In addition, the act states that not more than 5% of this amount can be used for administrative costs of the program. However, the SDE retained the 5% available for administrative costs and approved a fiscal agent contract that paid the staff of the Governor's Safe and Drug-Free Program from funds earmarked for drug and violence prevention activities. As a result, the SDE and the staff of the Governor's Safe and Drug-Free Program incurred administrative costs totaling \$234,658 during the fiscal year, or \$118,422 more than the 5% limit of \$116,236.
- The SDE reimbursed a subgrantee, LSU Shreveport, \$5,881 for expenditures not allowed by federal cost principles. OMB Circular A-21, Subpart J, Section 1(f)(3) states that unallowable advertising and public relations costs include costs of promotional items and memorabilia, including models, gifts, and souvenirs. The costs reimbursed included expenditures for 600 tote bags and 700 T-shirts.

The SDE did not adequately review contracts for this federal program to ensure that these contracts complied with applicable federal laws, regulations, and cost principles. As a result, a total of \$124,303 of federal funds was expended in noncompliance with federal laws, regulations, and cost principles, and these expenditures are questioned costs.

In addition, the SDE's Bureau of Internal Audit, issued a report dated October 30, 1998, that questioned \$18,158 in payroll reimbursements made through the Governor's Safe and Drug-Free Program to the Treme Cultural and Enrichment Program for fiscal year 1995-96.

The SDE should implement controls to ensure that contract expenditures comply with federal laws, regulations, and cost principles. In addition, the SDE should ensure that personnel responsible for approving federal expenditures are familiar with the applicable federal cost principles. Finally, the SDE should consult with the U.S. Department of Education regarding the resolution of the questioned costs. The SDE is unable to offer a definitive statement as to concurrence or nonoccurrence until research can be completed on the technical and legal issues noted in the finding. See management's response at B-10.

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

F-98-ED-EDUC-3 – Unallowable Costs for Trip to Italy

Questioned Costs

Special Education Cluster:

84.027 – Special Education - Grants to States

\$10,592

The SDE improperly incurred costs for a trip to Italy, funded by the Special Education - Grants to States (CFDA 84.027) program. The objectives of this federal program are to provide grants to states to assist them in providing a free appropriate public education to all children with disabilities. The Code of Federal Regulations (34 CFR Part 300.370) allows the SDE to use a portion of its federal grant, outside of administrative costs, for direct services and support services. Direct services means services provided to a child with a disability by the state directly, by contract, or through other arrangements. Support services include implementing the comprehensive systems of personnel development of recruitment and training of hearing officers and surrogate parents, and public information and parent training activities relating to free appropriate public education for children with disabilities. In addition, OMB Circular A-87 provides that to be allowable under federal awards, costs must be necessary and reasonable for the proper and efficient performance and administration of the federal awards.

The contract between the SDE and Very Special Arts Louisiana, Inc. (VSA/LA, Inc.), for the period from July 1, 1995, through September 30, 1996, included a budgeted amount of \$17,000 for travel to expand the Exchange Program between VSA/LA, Inc., and Very Special Arts/Italy. As part of this Exchange Program, VSA/LA, Inc., sends representatives to Italy every other year, and Italy sends representatives here in the interim years. The objective of the exchange program is to promote the sharing of (1) teaching techniques, (2) research, (3) cultures, (4) artistic capabilities, and (5) legislative/administrative strategies among the administrators and teachers participating, and to demonstrate the appropriateness of involving children with severe disabilities in the international community. This trip occurred on September 6 through 20, 1996, and travel costs totaled \$10,592. Participants included two SDE employees, the president of the BESE board, the president of VSA/LA, Inc., and a public school teacher. The costs do not appear to meet the objectives of the federal program, the criteria defined by the CFR, or OMB Circular A-87. The result is questioned costs of \$10,592. The SDE representatives of the program felt that the trip did meet the objectives of the program.

The SDE should develop and implement procedures to ensure that contracts with subrecipients do not contain budgeted costs that are unallowed by federal regulations. In addition, the department should confer with the U.S. Department of Education regarding the resolution of the questioned costs. Ms. Marlyn J. Langley, Deputy Superintendent of the Office of Management and Finance, provided the following:

“The Department of Education (SDE) does not concur with the finding related to the ‘Unallowable Costs for Trip to Italy.’ The SDE believes your finding is based on a narrow definition of the term ‘support services’ as provided in Office of Management and Budget Circular A-87. The SDE believes ‘support services’ are not limited to those specific areas listed in your finding.

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

"In addition, the original project was recommended for approval by the State Special Education Advisory Panel and approved by the State Board of Elementary and Secondary Education. The SDE is unaware of any specific federal regulation prohibiting out-of-country travel associated with a specific activity to support programs for children with disabilities.

"As a precautionary measure, however, the SDE has written to Mr. Tom Hehir, Director, Office of Special Education Programs (OSEP), US Department of Education (USDOE) requesting this matter be clarified. If the USDOE determines the costs are unallowable, the SDE has also requested the USDOE assist in resolving any questioned cost. The response will be forwarded to your representatives upon receipt." See management's response at B-17.

F-98-ED-EDUC-4 – Unallowable Costs in Special Education Program

<u>Special Education Cluster:</u>	<u>Questioned Costs</u>
84.027 – Special Education - Grants to States	\$158,921

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

The U.S. Department of Education approved the Louisiana Special Education State Plan for the fiscal years 1994-1996. This plan was subsequently extended through fiscal year 1998 without any amendments. However, it was noted that program costs included support service charges for all or part of seven employee positions not included in the original plan. Management did not anticipate that an amendment would be necessary and did not request clarification from the U.S. Department of Education until after the end of the state fiscal year. Therefore, the costs associated with these unapproved employees totaling \$158,921 for the year ended June 30, 1998, are questioned.

The SDE should develop and implement procedures to ensure the Special Education - Grants to States program is charged for only positions authorized in the Louisiana Special Education State Plan and that timely amendments are made to the state plan as required by law. In addition, the department should confer with the U.S. Department of Education regarding the resolution of the questioned costs. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-18).

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

ELAINE P. NUNEZ COMMUNITY COLLEGE

F-98-ED-NUNEZ-1 – Student Refunds and Enrollment Status

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.063 – Federal Pell Grant Program	\$408
84.268 – Federal Direct Loan	<u>297</u>
	<u>\$705</u>

Nunez Community College did not report students' enrollment status or calculate refunds timely. Title 34 CFR Part 668.22 requires that the Student Financial Aid portion of a refund to the Pell Grant Program be made within 30 calendar days after a student withdraws from the institution. For Federal Direct Loan borrowers, Title 34 CFR Part 682.607 requires an institution to return to the lender any portion of a refund allocated to the loan program within 60 calendar days from the date the student withdraws or notifies the institution of his or her withdrawal. Title 34 CFR Part 685.309 requires an institution to notify the U.S. Department of Education within 30 days if it discovers that a direct loan has been made to a student who has ceased to be enrolled on at least a half-time basis.

In reviewing the college's compliance with federal regulations, the following deficiencies were noted:

- In a sample of three students who withdrew from the college, the college failed to notify the federal government of a change in enrollment status for one student.
- For two students who withdrew or dropped to half-time status during the period tested, the college failed to process refunds, totaling \$408, to the Federal Pell Grant Program.
- The college issued a refund, totaling \$297, to a student who withdrew from the college; however, the refund should have been returned to the Federal Direct Loan Program. The refund was issued to the student in error.

Noncompliance with federal regulations occurred because of problems in communication between departments at the college and the lack of oversight by college management. Failure to comply with federal regulations could result in the federal programs and lenders not receiving their share of program refunds.

Nunez Community College should provide adequate management oversight to ensure adherence to the federal regulations relating to Title IV funds. Management concurred with our finding and recommendation and outlined a plan of corrective action (B-19).

LEGISLATIVE AUDITOR

Schedule C

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

NORTHWESTERN STATE UNIVERSITY

F-98-ED-NSU-1 – Overaward of Title IV Aid

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.007 – Federal Supplemental Educational Opportunity Grants	\$236
84.032 – Federal Family Education Loans	8,982
84.038 – Federal Perkins Loan Program - Federal Capital Contributions	<u>991</u>
	<u>\$10,209</u>

Northwestern State University disbursed Title IV funds to various students when those funds together with other financial resources exceeded the cost of attendance or financial need for each student. The Code of Federal Regulations [34 CFR 682.604 (h)] discusses criteria for the delivery of Federal Family Education Loans under Title IV. This section of the CFR states that if the university learns that the borrower will receive or has received financial aid for the period of enrollment that exceeds the cost of attendance, the university must return the appropriate amount of the undelivered loan to the lender to eliminate the overaward. Furthermore, 34 CFR 674.14 (c)(3) and 34 CFR 676.14 (c)(3) state that an overpayment occurs when the school learns that a student has received resources not included in the calculation of Perkins Loan or Federal Supplemental Educational Opportunity Grant (FSEOG) eligibility that result in the student's total resources exceeding his or her financial need by more than \$300. The university must restore an amount equal to the overpayment and any administrative cost allowance to its Perkins Loan and FSEOG accounts even if it cannot collect the overpayment from the student.

Audit procedures conducted for 46 students indicated that eight, or 17%, of the students tested were awarded \$10,209 of Title IV aid [Federal Family Education Loans (CFDA 84.032, FFEL), Federal Perkins Loans (CFDA 84.038), and FSEOG (CFDA 84.007)] funds in excess of their financial need.

The financial aid office has not established the controls and procedures necessary for identifying all aid provided to students, detecting overawards, and then taking the appropriate action to remedy the overaward. The financial aid office failed to eliminate overawards by returning undelivered FFEL disbursements to the lender of the FFEL, or the portion of any loan disbursement for which the student was ineligible. Also, the university failed to return overpayments in excess of \$300 to its Perkins and FSEOG accounts. As a result, the university disbursed Title IV aid to students in excess of their financial need, totaling \$10,209. This amount represents questioned costs, which the grantor agency could request the university to repay.

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

Northwestern State University should establish and implement the controls necessary to ensure that awards of financial aid do not exceed the student's documented need. The controls should also ensure that the university is in compliance with all applicable regulations and that if an overaward occurs, the funds in the correct amount are returned in a timely manner. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-59).

SOCIAL SERVICES, DEPARTMENT OF

**F-98-ED-DSS-1 – Inadequate Controls Over Vocational
Rehabilitation Grants to States Program**

	<u>Questioned Costs</u>
84.126 – Rehabilitation Services - Vocational Rehabilitation Grants to States	\$257

The Department of Social Services, Division of Rehabilitation Services (LRS), did not consistently adhere to its established procedures in the administration of the Rehabilitation Services - Vocational Rehabilitation Grants to States (CFDA 84.126) program. The Blind Rehabilitation Information System (BRIS) User Manual, Section III, requires that payment documents be signed and dated as audited for discrepancies before input into the BRIS. 29 USC 722(a)(5) and LRS Policy and Procedures Manual, Section on "Eligibility and Ineligibility Decisions," require that eligibility be determined within a reasonable time not to exceed 60 days after application by client. An extension to the 60-day determination requires written approval by the client or his representative. LRS Policy and Procedures Manual, Section on "Conditions for Case Closure," requires that a case be closed when it is determined that the individual is not available for services, ineligible, or appropriate planned services, et cetera, have been completed. OMB Circular A-133 Compliance Supplement, Part 3(L), requires recipients to verify the reported amounts on the Payment Management System (PMS) 272 furnished by the U.S. Department of Health and Human Services. The review of the Rehabilitation Services - Vocational Rehabilitation Grants to States program disclosed the following conditions:

- Seven of 20 payments (35%) that totaled \$2,306 of the \$9,406 (25%) examined were not signed and dated as audited before input into the BRIS. Two of 20 payments (10%) that totaled \$257 (3%) were not supported by purchase order/requisition documents filed in the case file.
- One of 20 cases (5%) examined failed to document the extension of the 60-day determination and to obtain the required written approval by the client or his representative.
- One of 20 cases (5%) examined failed to properly follow established procedures in the closing of a case.

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

- For December 1997, the amount reported on the PMS 272 report did not reconcile with the amount of expenditures reported in the department's internal statement of expenditures. The amount per the PMS 272 report was \$2 million less for the 1997 grant and \$2.25 million less for the 1998 grant than the amount per the statement of expenditures.

These conditions can be attributed to the employees' inability or failure to perform their assigned duties. Also, failure to properly close a case is the result of the client moving to Texas and receiving assistance there. The case was left open pending services being completed in Texas and the client being considered rehabilitated. Failure to follow prescribed procedures could result in unallowable or unauthorized payments, the misrepresentation of rehabilitation services outcomes, or the inaccurate financial reporting to the federal government.

LRS should require all rehabilitation services workers to adhere to the established procedures by maintaining documentation of payments in client's case files that are audited before payment, obtaining written documentation and approval of any extension to the 60-day determination requirement, closing all cases as required on a timely basis, and reconciling financial reports to the department's statement of expenditures. Management concurred in part with the finding and recommendation and outlined a plan of corrective action. Management does not concur nor disagree with two parts of the finding concerning documentation of the extension of the 60-day determination and reconciliation of the PMS 272 report. See management's response at B-93.

Additional Comments: LRS should require all rehabilitation services workers to obtain written documentation and approval of any extension to the 60-day determination requirement and reconcile financial reports to the department's statement of expenditures.

STUDENT FINANCIAL ASSISTANCE, OFFICE OF

F-98-ED-OSFA-1 – Failure to Maintain Current Records

<u>Student Financial Assistance Cluster:</u>	<u>Questioned Costs</u>
84.032 – Federal Family Education Loans	\$0

The Office of Student Financial Assistance (OSFA) has not maintained current records for its student loan database for the Federal Family Education Loans (CFDA 84.032, FFEL) program. The Code of Federal Regulations, 34 CFR 682.414, requires that FFEL guaranty agencies maintain current, complete records for each loan they hold. The records must be maintained in a system that allows ready identification of each loan's current status, updated at least once every 10 business days.

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

Our audit of 20 student loan disbursements that were made by lenders during the fiscal year ended June 30, 1998, disclosed that OSFA had not updated student loan records timely. OSFA updated three student loan records for the disbursements on the 13th business day, 16th business day, and the 25th business day, which represents a 15% rate of noncompliance.

OSFA has not ensured that student loan records have been processed timely as required in the CFR, resulting in noncompliance. OSFA should establish controls to ensure that agency records are updated within the 10 business days prescribed in the CFR. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-121).

**SUMMARY OF FINDINGS
FROM OTHER EXTERNAL AUDITORS
FOR THE YEAR ENDED JUNE 30, 1998**

GRAMBLING STATE UNIVERSITY

Independent auditors performed an audit of Grambling State University's federal award programs for the year ended June 30, 1998, and have issued their report thereon dated October 30, 1998. The following findings were presented in their report:

F-98-ED-GSU-1 – Satisfactory Academic Progress

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.007 – Federal Supplemental Educational Opportunity Grants	\$800
84.032 – Federal Family Education Loans	19,687
84.033 – Federal Work-Study Program	680
84.038 – Federal Perkins Loan Program - Federal Capital Contributions	500
84.063 – Federal Pell Grant Program	<u>5,400</u>
	<u>\$27,067</u>

The auditors noted that 2 of 70 students tested were awarded and received financial aid, although the students did not meet the university's standards for achieving satisfactory academic progress. This resulted in questioned costs totaling \$27,067. This is the second consecutive year for a finding of this nature.

Title 34 CFR Subpart A Part 668.7(c) requires that students participating in the Title IV federal financial aid programs maintain satisfactory progress in the course of study he or she is pursuing, according to the standards and practices of that institution. OMB Circular A-133

LEGISLATIVE AUDITOR

Schedule C

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

Compliance Supplement, Part 5, Appendix A, Student Financial Assistance - Student Eligibility Compliance Requirement 6 stipulates that a student must maintain good standing or satisfactory progress to be eligible for student financial aid.

The auditors recommended that the university adhere to established policies and procedures and monitor the academic standing of all students before awarding student financial aid. See management's response at B-29.

F-98-ED-GSU-2 – Student Eligibility

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.007 – Federal Supplemental Educational Opportunity Grants	\$0
84.032 – Federal Family Education Loans	4,625
84.063 – Federal Pell Grant Program	<u>2,650</u>
	<u>\$7,275</u>

The auditors noted that 1 of 70 student aid reports tested was flagged with a conflict regarding the student not being registered with Selective Services. However, the university did not maintain any documentation in the student's file indicating resolution of the conflict. This resulted in questioned costs totaling \$7,275.

OMB Circular A-133 Compliance Supplement, Part 5, Appendix A, Student Financial Assistance - Student Eligibility stipulates that a student is eligible to receive student financial aid if the student has registered under Section 3 of the Military Service Act.

The auditors recommended that the university adhere to established procedures and ensure that Student Aid Report conflicts are properly resolved and documented. See management's response at B-30.

**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, 1998, and have issued their report thereon dated November 27, 1998. The following findings were presented in their report:

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

F-98-ED-SUBR-1 – Satisfactory Academic Progress

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.007 – Federal Supplemental Educational Opportunity Grants	\$0
84.032 – Federal Family Education Loans	4,588
84.033 – Federal Work-Study Program	0
84.063 – Federal Pell Grant Program	<u>2,700</u>
	<u>\$7,288</u>

The auditors noted that 1 student out of 70 tested was awarded and received financial aid although the student did not meet the university's standards for achieving satisfactory academic progress, resulting in questioned costs of \$7,288. This is the third consecutive year a finding of this nature has been reported.

Title 34 CFR Part 668.7(c) stipulates that to receive aid, students participating in the Title IV Federal Financial Aid programs must be maintaining satisfactory progress in the course of study he or she is pursuing according to the standards and practices of that institution. OMB Circular A-133 Compliance Supplement, Part 5, Appendix A, Student Financial Assistance - Student Eligibility Compliance Requirement Number 6 stipulates that a student must maintain good standing or satisfactory progress.

The auditors recommended that the university adhere to established policies and procedures and monitor the academic standing of all students before awarding student financial aid. See management's response at B-111.

F-98-ED-SUBR-2 – Federal Family Education Loan Limits

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.032 – Federal Family Education Loans	\$5,908

The auditors noted that 1 student out of 70 tested received a loan amount that exceeded the aggregate loan limit, resulting in questioned costs of \$5,908.

Title 34 CFR 682.204 and 685.203 and OMB Circular A-133 Compliance Supplement, Part 5, Student Financial Assistance Programs, Section E state that the aggregate unpaid principal amount of all loans under the Federal Family Education Loans Program and the Federal Direct Loan Program may not exceed \$23,000 in the case of any student who has not successfully completed a program of study at the undergraduate level. Title 34 CFR 682.204(a) and OMB Circular A-133 Compliance Supplement, Part 5 state that the annual loan limits for the first year of a program of undergraduate education may not exceed \$2,625, for the second year may not exceed \$3,500, and for the year thereafter, may not exceed \$5,000.

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

The auditors recommended that the university adhere to established procedures regarding the disbursement of FFEL loan proceeds. See management's response at B-111.

F-98-ED-SUBR-3 – Aid in Excess of Documented Need

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.032 – Federal Family Education Loans	\$1,862

The auditors noted that 2 of 70 students tested received financial aid in excess of their *documented need*. The university did not properly monitor the awarding and disbursing of financial aid to certain students resulting in questioned costs totaling \$1,862. This is the second consecutive year a finding of this nature has been reported.

OMB Circular A-133 Compliance Supplement, Part 5, Student Financial Assistance Programs, Section E (Eligibility) stipulates that financial aid awards must be coordinated among the various financial aid programs and with other federal and nonfederal aid to ensure that total aid is not awarded in excess of a student's financial need.

The auditors recommended that the university adhere to established procedures to ensure that all available resources are utilized and are included as part of a student's total award package. See management's response at B-112.

SOUTHERN UNIVERSITY AT NEW ORLEANS

Independent auditors performed an audit of the Southern University at New Orleans federal award programs for the year ended June 30, 1998, and have issued their report thereon dated November 27, 1998. The following finding was presented in their report:

F-98-ED-SUNO-1 – Title IV Refunds

	<u>Questioned Costs</u>
<u>Student Financial Assistance Cluster:</u>	
84.032 – Federal Family Education Loans	\$0
84.063 – Federal Pell Grant Program	0

The auditors noted the following during their audit of the Title IV refunds:

- Twelve refunds out of 13 tested were not remitted to the Title IV Program within the prescribed time frame.
- One refund out of 13 tested was incorrectly calculated.
- Two refunds out of 13 tested were distributed to the incorrect Title IV program.

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

- Three repayments were not performed.

OMB Circular A-133 Compliance Supplement, Part 5, Section 4 stipulates that Title IV refunds must be calculated and applied to the pertinent Title IV program within a prescribed timeframe.

The auditors recommend that the university adhere to established procedures for processing Title IV refunds. See management's response at B-114.

SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY

Independent auditors performed an audit of the Southern University at Shreveport-Bossier City federal award programs for the year ended June 30, 1998, and have issued their report thereon dated November 27, 1998. The following finding was presented in their report:

F-98-ED-SUSH-1 – Title IV Refunds

Student Financial Assistance Cluster:
84.063 – Federal Pell Grant Program

Questioned Costs

\$0

The auditors noted during the audit of the Title IV refunds that 10 refunds out of 10 tested were not remitted to the Title IV Program within 30 days. The university did not closely monitor the withdrawal date of certain students.

OMB Circular A-133 Compliance Supplement, Part 5, Section 4 stipulates that Title IV refunds must be performed within 30 days of the date the student officially withdraws.

The auditors recommended that the university adhere to established procedures for processing Title IV refunds. See management's response at B-116.

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

INTERNAL CONTROL OVER COMPLIANCE

EDUCATION, DEPARTMENT OF

F-98-ED-EDUC-5 – Inadequate Controls for Federal
 Cash Management

	<u>Questioned Costs</u>
84.010 – Title I Grants to Local Educational Agencies	\$0
84.011 – Migrant Education - Basic State Grant Program	
84.048 – Vocational Education - Basic Grants to States	
84.181 – Special Education - Grants for Infants and Families with Disabilities	
84.196 – Education for Homeless Children and Youth	
84.276 – Goals 2000 - State and Local Education Systemic Improvement Grants	
84.281 – Eisenhower Professional Development State Grants	
84.298 – Innovative Education Program Strategies	
<u>Special Education Cluster:</u>	
84.027 – Special Education - Grants to States	

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

The SDE submits cash transaction reports to the U.S. Department of Education on a monthly basis. However, the SDE requires some subgrantees to only submit cash balance reports at the end of 15 months and to refund excess cash after 27 months, the due dates for a preliminary project completion report and final project completion report, respectively. In addition, the SDE neither requires subgrantees to report interest earned on advances nor to remit to the grantor agency interest earned in excess of \$100.

Because these controls do not conform to cash management regulations, subgrantees received payments in excess of their immediate needs as evidenced by refunds received by the SDE. For the year ended June 30, 1998, the SDE received 21 refunds of excess cash totaling \$177,005 from the following federal programs:

LEGISLATIVE AUDITOR

Schedule C

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

- Title I Grants to Local Educational Agencies (CFDA 84.010), \$124,328
- Migrant Education - Basic State Grant Program (CFDA 84.011), \$7,541
- Special Education Grants to States (CFDA 84.027), \$2,686
- Vocational Education - Basic Grants to States (CFDA 84.048), \$314
- Special Education - Grants for Infants and Families With Disabilities (CFDA 84.181), \$33,972
- Education for Homeless Children and Youth (CFDA 84.196), \$3,044
- Goals 2000 - State and Local Education Systemic Improvement Grants (CFDA 84.276), \$1,000
- Eisenhower Professional Development State Grants (CFDA 84.281), \$3,225
- Innovative Education Program Strategies (CFDA 84.298), \$895

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

The SDE should establish and implement procedures to ensure that subgrantees limit draws to immediate cash needs, submit monthly cash balance and disbursement reports, remit any excess cash balances monthly or adjust monthly draws accordingly, and remit at least quarterly to the grantor agency any interest earned on cash advances. Also, existing accumulated interest balances at subgrantees should be remitted immediately to the grantor agency. Management partially concurred with the finding and recommendation and outlined the corrective action taken (B-8).

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

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

COMPLIANCE

EDUCATION, DEPARTMENT OF

**F-98-HHS-EDUC-1 – Inadequate Controls Over the
Church-Based Tutorial Network**

93.575 – Child Care and Development Block Grant

Questioned Costs
\$51,788

The SDE did not maintain adequate internal controls over the Church-Based Tutorial Network, as prescribed by state laws and regulations and the provisions of its subrecipient contracts. During the fiscal year ended June 30, 1998, the SDE expended \$1,889,665 in state funds to subrecipients through the Church-Based Tutorial Network. Before the 1998 fiscal year, the Louisiana Department of Social Services, through an interagency agreement with the SDE, also provided the Church-Based Tutorial Network with federal funds from the Child Care and Development Block Grant (CFDA 93.575).

A review of program records, visits to seven tutoring sites, and information provided by the department's Bureau of Internal Audit disclosed the following weaknesses and instances of noncompliance:

Movable Property

For the second consecutive year, the SDE did not have adequate controls to monitor the locations of state-owned movable property purchased for use by the Church-Based Tutorial Network. Movable property regulations require each state agency to track the location of movable property items. A sample of 78 items of movable property assigned to seven tutoring sites and a review of the SDE program records disclosed the following:

- Fourteen items of computer equipment with a total cost of \$13,260 were listed on the movable property inventory at three sites, but could not be located at those sites.
- Nine items of computer equipment with a total cost of \$12,734 listed on the movable property inventory at three sites did not have a state property tag affixed to the items.
- Eight of 10 items of computer equipment with a total cost of \$7,175 were listed on the movable property inventory at one site, but were reported by the program coordinator to be broken and unusable.

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

- One item of computer equipment with a cost of \$2,195 was found at a site other than the site to which it was assigned.
- The inventory lists movable property with a total cost of \$60,689 at five sites that have not operated a program since July 1997. The inventory also lists movable property with a total cost of \$110,724 at 11 sites that did not operate a program during fiscal year 1997-98. Allowing equipment to remain at sites that no longer operate programs deprives active sites of its use and increases the risk that the equipment will be lost, damaged, or stolen.

State Eligibility Criteria

For the second consecutive year, the SDE has not established adequate state eligibility criteria for the tutoring sites. The Church-Based Tutorial Network administrative manual indicates that the program is designed to serve students who lack proficiency in basic academic skills, who evidence a high rate of school absenteeism, who exhibit personality and social adjustment problems, and who are at risk of dropping out of school. However, the only existing eligibility criterion required for participation is that a child must be between 5 and 18 years old and enrolled in a public or private school. Eligibility guidelines ensure that the program is being offered to the population of students identified in the objectives of the program. Also, comprehensive eligibility criteria would enhance the development of performance indicators to assess the program's effectiveness in achieving its goals and objectives.

Payroll Taxes

The standard contract for Church-Based Tutorial Network subrecipients states that payments will be on a reimbursement-basis only.

- During the period from July 1, 1994, to June 30, 1998, the SDE disbursed state funds to subrecipients totaling \$265,785 for FICA and Medicare tax payments and \$140,802 for state unemployment tax payments. These payments were made without verifying that reimbursement claims were supported by actual expenditures.
- For the fiscal year ended June 30, 1997, the SDE used federal funds from the Child Care and Development Block Grant (CFDA 93.575) to pay subrecipients a total of \$33,015 for FICA and Medicare tax payments and \$18,773 for state unemployment tax payments. These payments were made without verifying that reimbursement claims were supported by actual expenditures and the result is questioned costs of \$51,788.

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

- *Visits to seven tutorial sites and information provided by the department's Bureau of Internal Audit disclosed the following:*
 - *At six of seven sites (86%), the program coordinators reported they did not remit any unemployment taxes to the Louisiana Department of Labor. However, the SDE paid these sites a total of \$3,398 for state unemployment taxes during fiscal year 1997 and 1998. In addition, program coordinators at four of the sites (57%) stated that they did not remit any FICA and Medicare taxes to the Internal Revenue Service. However, the SDE paid these sites a total of \$4,415 for FICA and Medicare taxes during fiscal year 1997 and 1998.*
 - *In a letter dated April 2, 1998, the Department of Labor notified the SDE that churches were not subject to state unemployment taxes. However, the SDE continued to pay unemployment taxes to Church-Based Tutorial Network recipients through May 31, 1998, even though program administrators reported they were aware that many sites did not remit any unemployment taxes to the state and the taxes were not applicable.*
 - *Program monitors do not verify during site visits that claims are supported by actual expenditures. As a result, the SDE does not know which sites did or did not pay FICA, Medicare, and/or state unemployment taxes. Also, many sites that were funded in prior years no longer have tutorial programs and recovery of unsupported reimbursements might be difficult.*

During the fiscal year, the department made changes in the administration of the Church-Based Tutorial Network. However, the SDE needs to further refine its corrective action plan to ensure the program is administered in accordance with state laws and regulations and its own subrecipient contract provisions.

The department should take the necessary measures to maintain adequate controls over the administration of the Church-Based Tutorial Network. Specifically, the SDE should:

- Perform a complete inventory of movable property at all Church-Based Tutorial Network sites, adjust the inventory records to accurately reflect the location of those items, and transfer all state equipment from inactive sites or equipment that is broken and obsolete back to the department
- Develop comprehensive eligibility criteria to ensure that the Church-Based Tutorial Network is serving the population for which it was intended

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

- Make payments to subrecipients on a reimbursement-basis only and establish a system of monitoring that includes the verification of expenditures
- Recover from subrecipients any payments for payroll taxes that are not supported by actual expenditures
- Determine what taxes are applicable to subrecipients before making reimbursements for those expenditures
- Consult with the U.S. Department of Health and Human Services regarding the finding and questioned costs and with the Department of Social Services concerning the return of any unspent payroll tax payments that were funded to subrecipients from the Child Care and Development Block Grant

Management partially concurred with the finding and recommendation and outlined a plan of corrective action (B-15).

HEALTH AND HOSPITALS, DEPARTMENT OF

**F-98-HHS-DHH-1 – Failure to Reimburse Federal Share of
Provider Overpayments**

Medicaid Cluster:

93.778 – Medical Assistance Program

Questioned Costs

\$3,032,637

For the second consecutive year, the Department of Health and Hospitals (DHH) understated the balance of provider overpayments in the Medical Assistance Program (CFDA 93.778, Medicaid) by \$4,218,348, and failed to return an estimated \$3,032,637 in federal financial participation (FFP) for these overpayments to the Health Care Financing Administration (HCFA). The Code of Federal Regulations (42 CFR 433.300 - 433.320) requires that in most cases states are to refund the federal share of identified provider overpayments to the federal government within 60 days of the identification of the overpayment, regardless of whether the overpayment was collected from the provider.

Some provider overpayments are identified by the Louisiana Attorney General (AG) who prosecutes Medicaid providers suspected of committing fraud in the program. When the court enters a judgment against a provider, the AG maintains the account and monitors the collection of the outstanding balance. Once the judgment is entered and the balance owed by the provider is determined, DHH is responsible for reporting the balance and returning the FFP. An audit of identified provider overpayments disclosed five accounts maintained by the AG that had not been reported by the department, even though the judgments were entered either on September 1, 1995, or on December 28, 1995. The total of these account balances was \$4,218,348, and the FFP that should have been returned was \$3,032,637.

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

This condition occurred because DHH management has not ensured that balances reported by the department are accurate and that accounts maintained at DHH are reconciled with the AG accounts and reported accurately. Because DHH did not accurately report provider overpayments, the department is in noncompliance with federal regulations and has incurred questioned costs of \$3,032,637.

DHH should establish controls to ensure that accounts maintained by the AG are reconciled with reports at DHH and that the federal share of these payments is returned in accordance with federal regulations. Management concurred with the finding and recommendation and indicated the *corrective action* that has been implemented in each area. See management's response at B-32.

F-98-HHS-DHH-2 – Laboratory Services Payment Errors

Questioned Costs

Medicaid Cluster:

93.778 – Medical Assistance Program

\$639

For the third consecutive year, DHH may have overpaid providers in the Medical Assistance Program (CFDA 93.778, Medicaid) for automated chemistry laboratory procedures. The overpayment is estimated at \$25,100.

Medicare, Medicaid, and Louisiana rules and regulations govern the provider payments for laboratory services and require that certain automated tests for chemistry be "bundled" into panels for billing purposes. Specific combinations of tests, when billed as a single procedure rather than as individual tests, result in a lower cost to the program. An examination of provider payments for the calendar year 1997 disclosed that of 60 claims totaling \$2,267 sampled for automated chemistry billings, 57 items resulted in potential overpayments totaling \$639, and this amount is questioned costs. When statistically projected to the population of 2,358 claims totaling \$89,101, the potential overpayment to providers is \$25,100, or 28.17% of the population dollars. The estimated amount due to the Health Care Financing Administration for the federal share of these overpayments is \$19,053.

While the Medicaid Management Information System (MMIS), which is operated by the fiscal intermediary, Unisys, includes edits to ensure that automated chemistry tests are properly bundled, these edits do not appear to be sufficient to detect and prevent payment for tests that are not properly bundled and/or duplicated. As a result, overpayments that are significant either in dollars or as a percentage of total claims for a specific category, as described previously, may occur. This condition indicates that additional provider overpayments in other areas could have occurred and not been detected timely.

DHH and its program integrity section should review the potential overpayments and refer them to the Surveillance Utilization Review System (SURS), DHH internal legal counsel, and/or the Louisiana Attorney General's Medicaid Fraud Control Unit for investigation and recoupment of any amounts due from providers for overpayments. In addition, the department should review

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

the MMIS computer edits to determine why they are not operating as defined. Finally, DHH should determine what impact the previous conditions may have on other categories of provider payments. Management concurred with the finding and recommendation and outlined a plan for corrective action (B-33).

**F-98-HHS-DHH-3 – Medicaid Provider Enrollment Procedures
Not Always Followed**

<u>Medicaid Cluster:</u>	<u>Questioned Costs</u>
93.778 – Medical Assistance Program	\$0

DHH has not enrolled providers in the Medical Assistance Program (CFDA 93.778, Medicaid) in accordance with federal and state laws and regulations and departmental policies and procedures. In order to participate in the Medicaid Program and receive Medicaid payments, providers of medical services must be licensed in accordance with federal, state, and local laws and regulations and the provider must make ownership disclosures to the state.

Our review of 40 provider files disclosed the following:

1. Seven providers' files did not include copies of their licenses. DHH verbally confirmed that four of the seven providers were licensed through their respective state licensing boards. No documentation was in the files that the other three providers were licensed.
2. Five providers were no longer licensed, but they were still actively enrolled as Medicaid providers according to the computer database of eligible providers. The license for all five had been expired for over two years. No payments were made to providers in calendar year 1997.
3. Nine providers were required to submit disclosure of ownership. The required disclosure was not in the file for one of these providers.

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

DHH should review its provider enrollment process and establish formal written guidelines that specify the required levels of documentation for enrollment. In addition, DHH should establish procedures that will identify providers who are no longer licensed and will ensure their timely removal from the active list of Medicaid Program providers. Management concurred with the finding and recommendation and outlined a plan for corrective action (B-36).

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

F-98-HHS-DHH-4 – Medicaid Third Party Liability Errors

Questioned Costs

Medicaid Cluster:

93.778 – Medical Assistance Program

\$68,496

For the third consecutive year, DHH has not adequately identified and recorded the existence of private health insurance for all recipients of the Medical Assistance Program (CFDA 93.778, Medicaid). The Code of Federal Regulations (42 CFR 433.135 - 433.154) requires assignment of third party liability (TPL) rights to Medicaid. Our audit included a review of case files for recipients whose eligibility determinations are made by DHH, Office of Family Support (OFS) in the Department of Social Services, and the Social Security Administration (SSA). DHH processes approximately 47% of those determinations, OFS processes 27%, and SSA processes 26%. The department's failure to identify and record Medicaid recipients' private insurance coverage results in the improper use of state and Medicaid funds when medical providers are paid for services that should be financed by private insurance.

Our test for compliance with TPL regulations included a review of 140 recipient files. Our test resulted in questioned costs totaling \$68,496 for the following:

- Two recipient files that were processed by DHH indicated possible TPL coverage. The caseworker did not pursue the situation to determine whether or not the recipients did, in fact, have private insurance coverage. The claims paid in calendar year 1997 for these recipients totaled \$581.
- Eight recipient files that were processed by DHH specifically stated that there was private insurance coverage. Since the computer file (MMIS) contained no indication of TPL, claims may not have been paid correctly. The claims paid in calendar year 1997 for these recipients totaled \$56,322.
- Two recipient files indicated that there was TPL coverage and MMIS contained the TPL indicator. However, the claims paid for the recipient did not appear to have been adjusted for amounts that would have been covered by the private insurance company. The claims paid in calendar year 1997 for these recipients totaled \$10,831.
- DHH could not locate the case file for one recipient. No claims were paid in calendar year 1997 for the recipient.
- OFS made 32 of the eligibility determinations that we tested. Eight (25%) of those recipient files had no documentation to show that the recipients had been informed that federal regulations and state statutes require assignment of third party benefits. The claims paid in calendar year 1997 for these recipients totaled \$762.

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

DHH management should emphasize the importance of identifying private insurance coverage and recording that coverage in MMIS to ensure that claims payments are limited only to the amounts that are not covered by private insurance. Furthermore, management should consider whether the method of identifying TPL during the application or interview process is the most reliable method available to the departments that make eligibility determinations. Management concurred with the finding and recommendation and outlined a plan for corrective action (B-38).

**F-98-HHS-DHH-5 – Untimely Filing and Payment of
Medicaid Bills**

Questioned Costs

Medicaid Cluster:

93.778 – Medical Assistance Program

\$843

DHH paid an estimated \$1,281,490 to Medical Assistance Program (CFDA 93.778, Medicaid) providers for claims that were not filed within the time frame set forth by federal regulations. The Code of Federal Regulations [42 CFR 447.45(d)] requires providers to submit all claims no later than 12 months from the date of service, unless one of four specific exceptions apply.

An examination of provider payments for the 1997 calendar year disclosed that 91,219 paid claims totaling \$25,795,203 had not been filed within the required 12 months from the date of service. However, more testing would be required to determine if any of the four exceptions would apply. A sample of 60 of these claims totaling \$7,598 was selected for detailed review. Seven of the 60 claims (12%) totaling \$843 were untimely, and none of the four exceptions applied. When statistically projected to the population, the potential unallowable payments to providers are estimated at \$1,281,490. The estimated amount due to the Health Care Financing Administration for the federal share of these payments would be \$910,242. DHH did not ensure that edits in the fiscal intermediary's computer system were sufficient to detect and prevent payment of medical claims that did not meet the 12 month timely filing rule or one of the four exceptions.

DHH should review the fiscal intermediary's system to ensure that the system contains edits and that claims are reviewed to prevent payment of all ineligible claims. Also, the department should adequately communicate the requirements for timely filing to all providers. Management concurred with the finding and recommendation and outlined a plan for corrective action (B-40).

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

SOCIAL SERVICES, DEPARTMENT OF

F-98-HHS-DSS-1 – Inadequate Controls Over Foster
 Care Program

93.658 – Foster Care - Title IV-E

Questioned Costs
\$1,612

For the second consecutive year, the Department of Social Services, Office of Community Services (OCS), did not consistently adhere to its established procedures in the administration of the Foster Care - Title IV-E (CFDA 93.658) program. The procedural manual for the Tracking Information and Payment System (TIPS), through which payments for foster care services are made, requires that service authorizations be prepared and approved for room and board payments and that receipts or other documentation be filed in the client's records for vendor *payments and expenditures made by foster parents on behalf of foster care children*. The OCS Financial Assessment Manual requires that eligibility for foster care be determined every six months after the initial eligibility determination. The OCS Program Policy Manual requires a re-certification study of each foster family home and specialized family foster home six months after the initial certification and annually thereafter. It also requires that residential foster care facilities be licensed annually by the department's Licensing Bureau. The audit test of the Foster Care - Title IV-E program disclosed the following conditions:

- Seven of 50 payments (14%) that totaled \$1,612 of the \$5,468 (30%) examined were not supported by the required documentation.
- Eight of the 40 cases (20%) examined were not re-determined eligible for foster care within the six-month time frame.
- Two of the 40 foster homes or residential facilities (5%) were not re-certified within one year.

These conditions may be attributed to poor record keeping practices, poor coordination between staff in processing documentation required to determine continuing eligibility, and an inadequate monitoring system to detect foster care homes requiring re-certification. Failure to follow prescribed procedures could result in unallowable, unauthorized, or duplicate payments or the placement of clients in unsuitable or unsafe environments.

OCS should immediately require all foster care workers to adhere to the established procedures by maintaining documentation of payments in clients' payment records, coordinating the timely dissemination and processing of documentation required for re-determining client eligibility, and monitoring the timely recertification of foster care homes. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-90).

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

F-98-HHS-DSS-2 – Inadequate Monitoring of Subrecipients

93.558 – Temporary Assistance for Needy Families

Questioned Costs

\$0

For the fifth consecutive year, the Department of Social Services does not have an adequate monitoring system to ensure that all subrecipients and cost-reimbursement contractors are audited in accordance with *Government Auditing Standards*. Furthermore, the department does not have an adequate monitoring system to ensure that subrecipients receiving federal funds comply with applicable federal regulations. OMB Circular A-133 requires the department to ensure that each subrecipient expending federal pass-through funds totaling \$300,000 or more has an audit performed that will comply with the circular. Louisiana Administrative Code 34:V:134 gives the department the option of requiring audits, examining source documents for each payment request, or using internal auditors to do frequent surprise contract compliance audits of contractors that receive \$100,000 or more in state funds. The department has elected to require audits. Also, OMB Circular A-133 requires that a pass-through entity is responsible for identifying to the subrecipient the federal award information and applicable compliance requirements, monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements, ensuring required audits are performed and that the subrecipient takes prompt corrective action on any audit findings, and evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable federal regulations.

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

- While monitoring procedures have been developed to ensure that subrecipients or cost-reimbursement contractors are audited, the department did not implement these procedures until March 1998. For fiscal year 1997-98, the department cannot ensure that all required audits were received.
- Within the Office of Family Support, a monitoring system has been implemented; however, the system does not include procedures to ensure that the federal award information and applicable compliance requirements are provided to the subrecipient. Also, the office failed to ensure that subrecipients used federal funds within the Temporary Assistance for Needy Families (TANF) (CFDA 93.558) program in accordance with authorized purposes.

Failure to ensure that federal subrecipients or cost-reimbursement contractors are audited in accordance with *Government Auditing Standards* and to monitor subrecipients in accordance with OMB Circular A-133 increases the risk that federal subrecipients or cost-reimbursement contractors will not expend federal financial assistance or state funds, respectively, in accordance with applicable laws and regulations.

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

The Department of Social Services should ensure that federal subrecipients and cost-reimbursement contractors are audited and monitored as required by federal and state laws and regulations. The department also should ensure that subrecipients receiving federal funds comply with federal program requirements. Management did not concur with the finding and recommendation because the department is relying on the subrecipients and contractors to inform them if an A-133 audit is required. The department stated that when a pass-through entity knows that a subrecipient will have an A-133 audit, it may reduce the amount of monitoring it performs because it can rely on the single audit results regarding the subrecipients' compliance with program requirements. See management's response at B-96.

Additional Comments: We acknowledge that the Department of Social Services has implemented procedures for the 1998-99 fiscal year to identify subrecipients and require compliance with Circular A-133. However, such identification was not done for the fiscal year 1997-98; consequently, the department failed to ensure that federal subrecipients and cost-reimbursement contractors are audited and/or monitored as required by federal and state laws and regulations for the 1997-98 fiscal year.

INTERNAL CONTROL OVER COMPLIANCE

HEALTH AND HOSPITALS, DEPARTMENT OF

F-98-HHS-DHH-6 – Medicaid Cash Management Errors

Questioned Costs

Medicaid Cluster:

93.778 – Medical Assistance Program

\$0

For the fifth consecutive year, DHH has not complied with the Medical Assistance Program (CFDA 93.778, Medicaid) requirements of the Cash Management Improvement Act (CMIA) agreement. This agreement between the State of Louisiana and the U.S. Department of the Treasury describes the methods to be used by the state for drawing federal funds for specified federal programs. When the state draws federal funds too soon or in excess of immediate needs, the state must pay a penalty to the federal government. That penalty is equal to the interest earnings that the federal government could have earned on those funds. When the state fails to draw federal funds timely, state funds must be used to cover the disbursements and the state loses interest earnings on those funds. Our examination of the Medicaid program disclosed that noncompliance with the agreement caused the state to lose approximately \$20,652 in interest earnings on state deposits and created an interest liability to the federal government of \$282,857. The instances of noncompliance noted are as follows:

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

Medicaid Benefits

1. The CMIA agreement requires that funds be drawn using a method that mirrors the actual daily cash outflow from the bank as checks clear (i.e., clearance pattern). CMIA Policy Statement Number 11 requires that agencies carry out clearance patterns until 99% of the funds have cleared; at that time, the balance of the funds may be drawn. On October 21, 1997, DHH began to draw the balance of funds outstanding at 95% rather than the required 99%. This practice, which was followed from October 21, 1997, to December 9, 1997, results in an estimated interest liability to the federal government of \$33,275.
2. The CMIA agreement allows the state to draw funds for receipt on the day before a federal holiday. DHH drew funds for Monday, September 1, 1997, Labor Day, a federal holiday, for receipt on the day after the holiday, instead of drawing the funds for receipt on the preceding Friday. The estimated interest lost by the state is \$3,343.
3. DHH did not request the draw for November 17, 1997, from the Treasury until November 23, 1997 (7 days late). The estimated interest lost by the state is \$5,761.
4. DHH overstated the draw of November 10, 1997, by \$165,264. The error was not corrected until the draw of February 6, 1998. The estimated interest liability to the federal government is \$2,068.
5. DHH overstated the draw of September 9, 1997, by \$12,778,967. The error was not corrected until the draw of January 22, 1998. The estimated interest liability to the federal government is \$245,304.

Payroll and Administrative Costs

6. DHH understated draws for indirect administrative costs incurred July 1 through September 30, 1997. The monthly draws for those costs were understated an average of \$196,869. The estimated interest lost by the state is \$5,534.
7. DHH applied the wrong federal match rates for various draws for payroll and administrative costs during July through November 1997. Approximately \$59,847 was overdrawn and \$1,307,336 was underdrawn when the department corrected the error. The estimated interest liability to the federal government is \$119 and the interest lost by the state is \$2,894.

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

Medicare Buy-In

8. Medicaid pays the insurance premiums for certain qualifying Medicare recipients. The CMIA agreement requires that funds be wired to the Health Care Financing Administration (HCFA) on the same day that the federal funds are received. Our examination of five draws for buy-in disclosed one occasion when premium payments were wired to HCFA three days after receiving the federal funds. On another occasion, premium payments were wired to HCFA three days in advance of receiving the federal funds. The estimated interest lost by the state is \$3,120; the estimated interest liability to the federal government is \$2,091.

Management should establish adequate procedures to ensure that federal funds are drawn timely and in the correct amounts. Management concurred with the findings and indicated the corrective action that has been implemented in each area. However, management noted that the State of Louisiana was able to generate interest earnings on the excess federal cash on hand and contends that those interest earnings exceeded the interest liability due to the federal government. See management's response at B-34.

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

**F-98-HHS-DOC-1 – Inadequate Controls Over Federal Program
Reports and Expenditures**

93.658 – Foster Care - Title IV-E

Questioned Costs
\$0

The Department of Public Safety and Corrections - Corrections Services did not maintain adequate documentation for the calculation of the allowable rate of foster care maintenance payments for all residential care facilities in the program. Furthermore, the Office of Youth Development did not establish controls to ensure that accurate Administrative Claim Information Reports are prepared. The department overstated its "attributable administrative expenditures" associated with the Foster Care - Title IV-E Program (CFDA 93.658) in its Administrative Claim Information Report to the Louisiana Department of Social Services (DSS). The department obtains funds for the program from the U.S. Department of Health and Human Services through an interagency agreement with DSS. Failure to maintain an adequate system of controls over IV-E Program reports and expenditures increases the risk of noncompliance with federal laws and regulations.

The Code of Federal Regulations (45 CFR 1356.65) requires attributable administrative expenditures eligible for reimbursement by the U.S. Department of Health and Human Services be supported by documentation. For fiscal year 1998, the department reported to DSS "estimated" attributable administrative expenditures of \$2,394,426 instead of "actual" attributable administrative expenditures of \$2,386,295, an overstatement of \$8,131.

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

In accordance with the interagency agreement between DSS and the department, DSS pays the department for foster care maintenance payments based on a rate established by the DSS Bureau of Rate Setting. The department did not have adequate documentation to determine the rate used for 6 of the 21 (29%) residential care facilities selected in a sample. Without documentation, the proper rate and resulting overpayment or underpayment cannot be determined. In addition, the department's request for one residential care facility exceeded the allowable rate by \$.75 per day, per resident, resulting in DSS overpaying the department by \$1,369 for that facility.

Management of the department should establish controls to ensure that accurate Administrative Claim Information Reports are prepared, that documentation for allowable rate of foster care maintenance payments is maintained, and that requests for payment from DSS for foster care maintenance payments are accurate. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-81).

SOCIAL SERVICES, DEPARTMENT OF

F-98-HHS-DSS-3 – Inadequate Controls Over Temporary Assistance to Needy Families Program

93.558 – Temporary Assistance for Needy Families

Questioned Costs
\$0

The Department of Social Services, Office of Family Support (OFS), did not consistently adhere to its established procedures in the administration of the Temporary Assistance to Needy Families (TANF) (CFDA 93.558) program. OFS uses the TANF program funds to operate two programs titled "Family Independence Temporary Assistance Program" (FITAP) and "Family Independence Work Program" (FIND Work). The procedural manual for the FITAP and FIND Work programs require that case managers use the Income Eligibility and Verification System (IEVS) to verify employment of the applicant; ensure that the applicant sign the rights and responsibilities form; secure written documentation of work attendance on a monthly basis; and maintain accurate records to comply with federal, state, and agency reporting requirements. In addition, the manual requires case managers to document the good cause resolution process on form FW 8 before imposing sanctions for failure to participate in the FIND Work program. The audit test of the TANF program disclosed the following conditions:

- One of 20 cases (5%) examined failed to verify employment through the IEVS.
- Four of 20 cases (20%) examined failed to obtain the client's signature on the rights and responsibilities form.
- Four of 20 cases (20%) examined failed to verify the participation hours for all months, which resulted in two cases (10%) not meeting the necessary participation hours.

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

- Six of 20 cases (30%) examined failed to enter the participation hours accurately into the JOBS Automated System (JAS).
- Three of 20 cases (15%) examined failed to verify the reasonableness of the payment for child care to the participation of the client.
- Three of 20 cases (15%) examined failed to follow the good cause resolution process procedures.

These conditions may be attributed to the large caseload required of each case manager with OFS. Failure to follow prescribed procedures could result in unallowable or unauthorized use of federal funds or inaccurate reporting to the federal government.

OFS should require all TANF case managers to consistently adhere to the established procedures in the administration of the TANF program. Management concurred with the finding and recommendation and outlined a plan of corrective action (B-92).

**F-98-HHS-DSS-4 – Noncompliance With Cash Management
Improvement Act - Excess Federal Funds**

	<u>Questioned Costs</u>
93.667 – Social Services Block Grant	\$0

The Department of Social Services had \$7,491,065 in excess Social Services Block Grant (SSBG) (CFDA 93.667) funds on hand at June 30, 1997. Federal funds for this grant are drawn under the terms of an agreement executed between the State of Louisiana and the federal government as authorized by the Cash Management Improvement Act (CMIA) of 1990 (as amended in 1992). CMIA Policy Statement Number 7 states that "funds should be allocated in a manner that neither the Federal Government nor the State benefit with respect to cash flow. Consequently, federal funds and state funds should be combined and allocated proportionately with no interest ramifications until the combined quarterly allocation is exceeded." The CMIA agreement between the State of Louisiana and the federal government specifies in Section 7.10 that "The State shall follow the procedures of 31 CFR 205.8 if it has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program's clearance activity."

The department reclassified \$5,927,314 of the excess from federal funding to state funding after the state fiscal year 1996-97 ended. The excess was for various administrative expenditures. Once the reclassification was made, the department held these funds until they were matched by SSBG expenditures for the state fiscal year 1997-98. The offset of the excess federal funds was completed by November 13, 1997. The excess funds were the result of the department failing to draw state funds proportionately with federal funds on a quarterly basis, and the fact that the agreed upon clearance pattern does not correspond to the program's clearance activity. The CMIA regulations [31 CFR 205.12(a)] indicate that the state would be liable for interest for

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

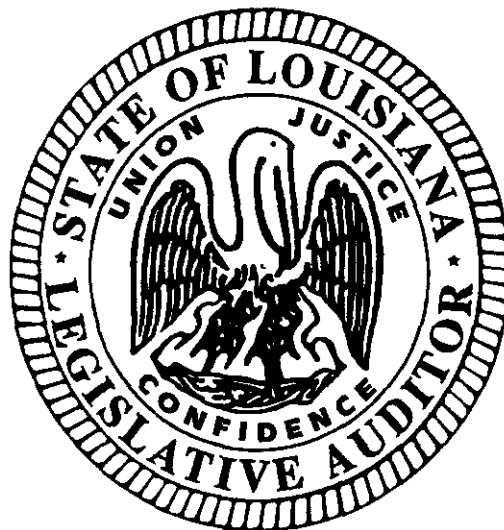
placing federal funds in a state account before expenditures are made and that interest is due from the day of deposit until funds are expended.

The department should draw federal funds proportionately with the appropriated state funds on a quarterly basis. Furthermore, the department should comply with 31 CFR 205.8 and make the necessary corrections to the agreed-upon clearance pattern to properly reflect the program's clearance activity. Management concurred in part with the finding and recommendation and outlined a plan of corrective action. Management does not believe that there would be any interest due to the federal government under these circumstances. See management's response at B-103.

Additional Comments: This office acknowledges that a ruling was requested from the federal grantor regarding the matter of whether there could be interest due to the federal government because of this CMIA issue. We have received no written response from the federal grantor on the issue. Regardless of the position taken by the Director of the Office of Statewide Reporting and Accounting Policy, there is still uncertainty as to whether or not interest may be due to the federal government in this instance.

Schedule D

Schedule of Unresolved Prior Audit Findings For the Year Ended June 30, 1998



LEGISLATIVE AUDITOR

Schedule D

STATE OF LOUISIANA
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Schedule D

STATE OF LOUISIANA
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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, 1998



LEGISLATIVE AUDITOR

Appendix A

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
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STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE		
Plant and Animal Disease, Pest Control, and Animal Care <u>Direct Awards:</u> Department of Agriculture	10.025	<u>\$1,126,473</u>
Federal-State Cooperation in Warehouse Examination Agreement <u>Direct Awards:</u> Department of Agriculture	10.071	<u>9,990</u>
Market News <u>Direct Awards:</u> Department of Agriculture	10.153	<u>2,000</u>
Federal-State Marketing Improvement Program <u>Direct Awards:</u> Department of Agriculture	10.156	<u>22,669</u>
Inspection Grading and Standardization <u>Direct Awards:</u> Department of Agriculture	10.162	<u>57,210</u>
Market Protection and Promotion <u>Direct Awards:</u> Department of Agriculture	10.163	<u>60,000</u>
Grants for Agricultural Research, Special Research Grants <u>Direct Awards:</u> LSU Agricultural Center	10.200	<u>28,364</u>
1890 Institution Capacity Building Grants <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge) Through: North Carolina State Southern University Board and System Administration	10.216	<u>109,139</u> <u>3,147</u>
<i>Subtotal 1890 Institution Capacity Building Grants</i>		<u>112,286</u>
Fund for Rural America - Research, Education, and Extension Activities <u>Direct Awards:</u> Southern University Board and System Administration	10.224	<u>126,616</u>
Small Farmer Outreach Training and Technical Assistance Program <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)	10.443	<u>1,234</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	
<u>Direct Awards:</u>		
Department of Agriculture		<u>\$2,236,205</u>
Cooperative Extension Service	10.500	
<u>Direct Awards:</u>		
LSU Agricultural Center		6,419,280
Southern University Board and System Administration		3,387,037
<u>Through: North Carolina State</u>		
Southern University Board and System Administration		<u>5,198</u>
Subtotal Cooperative Extension Service		<u>9,811,515</u>
Food Distribution	10.550	
<u>Direct Awards:</u>		
Department of Agriculture		<u>18,629,358</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	
<u>Direct Awards:</u>		
Office of Public Health		<u>73,599,306</u>
Child and Adult Care Food Program	10.558	
<u>Direct Awards:</u>		
Department of Education		<u>42,282,133</u>
State Administrative Expenses for Child Nutrition	10.560	
<u>Direct Awards:</u>		
Department of Agriculture		120,320
Department of Education		<u>2,866,587</u>
Subtotal State Administrative Expenses for Child Nutrition		<u>2,986,907</u>
Nutrition Education and Training Program	10.564	
<u>Direct Awards:</u>		
Department of Education		<u>123,091</u>
Commodity Supplemental Food Program	10.565	
<u>Direct Awards:</u>		
Office of Public Health		<u>16,709,912</u>
Nutrition Program for the Elderly (Commodities)	10.570	
<u>Direct Awards:</u>		
Office of Elderly Affairs		<u>3,044,226</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, 1998

	<u>CFDA OR OTHER NUMBER</u>	<u>ACTIVITY</u>
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Team Nutrition Grants	10.574	
<u>Direct Awards:</u>		
Department of Education		<u>\$109,368</u>
Cooperative Forestry Assistance	10.664	
<u>Direct Awards:</u>		
Department of Agriculture		1,127,453
Southern University and A&M College (Baton Rouge)		<u>27,969</u>
Subtotal Cooperative Forestry Assistance		<u>1,155,422</u>
Schools and Roads - Grants to States	10.665	
<u>Direct Awards:</u>		
Department of the Treasury		<u>3,274,642</u>
Rural Development Grants	10.769	
<u>Direct Awards:</u>		
Executive Department		<u>124,186</u>
Distance Learning and Telemedicine Loans and Grants	10.855	
<u>Direct Awards:</u>		
Northwestern State University		<u>42,686</u>
Resource Conservation and Development	10.901	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		<u>162,270</u>
Environmental Quality Incentives Program	10.912	
<u>Direct Awards:</u>		
Southern University Board and System Administration		12,513
Southern University and A&M College (Baton Rouge)		<u>7,324</u>
Subtotal Environmental Quality Incentives Program		<u>19,837</u>
Agricultural Statistics Reports	10.950	
<u>Direct Awards:</u>		
Department of Agriculture		25,000
Southern University and A&M College (Baton Rouge)		<u>2,000</u>
Subtotal Agricultural Statistics Reports		<u>27,000</u>
Technical Agricultural Assistance	10.960	
<u>Direct Awards:</u>		
LSU Agricultural Center		<u>176,905</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
International Agricultural Research Program	10.961	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$59,099
International Training - Foreign Participant	10.962	
<u>Direct Awards:</u>		
LSU Agricultural Center		20,000
Southern University Board and System Administration		1,225
Subtotal International Training - Foreign Participant		21,225
Bayou Queue De Tortue Hydrologic Unit Project	10.94-EHUA-1-0085	
<u>Direct Awards:</u>		
LSU Agricultural Center		57,632
Bayou Program	10.43-3AEP-7-80080	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		4,688
Challenge Cost Share - Biological and Conservation Database	10.KNF97-3	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		800
Compost Certification Training	10.68-7217-4-16	
<u>Direct Awards:</u>		
LSU Agricultural Center		10,924
Cooperative Fire Protection Agreement	10.unknown	
<u>Direct Awards:</u>		
Department of Agriculture		48,000
Crossatot Basin Survey	10.43-7A86-6-0149	
<u>Direct Awards:</u>		
Northeast Louisiana University		99
CSRS Program Income	10.SEC 1445	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		71,816
Effect of Growing Season Burns	10.KNF-94-21	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		16,235
Electronic Connectivity for State Strengthening Project	10.95-EYAR-1-2012	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,594

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
EQIP Educational Plan	10.68-7217-7-27	
<u>Direct Awards:</u>		
LSU Agricultural Center		<u>\$39,984</u>
Forest Service Cooperative Agreement	10.KNF95-22	
<u>Through: Kisatchie National Forest</u>		
Northwestern State University		<u>9,800</u>
Helping Youth Explore Emerging Food Production and Processing Technologies	10.94-EFSQ-1-4113	
<u>Direct Awards:</u>		
LSU Agricultural Center		<u>459</u>
Incorporation of Precision Agriculture Technology Into Ongoing Statewide Systems	10.UA CES 96-101	
<u>Through: University of Arkansas</u>		
LSU Agricultural Center		<u>40,133</u>
Increase the Awareness and Understanding by Farmers of the 1994 Crop Insurance	10.196-6120-13-5904	
<u>Through: Clemson University</u>		
LSU Agricultural Center		<u>301</u>
Kisatchie National Forest	10.KNF-95-27	
<u>Direct Awards:</u>		
Northeast Louisiana University		<u>5,436</u>
Louisiana Sustainable Agriculture Training - Plan of Work		
<u>Through: North Carolina State University</u>		
LSU Agricultural Center	10.98-0409-11	4,224
LSU Agricultural Center	10.97-0496-10	<u>4,244</u>
Subtotal Louisiana Sustainable Agriculture Training - Plan of Work		<u>8,468</u>
Reducing the Risk of Foodborne Illness at Fairs, Festivals, and Catered Events	10.93-EFSQ-1-4076	
<u>Direct Awards:</u>		
LSU Agricultural Center		<u>36</u>
Strengthening Programs for Children, Youth and Families - Community	10.95-EYAR-1-2012	
<u>Direct Awards:</u>		
LSU Agricultural Center		<u>76,799</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Strengthening Programs for Children, Youth and Families - State Portion	10.95-EYAR-1-2012	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$83,930
Sustainable Agriculture Strategic Plan Implementation - Training	10.96-1277-17	
<u>Through: North Carolina State University</u>		
LSU Agricultural Center		3,850
Termite Management Education Program - Part 2	10.58-6435-8-084	
<u>Direct Awards:</u>		
LSU Agricultural Center		27,127
Travel for Attendance at Drift Workshop Session - Arlington - Fixed Price Contract	10.B99794	
<u>Through: Virginia Polytechnic Institute and State University</u>		
LSU Agricultural Center		500
USDA Plants Database	10.68-7482-7-280	
<u>Direct Awards:</u>		
Northeast Louisiana University		12,949
USDA Student Book Allowance	10.12-40-0001	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		9,097
Verification of Recommended Management Practices for Aquatic Species	10.unknown	
<u>Through: Mississippi State University - Southern Regional Aquaculture Center</u>		
LSU Agricultural Center		3,694
<u>Child Nutrition Cluster:</u>		
School Breakfast Program	10.553	
<u>Direct Awards:</u>		
Department of Education		41,130,241
National School Lunch Program	10.555	
<u>Direct Awards:</u>		
Department of Education		134,962,085
Special Milk Program for Children	10.556	
<u>Direct Awards:</u>		
Department of Education		55,994

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Child Nutrition Cluster: (Cont.)</u>		
Summer Food Service Program for Children	10.559	
<u>Direct Awards:</u>		
Department of Education		\$6,025,082
Subtotal Child Nutrition Cluster		<u>182,173,402</u>
<u>Emergency Food Assistance Cluster:</u>		
Emergency Food Assistance Program (Administrative Costs)	10.568	
<u>Direct Awards:</u>		
Department of Agriculture		1,124,312
Emergency Food Assistance Program (Food Commodities)	10.569	
<u>Direct Awards:</u>		
Department of Agriculture		<u>4,450,883</u>
Subtotal Emergency Food Assistance Cluster		<u>5,575,195</u>
<u>Food Stamp Cluster:</u>		
Food Stamps	10.551	
<u>Direct Awards:</u>		
Department of Social Services		476,471,901
State Administrative Matching Grants for Food Stamp Program	10.561	
<u>Direct Awards:</u>		
Department of Social Services		<u>38,931,144</u>
Subtotal Food Stamp Cluster		<u>515,403,045</u>
<u>Research and Development Cluster:</u>		
Agricultural Research - Basic and Applied Research	10.001	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		6,105
Southern University and A&M College (Baton Rouge)		76,328
Plant and Animal Disease, Pest Control, and Animal Care	10.025	
<u>Direct Awards:</u>		
LSU Agricultural Center		56,266
Grants for Agricultural Research, Special Research Grants	10.200	
<u>Direct Awards:</u>		
LSU Agricultural Center		485,782
LSU and A&M College (Baton Rouge)		122
Pennington Biomedical Research Center		654,871
Southern University and A&M College (Baton Rouge)		252,125

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Grants for Agricultural Research, Special Research Grants (Cont.)	10.200	
<u>Through: Southern Region Aquaculture Center</u> Louisiana Tech University		\$29,347
<u>Through: Texas Agricultural Experiment Station -</u> Department of Agriculture LSU Agricultural Center		6,138
<u>Through: Texas A&M University Agriculture Experiment Station</u> LSU Agricultural Center		6,313
Grants for Agricultural Research, Special Research Grants - Fixed Price Contract	10.200	
<u>Through: Colorado State University</u> LSU Agricultural Center		5,000
<u>Through: University of Florida</u> LSU Agricultural Center		9,750
Cooperative Forestry Research	10.202	
<u>Direct Awards:</u> LSU Agricultural Center		352,089
Louisiana Tech University		180,581
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	
<u>Direct Awards:</u> LSU Agricultural Center		2,883,060
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	
<u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)		1,275,445
Grants for Agricultural Research - Competitive Research Grants	10.206	
<u>Direct Awards:</u> LSU Agricultural Center		145,593
LSU and A&M College (Baton Rouge)		189,758
LSU Medical Center (Shreveport)		40,428
Louisiana Tech University		30,333
Pennington Biomedical Research Center		16,546
Southern University and A&M College (Baton Rouge)		530
<u>Through: University of Massachusetts - Amherst</u> LSU Medical Center (Shreveport)		13,416

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Animal Health and Disease Research	10.207	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$46,733
LSU and A&M College (Baton Rouge)		17,768
1890 Institution Capacity Building Grants	10.216	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		110,356
<u>Through: Alcorn State University</u>		
LSU and A&M College (Baton Rouge)		27,730
Higher Education Challenge Grants	10.217	
<u>Direct Awards:</u>		
LSU Agricultural Center		106,865
Biotechnology Risk Assessment Research	10.219	
<u>Direct Awards:</u>		
LSU Agricultural Center		24,879
Fund for Rural America - Research, Education, and Extension Activities	10.224	
<u>Direct Awards:</u>		
LSU Agricultural Center		9,011
Small Farmer Outreach Training and Technical Assistance Program	10.443	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		249,829
Forestry Research	10.652	
<u>Direct Awards:</u>		
LSU Agricultural Center		157,645
Louisiana Tech University		12,068
Southern University and A&M College (Baton Rouge)		25,278
<u>Through: Mississippi State University</u>		
LSU Agricultural Center		31,910
<u>Through: Southern Regional Aquaculture Center - Mississippi State University</u>		
LSU Agricultural Center		9,421
<u>Through: Tulane University</u>		
LSU and A&M College (Baton Rouge)		1,966

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Cooperative Forestry Assistance	10.664	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$1,622
Southern University and A&M College (Baton Rouge)		1,005
Soil Survey	10.903	
<u>Through: Cornell University</u>		
LSU and A&M College (Baton Rouge)		30,908
International Agricultural Research Program	10.961	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		12,147
Southern University and A&M College (Baton Rouge)		4,573
Scientific and Technical Cooperation	10.963	
<u>Direct Awards:</u>		
LSU Agricultural Center		3,052
Administrative Research	10.T-6-6413-101	
<u>Direct Awards:</u>		
LSU Agricultural Center		17
Analysis of Cotton Fiber Surface Structure by Atomic Force Microscopy	10.58-6435-7-031	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		13,610
Animal Health and Disease Research Funds for FY 1997	10.97-CRAHO6293	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		21,766
Biogeochemistry of Constructed Wetlands: Reducing Agriculture NPS Pollution	10.92-153	
<u>Through: University of Illinois</u>		
LSU and A&M College (Baton Rouge)		12,982
Biology and Control of the Formosan Termite	10.58-6435-8-084	
<u>Direct Awards:</u>		
LSU Agricultural Center		42,959

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Biotechnology Applications to Wetlands Erosion Control	10.59-6413-8-096	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$29,534
Carbonaceous Materials Made from Agricultural By-Products and Their Use in Cane	10.58-6435-3-121	
<u>Direct Awards:</u>		
LSU Agricultural Center		12,471
Cloning of Conjugated Fatty Acid Synthetase from Chinese Melon	10.58-6435-5-087	
<u>Direct Awards:</u>		
LSU Agricultural Center		34,710
Comparative Ecology of Miconia Calvascens in Hawaii and Central America	10.PSW-97-011-RJVA	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		3,966
Compost Certification Training	10.68-7217-4-16	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,694
Conservation Assessment on the Big-Eared Bat	10.unknown	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		6,463
Cooperative Agreement/Soil Conservation Service	10.68-7217-8-23	
<u>Direct Awards:</u>		
LSU Agricultural Center		30,319
CPA-Nitrogen Efficiency Demonstration Project	10.68-7217-6-(204)	
<u>Direct Awards:</u>		
LSU Agricultural Center		310
Defining Growing Season from Measured Soil Temperature	10.68-7482-7-264	
<u>Direct Awards:</u>		
LSU Agricultural Center		7,923
Delta Nutrition Project	10.58-6251-7-008	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		376,701

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Demographic Analyses in Areas of Origination and Invitation:		
Tools to Understand	10.PSW-98-006-RJVA	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$410
Develop an Agroforestry Demonstration Project Plan	10.68-7482-7-301	
<u>Direct Awards:</u>		
LSU Agricultural Center		2,191
Endocrine Regulation of Structure and Function in Insect Malpighian Tubules	10.93-37302-9611	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		18,812
Establishment and Measurement Plot for Keiffer Prairie Area	10.KNF-97-19	
<u>Direct Awards:</u>		
Louisiana Tech University		347
Evaluation of Corn Genotypes with Live Corn Embryo		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.58-6435-2-130	6,954
LSU Agricultural Center	10.58-6435-7-048	53,900
Evaluation of Soybean Germplasm for Resistance to Rhizomes Rhizoctomiz Aerial Blight	10.58-6402-5-069	
<u>Direct Awards:</u>		
LSU Agricultural Center		16
Evaluation of the U.S. Plant Introduction Collection	10.59-6607-7-008	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,166
Field Indicators of Hydric Soils	10.68-7482-6-144	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		13,578
Fungal Isolations from Soil Samples From the Exophys Study on the Palustris - Fixed Price Contract	10.43-7K11-7-0143	
<u>Direct Awards:</u>		
LSU Agricultural Center		15,000

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Genetic Engineering of Cotton to Confer Enhanced Resistance to <i>Aspergillus flavus</i>	10.58-6435-6-033	
<u>Direct Awards:</u> University of Southwestern Louisiana		\$51,177
Graduate Research Assistance to Database Development for National Grant Data CT	10.68-7482-7-305	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		6,909
Honey Bee Breeding	10.T-7-6413-103	
<u>Direct Awards:</u> LSU Agricultural Center		5,673
Kisatchie National Forest Cost Share Agreement	10.KNF-96-16	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		2,048
Kisatchie National Forest - Moth Study - Challenge - Cost Share Agreement	10.unknown	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		629
Louisiana Plant Distribution Data for the Plants Database for NRCS Discipline	10.68-7217-6-87	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		4,244
Materials and Labor to Install Copper 4Y Data Circuit for HESL to the USDA Soil and Water Conservation - Fixed Price Contract		
<u>Direct Awards:</u> LSU Agricultural Center	10.40-7B07-7-189	11,841
LSU Agricultural Center	10.40-7B07-7-197	8,888
Modeling of Wood Fiberboard Composites Using Individual Pulp Fiber Properties	10.SRS-33-CA-97-047	
<u>Direct Awards:</u> University of Southwestern Louisiana		44,244
Molecular Market Variation in Sweet Potato, <i>Ipomea batatas</i> , Population Collection	10.58-6607-7-007	
<u>Direct Awards:</u> LSU Agricultural Center		155

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
National Canola Research Program for the Mid South Region Through: <u>University of Arkansas</u> LSU Agricultural Center	10.UA-AES-95-102	\$5,327
National Food Service Management Institute Scholar Program Through: <u>University of Southern Mississippi</u> LSU and A&M College (Baton Rouge) LSU and A&M College (Baton Rouge)	10.USM-0464001807-A10 10.USM-0464001907	29,605 3,821
Nonwoven Textiles from Cotton and Other Natural Fibers <u>Direct Awards:</u> LSU Agricultural Center	10.58-6435-3-127	14,895
Office Space for USDA - NRCS Wetland Science Institute <u>Direct Awards:</u> LSU Agricultural Center	10.68-7217-5-81	2,168
Optimizing Nutrient Utilization and Reducing Waste Through Diet Composition Through: <u>Mississippi State University - Southern Regional Aquaculture Center</u> LSU Agricultural Center	10.unknown	92,615
Performance of Tropical and Temperate Corn Test Crosses <u>Direct Awards:</u> LSU Agricultural Center	10.58-3625-6-117	724
Predicting the Impacts of Sea Level Rise on Micronesian Mangrove Forests <u>Direct Awards:</u> University of Southwestern Louisiana	10.PSW-97-0018CA	10,357
Research to Develop a Seed-Based System for Producing Smooth Cordgrass <u>Direct Awards:</u> LSU Agricultural Center	10.68-7217-7-9	37,308
Research Project on Smooth Cordgrass and Other Coastal Wetlands Species <u>Direct Awards:</u> LSU Agricultural Center	10.68-7217-6-7	9,289

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
Rice Research	10.T-8-6413-105	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$1,485
Soil and Water Research		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.T-8-6413-102	61,127
LSU Agricultural Center	10.T-7-6413-102	21,464
Strategic Control of Nematodes in Dairy Cattle on Intensive Rotational Grazing	10.58-1265-6-061	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,900
Succession and Biomass Production of Mangroves in the Orinoco Delta	10.IITF-95-CA-022	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		31,585
Sugarcane Research		
<u>Direct Awards:</u>		
LSU Agricultural Center	10.T-7-6413-104	13,822
LSU Agricultural Center	10.T-8-6413-104	46,074
Temporary Sequestration of Unstocked Fingerlings as a Means to Improve Catfish	10.58-6228-7-005	
<u>Direct Awards:</u>		
LSU Agricultural Center		38,383
Unified Climate Access Network (UCAN)	10.68-0484-6-13	
<u>Direct Awards:</u>		
LSU Agricultural Center		20,811
Use of Facilities	10.SRS 30-RCRA-96-089	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		2,008
Utilities for Administrative Office - ARS	10.5864017002/T86413101	
<u>Direct Awards:</u>		
LSU Agricultural Center		33
Subtotal Research and Development Cluster		<u>8,889,100</u>
Total U.S. Department of Agriculture		<u><u>\$888,717,228</u></u>

(Continued)

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE		
Economic Development - Grants for Public Works and Infrastructure Development	11.300	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>(\$9,371)</u>
Economic Development - State and Local Economic Development Planning	11.305	
<u>Direct Awards:</u>		
Department of Economic Development		<u>78,825</u>
Fishery Products Inspection and Certification	11.413	
<u>Direct Awards:</u>		
Department of Agriculture		<u>86,302</u>
Sea Grant Support	11.417	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>53,982</u>
Coastal Zone Management Administration Awards	11.419	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>1,851,577</u>
Cooperative Fishery Statistics	11.434	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>122,031</u>
Southeast Area Monitoring and Assessment Program	11.435	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>122,110</u>
Unallied Industry Projects	11.452	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>91,783</u>
Habitat Conservation	11.463	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>5,638,758</u>
Coastal Services Center	11.473	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>49,753</u>
Telecommunications and Information Infrastructure Assistance Program	11.552	
<u>Direct Awards:</u>		
Executive Department		<u>24,540</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
Measurement and Engineering Research and Standards <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)	11.609	<u>\$3,200</u>
Gulf of Mexico Fishery Management Council <u>Direct Awards:</u> Department of Wildlife and Fisheries	11.95-LA-70300	<u>25,000</u>
Habitat Conservation - Delta Wide Crevasses <u>Direct Awards:</u> Department of Natural Resources	11.NA87F20023	<u>12,292</u>
National Marine Fisheries Services <u>Direct Awards:</u> McNeese State University	11.unknown	<u>12,526</u>
National Telecommunications and Information Administration <u>Direct Awards:</u> University of New Orleans	11.22-40-95135	<u>61,793</u>
Public Works Grant for Construction of Infrastructure Improvements for a Research and Technology Park <u>Direct Awards:</u> University of New Orleans	11.08-01-02950	<u>1,622,800</u>
Technical Assistance to Operators, Managers, and Affiliates of Revolving Loan Fund Programs in the Southwest Economic Development of Administration Region <u>Direct Awards:</u> University of New Orleans	11.08-06-03115	<u>51,303</u>
Title IX Long-Term Deterioration Economic Adjustment Assistance <u>Direct Awards:</u> Department of Wildlife and Fisheries	11.08-29-03021	<u>14,286</u>
University Center Technical Assistance Program <u>Direct Awards:</u> University of New Orleans	11.08-06-02522-96/97	<u>66,278</u>
<u>Research and Development Cluster:</u> Special Economic Development and Adjustment Assistance Program - Sudden and Severe Economic Dislocation and Long-Term Economic Deterioration <u>Direct Awards:</u> LSU Agricultural Center	11.307	43,993

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
<u>Research and Development Cluster</u> (Cont.)		
Interjurisdictional Fisheries Act of 1986	11.407	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		\$115,133
Sea Grant Support	11.417	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,712,254
Coastal Zone Management Estuarine Research Reserves	11.420	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		8,434
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1
Intergovernmental Climate - Program	11.428	
<u>Direct Awards:</u>		
LSU Agricultural Center		14,844
LSU and A&M College (Baton Rouge)		289,720
Undersea Research	11.430	
<u>Through: University of North Carolina at Wilmington</u>		
LSU and A&M College (Baton Rouge)		16,358
Marine Fisheries Initiative	11.433	
<u>Direct Awards:</u>		
LSU Agricultural Center		5,101
LSU and A&M College (Baton Rouge)		60,559
Assessment of Chemical Hazards Associated with Oil Releases	11.50ABNC200003,TDD#35	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(4)
Chemical Hazardous Assessment, Training and Technical Support		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	11.50ABNC700031/T O #1	130,197
LSU and A&M College (Baton Rouge)	11.50ABNC200003,TDD#1	16,098
Design and Evaluation of a Commercial Scale Hydraulically Integrated Serial Turbine	11.AQ97.053-7404-02	
<u>Through: National Coastal Resources Research and Development Institute</u>		
LSU and A&M College (Baton Rouge)		94,290

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Food Processor and Community Development of Rural Coastal Areas <u>Through: National Coastal Resources Research and Development Institute</u> LSU and A&M College (Baton Rouge)	11.ST94.078-5632-02	(\$16,081)
Innovative Development of Joining/Fitting Technology for Advanced Composite <u>Through: Specialty Plastics</u> LSU and A&M College (Baton Rouge)	11.unknown	203,225
IPA - Charles Milan <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	11.IPA-MILAN	52,847
IPA - Lindstedt <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	11.50WPC9404	46,314
Manufacturing Extension Partnership <u>Direct Awards:</u> University of Southwestern Louisiana	11.70NANB6H0172	894,716
M/V Fortuna Reefer Spill, San Juan, Puerto Rico <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	11.50ABNC200003,TDD #38	4,815
Pipeline Spill on Assessment of Chemical Hazards and Oil Releases <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	11.50ABNC200003,TDD#36	3,506
Prince William Sound Monitoring Support: Assessment of Chemical Hazards Associations <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	11.50ABNC2000031/TDD #37	42,953
Prince William Sound Monitoring Support - Laboratory Chemical Analyses <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	11.50ABNC7000031/T O #02	35,740
Real-Time Micro-PCR Analysis System <u>Through: Perkin Elmer Corporation</u> LSU and A&M College (Baton Rouge)	11.70NANB5H1106	108,680

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Sediment Samples for Total Petroleum Hydrocarbons and for Detailed Hydrocarbons - Fixed Price Contract	11.45-GDNF-6-0019	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$4,550
Task Order #03 - Amoco Pipeline Rupture, Galveston, Texas	11.50ABNC700031/T O #03	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		1,616
Task Order #04 - M/V Red Seagull Spill, Galveston, Texas	11.50ABNC700031/T O #04	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		2,212
Task Order #05 - M/V- Katania #288, Houston, Texas	11.50ABNC700031/T O #05	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		1,901
Title IX LTED Economic Adjustment Assistance	11.08-29-03014	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		75,292
Use of Facilities Lease Agreement	11.unknown	
<u>Direct Awards:</u> University of Southwestern Louisiana		1,125
Utilization of Radium and its Daughter Elements in Otoliths as a Means to Validation - Fixed Price Contract	11.40GFNF70002	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		9,800
Subtotal Research and Development Cluster		<u>3,980,189</u>
Total U.S. Department of Commerce		<u><u>\$13,959,957</u></u>
U.S. DEPARTMENT OF DEFENSE		
Planning Assistance to States	12.110	
<u>Direct Awards:</u> Executive Department		<u>\$117,676</u>
Payments to States in Lieu of Real Estate Taxes	12.112	
<u>Direct Awards:</u> Department of the Treasury		<u>81,476</u>

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	
<u>Direct Awards:</u>		
Department of Environmental Quality		\$103,768
Basic and Applied Scientific Research	12.300	
<u>Direct Awards:</u>		
Grambling State University		269,996
LSU in Shreveport		113,039
<u>Through: Concurrent Technologies</u>		
Southern University at New Orleans		265,824
Subtotal Basic and Applied Scientific Research		648,859
Military Construction, National Guard	12.400	
<u>Direct Awards:</u>		
Department of Military Affairs		456,095
National Guard Military Operations and Maintenance (O&M) Projects	12.401	
<u>Direct Awards:</u>		
Department of Military Affairs		9,084,942
Basic, Applied, and Advanced Research in Science and Engineering	12.630	
<u>Direct Awards:</u>		
Executive Department		166,225
Air Force Defense Research Sciences Program	12.800	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		29,947
Louisiana Tech University		39,290
Subtotal Air Force Defense Research Sciences Program		69,237
Air Force Defense Research Sciences Program - Fixed Price Contract	12.800	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		23,554
Mathematical Sciences Grants Program	12.901	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		8,784
Aquatic Growth Control	12.DACW29-80-C-0132	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		255,559

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Army Community of Excellence <u>Direct Awards:</u> Department of Military Affairs	12.unknown	<u>\$59,587</u>
Army Corps of Engineers: New Orleans District Westminister Levee Project <u>Direct Awards:</u> Department of Transportation and Development	12.DAW29-96-M-0465	<u>35,862</u>
AT/IDT Billeting <u>Direct Awards:</u> Department of Military Affairs	12.MOU	<u>40,711</u>
Cooperative Agreement (U.S. Army Corps of Engineers) <u>Direct Awards:</u> Northwestern State University	12.unknown	<u>2,730</u>
Department of Defense High Performance Computing Program <u>Through: Northrop Grumman</u> Grambling State University	12.GOSC-BM-L97-344	<u>147,936</u>
Geological Review <u>Direct Awards:</u> Department of Natural Resources Department of Natural Resources	12.MOA NAT RES 12.W42HEM-81412385	<u>20,062</u> <u>38,424</u>
Subtotal Geological Review		<u>58,486</u>
Gulf States Counter Drug Interdiction Program <u>Direct Awards:</u> Department of Military Affairs	12.MIPR8ALRCD6B08	<u>59,547</u>
Joint Public Notice <u>Direct Awards:</u> Department of Natural Resources Department of Natural Resources	12.MOA NAT RES 12.W42HEM-81412385	<u>38,633</u> <u>46,403</u>
Subtotal Joint Public Notice		<u>85,036</u>
Joint Readiness Training Center <u>Direct Awards:</u> Department of Military Affairs	12.MIHR8A0PSNN005	<u>144,674</u>
Military Installation Timber Sale Receipts <u>Direct Awards:</u> Department of the Treasury	12.10 USC 2665 7104 7204	<u>99,889</u>

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
RTD Trailers	12.MOU	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>\$10,124</u>
U.S. Army ROTC Cadet Command	12.DABT60-96 P-0420	
<u>Direct Awards:</u>		
Grambling State University		<u>38,016</u>
U.S. Military Academy - IPA - Kenneth Murchison	12.IPA MURCHISON	
<u>Direct Awards:</u>		
Paul M. Hebert Law Center		<u>2,263</u>
<u>Research and Development Cluster:</u>		
Procurement Technical Assistance for Business Firms	12.002	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		233,660
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	
<u>Through: Mississippi Department of Wildlife, Fisheries, and Parks</u>		
Southeastern Louisiana University		33,413
Collaborative Research and Development	12.114	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		179,541
Basic and Applied Scientific Research	12.300	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		395,236
LSU and A&M College (Baton Rouge)		337,147
LSU Medical Center (New Orleans)		57,878
Louisiana Tech University		99,914
Louisiana Universities Marine Consortium		167,391
Southern University and A&M College (Baton Rouge)		789,603
University of New Orleans		1,059,483
<u>Through: Matching Center of North Carolina (MCNC)</u>		
LSU and A&M College (Baton Rouge)		59,195
<u>Through: Texas A&M Research Foundation</u>		
LSU and A&M College (Baton Rouge)		11,349
Basic and Applied Scientific Research - Fixed Price Contract	12.300	
<u>Direct Awards:</u>		
LSU Agricultural Center		13,000
LSU and A&M College (Baton Rouge)		24,000

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Military Medical Research and Development	12.420	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		\$1,282,135
Pennington Biomedical Research Center		2,816,552
Basic Scientific Research	12.431	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		446,778
LSU Medical Center (New Orleans)		(8,076)
Louisiana Tech University		121,607
Basic, Applied, and Advanced Research in Science and Engineering	12.630	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		27,677
Louisiana Tech University		14,136
<u>Through: University of Southern California</u>		
LSU and A&M College (Baton Rouge)		168,093
Air Force Defense Research Sciences Program	12.800	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		125,474
LSU and A&M College (Baton Rouge)		118,926
LSU Medical Center (New Orleans)		27,279
LSU Medical Center (Shreveport)		275
Louisiana Tech University		357,104
Southern University and A&M College (Baton Rouge)		107,975
Air Force Defense Research Sciences Program - Fixed Price Contract	12.800	
<u>Through: Airex Corporation</u>		
LSU and A&M College (Baton Rouge)		29,279
Mathematical Sciences Grants Program	12.901	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		34,626
Aerial Photo/Field Work Task-Monitoring Wetland Creation	12.E96950MOA	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(10,473)
Alignment System for Anorad X-ray Exposure Tool	12.DAAH04-93-G-0411	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(94,186)

(Continued)

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

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Applications and Mass Production of High Aspect Ratio Microstructures	12.DABT63-95-C-0020	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$277,053
Assessment of Air Emissions of Volatile and Semi-Volatile Compounds - Fixed Price Contract	12.DACW39-97-M-0734	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		30,000
Barrier Island Plan - Phase 1	12.25081-95-02	
<u>Through: T. Baker Smith and Son, Inc.</u>		
LSU and A&M College (Baton Rouge)		13,765
Computational Determination of the Properties of Existing and Proposed Energetic Compounds and Related Species	12.N00014-97-1-0066	
<u>Direct Awards:</u>		
University of New Orleans		130,009
Computational and Synthetic Approaches to Developing Novel Energetic Materials to Stabilize Rockets	12.N00014-95-1-1339	
<u>Through: University of Illinois, Champaign</u>		
University of New Orleans		160,139
Coordination and Monitoring Results Task - Monitoring Wetland Creation	12.E96950MOA	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		255
Damage of Dynamically Loaded Fiber Reinforced Plastic Laminates at Room and Low Temperatures	12.DACA89-96-K-0010	
<u>Direct Awards:</u>		
University of New Orleans		29,960
Defense Acquisition Scholarship Program	12.John, O. 580-06-0853	
<u>Through: NE Consortium for Engineering Education</u>		
Louisiana Tech University		17,522
Development of Biomimetic Ambulatory and Undulatory Underwater Robotic System	12.N00014-98-1-0381	
<u>Through: Northeastern University of Boston, Massachusetts</u>		
University of New Orleans		33,660

(Continued)

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Development of Commercial Propagation - Techniques for Mass Production of Plants	12.unknown	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$113
Development of Long-Term Dredging for the Atchafalaya River - Fixed Price Contract	12.DACW29-97-M-0789	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		8,970
DLA Apparel Research Network Partnership	12.SP0100-95-D-1006	
<u>Direct Awards:</u> University of Southwestern Louisiana		41,364
Earth Materials Mapping of the Mojave Desert Ecosystem - Fixed Price Contract	12.DACW05-95-D-003	
<u>Through: Jones and Stokes Associates, Inc.</u> LSU and A&M College (Baton Rouge)		150,000
Earth Materials Mapping of the National Training Center - Fixed Price Contract	12.DACA76-96-C-0007	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		37,500
Effect of Thermal Cycling on Composite Structures	12.DAAH03-97-P-0350	
<u>Direct Awards:</u> University of New Orleans		5,620
Effects of Lower Atchafalaya River Management on Freshwater, Nutrient and Sediment - Fixed Price Contract		
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.DACW29-97-M-0172	9,823
LSU and A&M College (Baton Rouge)	12.DACW29-98-M-0061	20,000
Effects of Lower Atchafalaya River Management on Freshwater, Nutrient and Sediment, Vermilion - Fixed Price Contract	12.DACW29-97-M-0449	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		49,879
Effects of Lower Atchafalaya River Management on Freshwater, Nutrient and Sediment, W. Terrebonne - Fixed Price Contract	12.DACW29-97-M-0449	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		47,589

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster</u> (Cont.)		
Fabrication of a Micromachined Resonating Cylinder Rate - Fixed Price Contract <u>Through: Satcon Technology</u> LSU and A&M College (Baton Rouge)	12.10482/DASG6097M0098	\$15,000
Field Work to Assess the Effects of Lower Atchafalaya River Management on Freshwater, Nutrient, and Sediment - Fixed Price Contract <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.DACW29-97-M-0563	49,765
First International Conference on Multisource/Multisensor Information Fusion - Fixed Price Contract <u>Direct Awards:</u> University of New Orleans	12.DAAG55-98-1-0410	4,999
Geographic Information System Development for Evaluating Sediment Transport Patterns <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.DACW39-94-K-0050	(19)
Geological, Hydrological and Ecological Investigations <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.DACW39-96-K-0032	141,796
Geology of Fort Polk <u>Through: Prewitt and Associates, Inc.</u> LSU and A&M College (Baton Rouge)	12.DACA63-95-D-0051/D08	90,804
Geophysical Signal Processing <u>Direct Awards:</u> University of New Orleans	12.DAAH04-93-G-0291	17,146
GIS Development Task-Monitoring Wetland Creation <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.E96950MOA	(1,531)
Graduate Student Research and Education in Artificial Intelligence Operations <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.N00014-97-1-0632	46,234
Gulf Coast Region Maritime Technology Center <u>Direct Awards:</u> University of New Orleans	12.N00014-94-2-0011	6,054,586

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
High Connectivity Business Strategy Development Through: <u>Booz-Allen and Hamilton</u> University of New Orleans	12.DAAB07-93-D-U012	\$44,017
High-Performance Wireless Information Systems <u>Direct Awards:</u> University of Southwestern Louisiana	12.DAAG55-98-1-0240	6,769
High Temperature Superconductor Thin Films for Microwave Devices Through: <u>Superconductor Technologies, Incorporated</u> University of New Orleans	12.N00014-95-C-2126-UNO	30,110
HI-MEMS Development and Manufacturing <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.unknown	11
Identifying Objects in Legacy Systems for Re-use and Re-engineering <u>Direct Awards:</u> University of Southwestern Louisiana	12.DAAH04-94-G-0334	37,818
Intelligent CAD System for Materials Processing Through: <u>Technical Management Concepts, Inc.</u> Louisiana Tech University	12.5835-0011-29	5,447
Intelligent Information Fusion and Management Prototype Applicable to EOSDIS <u>Direct Awards:</u> University of Southwestern Louisiana	12.NAG5-2842	52,826
Intergovernmental Personnel Act Agreement (Jefferson Parish Demonstration Project) <u>Direct Awards:</u> University of New Orleans	12.W42HEM81039270	10,778
Intergovernmental Personnel Act Assignment on Acoustic Modelers <u>Direct Awards:</u> University of New Orleans	12.N0017397IPA0006	113,428
Investigations on the Chemistry of Organic Derivatives of Nitroso and Nitro Groups <u>Direct Awards:</u> University of New Orleans	12.N00014-96-1-0823	69,096

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

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Laboratory Testing of Enzyme/Bacteria Based Cleaners Under the Best Protocols - Fixed Price Contract	12.N000167-97-M-0350	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$23,383
Low Temperature Micromechanics	12.DAAH04-G-0117	
<u>Direct Awards:</u>		
University of New Orleans		17,751
Mobile Offshore Base (MOB) Project	12.N00167-95-C-0113	
<u>Through: McDermott, Incorporated</u>		
University of New Orleans		37,732
Modeling of Nonstationary Electron Transport in Deep Summicron Cryogenic Mosets	12.N000014-94-C-6040-UNO	
<u>Through: Superconductor Technologies, Incorporated</u>		
University of New Orleans		67,389
Monitoring of Habitats Created by Dredged Material During Routine Maintenance of 14 Navigation Channels Operated and Maintained	12.DACW29-98-D-0008	
<u>Direct Awards:</u>		
University of New Orleans		12,560
Monitoring Wetland Creation Associated With the Beneficial Use of Navigation Dredging - Fixed Price Contract	12.DACW29-97-C-0041	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		81,792
Motion Research and Conditioning of Data	12.N00014-96-2-0015	
<u>Direct Awards:</u>		
University of New Orleans		604,089
Nanophase Magnetic Particles for Advanced Materials	12.MDA972-97-1-0003	
<u>Direct Awards:</u>		
University of New Orleans		1,087,758
Paleofaunal Survey, Collection, Processing and Documentation at Two Locations - Fixed Price Contract		
<u>Through: Prewitt and Associates, Inc.</u>		
LSU and A&M College (Baton Rouge)	12.unknown	31,002
LSU and A&M College (Baton Rouge)	12.DACA63-95-D-0051	51,705

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Parallel and Distributed Evaluation, Visualization and Reasoning to Advanced Distributed Interactive Simulation Technology	12.DAAH04-95 1-0250	
<u>Direct Awards:</u> Grambling State University		\$1,008,863
Phase III - Gender Differences in Immune Defense <u>Through: Geocenters, Inc.</u> LSU Medical Center (New Orleans)	12.G1197521	20,661
Predictive Intelligence Military Tactical Analysis System <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.DAAH04-93-G-0498	573
Rapid-GC Subsystem to OSC - Fixed Price Contract <u>Through: Orbital Sciences Corporation</u> LSU and A&M College (Baton Rouge)	12.306702	5,000
Signal Processing, Scattering, and Modeling Studies for Underwater Acoustics and Seafloor Geophysics <u>Direct Awards:</u> University of New Orleans	12.N00014-95-1-G922	134,752
Single Charge Tunneling in Nanosize Semiconductor Junction Arrays <u>Direct Awards:</u> LSU and A&M College (Baton Rouge) LSU and A&M College (Baton Rouge)	12.DAAH04-94-G-0333 12.DAAH04-95-1-0201	44,648 20,631
Stochastic Analysis and Applications <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	12.DAAH04-94-G-0249	6,680
Student Support for Parallel Processing of Sound Wave Propagation <u>Direct Awards:</u> University of New Orleans	12.N00014-94-1-0847	17,662
Synthesis and Characterization of PZT/Silicon MemS Device <u>Through: Matching Center of North Carolina (MCNC)</u> LSU and A&M College (Baton Rouge)	12.C97-5113-013	579
Title IV of Intergovernmental Personnel Act of 1990: Naval Oceanographic Office Agreement <u>Direct Awards:</u> University of New Orleans	12.N6230694MD40017	15,712

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
U.S. Army: Determination of Total Daily Energy Requirements and Activities	12.DAMD17-96-2-6025	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		\$132,745
U.S. Army: Graduate Education in Nutritional Aspects of Stable Isotope	12.DAAH04-93-G-0298	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		25,980
U.S. Army: In-Patient Research	12.DAMD17-92-V-2009	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		(1)
U.S. Army IPA - Allen	12.IPA-ALLEN	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		41,140
U.S. Army IPA - Day	12.IPA-DAY	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		37,229
U.S. Army IPA - Kemp	12.IPA-KEMP	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		38,762
U.S. Army IPA - Suhayda	12.IPA-SUHAYDA	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		51,664
U.S. Army Subcontract - Identification and Development of a New, Broad Spectrum Antibiotic for Pathogens <u>Through: Stanford University, Stanford, CA</u> LSU Medical Center (Shreveport)	12.MDA 9729710008	10,157
Use of Microgc with HP MSD for Onsite Analyses of CWA Schedule Chemicals	12.unknown	
<u>Through: IIT Research Institute</u> LSU and A&M College (Baton Rouge)		20,866
Utilization of Elastodynamic Locomotion in Mesoscale Robotic Insects	12.14080-S1	
<u>Through: Vanderbilt University</u> LSU and A&M College (Baton Rouge)		4,096

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Water Quality Factors Affecting Iron and Manganese Oxidation	12.DACW39-95-K-0051	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$8,432
Subtotal Research and Development Cluster		20,540,284
Total U.S. Department of Defense		\$32,341,320
CENTRAL INTELLIGENCE AGENCY		
<u>Research and Development Cluster:</u>		
DNA Sequence for Identification of Human Population	13.97-F130100-000	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		\$98,505
Total Central Intelligence Agency		\$98,505
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Community Development Block Grants/State's Program	14.228	
<u>Direct Awards:</u>		
Executive Department		\$35,333,201
Emergency Shelter Grants Program	14.231	
<u>Direct Awards:</u>		
Department of Social Services		1,469,189
Historically Black Colleges and Universities Program	14.237	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		69,640
Southern University at New Orleans		62
Subtotal Historically Black Colleges and Universities Program		69,702
Shelter Plus Care	14.238	
<u>Direct Awards:</u>		
Department of Health and Hospitals		175,631
Fair Housing Assistance Program - State and Local	14.401	
<u>Direct Awards:</u>		
Department of Justice		165,824

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONT.)		
Community Development Work-Study Program	14.512	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$60,261
Public and Indian Housing Drug Elimination Program	14.854	
<u>Direct Awards:</u>		
Northeast Louisiana University		14,918
<u>Through: Monroe Housing Authority</u>		
Northeast Louisiana University		79,631
Subtotal Public and Indian Housing Drug Elimination Program		94,549
Community Development Block Grant Program		
<u>Through: City of New Orleans</u>		
University of New Orleans	14.RX-750-960176-22A	18,207
University of New Orleans	14.50-115 (93)	27,291
University of New Orleans	14.80-053 (97)	106,047
<u>Through: Loyola University</u>		
University of New Orleans	14.50-139 (95)	44
Subtotal Community Development Block Grant Program		151,589
Drug Elimination Grant	14.LA48DET 00101-95	
<u>Through: Housing Authority of New Orleans</u>		
Southern University at New Orleans		27,135
HANO	14.IA	
<u>Direct Awards:</u>		
Department of Military Affairs		59,022
HIV Housing Grant	14.LA48H95/96-F042/50	
<u>Direct Awards:</u>		
Office of Public Health		651,893
HUD/Historically Black College Grant	14.B94SBLA0001	
<u>Direct Awards:</u>		
Grambling State University		23,794
Lead-Based Paint Hazard Reduction Grant Program	14.LALPS003-94-6	
<u>Direct Awards:</u>		
Department of Environmental Quality		33,508
National Center for Revitalization of Central Cities	14.LA 485PG501	
<u>Through: City of New Orleans</u>		
University of New Orleans		98,023

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
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	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONT.)		
Youthbuild		
<u>Direct Awards:</u>		
Louisiana Technical College, Tallulah Campus	14.y-96-IM-LA-0156	\$333,441
Louisiana Technical College, Tallulah Campus	14.y-97-IM-LA-0129	105,036
Subtotal Youthbuild		<u>438,477</u>
<u>Research and Development Cluster:</u>		
Community Development Work-Study Program	14.512	
<u>Direct Awards:</u>		
University of New Orleans		285,484
Monitoring Hope IV (Desire Housing Development)	14.H-21052SG	
<u>Direct Awards:</u>		
University of New Orleans		<u>2,977</u>
Subtotal Research and Development Cluster		<u>288,461</u>
Total U.S. Department of Housing and Urban Development		<u><u>\$39,140,259</u></u>
U.S. DEPARTMENT OF INTERIOR		
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>\$206,051</u>
Abandoned Mine Land Reclamation (AMLR) Program	15.252	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>120,353</u>
Fish and Wildlife Management Assistance	15.608	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		<u>91,920</u>
Wildlife Research Information	15.610	
<u>Direct Awards:</u>		
Northeast Louisiana University		<u>2,552</u>
Endangered Species Conservation	15.612	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>41,380</u>

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

STATE OF LOUISIANA
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	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Coastal Wetlands Planning, Protection and Restoration Act	15.614	
<u>Direct Awards:</u>		
Department of Natural Resources		\$719,614
Department of Wildlife and Fisheries		<u>10,000</u>
Subtotal Coastal Wetlands Planning, Protection and Restoration Act		<u>729,614</u>
Clean Vessel Act	15.616	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>85,235</u>
Assistance to State Water Resources Research Institutes	15.805	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		<u>8,637</u>
U.S. Geological Survey - Research and Data Acquisition	15.808	
<u>Direct Awards:</u>		
Executive Department		223,195
Grambling State University		23,539
Department of Natural Resources		<u>8,347</u>
Subtotal U.S. Geological Survey - Research and Data Acquisition		<u>255,081</u>
Historic Preservation Fund Grants-In-Aid	15.904	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		604,820
Southeastern Louisiana University		<u>4,334</u>
Subtotal Historic Preservation Fund Grants-In-Aid		<u>609,154</u>
Outdoor Recreation - Acquisition, Development and Planning	15.916	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		<u>64,927</u>
Development of the Louisiana Component of the Gulfwide Information System	15.1435-01-96-CA-3083	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>106,466</u>
Dire Emergency Appropriation Fund - Assessment of Impact of Hurricane Andrew on Coastal Wetlands	15.W63-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>61,452</u>

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	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Dire Emergency Appropriation Fund - Attakapas Island WMA Reforestation Project	15.W61-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>\$1,180</u>
Dire Emergency Appropriation Fund - Fisheries Habitat Restoration	15.F82-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>160,027</u>
Dire Emergency Appropriation Fund - Fisheries Recovery in Atchafalaya Basin	15.F83-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>9,838</u>
Dire Emergency Appropriation Fund - Maintenance and Expansion of Booker-Fowler Hatchery	15.F80-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>701,487</u>
Dire Emergency Appropriation Fund - Response of Deer and Deer Habitat to Hurricane Andrew	15.W60-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>2,167</u>
Dire Emergency Appropriation Fund - Terrebonne Barrier Islands Refuge Waterbird Nesting Site Restoration	15.W62-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>9,857</u>
Historic Preservation NPS Battlefields	15.720732000	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		<u>13,334</u>
Mineral Management Service		
<u>Direct Awards:</u>		
Department of Natural Resources	15.14-35-02-96-CA-40281	101,644
Department of Wildlife and Fisheries	15.1435-01-96-CA-30835	<u>23,183</u>
Subtotal Mineral Management Service		<u>124,827</u>

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

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 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
National Park Service - Cooperative Agreements		
<u>Direct Awards:</u>		
Northwestern State University:		
Administration	15.1443 CA 0001 94038 Mod. 14	\$47,958
Administration Services	15.1443 CA 0001 94038 Mod. 17	79,550
Administration Services	15.1443 CA 0001 94038 Mod. 18	33,021
Building Program	15.1443 CX 0001 94-009	384,924
Cane River Park	15.CA 7029-4 00013 Mod. 1	2,424
Interns/Meetings	15.1443 CA 0001 94038 Mod. 12	78,285
Los Adaes	15.1443 PX 7530 97094	2,500
Training Conference on Historic Transportation Corridors	15.1443 CA 192022	700
		<hr/>
Subtotal National Park Service - Cooperative Agreements		629,362
		<hr/>
Northwest Louisiana Wildlife and Aquatic Education Program	15.97-093	
<u>Direct Awards:</u>		
LSU in Shreveport		11,929
		<hr/>
Reciprocal Fire Protection Agreement	15.14-16-004-93-901	
<u>Direct Awards:</u>		
Department of Agriculture		4,981
		<hr/>
Red-Cockaded Woodpecker Habitat Conservation Plan	15.1448-40181-97-G-07	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		7,000
		<hr/>
Status and Conservation of Box Turtle	15.1448-0009-95-1343	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		10,801
		<hr/>
Wetlands Program	15.W42HEM80282800	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		16,000
		<hr/>
Workshop on Issues Surrounding Deepwater Oil and Gas Development	15.1435-01-97-CA-30855	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		40,637
		<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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Fish and Wildlife Cluster:</u>		
Sport Fish Restoration	15.605	
<u>Direct Awards:</u>		
Grambling State University		\$4,859
Department of Wildlife and Fisheries		3,169,580
<u>Through: Research Corporation of the University of Hawaii</u>		
LSU and A&M College (Baton Rouge)		136,124
Southeastern Louisiana University		24,070
Wildlife Restoration	15.611	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		4,231,654
Subtotal Fish and Wildlife Cluster		7,566,287
<u>Research and Development Cluster:</u>		
Endangered Species Conservation	15.612	
<u>Direct Awards:</u>		
Southeastern Louisiana University		6,638
<u>Through: Mississippi Department of Wildlife,</u>		
<u>Fisheries, and Parks</u>		
Southeastern Louisiana University		26,906
Assistance to State Water Resources Research Institutes	15.805	
<u>Direct Awards:</u>		
LSU Agricultural Center		18,244
LSU and A&M College (Baton Rouge)		101,727
National Water Resources Research Program	15.806	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		20,370
U.S. Geological Survey - Research and Data Acquisition	15.808	
<u>Direct Awards:</u>		
LSU Agricultural Center		47,193
LSU and A&M College (Baton Rouge)		35,288
University of Southwestern Louisiana		9,993
Historic Preservation Fund Grants-In-Aid	15.904	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,785
National Center for Preservation Technology and Training	15.923	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(26)

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster (Cont.)</u>		
National Center for Preservation Technology and Training - Fixed Price Contract	15.923	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$9,000
Advanced Decisions Support Geographic Information Systems - Task Order 7	15.1445-0009-94-1048	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		6,162
Aerial Video Survey Contract	15.1435-01-96-CA-30836	
<u>Through: Texas General Land Office</u>		
LSU and A&M College (Baton Rouge)		25,706
Air Quality and Dispersion Meterology Over the Northeastern Gulf of Mexico	15.30660/#19925	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		134,588
Analysis and Synthesis of Louisiana Coastal Boundary Currents	15.30660/#19936	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		9,707
Analyze Existing Data and Collect Data on Variability of Alligator Surveys and Harvests	15.1434HQ97RU01561 #50	
<u>Direct Awards:</u>		
LSU Agricultural Center		6,302
Assessment of the Effects of Bioturbation on Advective Containment Exchange	15.30660/#19919	
<u>Through: Clemson University</u>		
LSU and A&M College (Baton Rouge)		15,715
Biodegradation of Aromatic Heterocycles from Petroleum Produced Water and Pyroge	15.30660/#19920	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		36,189
Biomediation of Spilled Hydrocarbons: The Selection and Survival	15.30660/#19921	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		39,851

(Continued)

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Characterization of Algal-Invertebrate Mats at CMI Study	15.30660/#19932	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$62,754
Clinical Microbiological Survey of a Red-Cockaded Woodpecker - Fixed Price Contract	15.42440-6-0646	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		500
Coastal Currents of the Northern Gulf of Mexico	15.30660/#19928	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(1,778)
Coastal Marine Environmental Modeling		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	15.30660/#19917	44,072
LSU and A&M College (Baton Rouge)	15.30660/#19953	26,379
Commuting, Migration, and Offshore Oil/Gas Extraction	15.30660/#19939	
<u>Direct Awards:</u>		
LSU Agricultural Center		38,949
A Comparative Study of the Ecology and Behavior of the Northern Parula	15.1434HQ97RU01561 #40	
<u>Direct Awards:</u>		
LSU Agricultural Center		22,914
A Continuous Monitoring, Shallow Water Hydrodynamic and Meteorological Station	15.1443CA532097010	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		57,350
Crucial Sediment Delivery Processes within a Marsh Hydrologic Restoration Process	15.6740185	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		8,922
CWPPRA - University Assistance (Army Corps of Engineers)		
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium	15.674189	140,945
Louisiana Universities Marine Consortium	15.674190	13,060

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
CWPPRA - Wetland Value (Army Corps of Engineers)	15.674153	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		\$11,472
Design and Development of an Environmental Geographic Information System to Support Oil Spill Contingency	15.30660/#19901	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		39,792
Development and Characteristics of Sea Anemones as Bioindicators of Offshore Reefs	15.30660/#19916	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(2,317)
Development and Evaluation of Survey Methods for Common Moorhens and Purple Gallinule	15.1434HQ97RU01561 #32	
<u>Direct Awards:</u>		
LSU Agricultural Center		16,853
Development of a Data and Information Management System for Barrataria/Terrebonne	15.1434HQ97RU01561 #34	
<u>Direct Awards:</u>		
LSU Agricultural Center		3,525
Development of a Four Color Large Format Poster for the LA Pontchartrain Basin - Fixed Price Contract	15.83040-7-0447	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		9,920
Development of a Regional Conservation Conference and Related Preservation/Conversion	15.1433 CA 000195021	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		12,500
Development of Bioremediation for Oil Spill Cleanup in Coastal Wetlands	15.30660/#19909	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		8,226

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster</u> , (Cont.)		
Development of Improved Procedures for Detecting and Handling Underground Blow-Outs	15.14-35-0001-30749	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$308,032
Digital High Resolution Acoustic Data for Improved Benthic Habitat/Geohazard	15.30660/#19910	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		107,831
Dire Emergency Appropriation Fund - Atchafalaya River Basin Hydro Management Plan	15.F81-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		282,935
Distribution, Productivity, and Recruitment of Black Bear in the Atchafalaya		
<u>Direct Awards:</u>		
LSU Agricultural Center	15.1434HQ97RU01561 #46	16,222
LSU Agricultural Center	15.1434HQ97RU01561 #53	2,057
Drifter Study in the Mississippi River Plume	15.14-35-0001-30724	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		21,445
Dynamic Height and Transport Across the Texas-Louisiana Shelf	15.30660/#19948	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		4,796
Effects of Depth and Location on the Composition and Abundance of Oceanic Fishes	15.30660/#19947	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		151,159
Effects of Endocrine Disruptors on Mate Choice by Zebra Finches	15.98CRSA1068	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		355

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Effects of Hurricane Andrew on Old and Second Growth Stands of South Florida - Fixed Price Contract	15.CA5280-4-9005	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$60,383
The Effects of Hurricane Andrew on Subtropical Hardwoods and Long Pines - Fixed Price Contract	15.5280-3-9009	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		35,100
An Environmental Geographic Information System to Support Oil Spill Contingency	15.30660/#19901	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,356
Environmental Research Facility - Task Order 4	15.14-45-0009-1048	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		787
Establishment of Rivers, Trails and Conservation Assistance Programs	15.CA7029-3-0003	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		702
Estimates of Late Cenozoic Sea-Surface Temp Using Quantitative Analysis of Plankton Fora	15.1434-96-AG-01568	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		18,475
To Evaluate the Effectiveness of a Novel Above Ground - Fixed Price Contract	15.1443PX0001-96-364	
<u>Direct Awards:</u>		
LSU Agricultural Center		11,000
Evaluating and Collecting Acid Precipitation as a Part of IR-7 - Fixed Price Contract	15.1434-HQ-97-SA-00111	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,300
An Evaluation of Alternate Sampling Strategies for the Migratory Bird Harvest	15.1434HQ97RU01561 #18	
<u>Direct Awards:</u>		
LSU Agricultural Center		(9)

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Evaluation of Water Quality and Fisheries Information Relating to Water Management	15.1434HQ97RU01561 #51	
<u>Direct Awards:</u> LSU Agricultural Center		\$71,094
The Fate and Effects of Barium and Radium-Rich Fluid Emissions	15.30660/#19946	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		95,451
Fish Community Variations Associated with Hydrologic Features in the Lower Atchafalaya	15.1434HQ97RU01561 #36	
<u>Direct Awards:</u> LSU Agricultural Center		(894)
Forecasting the Number, Type, and General Location of the Platforms to be Removed	15.30660/#19934	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		49,157
A Gap Analysis of Louisiana: Predicting Distributions of Terrestrial Vertebrates	15.1434HQ97RU01561 #24	
<u>Direct Awards:</u> LSU Agricultural Center		23,873
Geographic Information System Application to Three Dimensional Historical Mapping	15.1434HQ97RU011561 #52	
<u>Direct Awards:</u> LSU Agricultural Center		65,626
Geologic Framework and Process Affecting Coastal Land Loss and Environmental Quality	15.1434-95-A-01338	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge) University of New Orleans		46,285 221,289
Geologic Map - Fort Polk Area in Western Louisiana	15.1434-HQ-96-AG-01535	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		2,255
Geologic Map - Fort Polk, North Boundary Region, Western Louisiana	15.1434-HQ-97-AG-07153	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		6,609

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
GIS Application to Historical Physiographic Changes and Habitat Succession	15.1434HQ97RU01561 #44	
<u>Direct Awards:</u> LSU Agricultural Center		\$48,257
Gulf of Mexico Region Information Transfer Meeting	15.14-35-1-30665	
<u>Direct Awards:</u> University of New Orleans		83,483
Habitat Use by Nearctic-Neotropical Migrant Songbirds at Big Bend National Park	15.1434HQ97RU01561 #41	
<u>Direct Awards:</u> LSU Agricultural Center		3,576
Historical Reconstruction of Contaminant Loading and Biological Responses	15.30660/#19930	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		71,558
How Does Produced Water Cause a Reduction of the Genetics of Harpatic	15.30660/#19949	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		32,992
Hurricane Andrew Impacts	15.14-08-0001-A0917	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		62,304
Identify Algae in Creeks Located in Fort Polk's Limited Use Area - Fixed Price Contract	15.1434-CR-97-SA-00687	
<u>Direct Awards:</u> LSU Agricultural Center		11,200
Improved Procedures for Cryopreservation of Fish Sperm		
<u>Direct Awards:</u> LSU Agricultural Center	15.14-45-0009-1561 #42	(300)
LSU Agricultural Center	15.1434HQ97RU01561 #45	32,712
Interactions Between Migrating Birds and Offshore Oil and Gas Rigs Off the LA Coast	15.30660/#19938	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		105,420

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Interpretative Syntheses of Latex Shelf and Slope Circulation	15.30660/#19942	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$13,616
Investigation of Hybrid Deep Water Production Systems	15.1435-01-97-CA-30879	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		40,643
Job Loss and Reemployment of Women and Blacks in Louisiana's Oil Communities	15.30660/#19954	
<u>Direct Awards:</u>		
LSU Agricultural Center		5,763
LA/Texas Physical Oceanography Program	15.14-35-0001-30632	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		118,775
LA/Texas Shelf Circulation and Transport Process Study Through: <u>Texas A&M Research Foundation</u>	15.S200020/481001-10009	
LSU and A&M College (Baton Rouge)		13,087
Labor Demand in the Offshore Oil and Gas Industry: The Louisiana Case	15.30660/#19951	
<u>Direct Awards:</u>		
LSU Agricultural Center		19,032
Labor Migration and the Deepwater Oil Industry	15.30660/#19958	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		428
Lease Abandonment: Technology, Environmental Effects and Regulation	15.14-35-0001-30794	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		34,651
Long-Term Monitoring of Impacts to Vegetation Associated With an S Starrwill 3 - Fixed Price Contract	15.unknown	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		113,238
LSU Coastal Marine Institute Management	15.30660/#19918	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		43,535

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Map Breeding Bird Distribution and Evaluation Preferences - Fixed Price Contract	15.5705-SZM-N-2555-97	
<u>Direct Awards:</u> University of New Orleans		\$4,512
Map Breeding Bird Distribution, Habitat Preferences, and Mating Success of Breeding Birds in Vicinity of Urban/Park Interface	15.1443PX750397084	
<u>Direct Awards:</u> University of New Orleans		1,570
Measurements of Meterology and Air Quality on Breton Island	15.30660/#19925	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		33,586
Minerals Management Service (Army Corps of Engineers)	15.674152	
<u>Direct Awards:</u> Louisiana Universities Marine Consortium		38,561
MOA - Coast 2050 (Army Corps of Engineers)	15.674192	
<u>Direct Awards:</u> Louisiana Universities Marine Consortium		12,785
Modeling of Mangrove Region	15.CA5280-8-9011	
<u>Direct Awards:</u> University of Southwestern Louisiana		42,155
A Modeling Study of Gulf of Mexico Deep Water Circulation and Transport	15.30660/#19952	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		4,729
Monitoring of Wave/Current Interactions and Sand Transportation	15.CA-5320-5-9052	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		31,727
Monitoring Wetland Creation/Dredged Materials (Army Corps of Engineers)	15.674151	
<u>Direct Awards:</u> Louisiana Universities Marine Consortium		10,297

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Neotropical Bird Use and Reproductive Performance with Habitat Correlation and Management - Fixed Price Contract	15.1448-0004-96-023	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$50,000
Neotropical Bird Use with Habitat Correlation	15.unknown	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,795
NTN Acid Preparation Collection Station - Fixed Price Contract	15.1434-HQ-98-SA-00121	
<u>Direct Awards:</u>		
LSU Agricultural Center		1,300
An Observational and Predictive Study of Inner Shelf Currents Over the Texas/Louisiana Shore	15.30660/#19943	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		15,499
The Oil Spill at Lake Barre, LA: Economic and Social Consequences	15.30660/#19955	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		14,566
Palynological Analysis of Cores from Holocene Deposition	15.1434-HQ-97-GR-03199	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,405
Palynological Analysis of Cores from the Mississippi Delta Vermilion Bay Area - Fixed Price Contract	15.1434-HQ-96-SA-01028	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,050
Phytolith Analysis of Cores from the Mississippi Delta Vermilion Bay Area - Fixed Price Contract	15.1434-HQ-96-SA-01029	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		4,805
Postlarval and Juvenile Fish Nursery Ground/Refugia Function	15.30660/#19926	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		123,270

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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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
The Potential for Accelerated Bioremediation and Restoration	15.30660/#19927	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$23,183
A Pressure Gauge and Moored CTD Array Along the Louisiana Coastal Current	15.30660/#19922	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		7,144
Process Studies, Skill Assessment, and Data Management Coastal Ocean Models	15.unknown	
<u>Through: Dynalysis of Princeton</u>		
LSU and A&M College (Baton Rouge)		32,015
Recovery of Mangrove Ecosystems	15.CA5280-7-9013	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		40,644
Reproduction of Alligators on Sabine National Wildlife Refuge	15.143HQ97RU01561 #48	
<u>Direct Awards:</u>		
LSU Agricultural Center		78,068
Research, Compilation, and Digitization of Problematical Roaled Source	15.1435-01-98-CA-30895	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,570
Restoration of Bald Cypress in Areas Subjected to Saltwater Intrusion	15.1445-0004-95-9104	
<u>Direct Awards:</u>		
LSU Agricultural Center		564
Role of Bottom Sediment Redox-Chemistry Near Oil Production Facilities	15.30660/#19907	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		57,170
Scientific Assistance to LA Coastal Conservation/Restoration Task Force	15.6740147	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		40,478

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Seasonal and Spatial Variations in the Biomass and Size Frequency Distribution of Fish	15.30660/#19915	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		(\$90)
Sediment and Nutrient Availability in the Vicinity of the Brady Canal Restoration	15.1445-0004-95-9142	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		7
A Socioeconomic Analysis of the Post Expansion of Port Fourchon	15.30660/#19945	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		77,456
Studying and Verifying the Use of Chemical Biomarkers	15.30660/#19933	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		50,900
Survey of Avian Use, Productivity, and Survivorship in Harvested or Planted Bottomland	15.1434HQ97RU01561 #39	
<u>Direct Awards:</u> LSU Agricultural Center		45,443
Sustainable Socioeconomic Development in Oil and Gas Countries, A Case Study	15.30660/#19941	
<u>Direct Awards:</u> LSU Agricultural Center		47,895
Synthesis of Hard Mineral Resources on the Florida Panhandle - Fixed Price Contract	15.1435-01-96-CT-30812	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		47,392
Technical Report Analyzing Surficial Storm Deposits Transported by Hurricanes - Fixed Price Contract	15.179076	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		10,000
Tracing Food-Web Connections With Hydrocarbon Seepage Through: <u>Texas A&M Research Foundation</u>	15.S700027/634851-14001	
LSU and A&M College (Baton Rouge)		10,656
LSU Agricultural Center		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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
<u>Research and Development Cluster</u> (Cont.)		
Variations in Fishes and Commercial Crustaceans Associated With the Flood Pulse	15.1434HQ97RU01561 #43	
<u>Direct Awards:</u> LSU Agricultural Center		\$38,777
Wave Climate Modeling and Evaluation Relative to Sand Mining on Ship Shoal, Offshore	15.30660/#19911	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		86,741
Wetlands Interns - Task Orders 6, 7, 8, 9	15.14-45-CA09-95-0116	
<u>Direct Awards:</u> University of Southwestern Louisiana		125,363
Workshop on Issues Surrounding Deepwater Oil and Gas Development	15.1435-01-97-CA30855	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		55,557
Workshop for Modeling Demographic and Socioeconomic Changes in Coastal Areas	15.30660/#19959	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		6,923
Subtotal Research and Development Cluster		<u>4,813,485</u>
Total U.S. Department of Interior		<u><u>\$16,506,021</u></u>
U.S. DEPARTMENT OF JUSTICE		
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	
<u>Direct Awards:</u> Executive Department		<u>\$990,472</u>
Juvenile Justice and Delinquency Prevention - Special Emphasis	16.541	
<u>Direct Awards:</u> Department of Public Safety and Corrections - Corrections Services		<u>2,805</u>
Title V - Delinquency Prevention Program	16.548	
<u>Direct Awards:</u> Executive Department		<u>126,975</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Part E - State Challenge Activities	16.549	
<u>Direct Awards:</u>		
Executive Department		<u>\$73,749</u>
State Justice Statistics Program for Statistical Analysis Centers	16.550	
<u>Direct Awards:</u>		
Executive Department		<u>31,572</u>
National Criminal History Improvement Program (NCHIP)	16.554	
<u>Direct Awards:</u>		
Executive Department		<u>1,142,884</u>
Criminal Justice Research and Development - Graduate Research Fellowships	16.562	
<u>Through: Justice Research Statistics Association</u>		
Executive Department		<u>3,000</u>
Crime Victim Assistance	16.575	
<u>Direct Awards:</u>		
Executive Department		<u>3,257,138</u>
Crime Victim Compensation	16.576	
<u>Direct Awards:</u>		
Executive Department		<u>100,010</u>
Byrne Formula Grant Program	16.579	
<u>Direct Awards:</u>		
Executive Department		<u>8,382,136</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>949,324</u>
Violence Against Women Formula Grants	16.588	
<u>Direct Awards:</u>		
Executive Department		<u>644,965</u>
Grants to Encourage Arrest Policies	16.590	
<u>Through: St. Tammany Parish</u>		
University of New Orleans		<u>21,414</u>
Local Law Enforcement Block Grants Program	16.592	
<u>Direct Awards:</u>		
Executive Department		<u>298,149</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Residential Substance Abuse Treatment for State Prisoners	16.593	
<u>Direct Awards:</u>		
Executive Department		\$530,689
Public Safety Partnership and Community Policing Grants	16.710	
<u>Direct Awards:</u>		
LSU in Shreveport		558,254
Northeast Louisiana University		12,969
Orleans Levee District		214,897
Southeastern Louisiana University		16,292
Southern University at New Orleans		26,221
Subtotal Public Safety Partnership and Community Policing Grants		828,633
Asset Forfeiture Program	16.LASMAMSO69	
<u>Direct Awards:</u>		
Department of Military Affairs		18,817
CEPP Technical Assistance Grants Program - Organized Crime Drug Enforcement Task Force	16.SELAW-042	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		9,322
Cops Universal Hiring Program	16.LA0310600	
<u>Direct Awards:</u>		
Gambling State University		30,942
Drug Enforcement Administration - Domestic Cannabis Eradication		
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services	16.97-51	217,216
Department of Public Safety and Corrections - Public Safety Services	16.98-51	113,033
Subtotal Drug Enforcement Administration - Domestic Cannabis Eradication		330,249
Drug Enforcement Administration - Federal Witness	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		47,911

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Drug Enforcement Administration - Gulf Coast Drug Task Force		
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services	16.GCLAW-012	\$616
Department of Public Safety and Corrections - Public Safety Services	16.GCLAW-042	2,745
Department of Public Safety and Corrections - Public Safety Services	16.GCLAW-044	1,039
		<hr/>
Subtotal Drug Enforcement Administration - Gulf Coast Drug Task Force		4,400
		<hr/>
Drug Enforcement Administration - New Orleans Division Task Force		
	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		9,757
		<hr/>
Drug Fire Equipment		
	16.96-DD-BX-0097	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		88,463
		<hr/>
Federal Bureau of Investigation - Castle/Leo Phase II/III		
	16.unknown	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		3,129,319
		<hr/>
Federal Bureau of Investigation - Castle/Leo Phase IV		
	16.unknown	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		645,097
		<hr/>
Federal Bureau of Investigation - New Orleans Gang Task Force		
	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		1,624
		<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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Federal Bureau of Investigation - Organized Crime Drug Enforcement Task Force		
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services	16.SELAW-048	\$1,563
Department of Public Safety and Corrections - Public Safety Services	16.SELAW-050	12,361
Department of Public Safety and Corrections - Public Safety Services	16.SELAW-051	9,804
Department of Public Safety and Corrections - Public Safety Services	16.SELAW-052	<u>9,773</u>
Subtotal Federal Bureau of Investigation - Organized Crime Drug Enforcement Task Force		<u>33,501</u>
Federal Bureau of Investigation - Violent Criminal Organization Task Force		
	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>5,740</u>
Federal Marshals		
	16.MS-93-D0036	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>556,828</u>
Forensic DNA Laboratory Improvement		
	16.DNVX-0012	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>82,630</u>
Managing Law Enforcement Technologies		
	16.98-LB-VX-K010	
<u>Direct Awards:</u>		
University of New Orleans		<u>70,457</u>
U.S. Attorney - Organized Crime Drug Enforcement Task Force		
	16.SW-NM-065	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>229</u>
U.S. Attorney - Violent Crime Drug Related Task Force		
	16.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>547</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
<u>Research and Development Cluster:</u>		
Justice Research, Development, and Evaluation Project Grants	16.560	
<u>Direct Awards:</u>		
Southeastern Louisiana University		\$5,458
Affordable Crime Mapping and Information Sharing	16.RX-270-97-0133-MIS	
<u>Through: City of New Orleans</u>		
University of New Orleans		69,275
		<hr/>
Subtotal Research and Development Cluster		74,733
		<hr/>
Total U.S. Department of Justice		\$22,524,481
		<hr/> <hr/>
U.S. DEPARTMENT OF LABOR		
Labor Force Statistics	17.002	
<u>Direct Awards:</u>		
Department of Labor		\$1,254,311
		<hr/>
Compensation and Working Conditions Data	17.005	
<u>Direct Awards:</u>		
Department of Labor		73,703
		<hr/>
Labor Certification for Alien Workers	17.203	
<u>Direct Awards:</u>		
Department of Labor		162,052
		<hr/>
Unemployment Insurance	17.225	
<u>Direct Awards:</u>		
Department of Labor		158,661,873
		<hr/>
Senior Community Service Employment Program	17.235	
<u>Direct Awards:</u>		
Office of Elderly Affairs		1,511,381
Northeast Louisiana University		374,748
		<hr/>
Subtotal Senior Community Service Employment Program		1,886,129
		<hr/>
Trade Adjustment Assistance - Workers	17.245	
<u>Direct Awards:</u>		
Department of Labor		2,144,731
		<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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF LABOR (CONT.)		
Employment Services and Job Training - Pilot and Demonstration Programs	17.249	
<u>Direct Awards:</u>		
Executive Department		<u>\$143,085</u>
Welfare-to-Work Grants to States and Localities	17.253	
<u>Direct Awards:</u>		
Department of Labor		<u>266,175</u>
Consultation Agreements	17.504	
<u>Direct Awards:</u>		
Department of Labor		<u>325,402</u>
School to Work Technical Assistance and Training	17.unknown	
<u>Direct Awards:</u>		
Executive Department		<u>2,873</u>
State Occupational Information Coordinating Council	17.E-9454621	
<u>Direct Awards:</u>		
Department of Labor		<u>123,533</u>
<u>Employment Services Cluster:</u>		
Employment Service	17.207	
<u>Direct Awards:</u>		
Department of Labor		13,638,174
Southeastern Louisiana University		24,000
Disabled Veterans' Outreach Program (DVOP)	17.801	
<u>Direct Awards:</u>		
Department of Labor		916,710
Local Veterans' Employment Representative Program	17.804	
<u>Direct Awards:</u>		
Department of Labor		<u>744,596</u>
Subtotal Employment Services Cluster		<u>15,323,480</u>
<u>JTPA Cluster:</u>		
Employment and Training Assistance - Dislocated Workers	17.246	
<u>Direct Awards:</u>		
Department of Labor		22,319,948
<u>Through: Calcasieu Parish Police Jury</u>		
McNeese State University		229,554
<u>Through: Ouachita Parish Police Jury</u>		
Northeast Louisiana University		93,227

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF LABOR (CONT.)		
<u>JTPA Cluster (Cont.)</u>		
Job Training Partnership Act	17.250	
<u>Direct Awards:</u>		
Department of Labor		\$45,143,731
Through: <u>City of Baton Rouge</u>		
LSU and A&M College (Baton Rouge)		189,473
Through: <u>First Planning District Consortium</u>		
University of New Orleans		30,315
Through: <u>Jefferson Parish Office of Manpower Programs</u>		
Delgado Community College		136,571
Louisiana Technical College, West Jefferson Campus		24,638
Through: <u>JTPA Private Independent Council of Planning District IV</u>		
LSU at Eunice		34,858
Through: <u>Orleans Private Industry Council</u>		
Delgado Community College		146,909
Through: <u>Rapides Parish Police Jury</u>		
LSU at Alexandria		98,605
Through: <u>St. Landry Parish Consortium</u>		
Louisiana Technical College, Evangeline Campus		79,344
Louisiana Technical College, Teche Area Campus		61,603
Through: <u>St. Landry Parish Police Jury</u>		
LSU at Eunice		45,228
Louisiana Technical College, Charles B. Coreil Campus		51,231
Louisiana Technical College, T. H. Harris Campus		176,058
Through: <u>St. Landry Parish Private Industry Council</u>		
Louisiana Technical College, Gulf Area Campus		86,093
Through: <u>Tangipahoa Parish School Board</u>		
LSU and A&M College (Baton Rouge)		206,904
Louisiana Technical College, Florida Parishes Campus		5,223
Louisiana Technical College, Sullivan Campus		30,177
Louisiana Technical College, Westside Campus		70,129
Through: <u>The Work Connection, Houma, Louisiana</u>		
Louisiana Technical College, South Louisiana Campus		142,791
Subtotal JTPA Cluster		69,402,610
Total U.S. Department of Labor		\$249,769,957

(Continued)

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

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	<u>CFDA OR OTHER NUMBER</u>	<u>ACTIVITY</u>
U.S. DEPARTMENT OF STATE		
Anti-Terrorism Training Program	19.unknown	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>\$202,200</u>
Anti-Terrorism Assistance Program		
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services	19.1052-660160	400,702
Department of Public Safety and Corrections - Public Safety Services	19.1052-860160	<u>2,595,059</u>
Subtotal Anti-Terrorism Assistance Program		<u>2,995,761</u>
Belarus Library Education and Librarianship Project	19.unknown	
<u>Through: International Research and Exchanges Board (IREX)</u>		
LSU and A&M College (Baton Rouge)		<u>3,612</u>
Crisis Response Team		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Brazil	19.183 ATA #1576	287,367
El Salvador	19.206 ATA #1723	6,500
Israel	19.145 ATA #1446	272,840
Israel - Bilingual Instructional Aid	19.177 ATA #1446	4,008
Israel - Six Week Version	19.179 ATA #1574	281,714
Jordan	19.166 ATA #1311	279,919
Lithuania - Six Week Version	19.199 ATA #1655	288,324
Test Run - One Week Modules	19.161 ATA #1623	176,964
Training Development Conference	19.205 ATA #1231	7,500
Training Services - Classroom	19.169 ATA #1403	1,332
Tunisia	19.192 ATA #1495	<u>285,378</u>
Subtotal Crisis Response Team		<u>1,891,846</u>
EIC Course - Training Development Course	19.213 ATA #1231	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>1,787</u>
EIC/Search Methods - British Police Explosives Search	19.196 ATA #1742	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>5,504</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Explosive Incident Countermeasurers		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Bosnia	19.207 ATA #1694	\$6,500
Brazil	19.174 ATA #1573	305,999
Malaysia	19.182 ATA #1611	301,487
Venezuela	19.165 ATA #1479	299,586
Yemen	19.200 ATA #1733	306,124
		1,219,696
Subtotal Explosive Incident Countermeasurers		
Hostage Negotiations		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Curriculum Update	19.175 ATA #1403	32,391
Egypt	19.173 ATA #1465	37,812
Saudi Arabia	19.202 ATA #1710	37,646
Thailand	19.164 ATA #1465	31,312
Turkey	19.198 ATA #1581	37,423
		176,584
Subtotal Hostage Negotiations		
Hostage Negotiation Support of Crisis Management Exercises		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	19.170 ATA #1528	12,949
LSU and A&M College (Baton Rouge)	19.186 ATA #1617	17,022
		29,971
Subtotal Hostage Negotiation Support of Crisis Management Exercises		
Instructor Training Services		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Explosive Incident Countermeasurers - Morocco	19.189 ATA #1569	305,720
Hostage Negotiations - El Salvador	19.193 ATA #1563	36,706
		342,426
Subtotal Instructor Training Services		
Officer Survival Training Development Conference		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	19.176 ATA #1403	22,417
LSU and A&M College (Baton Rouge)	19.191 ATA #1403	28,140
LSU and A&M College (Baton Rouge)	19.215 ATA #1231	2,926
		53,483
Subtotal Officer Survival Training Development Conference		

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Post Blast Investigation		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Bosnia	19.204 ATA #1687	\$90,833
Egypt	19.163 ATA #1368	83,082
Malaysia	19.209 ATA #1750	6,500
Post Blast Investigation	19.188 ATA #1580	88,969
Saudi Arabia	19.172 ATA #1571	89,877
Saudi Arabia	19.94 ATA #1571	87,588
Venezuela	19.197 ATA #1372	88,040
		534,889
Subtotal Post Blast Investigation		
Role of Police in Managing a Crisis		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Argentina	19.181 ATA #1119	52,523
Ethiopia	19.210 ATA #1712	6,500
Role of Police in Managing a Crisis	19.187 ATA #1403	31,846
Venezuela	19.167 ATA #1375	46,830
		137,299
Subtotal Role of Police in Managing a Crisis		
Rural Border Patrol - Training and Development Conference		
	19.214 ATA #1231	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,865
Rural Operations - Training Development Conference		
	19.178 ATA #1403	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		16,606
Senior Crisis Management		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Bosnia	19.185 ATA #1378	70,766
Chile	19.168 ATA #1376	54,643
Cyprus	19.208 ATA #1719	63,719
Japan	19.184 ATA #1664	9,378
Kuwait	19.191 ATA #1681	62,492
Morocco	19.203 ATA #1706	63,714
Qatar	19.217 ATA #1715	6,500
Yemen	19.195 ATA #1682	62,856
		394,068
Subtotal Senior Crisis Management		

(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, 1998

	<u>CFDA OR OTHER NUMBER</u>	<u>ACTIVITY</u>
U.S. DEPARTMENT OF STATE (CONT.)		
U.S. Agency for International Development - Zambia-Dem In-Country	19.6230226A0040230	
<u>Direct Awards:</u> Southern University Board and System Administration		<u>\$344,707</u>
<u>Research and Development Cluster:</u> The Diary of Fedor V. Chizhov: An Annotated Edition <u>Through: Social Science Research Council</u> LSU and A&M College (Baton Rouge)	19.unknown	<u>3,821</u>
Total U.S. Department of State		<u><u>\$8,356,125</u></u>
U.S. DEPARTMENT OF TRANSPORTATION		
Boating Safety Financial Assistance	20.005	
<u>Direct Awards:</u> Department of Wildlife and Fisheries		<u>\$584,921</u>
Airport Improvement Program	20.106	
<u>Direct Awards:</u> Department of Transportation and Development		<u>2,912,001</u>
Airway Science	20.107	
<u>Direct Awards:</u> Louisiana Tech University Northeast Louisiana University		<u>33,195</u> <u>125,028</u>
Subtotal Airway Science		<u>158,223</u>
Highway Planning and Construction	20.205	
<u>Direct Awards:</u> Department of Revenue Department of Transportation and Development		<u>86,680</u> <u>276,240,354</u>
Subtotal Highway Planning and Construction		<u>276,327,034</u>
Motor Carrier Safety Assistance Program	20.218	
<u>Direct Awards:</u> Department of Public Safety and Corrections - Public Safety Services		<u>1,366,575</u>
Local Rail Freight Assistance	20.308	
<u>Direct Awards:</u> Department of Transportation and Development		<u>2,493</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
Federal Transit Grants for University Research and Training	20.502	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		<u>\$213,018</u>
Public Transportation for Nonurbanized Areas	20.509	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>3,032,516</u>
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>684,883</u>
State Planning and Research	20.515	
<u>Direct Awards:</u>		
Department of Transportation and Development		<u>571,698</u>
Pipeline Safety	20.700	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>232,798</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>188,749</u>
Dwight D. Eisenhower Transportation Fellowship Program	20.DDEFFP-97-X-0013	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>2,004</u>
Instructional and Support Services for the National Transit Institute	20.4-28633	
<u>Through: Rutgers, The State University of New Jersey</u>		
LSU and A&M College (Baton Rouge)		<u>2,899</u>
Instructional and Support Services for the National Transit Institute - Fixed Price Contract	20.4-28633	
<u>Through: Rutgers, The State University of New Jersey</u>		
LSU and A&M College (Baton Rouge)		<u>23,400</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
<u>Federal Capital Grants Cluster:</u>		
Federal Transit Capital Improvements Grants	20.500	
<u>Direct Awards:</u>		
Department of Transportation and Development		\$927,593
Federal Transit Capital and Operating Assistance Formula Grants	20.507	
<u>Direct Awards:</u>		
Department of Transportation and Development		316,000
Subtotal Federal Capital Grants Cluster		<u>1,243,593</u>
<u>Highway Safety Cluster:</u>		
State and Community Highway Safety	20.600	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>1,856,363</u>
<u>Research and Development Cluster:</u>		
Assessment of Market Demand for a Competitive High-Speed Family of Vessels	20.96-015	
<u>Through: Swiftships, Inc.</u>		
LSU and A&M College (Baton Rouge)		(1,805)
Beauregard Parish Risk Assessment - Fixed Price Contract	20.unknown	
<u>Through: Beauregard Parish Emergency Response Council</u>		
LSU and A&M College (Baton Rouge)		3,500
Closed Loop Traffic Simulation Laboratory	20.P60972/ W/D: 4250T	
<u>Through: Kaman Sciences</u>		
LSU and A&M College (Baton Rouge)		56,502
<i>In Situ</i> Testing at the National Geotechnical Experiment - Fixed Price Contract	20.DTFH61-97-0-00161	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		41,858
Including All Deep Foundation Load Test Data and Soil and Site Investigation	20.DTFH61-96-X-00002	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		63,178
Intelligent Vehicle Highway Systems Research Centers at Excellence	20.L400032	
<u>Through: Texas A&M Research Foundation</u>		
LSU and A&M College (Baton Rouge)		34,056

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
National Pipeline Mapping System - State Agencies Pilot - Fixed Price Contract	20.DTRS56-97-P-70189	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$43,555
Nondestructive Testing to Determine Institutional Material Properties of Pavement Lanes	20.HR10-44.003	
<u>Through: Brent Rauhut Engineering, Inc.</u>		
LSU and A&M College (Baton Rouge)		(141)
Technical Support for Competitive High Speed Vessels	20.DTMA91-96-H-0001	
<u>Through: Swiftships, Incorporated</u>		
University of New Orleans		<u>13,522</u>
Subtotal Research and Development Cluster		<u>254,225</u>
Total U.S. Department of Transportation		<u><u>\$289,657,393</u></u>
U.S. DEPARTMENT OF THE TREASURY		
Arson/Explosives Investigations	21.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>\$630</u>
United States Customs Service	21.unknown	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services		<u>18,999</u>
Total U.S. Department of the Treasury		<u><u>\$19,629</u></u>
UNITED STATES POSTAL SERVICE		
United States Postal Service	22.216565-89-P-0444	
<u>Direct Awards:</u>		
Nicholls State University		<u>\$6,000</u>
Total United States Postal Service		<u><u>\$6,000</u></u>

(Continued)

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		
- Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	
<u>Direct Awards:</u>		
Executive Department		\$201
Total Equal Employment Opportunity Commission		\$201
GENERAL SERVICES ADMINISTRATION		
Donation of Federal Surplus Personal Property	39.003	
<u>Direct Awards:</u>		
Executive Department		\$7,756,314
Total General Services Administration		\$7,756,314
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
Aerospace Education Services Program	43.001	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$455,694
<u>Through: University of Alabama</u>		
Northwestern State University		12,179
Subtotal Aerospace Education Services Program		467,873
Technology Transfer	43.002	
<u>Direct Awards:</u>		
Northeast Louisiana University		15,321
Southern University at New Orleans		94,381
<u>Through: Prairie View A&M</u>		
Southern University at New Orleans		45,498
Subtotal Technology Transfer		155,200
CSTEA HBCU Academic and Research Consortium	43.NCC-5197	
<u>Through: Howard University</u>		
Grambling State University		151,581

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Louisiana Space Consortium - Laspace - Fellows		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Ackman	43.NGT-40039	\$1,976
Clayton and Deines	43.NGT-40039	3,952
		<hr/>
Subtotal Louisiana Space Consortium - Laspace - Fellows		5,928
		<hr/>
NASA Research Consortium	43.KCS102197	
Through: <u>Nafeo Services</u>		
Southern University and A&M College (Baton Rouge)		3,142
		<hr/>
NASA Administrators Fellowship	43.NCC-5-179	
Through: <u>National Research Council</u>		
Southern University and A&M College (Baton Rouge)		62,099
		<hr/>
QE NASA Sharp Plus	43.NAGS-4122	
Through: <u>Quality Education for Minorities Network</u>		
Southern University and A&M College (Baton Rouge)		45,533
		<hr/>
Southern Technology Applications Center - Fixed Price Contract	43.329253	
Through: <u>University of Florida</u>		
LSU and A&M College (Baton Rouge)		37,500
		<hr/>
To Support Programs and Fellowships Under the National Space Grant College and Fellowship	43.NGT-40035	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		60,692
		<hr/>
<u>Research and Development Cluster:</u>		
Aerospace Education Services Program	43.001	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		735,549
LSU and A&M College (Baton Rouge)		5,288
Louisiana Tech University		18,541
Technology Transfer	43.002	
<u>Direct Awards:</u>		
Louisiana Tech University		16,541
McNeese State University		36,076
Southern University and A&M College (Baton Rouge)		928,340
Through: <u>South Carolina State</u>		
Southern University and A&M College (Baton Rouge)		23,019

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Accretion Onto Magnetic Degenerate Stars	43.NAG-5-3082	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$42,823
Advanced Calorimeter for Composition of Elements in the Space Station (Access)	43.NAG5-3770	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		36,082
Advanced Mechanical Characteristics of Aerospace Engines	43.NGT-40039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		11,761
Advanced Thin Ionization Calorimeter (ATIC)	43.NAGW-4577	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		427,504
The Advanced Thin Ionization Calorimeter Balloon Experiment	43.NAG5-5064	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		767,322
Analysis and Optimization of a Low-Gravity Two-Phase Heat Rejection Device	43.NAG9-928	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		4,416
Application of Physical and Biological Techniques in the Study of the Gravisensin and Response System of Plants	43.NAG10-0190	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		100,466
Assessing the Geomorphic Evolution and Hydrographic Changes Induced by Winter	43.G037590	
<u>Through: University of Wisconsin</u>		
LSU and A&M College (Baton Rouge)		4,102
Astroculture Metabolism and Ultrastructure Analysis	43.NAG9-860	
<u>Direct Awards:</u>		
LSU Agricultural Center		103
Biomedical and Life Sciences	43.NAG8-1206	
<u>Direct Awards:</u>		
Southeastern Louisiana University		33,606

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Buckling Analysis of Thick Walled Composite Cylinders	43.NGT-40039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$4,862
Characterization of Fatigue in an Aluminum-Lithium Alloy	43.NGT-40035	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,822
Design and Development for a Minute-of-Arc Resolution Gamma Ray Imaging Experiment	43.NAGW-3744	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(5,079)
Developmental Analysis of Seeds Grown on Mir	43.NAG2-1020	
<u>Direct Awards:</u>		
LSU Agricultural Center		26,950
Direct Numerical Simulations on a Curvilinear Mesh of a Thrust/Control Jet	43.NGT-40039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		8,875
Do We Need Realistic Modeling of Composite Interstellar Dust Grains	43.NAG5-3531	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		98,153
Efficient Parallel Kernel Solvers for Computational Fluid Dynamics Applications	43.NAG-1-1672	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,020
Environmental Policy Analysis Task, Gulf of Mexico Program - Fixed Price Contract Through: Mississippi State University	43.SSC-116-01	
LSU and A&M College (Baton Rouge)		600
Exercise Biology	43.NAG9-714	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		18,587
Flow-Acoustics - Structure Interaction in Solid Rocket Motor Combustion Instability	43.NGT-40039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		7,736

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
A Geographic Information System for Characterization	43.NAGW-4221	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$791
A Geophysical Flow Experiment in a Compressible Critical Fluid	43.NAG-3-1915	
<u>Direct Awards:</u>		
University of New Orleans		45,244
Graduate Student Researchers Program	43.NGT13-72701	
<u>Direct Awards:</u>		
LSU Agricultural Center		(403)
Growth and Morphology of Phase Separating Supercritical Fluids	43.NAG-3-1906	
<u>Direct Awards:</u>		
University of New Orleans		256,614
High Resolution UV Spectroscopy of HD44179	43.GO-05858.01-94A	
<u>Through: Space Telescope Science Institute</u>		
LSU and A&M College (Baton Rouge)		4,745
Hubble Space Telescope Research	43.NAS5-26555	
<u>Through: Space Telescope Science Institute</u>		
University of New Orleans		2,633
Image Analysis Enhancement for Advanced Environmental and Land Use Study	43.NAG5-6578	
<u>Direct Awards:</u>		
University of New Orleans		82,397
Intelligent Know Acquisition	43.NAG3-1662	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		40,150
Joint Venture in Education	43.NAG10-0131	
<u>Direct Awards:</u>		
Southeastern Louisiana University		14,451
Large Eddy Simulations Improved Turbulance Modeling of Film Cooling	43.NAG3-1641	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		91,310

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Louisiana Space Consortium - Laspace	43.NGT-40039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$84,900
A Microfabricated Magnetic Field Sensor Based on Electricity	43.NGT5-40035	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		5,000
Microgravity Effects on Early Reproductive Development		
<u>Direct Awards:</u>		
LSU Agricultural Center	43.NAGW-3579	(323)
LSU Agricultural Center	43.NAG5-3756	33,316
Microgravity Effects on Plant Pollination	43.NGT-40039	
<u>Direct Awards:</u>		
LSU Agricultural Center		770
Microstructure-Corrosion and SCC Relationship in AL-LI Alloy Weldments - Fixed Price Contract Through: Lockheed Martin Corp.	43.A840022	
LSU and A&M College (Baton Rouge)		80,740
Minute of Arc Resolution Gamma-Ray Imaging Experiment	43.NAG5-5127	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		30,523
Mist Generation for Fire Suppression Applications	43.NGT-40039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		10,827
NASA Graduate Students Researchers Program		
<u>Direct Awards:</u>		
University of New Orleans	43.NGT-52702	1,333
University of New Orleans	43.NGT-52706	19,739
University of New Orleans	43.NGT-52711	19,200
University of New Orleans	43.NGT-52714	9,854
NASA/University Joint Venture Program		
<u>Direct Awards:</u>		
University of New Orleans	43.NAG8-1116	5,482
University of New Orleans	43.NAG8-1906	7,158
A New Model of the Catabolic Effects of Weightlessness	43.NAG9-714	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		373,083

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
NLO Polymers That Have Enhanced Thermal Stability <u>Through: New Mexico Highlands University</u> Grambling State University	43.NAG8-1392	\$48,080
Numerical Study of Magnetic Damping During Directional Solidification <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	43.NCC3-435	760
Parallel Molecular Dynamics Simulations of Atomic Nanos <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	43.NAG2-1212	19,685
Planet Earth Workshops for Teachers of Physical Science <u>Direct Awards:</u> University of New Orleans	43.NAG-5-6165	6,377
Plant Reproductive Development in Microgravity <u>Direct Awards:</u> LSU Agricultural Center	43.NAG10-0139	113,250
Polymeizable Monomer Reactants <u>Direct Awards:</u> Grambling State University	43.NCC3-512	55,166
Propulsion Chemistry for CFD Applications - Fixed Price Contract <u>Through: Seca, Inc.</u> LSU and A&M College (Baton Rouge)	43.SUB95-001	16,167
Reactive Information Fusion Applicable to NASA's Regional Application Center Project <u>Direct Awards:</u> University of Southwestern Louisiana	43.NAG5-7127	5,204
Remediation of Biolims Formed by Bacteria Isolated From Spacecraft Water Systems <u>Direct Awards:</u> LSU Agricultural Center	43.NGT9-10	12,297

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
A SPDS Node to Support the Systematic Interpretation of Cosmic Ray Data		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	43.NAG5-4154	\$11,801
LSU and A&M College (Baton Rouge)	43.NAGW-4404	(878)
Static and Dynamic Analysis of Stiffened Laminated Composition		
	43.NGT-40039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,967
Status and Conservation of Amphibians and Reptiles on Merritt Island National Wildlife Refuge		
	43.K-SPL001	
<u>Through: Dynamac Corporation</u>		
Southeastern Louisiana University		1,731
A Study of Circumstellar Material Formed in a Hydrogen-Deficient Environment		
	43.GO-06476-01-95A	
<u>Through: Space Telescope Science Institute</u>		
LSU and A&M College (Baton Rouge)		10,672
Study of Magnetic Damping Effect on Convection and Solidification Under G-Jitter		
	43.NCC8-92	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(3,825)
Surface Tension Measurement on Ten Lubricants, Advancing and Receding Contact Angle Using Ten Lubricants on 440C Stainless Steel		
	43.C-74970-F	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		6,865
The Systematic Interpretation of Cosmic Ray Data		
	43.NAGW-1526	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		7,891
To Support Programs and Fellowships Under the National Space Grant College and Fellowship		
	43.NGT5-40035	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		103,667
Thermal Insulation System for Large Flame Buckets		
	43.NGT13-52700	
<u>Direct Awards:</u>		
Louisiana Tech University		11,974

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Understanding the Evolution of H-Deficient Stars	43.NAG5-3338	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$26,539
Women's Studies	43.NAG9-714	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		8,866
Subtotal Research and Development Cluster		5,045,855
Total National Aeronautics and Space Administration		\$6,035,403
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
Promotion of the Arts - State and Regional Program	45.007	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		\$375,628
Promotion of the Humanities - Federal/State Partnership	45.129	
<u>Through: Louisiana Endowment for the Humanities</u>		
LSU and A&M College (Baton Rouge)		52,535
Northeast Louisiana University		20,295
Subtotal Promotion of the Humanities - Federal/State Partnership		72,830
Institute of Museum and Library Services - General Operating Support	45.301	
<u>Direct Awards:</u>		
LSU in Shreveport		40
<u>Research and Development Cluster:</u>		
Promotion of the Humanities - Federal/State Partnership	45.129	
<u>Through: Louisiana Endowment for the Humanities</u>		
LSU and A&M College (Baton Rouge)		287
Southeastern Louisiana University		18,421
Pius II's Palace and Piazza: Architecture and Urbanism in Vienna 1460-1510	45.FB-34052-97	
<u>Direct Awards:</u>		
University of New Orleans		30,000
Subtotal Research and Development Cluster		48,708
Total National Foundation on the Arts and the Humanities		\$497,206

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

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION		
Engineering Grants	47.041	
<u>Direct Awards:</u>		
McNeese State University		\$35,921
Southern University and A&M College (Baton Rouge)		<u>65,646</u>
Subtotal Engineering Grants		<u>101,567</u>
Mathematical and Physical Sciences	47.049	
<u>Direct Awards:</u>		
LSU in Shreveport		41,864
Southern University and A&M College (Baton Rouge)		<u>17,990</u>
Subtotal Mathematical and Physical Sciences		<u>59,854</u>
Computer and Information Science and Engineering	47.070	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		<u>38,275</u>
Biological Sciences	47.074	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		<u>63,103</u>
Social, Behavioral, and Economic Sciences	47.075	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		78,995
Southern University at New Orleans		<u>17,805</u>
Subtotal Social, Behavioral, and Economic Sciences		<u>96,800</u>
Education and Human Resources	47.076	
<u>Direct Awards:</u>		
Louisiana Systemic Initiatives Program		1,629,526
Louisiana Tech University		201,135
Nicholls State University		<u>36,833</u>
Subtotal Education and Human Resources		<u>1,867,494</u>
Delta Rural Systemic Initiative	47.ESR-9700041	
<u>Through: University of Mississippi</u>		
Northeast Louisiana University		<u>123,201</u>
Experiment in Education in Environmental Chemistry	47.CHE-9634060	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>24,433</u>

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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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Graduate Research Fellowship Program	47.DGE-9452977	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>\$10,342</u>
LSU SEPUP Implementation Center	47.ESI-9355643	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>254,037</u>
Model for Reform in Science Education	47.ESI-9555677	
<u>Direct Awards:</u>		
Louisiana Tech University		<u>244,382</u>
Research Experiences for Minority Undergraduates in Advance Composite Piping	47.EEC-9619503	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>139,687</u>
Research Experiences for Undergraduates in Chemistry		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	47.CHE-9424021	29,359
LSU and A&M College (Baton Rouge)	47.CHE-9732195	<u>38,677</u>
Subtotal Research Experiences for Undergraduates in Chemistry		<u>68,036</u>
Support for the Collection of Genetic Resources, LSU Museum of Natural History	47.DEB-9419909	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>2,977</u>
Teaching with Finesse	47.620ASCEN	
<u>Through: Ascension Parish School Board</u>		
LSU and A&M College (Baton Rouge)		<u>(66)</u>
Workshop to Enhance Minority Undergraduate Faculty Education	47.DUE-9455126	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>4,214</u>
Young Scholars in Astronomy and Space Science	47.ESI-9452797	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>14,745</u>

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u>		
Engineering Grants	47.041	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$47,869
Louisiana Tech University		463,016
Mathematical and Physical Sciences	47.049	
<u>Direct Awards:</u>		
LSU in Shreveport		17,088
Louisiana Tech University		28,249
Northeast Louisiana University		(9)
Southern University and A&M College (Baton Rouge)		6,250
Geosciences	47.050	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		627,265
<u>Through: University of Washington</u>		
Louisiana Universities Marine Consortium		76,007
<u>Through: Woods Hole Oceanographic Institution</u>		
LSU and A&M College (Baton Rouge)		124
Geosciences - Fixed Price Contract	47.050	
<u>Through: Texas A&M Research Foundation - USSSP</u>		
LSU and A&M College (Baton Rouge)		1,700
Computer and Information Science and Engineering	47.070	
<u>Direct Awards:</u>		
Northeast Louisiana University		188,130
<u>Through: University of Tennessee</u>		
Southern University and A&M College (Baton Rouge)		637
<u>Through: University of California at Berkeley</u>		
Southern University and A&M College (Baton Rouge)		70,451
Biological Sciences	47.074	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		2,901
LSU Medical Center (Shreveport)		248,189
Southeastern Louisiana University		60,071
Social, Behavioral, and Economic Sciences	47.075	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		24,340
Louisiana Tech University		31,470

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Education and Human Resources	47.076	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		\$2,626,853
Louisiana Tech University		153,112
Southeastern Louisiana University		59,474
<u>Through: Monterrey Peninsula College</u>		
Elaine P. Nunez Community College		2,679
Academic Research Infrastructure	47.077	
<u>Direct Awards:</u>		
Louisiana Tech University		1
Adaptation of G Protein Coupled Signaling to Hydrostatic Pressure	47.IBN-9407205	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		30,351
Adaptive Significance of Variations in Metabolic Rate of Mammals Using the Nine Banded Armadillo (<i>Dasyurus novemcinctus</i>)	47.IBN-9723065	
<u>Direct Awards:</u>		
University of New Orleans		38,758
Age Differences in the Effects of Repeated Questions on Eyewitness Memory	47.SBR-9422177	
<u>Through: Florida Atlantic University</u>		
University of New Orleans		6,028
Algorithmic Scalability in Reconfigurable Bus-Based Models	47.CCR-9503882	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		7,928
Amine Conversions CU Zeolites Prepared by Reductive Solid State Ion-Exchange	47.CTS-9634754	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		44,205
Antarctic Long Duration Balloon Flights for the Jaycees	47.OPP-9614912	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		20,000
Atomic Processes and Thermal and Mechanical Properties	47.DMR-9412965	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		32,395

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Bimetallic Cooperativity in Catalysis	47.CHE-9201051	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(\$590)
Bimetallic Cooperativity in Homogeneous Catalysis	47.CHE-9700526	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		132,181
Biodiversity and Biological Collections	47.DEB-9632672	
<u>Direct Awards:</u>		
University of New Orleans		32,194
The Carbon Dioxide Concentrating Mechanism of <i>Chlamydomonas reinhardtii</i>	47.IBN-9632087	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		129,204
Career: From Strongly Correlated Insulator to Metal, Transport and Magnetic Probe	47.DMR-9702690	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		63,470
Career: Large-Scope Atomistic Simulations of Multiscale Material Phenomena	47.ASC-9701504	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		24,753
Career: Nonlinear Output of Feedback Control of Constrained Multivariable Processes	47.CTS-9501368	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		58,179
Collaborative Research on Analysis of a High-Resolution Pollen Record	47.SBR-9410411	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(162)
Collaborative Research: Dynamic Processes Along a Passive of Cape Roberts	47.EAR-9725330	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		10,844

(Continued)

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Collaborative Research: Initial Palynological Characterization of Cape Roberts	47.OPP-9527075	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$43,665
Collaborative Study of Analogs to Earthquake, Mitigation Through: <u>University of Washington</u> University of New Orleans	47.CMS-9711192	13,370
The Components of the CO ₂ Concentrating Mechanism of <i>Chlamydomonas reinhardtii</i>	47.IBN-9304662	(16)
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		
Computational Refinement and Existence Proofs for Singularities	47.DMS-9701540	
<u>Direct Awards:</u> University of Southwestern Louisiana		2,951
Constitutive Modeling and Numerical Simulation of Soft Ground Tunneling	47.CMS-9312707	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		5,280
Constructing Optical Interconnections for Massively Parallel Computing Systems	47.ECS-9626215	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		1,578
The Cytoskeleton and Polarity in Pollen Development	47.MCB-9726968	
<u>Direct Awards:</u> University of Southwestern Louisiana		532
Detection-oriented Identification of Nonlinear Systems Using the NARMAX Model	47.ECS-9753084	
<u>Direct Awards:</u> University of Southwestern Louisiana		10,226
Development of a Population Genetics Database Prototype	47.DBI-9630311	
<u>Direct Awards:</u> University of Southwestern Louisiana		46,229
Devices Using the Hydro-Kinet Transport Theory	47.ECS-9409471	
<u>Direct Awards:</u> University of New Orleans		8,492

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Diffusion of a Social Innovation: Covenant Marriage	47.SBR-9807379	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$29,051
Disorder and Correlations in Novel Two Dimensional Systems	47.DMR-9501160	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		35,674
Dissertation Research: Rural and Agricultural Restructuring	47.INT-9722872	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		18,978
Dissertation Research: Soil Management in Highland Guatemala	47.SBR-9508061	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		8,749
Doctoral Dissertation Research: Land-Cover Change Detection for the Tropics	47.SBR-9627957	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		4,099
Dynamic Aspects of Rodlike Polymer Solutions and Gels	47.DMR-9221585	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(7)
Dynamics of Native Iris-Herbivore Association: Effects of Salinity Herbivory, and Genetic Variations	47.DEB-9632302	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		57,366
Dynamics of Rodlike Polymers in Complex Media	47.DMR-9634713	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		94,100
Earth Systems Computational and Visualization Laboratory	47.EAR-9421065	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		657
Environmental Heterogeneity and Woody Species Diversity in Low Elevation Tropical Areas	47.96-SC-NSF-1005	
Through: <u>Duke University</u>		
LSU and A&M College (Baton Rouge)		6,943

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Evaluation of Alternative Approaches to Code Enforcement	47.BCS-9311857	
<u>Direct Awards:</u>		
University of New Orleans		\$23,477
Evolution of Pollen Development in Orchids	47.MCB-9418015	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		44,092
Evolution of Reproductive Mode in Arctic Sea Stars	47.OPP-9707806	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		45,468
Experiment in Education in Environmental Chemistry	47.CHE-9634060	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		103,766
Facilitating Maximum Likelihood Estimation of Phylogenetic Trees	47.DBI-9628835	
<u>Direct Awards:</u>		
University of New Orleans		14,399
The Fairweather-St. Elias Orogenic System: A Slip-Partitioned Transpressional Orogen	47.EAR-9725035	
<u>Direct Awards:</u>		
University of New Orleans		10,057
Fermi Surface Cross-Sectional Images from Photoelectronic Distributions	47.DMR-9222646	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		5,965
Foraminiferal Response to Ice Shelf Collapse Since Last Glacial Maximum End Ross	47.6112-97	
<u>Through: Geological Society of America</u>		
LSU and A&M College (Baton Rouge)		174
Functional and Structural Roles of Nucleolin in Vertebrates Heterogeneous Sediment	47.MCB-9727917	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		19,988
Generalized Hamming Weights of Algebraic-Geometric Codes and Asymptotically Good Algebraic-Geometric Codes	47.NCR-9505619	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		51,403

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Goal I: Magnetic Thin Films for Information Storage	47.DMR-9632171	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$10,306
Graduate Research Fellowship Program	47.DGE-9452904	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		15,117
High Energy Interactions and the Energy Spectra of Cosmic Rays	47.PHY-9513997	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		92,462
High Precision Landau Quantum Oscillation Measurements	47.DMR-9501419	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		68,518
Highly State-Resolved Studies of Shape Resonant Ionization	47.CHE-9315857	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(64)
IARP Workshop on Autonomous Underwater Vehicles	47.BES-9712565	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		36,408
INDO-U.S. Workshop of Ground Improvement Using Geosynthetics	47.INT-9604985	
<u>Direct Awards:</u>		
University of New Orleans		670
Infinite Antichains of Graphs	47.DMS-9400946	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		668
An Information Resource for Curriculum Development and Program Enhancement	47.DUE-9752482	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		9,275
Integrating High Performance Computing into Research in Physics and Astronomy	47.DGE-9355007	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		173,335

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Intergovernmental Personnel Act Agreement	47.DEB-9730252	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$87,733
Inter-individual Variation in Production of an Insect Defensive Secretion	47.IBN-9701082	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		3,553
Investigation into Faulty and Incomplete Message-Passing Parallel Computers	47.CCR-9300075	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		2,399
An Investigation of the Relation Between Mio-Pliocene Sea Level Changes	47.EAR-9304661	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		11,017
Investigations of Autonomous Yeast Oscillations	47.BES-9522274	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		104,035
The IRR1 Protein of <i>Deinococcus radiourans</i>	47.MCB-9728404	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		14,658
The IRRB and IRR1 Gene Products of <i>Deinococcus radiourans</i> RI	47.MCB-9418594	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		82,973
Kinetics and Reactor Design of Copper CVD Process	47.CTS-9311527	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(71)
Lexen: Combining Culturing and Non-culturing Approaches for the Insulation of Prok	47.DEB-9714276	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		43,051
Light Scattering in Complex Ternary Polymer Solutions	47.INT-9512700	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,551

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Lithium Isotope Studies of Continental Crystal Fluids	47.EAR-9506390	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$66,135
Lithium Isotope Studies of Oceanic Crust Margin Processes	47.OCE-9314708	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		692
Long-Term Dynamics of the SW Indian Monsoon: New High-Resolution Paleoclimatic Study	47.ATM-9410491	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		48,906
Long-Term Effects of Removing Insects and Ground Dwelling Mammals on Tropical Tree Diversity	47.DEB-9527729	
<u>Through: University of Pittsburgh</u>		
University of New Orleans		3,016
Lycophytes, Bryophytes, and Charophytes: Testing Morphology and Molecule Based	47.DEB-9408057	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		253
Mathematical Sciences: Gauge Theory on Compact Surfaces	47.DMS-9400961	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,817
Mathematical Sciences: Harmonic Analysis on Casual Symmetry	47.DMS-9626541	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		13,428
Mathematical Sciences: The Lie Theory of Semigroups	47.DMS-9623724	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		3,950
Mathematical Sciences: Nonsmooth Analysis and Control	47.DMS-9623406	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		22,914
Mathematical Sciences: Topics in Real Algebraic Geometry	47.DMS-9401509	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,928

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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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Measuring Selection of Phenological Characters in Natural and EXP Populations of <i>Lythrum salicaria</i>	47.DEB-9419467	
<u>Direct Awards:</u> University of New Orleans		\$16,176
Mechanism of Conjugation in <i>Streptomyces lividans</i>	47.MCB-9604879	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		101,361
Membrane Lipid Biosynthesis in <i>Chlamydomonas reinhardtii</i>	47.MCB-9603626	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		71,865
Mesozoic-Cenozoic Tectonic Evolution of the Mojave Desert	47.EAR-9418834	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		16,225
Microfabricated Thermoelectric Probes and Probe Arrays for Highly Localized Temperatures	47.BIR-9513622	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		406
Microstructural Evolution in Sintering-Experimentation	47.DMR-9705849	
<u>Direct Awards:</u> Louisiana Tech University		15,469
Molecular Genetics of Cell Differentiation in Arabidopsis	47.IBN-9728047	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		12,329
Modeling, Design and Prototyping of a Multi-Degree-of-Freedom Robotic Gripper	47.DMI-9701533	
<u>Direct Awards:</u> University of Southwestern Louisiana		39,601
Molecular Response to Hypoxia in Fish Support for Research Experiences for Undergraduates	47.IBN-9723050	
<u>Direct Awards:</u> University of New Orleans		55,566
Molecular Studies of Cospecification in a Host-Parasite	47.DEB-9527583	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		71,500

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Multimillion Atom Molecular-Dynamics Simulations	47.DMR-9711903	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$120,530
Multi-Product Flowline Design for a Flexible Manufacturer	47.DMI-9622306	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		60,248
Neural Processing of Amino Acid Taste Information	47.IBN-9221891	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		70,846
NOMAD: A Wireless and Mobile Laboratory	47.DUE-9751414	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		15,454
Nonequilibrium Dynamical Systems		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	47.DMR-9408634	29,778
LSU and A&M College (Baton Rouge)	47.DMR-9710608	11,642
NSF Inorganic Workshop for 1997	47.CHE-970447	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		20,337
NSF Inorganic Workshop for 1998-2000	47.CHE-9731765	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		652
NSF Young Investigator Award		
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)	47.DMR-9258271	29,386
University of New Orleans	47.CMS-9696012	26,333
University of Southwestern Louisiana	47.SBR-9458111	84,595
Nuclear Structure Theory	47.PHY-9312628	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		8,394
Nucleolin Function in Amphibian Oocyte Nuclei	47.MCB-9204796	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(86)

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

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	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
NYI: Languages, Compilers, and Runtime Systems for Parallel Architectures	47.CCR-9457768	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$47,305
Object Identification, Classification and Avoidance in 3-D Underwater Automated Surveillance	47.BES-9506771	
<u>Direct Awards:</u> University of Southwestern Louisiana		119,155
On the Origin of Pseudo-Spin Symmetry in Deformed Nucleolin	47.PHY-9317377	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		2,919
Operation and Development of Gravitational Wave Detectors	47.PHY-9511962	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		360,855
Operation Primary Physical Medicine	47.ESI-9453926	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		264,277
Organometallic Complexes of Convex Hydrocarbons	47.CHE-9420908	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		72,331
Oxygen-Mediated Regulation of Tetrapyrrole Synthesis in <i>Rhodobacter capsulatus</i>	47.MCB-9304999	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		8,241
Paleo-Environmental Change in Mainland Southeast Asia-Palynological Evidence	47.SBR-9506344	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		520
Phylogeny and Co-evolution of Fungal Mutualists	47.DEB-9208027	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		569
Phylogeny of Laboulbeniales (Ascomycetes)	47.DEB-9615520	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		49,342

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

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	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Physical and Chemical Factors Influencing Production/ Emission of Gaseous Air Pollution	47.BES-9508728	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$83,952
Planning Meeting for Multiphase Drag Reduction Section of NSF/I/JC	47.EEC-9729258	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		9,984
Powre: Role of Calcium-Binding Proteins in Synaptic Transmission Between Retina	47.IBN-9753027	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		14,028
Project Thelius: Interactive Global Environmental Change	47.ESI-9255714	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		8,938
Protein Interactions in Photosystems II	47.MCB-9604339	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		122,302
Rapid Synthesis of Phosphonate and Phosphoramidate Peptides	47.CHE-9500992	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		18,352
Rate Enhancement and Microstructure Control of Copper CVD	47.CTS-9612157	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		104,635
Research Initiation Award: Multiple Model Estimation W/VAR. Structure	47.ECS-9409358	
<u>Direct Awards:</u> University of New Orleans		11,998
RIA: Employing Instructions History in the Management of Shared Memory Coherent	47.MIP-9410435	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		21,080

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

STATE OF LOUISIANA
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	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
RIA: Processing and Properties of Nanocrystalline Metals	47.CMS-9409750	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$6,167
RIA: Theoretical and Laboratory Study of Increase in Bearing Capacity	47.CMS-9410482	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		13,388
The Role of Housing Foreclosure on Urban Change	47.SBR-9422580	
<u>Direct Awards:</u>		
University of New Orleans		4,226
The Role of Transtension vs. Extension: Crystal Deformation in the Death Valley System	47.EAR-9706233	
<u>Direct Awards:</u>		
University of New Orleans		39,787
RUI: Experimental Investigation of Ecological and Genetic Correlates	47.DEB-9629287	
<u>Direct Awards:</u>		
University of New Orleans		26,338
RUI: The Relationship Between Gamete Production and Reproduction	47.OCE-9416548	
<u>Direct Awards:</u>		
University of New Orleans		43,744
Signal Transduction of Anemone Hair Bundles	47.MCB-9505844	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		55,734
The Scala System for Performance Modeling and Prediction	47.ASC-9720215	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		29,053
Site Characterization and Assessment of <i>In Situ</i> State Properties of Geomaterials	47.CMS-9531782	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		45,631

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

STATE OF LOUISIANA
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	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Small Business Innovative Research Phase I: Real-Time Spectroscopic Ellipsometer for Thin Film Process Control Through: <u>Containerless Resources, Incorporated</u> University of New Orleans	47.DMI-9660014	\$3,090
Sociolinguistic Survey of Cajun French <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.SBR-9514831	63,446
Soft X-Ray Molecular Spectroscopy: Dissecting the Continuum <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.CHE-9616908	103,545
Solar Wind Particle Entry Into the Magnetosphere and Associated Thermal Dynamics <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.ATM-9730230	696
Solid-State Alloying and Amorphization of Immiscible Elements <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.DMR-9613865	45,199
Solution Thermochemical Investigations of Organometallic Complexes <u>Direct Awards:</u> University of New Orleans	47.CHE-9631611	157,742
Stabilized Molecular Assemblies for Advanced Synthesis and Technologies <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.CHE-9529770	62,635
Standard Star Optical CCD Photometry <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.AST-9528177	53,867
Star Formation in Galaxies <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	47.AST-9528424	85,363

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Structural Organization of Proteins of the Oxidizing Side of Photosystems II	47.MCB-9304955	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$27,045
Structure of Social and Economic Isolation in Underclass Populations	47.SBR-9512005	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		7,663
Studies in Organized Media	47.CHE-9632916	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		96,000
Studies of Cyclodextrin Chemistry	47.CHE-9224177	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		592
Studies of the Compositional and Temperature Effects on the Optical Properties	47.CTS-9528598	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		77,334
Taxonomic and Phylogenetic Study of Western Atlantic and Eastern Pacific Mioceneto	47.EAR-9316363	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		8,347
Theoretical Nuclear Structure Physics	47.PHY-9603006	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		52,424
Three Dimensional Visualization Methods and Database Storage Specifications for Phylogenetic Data <u>Through: University of California, San Diego</u> University of New Orleans	47.DBI-9630313	
		17,412
Topological Minors of Graphs	47.DMS-9700623	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		20,616
U.S.-Brazil Cooperation in Synchrotron Radiation Research	47.INT-9512916	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		6,533

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
U.S.-Brazil Cooperative Research: Modified Clays Hazardous Waste Disposal	47.INT-9415675	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$3,807
U.S.-China Co-op Research: Formation and Thermodynamic Stability of Metastable Phases	47.INT-9423738	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		12,114
U.S.-China Cooperative Research: Set-Valued Hybrid State Estimation	47.INT-9512162	
<u>Direct Awards:</u> University of New Orleans		972
U.S.-France Workshop: Population and Evolutionary Biology, Jan 6-10, 1998	47.INT-9729521	
<u>Direct Awards:</u> University of Southwestern Louisiana		16,551
U.S.-Japan Cooperative Science: Molecular Dynamics Simulation	47.INT-9603264	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		2,280
U.S.-Mexico Cooperative Research: Pairing Correlations and the Pseudo-SU (3) Model	47.INT-9500474	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		7,382
U.S.-Mexico Planning Visit: Foraminiferal and Molluscan Tracers of Ancient Seagrass	47.INT-9802672	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		3,894
VPW: Waveform Relaxation Method	47.GER-9550154	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		(433)
Subtotal Research and Development Cluster		<u>10,398,518</u>
Total National Science Foundation		<u><u>\$13,511,599</u></u>

(Continued)

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

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
SMALL BUSINESS ADMINISTRATION		
Business Development Assistance to Small Business	59.005	
<u>Direct Awards:</u>		
McNeese State University		\$33
<u>Research and Development Cluster:</u>		
Small Business Development Center	59.037	
<u>Direct Awards:</u>		
Northeast Louisiana University		1,418,586
Total Small Business Administration		\$1,418,619
TENNESSEE VALLEY AUTHORITY		
<u>Research and Development Cluster:</u>		
Biomass Energy Resources in Louisiana	62.TV-200225	
<u>Direct Awards:</u>		
LSU Agricultural Center		\$16,746
Development of an Environmentally Friendly Firelog From Agricultural Wood Residue		
<u>Direct Awards:</u>		
LSU Agricultural Center	62.97RKW-219695	973
LSU Agricultural Center	62.98RE6-232151	597
Subtotal Research and Development Cluster		18,316
Total Tennessee Valley Authority		\$18,316
U.S. DEPARTMENT OF VETERANS AFFAIRS		
Grants to States for Construction of State Home Facilities	64.005	
<u>Direct Awards:</u>		
Department of Veterans Affairs		\$61,061
Veterans State Domiciliary Care	64.014	
<u>Direct Awards:</u>		
Department of Veterans Affairs		441,908
Veterans State Nursing Home Care	64.015	
<u>Direct Awards:</u>		
Department of Veterans Affairs		3,097,023
Animal Care Resources - Caretaker Agreement	64.667P-1553	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		5,308

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF VETERANS AFFAIRS (CONT.)		
Disbursement for Fellow Stipends and Fringes	64.unknown	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		\$466,372
Disbursement for House Staff Stipend and Fringes	64.unknown	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		737,760
Gastro Physicians - Dies, Gholson, Wilder - IPA Agreement	64.unknown	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		37,915
Neurosurgery IPA Agreement - B. Willis and A. Nanda	64.unknown	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		200,604
Veterans Education Contract - Fixed Price Contract	64.V101(223B)	
<u>Direct Awards:</u>		
Department of Education		104,463
Veterans Reporting Fees		
<u>Direct Awards:</u>		
Louisiana Technical College, Acadian Campus	64.1 8 0068 18	7
Louisiana Technical College, Alexandria Campus	64.unknown	252
Louisiana Technical College, Bastrop Campus	64.unknown	28
Louisiana Technical College, Baton Rouge Campus	64.36000201	182
Louisiana Technical College, Charles B. Coreil Campus	64.unknown	21
Louisiana Technical College, Delta-Ouachita Campus	64.unknown	161
Louisiana Technical College, Evangeline Campus	64.unknown	21
Louisiana Technical College, Florida Parishes Campus	64.unknown	14
Louisiana Technical College, Gulf Area Campus	64.unknown	7
Louisiana Technical College, Huey P. Long Campus	64.unknown	7
Louisiana Technical College, Jefferson Campus	64.unknown	91
Louisiana Technical College, Jumonville Memorial Campus	64.36000201	14
Louisiana Technical College, Lafayette Regional Campus	64.unknown	161
Louisiana Technical College, Lafourche Campus	64.unknown	7
Louisiana Technical College, Lamar Salter Campus	64.unknown	280
Louisiana Technical College, Mansfield Campus	64.unknown	21
Louisiana Technical College, Natchitoches Campus	64.unknown	49
Louisiana Technical College, Northwest Louisiana Campus	64.unknown	98
Louisiana Technical College, River Parishes Campus	64.unknown	28
Louisiana Technical College, Ruston Campus	64.unknown	49
Louisiana Technical College, Sabine Valley Campus	64.unknown	84
Louisiana Technical College, Shelby M. Jackson Campus	64.unknown	14

(Continued)

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

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF VETERANS AFFAIRS (CONT.)		
Veterans Reporting Fees (Cont.)		
<u>Direct Awards:</u> (Cont.)		
Louisiana Technical College, Shreveport-Bossier City Campus	64.unknown	\$308
Louisiana Technical College, Sidney N. Collier Campus	64.unknown	42
Louisiana Technical College, Slidell Campus	64.unknown	84
Louisiana Technical College, South Louisiana Campus	64.unknown	14
Louisiana Technical College, Sullivan Campus	64.unknown	98
Louisiana Technical College, Teche Area Campus	64.unknown	49
Louisiana Technical College, T. H. Harris Campus	64.unknown	119
Louisiana Technical College, West Jefferson Campus	64.unknown	56
Louisiana Technical College, Westside Campus	64.unknown	42
Louisiana Technical College, Young Memorial Campus	64.unknown	49
Subtotal Veterans Reporting Fees		2,457
<u>Research and Development Cluster:</u>		
Brucella HTRA Protein and Pathogenesis: Brucella HTRA as Vaccination	64.DAMD17-94-C-4054	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		94,480
Genetic Deletion Recombination in Nasopharynx	64.PO671-D85003	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		16,694
Veterans Affairs Cooperative Studies Program/NIH Subcontract	64.1Y 01 HC40204-01	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		85,545
Subtotal Research and Development Cluster		196,719
Total U.S. Department of Veterans Affairs		\$5,351,590
ENVIRONMENTAL PROTECTION AGENCY		
Air Pollution Control Program Support	66.001	
<u>Direct Awards:</u>		
Department of Environmental Quality		\$1,668,258
Water Pollution Control - State and Interstate Program Support	66.419	
<u>Direct Awards:</u>		
Department of Environmental Quality		1,440,920

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
State Public Water System Supervision	66.432	
<u>Direct Awards:</u>		
Office of Public Health		<u>\$1,290,257</u>
State Underground Water Source Protection	66.433	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>360,154</u>
Construction Management Assistance	66.438	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>244,319</u>
Water Quality Management Planning	66.454	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>99,553</u>
National Estuary Program	66.456	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>498,482</u>
Capitalization Grants for State Revolving Funds	66.458	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>27,415,380</u>
Nonpoint Source Implementation Grants	66.460	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>1,123,104</u>
Wetlands Protection - Development Grants	66.461	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>236,349</u>
National Pollutant Discharge Elimination System Related State Program Grants	66.463	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>77,715</u>
Surveys, Studies, Investigations and Special Purpose Grants	66.606	
<u>Direct Awards:</u>		
Department of Environmental Quality		6,030
Department of Natural Resources		<u>5,184,601</u>
Subtotal Surveys, Studies, Investigations and Special Purpose Grants		<u>5,190,631</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Consolidated Pesticide Enforcement Cooperative Agreements	66.700	
<u>Direct Awards:</u>		
Department of Agriculture		\$573,234
LSU Agricultural Center		<u>64,482</u>
Subtotal Consolidated Pesticide Enforcement Cooperative Agreements		<u>637,716</u>
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>165,157</u>
TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	66.707	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>185,450</u>
Pollution Prevention Grants Program	66.708	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>122,401</u>
Hazardous Waste Management State Program Support	66.801	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>3,178,110</u>
Superfund State Site - Specific Cooperative Agreements	66.802	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>687,589</u>
State Underground Storage Tanks Program	66.804	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>264,441</u>
Leaking Underground Storage Tank Trust Fund Program	66.805	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>938,785</u>
Solid Waste Management Assistance	66.808	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>20</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
CEPP Technical Assistance Grants Program	66.810	
<u>Direct Awards:</u>		
Department of Environmental Quality		\$36,346
Department of Public Safety and Corrections - Public Safety Services		<u>75,895</u>
Subtotal CEPP Technical Assistance Grants Program		<u>112,241</u>
Compost Demonstration	66.X996554-01-0	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>60,146</u>
CWPPA Public Outreach and Education	66.X-996577-01-0	
<u>Direct Awards:</u>		
LSU Agricultural Center		<u>3,079</u>
Description and Analysis of the Vegetation of Bayou Lafourche	66.68D60067	
<u>Through: Lee Wilson and Associates</u> Nicholls State University		<u>2,350</u>
Fellowship for Graduate Environmental Study	66.U-915156-01-0	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		<u>10,607</u>
Gulf of Mexico Program	66.CX-820825-01-5	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>5,644</u>
Isle Dernieres Barrier Island Restoration Project (Phases 0 and 1)	66.CD-996235-010	
<u>Direct Awards:</u>		
Department of Natural Resources		<u>8,933,376</u>
Mission Research	66.SC0033-95-0001	
<u>Through: Mission Research Corporation</u> Southern University at Shreveport-Bossier City		<u>2,931</u>
Municipal Water Pollution Program	66.CM-996157-01-2	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>24,831</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Special Purpose - Inappropriate Discharges to Stormwater Drainage	66.CP-996231-01-3	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>\$50,251</u>
Support Program	66.X-996688-01-0	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>1,666</u>
Technical Support for a Watershed Based Toxic TMDL Pilot Program	66.X-996351-01-3	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>4,766</u>
Technical Support for a Watershed Based Pilot Program	66.X-996585-01-0	
<u>Direct Awards:</u>		
Department of Environmental Quality		<u>76,203</u>
Wetlands Program	66.CD-996251-01-1	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		<u>10,981</u>
<u>Research and Development Cluster:</u>		
Year of the Gulf . . . Surveys, Studies, Investigations	66.104	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		6,833
Water Quality of Diversions from Mississippi River to Bayou Lafourche	66.202	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		1,977
Wetlands Protection - Development Grants	66.461	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		2,062
Environmental Protection - Consolidated Research	66.500	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,036,127
LSU Medical Center (New Orleans)		507,595
Louisiana Universities Marine Consortium		16,033

(Continued)

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

STATE OF LOUISIANA
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	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Environmental Protection - Consolidated Research (Cont.)	66.500	
<u>Direct Awards:</u> (Cont.)		
McNeese State University		\$251,498
Northeast Louisiana University		40,397
Southern University and A&M College (Baton Rouge)		271,641
<u>Through: Lamar University</u>		
LSU and A&M College (Baton Rouge)		15,092
Environmental Protection - Consolidated Research - Fixed Price Contract	66.500	
<u>Through: Lamar University</u>		
LSU and A&M College (Baton Rouge)		19,787
Solid Waste Disposal Research	66.504	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		40,903
University of New Orleans		280,944
Wastewater Pollution Control - Research, Development and Demonstration Grants	66.505	
<u>Direct Awards:</u>		
Department of Environmental Quality		1,893
LSU and A&M College (Baton Rouge)		72,181
Surveys, Studies, Investigations and Special Purpose Grants	66.606	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		61,424
Louisiana Universities Marine Consortium		643
Training and Fellowships for the Environmental Protection Agency	66.607	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		2,343
Environmental Education and Training Program	66.950	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		47,649
Environmental Education Grants	66.951	
<u>Direct Awards:</u>		
Louisiana Universities Marine Consortium		11,552

(Continued)

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

STATE OF LOUISIANA
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	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Research and Development Cluster (Cont.)		
Advanced Process Analysis for Pollution Prevention Through: <u>Lamar University</u> LSU and A&M College (Baton Rouge)	66.09LSU0476	\$31,007
Bayou Lafourche Freshwater Diversion Wetlands Restoration - Fixed Price Contract Through: <u>Lee Wilson and Associates</u> LSU and A&M College (Baton Rouge)	66.546-04	10,000
Chemical Transport from Contaminated Sediment Through CDFS <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	66.R819165-01	4,463
Demonstration of an Advanced Process Analysis System for Pollution Prevention Through: <u>Lamar University</u> LSU and A&M College (Baton Rouge)	66.116LSU9582	16,164
Dynamic Aspects of Metal Speciation in the Miami River <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	66.R819165-01	1,532
Ecological Landscape Modeling of the Wetlands of Biloxi State Management Area Through: <u>Lake Pontchartrain Basin Foundation</u> LSU and A&M College (Baton Rouge)	66.unknown	5,482
Effects of the 1997 Bonnet Carre Opening on Nutrients in Lake Pontchartrain - Fixed Price Contract Through: <u>Lake Pontchartrain Basin Foundation</u> LSU and A&M College (Baton Rouge)	66.unknown	65,629
Evaluation of Placement and Effectiveness of Sediment Caps <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	66.R819165-01	25,894
Freshwater Bioturbators in Riverine Sediments as Enhancers of Contaminant Releases <u>Direct Awards:</u> LSU and A&M College (Baton Rouge)	66.R819165-01	1,315
Gulf of Mexico Program <u>Direct Awards:</u> University of New Orleans	66.MX994929-96-0	5,273

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

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 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Hazardous Substance Research Consortium/South and Southwest	66.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$1,433,156
Laser Diagnosis of the Combustion Process Within a Rotary Kiln Incinerator	66.104LSU0428	
<u>Through: Lamar University</u>		
LSU and A&M College (Baton Rouge)		31,093
Modeling of Air Emissions From Contaminated Dredged Materials	66.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		3,896
Modeling of Air Emissions of Volatile Organic Compounds From Contaminated Sediment	66.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		6,146
Monitoring the Wave Energy and Marsh Erosion in Terrebonne Bay - Fixed Price Contract	66.1004160/97-304	
<u>Through: Terrebonne Parish Consolidated Government</u>		
LSU and A&M College (Baton Rouge)		19,000
Pollutant Fluxes to Aquatic Systems Via Coupled Biology	66.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		37,410
R2D2 Project - Research and Re-training of Displaced DOD	66.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		25,850
Sanitary Sewer Overflows Associated with Non-NPDES Entities	66.X825545-01-0	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		20,532
Sediment Resuspension and Contaminant Transport in Estuary	66.R819165-01	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		12,915
Sonochemical Treatment of Hazardous Chemicals	66.027LSU3435	
<u>Through: Lamar University</u>		
LSU and A&M College (Baton Rouge)		15,258

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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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Sonochemical Treatment of Hazardous Organic Compounds II: Process Optimization	66.016LSU2435	
<u>Through: Lamar University</u> LSU and A&M College (Baton Rouge)		\$55,429
Source Identification, Transformation and Transport Processes	66.R819165-01	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		43,229
Transfer of Advanced Process Analysis Technology to the Oil Industry		
<u>Through: Lamar University</u> LSU and A&M College (Baton Rouge)	66.076LSU0571	29,914
LSU and A&M College (Baton Rouge)	66.067LSU2571	17,954
Subtotal Research and Development Cluster		<u>4,607,115</u>
Total Environmental Protection Agency		<u><u>\$59,730,978</u></u>
NUCLEAR REGULATORY COMMISSION		
Nuclear Energy Cooperative Agreement	77.NRC-31-83-669-23	
<u>Direct Awards:</u> Department of Environmental Quality		<u>\$27,750</u>
Nuclear Regulatory Agreement - Fixed Price Contract	77.NRC-10-87-337	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		<u>3,157</u>
Local Public Document Room Collection - Fixed Price Contract	77.NRC-10-87-360-MOD 12	
<u>Direct Awards:</u> University of New Orleans		<u>933</u>
Total Nuclear Regulatory Commission		<u><u>\$31,840</u></u>
U.S. DEPARTMENT OF ENERGY		
State Energy Program	81.041	
<u>Direct Awards:</u> Department of Natural Resources		<u>\$647,183</u>
Weatherization Assistance for Low-Income Persons	81.042	
<u>Direct Awards:</u> Department of Social Services		<u>865,771</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
Office of Energy Research Financial Assistance Program <u>Direct Awards:</u> Southern University Board and System Administration	81.049	<u>\$469,328</u>
Energy Conservation for Institutional Buildings <u>Direct Awards:</u> Department of Natural Resources	81.052	<u>222</u>
National Industrial Competitiveness through Energy, Environment, and Economics <u>Direct Awards:</u> Department of Natural Resources	81.105	<u>289</u>
Design and Construction of Center for Energy Resource Management <u>Direct Awards:</u> University of New Orleans	81.DE-FG02-91CH10470	<u>138,443</u>
Environmental Analysis of Endocrine Disrupting Effects <u>Through: Tulane University</u> Nicholls State University	81.FG07	<u>3,776</u>
Petroleum Violation Escrow Funds <u>Direct Awards:</u> Department of Natural Resources		
Exxon	81.E2029	2,614,307
OHA	81.OHA2031	74,774
Stripper Well	81.SW2027	1,437,386
Warner	81.W2031	<u>91,732</u>
Subtotal Petroleum Violation Escrow Funds		<u>4,218,199</u>
Southern States Energy Board Subgrant <u>Direct Awards:</u> Department of Environmental Quality	81.SSEB-WIPP-LA	<u>2,186</u>
<u>Research and Development Cluster:</u> Energy-Related Inventions	81.036	
<u>Direct Awards:</u> Louisiana Universities Marine Consortium		<u>44,477</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Office of Energy Research Financial Assistance Program	81.049	
<u>Direct Awards:</u>		
Board of Regents for Higher Education		\$860,111
LSU and A&M College (Baton Rouge)		464,955
Southeastern Louisiana University		20,283
Southern University and A&M College (Baton Rouge)		318,892
<u>Through: Clark-Atlanta University</u>		
Southern University and A&M College (Baton Rouge)		131,777
<u>Through: Lockheed Martin Energy Systems</u>		
Southern University and A&M College (Baton Rouge)		2,615
<u>Through: Oak Ridge Institute for Science and Education</u>		
Southern University and A&M College (Baton Rouge)		18,624
<u>Through: University of Houston</u>		
Southern University and A&M College (Baton Rouge)		(100)
University Coal Research	81.057	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		42,246
Conservation Research and Development	81.086	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		528,099
Fossil Energy Research and Development	81.089	
<u>Direct Awards:</u>		
Department of Wildlife and Fisheries		33,274
Oil Recovery Demonstration	81.107	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		27,963
Advanced Sulfur Control Concepts for Hot Gas Desulfurizing	81.ED-AC21-94MC30012	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		57,646
Annual Plan for the PTTC's Central Gulf Region	81.0495	
<u>Through: Petroleum Technology Transfer Council</u>		
LSU and A&M College (Baton Rouge)		
Year 3		58,079
Year 4		89,033

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Combining Steam-Methane Reforming, Water-Gas Shift, and CO2 Removal	81.DE-FG02-97ER12208	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		\$105,985
Coupled Fluid Flow and Chemical Transport: Implications for Mineral Chemistry	81.C75110017-3C	
<u>Through: University of California - Los Alamos National Laboratory</u> LSU and A&M College (Baton Rouge)		9,682
The Design and Construction of the Muon Arm of Phoenix	81.DE-FG02-97ER41037	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		92,695
Design of Electronics and Optical Fiber Cables for ICD	81.503579	
<u>Through: Fermi National Accelerator Laboratory Louisiana Tech University</u>		3,232
Development of a Production Version of the Centrum Code - Fixed Price Contract	81.49X-SW503V	
<u>Through: Lockheed Martin Energy Systems, Inc.</u> LSU and A&M College (Baton Rouge)		71,808
Effects of Climate Change on Hypoxia in Coastal Waters	81.TUL-035-95/96	
<u>Through: Tulane University</u> LSU and A&M College (Baton Rouge)		100,086
Electrodeposition of High-TC Superconductor Material for Fabrication	81.XAF-7-17627-01	
<u>Through: Midwest Research Institute - National Renewable Energy Lab</u> LSU and A&M College (Baton Rouge)		10,000
Energy and Environmental Technology Applications Program	81.DE-FG02-97ER12220	
<u>Direct Awards:</u> University of Southwestern Louisiana		683,877
Evaluation of Switchgrass Cultivars and Cultural Methods for Biomass Production	81.438471-00001/S8000026	
<u>Through: Texas A&M Research Foundation</u> LSU Agricultural Center		2,762

(Continued)

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Fast Global Optimization Techniques for Computer Vision Price Contract Network Learning - Fixed <u>Through: Lockheed Martin Energy Systems, Inc.</u> LSU and A&M College (Baton Rouge)	81.19X-SX684V	\$24,469
High Precision Landau Quantum Oscillation Studies of Selected High Temperature - Fixed Price Contract <u>Through: Lockheed Martin Energy Systems, Inc.</u> LSU and A&M College (Baton Rouge)	81.19X-SX585V	24,000
Identification and Temporal Behavior of Radical Intermediates During the Combustion and Pyrolysis of Gaseous Fuels: Kinetic Pathways to Soot Formation <u>Direct Awards:</u> University of New Orleans	81.DE-FG02-97ER14780	87,154
Inorganic Synthesis and Laser-Induced Photo Chemistry Releases <u>Through: Tulane University - DOE</u> LSU and A&M College (Baton Rouge)	81.TUL-010-93/94	6,085
Interaction Between Land Cover/Land Use Dynamics and Climate Variability <u>Through: University of Kansas</u> LSU and A&M College (Baton Rouge)	81.unknown	18,710
Investigation of Syngas Interaction <u>Direct Awards:</u> Grambling State University	81.DEF62296PC9625	5,815
Isolated DNA Samples in Agarose Plugs - Fixed Price Contract <u>Through: University of California - Lawrence Livermore National Laboratory</u> LSU and A&M College (Baton Rouge)	81.B339097	10,000
Jefferson Lab Personnel Support for Faculty Research <u>Through: Southeastern University Research Association</u> Louisiana Tech University	81.SURA-96 D6359702	82,106
Magneto-Chemical Character Studies <u>Through: Xavier University</u> Grambling State University	81.DE-FG22-96-PC96225	12,711

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Micro-Manufacturing Planning, Construction, and Equipment	81.DE-FG02-91CH10481	
<u>Direct Awards:</u>		
Louisiana Tech University		\$170,178
Molecular Dynamics Simulations of Cluster Melting	81.AX-1043	
<u>Through: Sandia National Laboratories</u>		
LSU and A&M College (Baton Rouge)		7,091
Molecular Dynamics Simulations of Nanostructured Material	81.DE-FG02-96ER45570	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		25,024
Palynologic Data Evaluation: Savannah River Nuclear Station	81.unknown	
<u>Through: Oak Ridge Institute for Science and Education</u>		
LSU and A&M College (Baton Rouge)		(3,681)
Perform Kinetics of Lead (Pb) Desorption From Iron Oxide Goethide Experiments	81.AU-9271	
<u>Through: Sandia National Laboratories</u>		
LSU Agricultural Center		298
Photoresist X-ray Exposures	81.BB-5066	
<u>Through: Sandia National Laboratories</u>		
LSU and A&M College (Baton Rouge)		12,996
Polynuclear Aromatic Hydrocarbons with Curved Surfaces: Models and Precursors	81.DE-FG02-96ER14602	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		87,731
Project to Enhance Student and Science Engineering at the Pre-College Level	81.DE-FG05-91ER75524	
<u>Direct Awards:</u>		
University of New Orleans		210,634
Reducing Energy Consumption and Pollution in Plastics Manufacturing Processes	81.DE-FG02-96ER12201	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		135,420
Sensitized Luminescence in Organized Media	81.DE-FG05-93ER14367	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		82,240

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Structure of Nuclei Far From Stability	81.DE-FG02-96ER40978	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$181,529
Support for the Establishment of the Central Gulf Regional Resource - Year Two	81.0495	
<u>Through: Petroleum Technology Transfer Council</u>		
LSU and A&M College (Baton Rouge)		(554)
Synthesis of Novel High Density Insensitive Energetic Materials	81.W-7405-ENG-48	
<u>Through: Lawrence Livermore National Laboratory</u>		
University of New Orleans		13,605
Task Order - Battelle Institute	81.20605-L2	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		(3)
Weak Interactions in Nuclear Physics and Nuclear Astrophysics	81.DE-FG02-96ER40985	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		48,648
West Hackberry Tertiary Project	81.unknown	
<u>Through: Amoco Production Co.</u>		
LSU and A&M College (Baton Rouge)		3,704
Subtotal Research and Development Cluster		5,024,011
Total U.S. Department of Energy		\$11,369,408
UNITED STATES INFORMATION AGENCY		
1997 Edmund S. Muskie and Freedom Support Act Fellowship	82.unknown	
<u>Through: American Council of Teachers of Russian-Accels</u>		
LSU and A&M College (Baton Rouge)		\$10,960
Campus VIII	82.IA-AEJM-G3190564	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Administrative Costs		29
Program Costs		(113)
Subtotal Campus VIII		(84)

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
UNITED STATES INFORMATION AGENCY (CONT.)		
- Campus IX	82.IA-AECF-G4190473	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		
Administrative Costs		\$10,718
Program Costs		358
Subtotal Campus IX		11,076
Freedom Support Act - Graduate Fellowship Program	82.unknown	
<u>Through: International Research and Exchange Board</u>		
LSU and A&M College (Baton Rouge)		15,923
<u>Through: Open Society Institute</u>		
LSU and A&M College (Baton Rouge)		3,602
Subtotal Freedom Support Act - Graduate Fellowship Program		19,525
Technical Assistance in Strategic Evaluation	82.118-0005-G-00-5289-0	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		278,075
<u>Research and Development Cluster:</u>		
IAEA Fellowships - Ahaydin Ali - Fixed Price Contract	82.MAL/94001P	
<u>Through: National Research Council</u>		
LSU and A&M College (Baton Rouge)		4,568
Lab Fees for Yilma, Jobre for Comparison of Relationship Between Hemoglobin	82.20874	
<u>Through: Council for International Exchange of Scholars</u>		
LSU and A&M College (Baton Rouge)		2,936
Physiological Characteristics Related to Improved Productivity of Grainfed Rice	82.21795	
<u>Through: Council for International Exchange of Scholars</u>		
LSU Agricultural Center		1,278
Subtotal Research and Development Cluster		8,782
Total United States Information Agency		\$328,334

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Community-Based Anti-Arson Program	83.008	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>\$21,013</u>
Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act (SARA) of 1986	83.011	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>58,360</u>
Community Assistance Program - State Support Services Element (CAP-SSSE)	83.105	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>133,813</u>
State Disaster Preparedness Grants	83.505	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>51,594</u>
Hurricane Program	83.520	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>4,437</u>
Emergency Management - State and Local Assistance	83.534	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>1,925,093</u>
Mitigation Assistance	83.535	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>564,067</u>
Flood Mitigation Assistance	83.536	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>713,060</u>
First Responder Anti-Terrorism Training Assistance	83.547	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>23,700</u>
Emergency Management Institute	83.592	
<u>Direct Awards:</u>		
Department of Military Affairs		<u>30,935</u>
Total Federal Emergency Management Agency		<u><u>\$3,526,072</u></u>

(Continued)

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

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	<u>CFDA OR OTHER NUMBER</u>	<u>ACTIVITY</u>
U.S. DEPARTMENT OF EDUCATION		
Adult Education - State Grant Program	84.002	
<u>Direct Awards:</u>		
Department of Education		<u>\$6,042,552</u>
Title I Grants to Local Educational Agencies	84.010	
<u>Direct Awards:</u>		
Department of Education		<u>175,580,949</u>
Migrant Education - Basic State Grant Program	84.011	
<u>Direct Awards:</u>		
Department of Education		<u>2,157,723</u>
Educationally Deprived Children - State Administration	84.012	
<u>Direct Awards:</u>		
Department of Education		<u>(30,707)</u>
Title 1 Program for Neglected and Delinquent Children	84.013	
<u>Direct Awards:</u>		
Department of Education		<u>351,190</u>
International: Overseas - Group Projects Abroad	84.021	
<u>Direct Awards:</u>		
LSU in Shreveport		<u>40,228</u>
Services for Children with Deaf-Blindness	84.025	
<u>Direct Awards:</u>		
Department of Education		<u>72,865</u>
Special Education - Personnel Development and Parent Training	84.029	
<u>Direct Awards:</u>		
Department of Education		178,590
Southeastern Louisiana University		2,213
University of New Orleans		183,197
<u>Through: University of Virginia</u>		
Southern University and A&M College (Baton Rouge)		<u>16,570</u>
Subtotal Special Education - Personnel Development and Parent Training		<u>380,570</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
- Higher Education - Institutional Aid	84.031	
<u>Direct Awards:</u>		
Grambling State University		\$1,995,107
Northwestern State University		292,531
Southern University and A&M College (Baton Rouge)		3,137,971
Southern University at New Orleans		1,853,528
Southern University at Shreveport-Bossier City		939,025
		<hr/>
Subtotal Higher Education - Institutional Aid		8,218,162
		<hr/>
Public Library Services	84.034	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		1,008,149
		<hr/>
Interlibrary Cooperation and Resource Sharing	84.035	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		358,624
		<hr/>
Library Education and Training	84.036	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		71,085
		<hr/>
Library Research and Demonstration	84.039	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		336,967
		<hr/>
TRIO - Student Support Services	84.042	
<u>Direct Awards:</u>		
Grambling State University		131,467
LSU and A&M College (Baton Rouge)		245,454
LSU at Eunice		307,848
McNeese State University		24,207
Nicholls State University		301,260
Northwestern State University		242,594
Southeastern Louisiana University		204,099
Southern University and A&M College (Baton Rouge)		253,642
Southern University at New Orleans		351,459
Southern University at Shreveport-Bossier City		214,413
University of New Orleans		173,094
University of Southwestern Louisiana		424,984
		<hr/>
Subtotal TRIO - Student Support Services		2,874,521
		<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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
TRIO - Talent Search	84.044	
<u>Direct Awards:</u>		
Southeastern Louisiana University		\$230,035
Southern University and A&M College (Baton Rouge)		308,230
Southern University at New Orleans		226,993
Southern University at Shreveport-Bossier City		264,754
University of New Orleans		262,731
University of Southwestern Louisiana		315,871
		<hr/>
Subtotal TRIO - Talent Search		1,608,614
		<hr/>
TRIO - Upward Bound	84.047	
<u>Direct Awards:</u>		
Delgado Community College		155,806
Grambling State University		425,581
LSU at Eunice		292,614
McNeese State University		253,819
Nicholls State University		228,460
Southeastern Louisiana University		1,061,038
Southern University and A&M College (Baton Rouge)		442,323
Southern University at New Orleans		262,417
Southern University at Shreveport-Bossier City		295,514
University of New Orleans		498,696
University of Southwestern Louisiana		645,209
		<hr/>
Subtotal TRIO - Upward Bound		4,561,477
		<hr/>
Vocational Education - Basic Grants to States	84.048	
<u>Direct Awards:</u>		
Department of Education		18,897,442
		<hr/>
TRIO - Educational Opportunity Centers	84.066	
<u>Direct Awards:</u>		
Southeastern Louisiana University		262,785
		<hr/>
State Student Incentives Grants	84.069	
<u>Direct Awards:</u>		
Office of Student Financial Assistance		726,129
		<hr/>
National Diffusion Network	84.073	
<u>Direct Awards:</u>		
Department of Education		254
		<hr/>
Women's Educational Equity Act Program	84.083	
<u>Direct Awards:</u>		
LSU in Shreveport		231,520
		<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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Special Education - Program for Severely Disabled Children	84.086	
<u>Direct Awards:</u>		
University of New Orleans		\$216,045
Fund for the Improvement of Postsecondary Education	84.116	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		30,926
Minority Science Improvement	84.120	
<u>Direct Awards:</u>		
Grambling State University		145,996
LSU in Shreveport		22,393
Subtotal Minority Science Improvement		168,389
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	
<u>Direct Awards:</u>		
Department of Social Services		53,184,459
Rehabilitation Long-Term Training	84.129	
<u>Direct Awards:</u>		
LSU in Shreveport		2,700
Southern University and A&M College (Baton Rouge)		467,229
<u>Through: University of Alabama</u>		
Southern University and A&M College (Baton Rouge)		41,502
Subtotal Rehabilitation Long-Term Training		511,431
Chapter 2 - State Block Grants	84.151	
<u>Direct Awards:</u>		
Department of Education		561
Business and International Education	84.153	
<u>Direct Awards:</u>		
University of Southwestern Louisiana		47,379
Public Library Construction and Technology Enhancement	84.154	
<u>Direct Awards:</u>		
Department of Culture, Recreation and Tourism		774,138

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Secondary Education and Transitional Services for Youth With Disabilities	84.158	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		\$53,767
University of New Orleans		27,198
		<hr/>
Subtotal Secondary Education and Transitional Services for Youth With Disabilities		80,965
		<hr/>
Immigrant Education	84.162	
<u>Direct Awards:</u>		
Department of Education		269,839
		<hr/>
Eisenhower Professional Development - Federal Activities	84.168	
<u>Direct Awards:</u>		
Department of Education		24,671
<u>Through: Southwest Education Development Laboratories</u>		
Northeast Louisiana University		23,021
Northwestern State University		14,403
		<hr/>
Subtotal Eisenhower Professional Development - Federal Activities		62,095
		<hr/>
Independent Living - State Grants	84.169	
<u>Direct Awards:</u>		
Department of Social Services		634,731
		<hr/>
Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	84.177	
<u>Direct Awards:</u>		
Department of Social Services		152,909
		<hr/>
Special Education - Grants for Infants and Families With Disabilities	84.181	
<u>Direct Awards:</u>		
Department of Education		4,575,885
		<hr/>
Substance Abuse Education and Prevention Program	84.183	
<u>Direct Awards:</u>		
LSU in Shreveport		15,626
		<hr/>
Byrd Honors Scholarships	84.185	
<u>Direct Awards:</u>		
Department of Education		528,100
		<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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Safe and Drug-Free Schools and Communities - State Grants	84.186	
<u>Direct Awards:</u>		
Department of Education		<u>\$9,955,145</u>
Bilingual Education Support Services	84.194	
<u>Direct Awards:</u>		
Department of Education		<u>66,282</u>
Education for Homeless Children and Youth	84.196	
<u>Direct Awards:</u>		
Department of Education		<u>650,592</u>
Even Start - State Educational Agencies	84.213	
<u>Direct Awards:</u>		
Department of Education		<u>2,376,784</u>
Even Start - Migrant Education	84.214	
<u>Direct Awards:</u>		
Department of Education		<u>55,999</u>
Fund for the Improvement of Education	84.215	
<u>Through: Council of Chief State School Officers</u>		
Department of Education		<u>53,110</u>
Capital Expenses	84.216	
<u>Direct Awards:</u>		
Department of Education		<u>901,164</u>
McNair Post-Baccalaureate Achievement	84.217	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		225,040
University of Southwestern Louisiana		<u>220,109</u>
Subtotal McNair Post-Baccalaureate Achievement		<u>445,149</u>
State School Improvement Grants	84.218	
<u>Direct Awards:</u>		
Department of Education		<u>71,843</u>
State Grants for Assistive Technology	84.224	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>810,828</u>
Tech-Prep Education	84.243	
<u>Direct Awards:</u>		
Department of Education		<u>1,894,734</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Urban Community Service	84.252	
<u>Direct Awards:</u>		
LSU in Shreveport		<u>\$252,834</u>
Literacy Program for Prisoners	84.255	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Corrections Services		<u>156,544</u>
Rehabilitation Training - Experimental and Innovative Training	84.263	
<u>Direct Awards:</u>		
Department of Social Services		<u>110,664</u>
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	
<u>Direct Awards:</u>		
Department of Social Services		<u>47,837</u>
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	
<u>Direct Awards:</u>		
Department of Education		<u>7,892,138</u>
Eisenhower Professional Development State Grants	84.281	
<u>Direct Awards:</u>		
Department of Education		<u>4,783,067</u>
Charter Schools	84.282	
<u>Direct Awards:</u>		
Department of Education		<u>312,272</u>
Foreign Language Assistance	84.293	
<u>Direct Awards:</u>		
Department of Education		<u>61,028</u>
Innovative Education Program Strategies	84.298	
<u>Direct Awards:</u>		
Department of Education		<u>4,556,546</u>
Technology Innovation Challenge Grants <u>Through: Natchitoches Parish School Board</u> Louisiana Systemic Initiatives Program	84.303	
		<u>238,860</u>
Goals 2000: Parental Assistance Program <u>Through: Greater Baton Rouge YWCA</u> Southeastern Louisiana University	84.310	
		<u>46,334</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Capacity Building for Traditionally Underserved Populations <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)	84.315	<u>\$243,949</u>
Technology Literacy Challenge Fund Grants <u>Direct Awards:</u> Department of Education	84.318	<u>1,283,582</u>
Arts in Education - Very Special Arts Program <u>Through: Very Special Arts Education Office, John F. Kennedy Center for the Performing Arts</u> Department of Education	84.926	<u>11,801</u>
National Writing Project <u>Through: National Writing Project Corporation</u> LSU and A&M College (Baton Rouge)	84.928	470
Southeastern Louisiana University	84.92-LA02	25,019
University of New Orleans	84.92-LA05	17,673
<u>Through: University of California</u> LSU in Shreveport		<u>7,575</u>
Subtotal National Writing Project		<u>50,737</u>
Annual Interest Grant <u>Direct Awards:</u> Louisiana Tech University	84.R-7-00375	<u>113,349</u>
Clinical Education Program <u>Direct Awards:</u> Southern University and A&M College (Baton Rouge)	84.PO97A10015-96	<u>4,797</u>
Federal Annual Bond Interest Grant <u>Direct Awards:</u> Department of the Treasury	84.5-7-00341 7503-1015	<u>13,285</u>
Regional Network Program <u>Through: Education Development Center, Incorporated</u> Northwestern State University	84.SS95013001	<u>17,111</u>
STW State Implementation Grants <u>Direct Awards:</u> Executive Department	84.V278E70017-97	3,521,613
Executive Department	84.V278E70017-98	<u>400,472</u>
Subtotal STW State Implementation Grants		<u>3,922,085</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Using Technology in Prevention for a Drug-Free Tomorrow <u>Through: University of Oklahoma</u> Northwestern State University	84.PO803393	<u>\$500</u>
<u>Research and Development Cluster:</u>		
International: Overseas - Group Projects Abroad <u>Direct Awards:</u> University of New Orleans	84.021	46,900
Special Education - Innovation and Development <u>Direct Awards:</u> LSU Medical Center (New Orleans)	84.023	3,056
TRIO - Talent Search <u>Direct Awards:</u> Northeast Louisiana University	84.044	215,165
Rehabilitation Long-Term Training <u>Direct Awards:</u> LSU Medical Center (New Orleans)	84.129	212,050
Business and International Education <u>Direct Awards:</u> Northeast Louisiana University	84.153	62,453
Secondary Education and Transitional Services for Youth with Disabilities <u>Direct Awards:</u> LSU Medical Center (New Orleans)	84.158	444,518
Eisenhower Mathematics and Science Education - State Grants <u>Direct Awards:</u> Board of Regents for Higher Education	84.164	762,943
Urban Community Service <u>Direct Awards:</u> University of New Orleans	84.252	<u>62,985</u>
Subtotal Research and Development Cluster		<u>1,810,070</u>
<u>Special Education Cluster:</u>		
Special Education - Grants to States <u>Direct Awards:</u> Department of Education	84.027	40,421,428

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
<u>Special Education Cluster: (Cont.)</u>		
Special Education - Preschool Grants	84.173	
<u>Direct Awards:</u>		
Department of Education		\$5,869,746
Subtotal Special Education Cluster		46,291,174
<u>Student Financial Assistance Cluster:</u>		
Federal Supplemental Educational Opportunity Grants	84.007	
<u>Direct Awards:</u>		
Bossier Parish Community College		60,082
Delgado Community College		369,160
Grambling State University		936,448
LSU and A&M College (Baton Rouge)		654,965
LSU at Alexandria		42,727
LSU at Eunice		69,074
LSU Medical Center (New Orleans)		34,281
LSU in Shreveport		53,550
Louisiana Tech University		465,587
McNeese State University		253,879
Nicholls State University		114,900
Northeast Louisiana University		323,166
Northwestern State University		273,818
Southeastern Louisiana University		515,196
Southern University and A&M College (Baton Rouge)		573,603
Southern University at New Orleans		260,602
Southern University at Shreveport-Bossier City		65,148
University of New Orleans		354,434
University of Southwestern Louisiana		519,263
Federal Family Education Loans	84.032	
<u>Direct Awards:</u>		
Office of Student Financial Assistance		14,990,286
Federal Work-Study Program	84.033	
<u>Direct Awards:</u>		
Bossier Parish Community College		29,110
Delgado Community College		423,729
Elaine P. Nunez Community College		84,069
Grambling State University		823,644
LSU Agricultural Center		14,698
LSU and A&M College (Baton Rouge)		1,075,470
LSU at Alexandria		64,725
LSU at Eunice		68,576
LSU Medical Center (New Orleans)		55,212
LSU in Shreveport		115,577

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
- <u>Student Financial Assistance Cluster:</u> (Cont.)		
Federal Work-Study Program (Cont.)	84.033	
<u>Direct Awards:</u> (Cont.)		
Louisiana Tech University		\$488,496
McNeese State University		342,524
Nicholls State University		200,625
Northeast Louisiana University		798,129
Northwestern State University		215,902
Southeastern Louisiana University		622,033
Southern University and A&M College (Baton Rouge)		860,068
Southern University at New Orleans		347,116
Southern University at Shreveport-Bossier City		236,215
University of New Orleans		628,598
University of Southwestern Louisiana		933,875
Federal Perkins Loan Program - Federal Capital Contributions	84.038	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(94,739)
LSU at Eunice		1,738
LSU Medical Center (Shreveport)		11,580
Louisiana Tech University		86,439
McNeese State University		76,853
Northeast Louisiana University		33,330
Northwestern State University		164,775
University of New Orleans		138,297
Federal Pell Grant Program	84.063	
<u>Direct Awards:</u>		
Bossier Parish Community College		1,502,990
Delgado Community College		10,562,366
Department of Education		7,783,348
Elaine P. Nunez Community College		1,833,105
Grambling State University		8,811,366
LSU and A&M College (Baton Rouge)		8,740,993
LSU at Alexandria		1,542,145
LSU at Eunice		2,293,777
LSU Medical Center (New Orleans)		463,179
LSU in Shreveport		1,417,475
Louisiana Tech University		4,284,469
McNeese State University		3,847,887
Nicholls State University		3,543,615
Northeast Louisiana University		8,201,245
Northwestern State University		7,093,564
Southeastern Louisiana University		10,218,954

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
<u>Student Financial Assistance Cluster: (Cont.)</u>		
Federal Pell Grant Program (Cont.)	84.063	
<u>Direct Awards: (Cont.)</u>		
Southern University and A&M College (Baton Rouge)		\$11,057,370
Southern University at New Orleans		5,777,058
Southern University at Shreveport-Bossier City		1,810,732
University of New Orleans		7,379,890
University of Southwestern Louisiana		10,142,733
		<hr/>
Subtotal Student Financial Assistance Cluster		148,085,094
		<hr/>
Total U.S. Department of Education		\$522,591,865
		<hr/> <hr/>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	
<u>Direct Awards:</u>		
Office of Elderly Affairs		\$72,550
		<hr/>
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	
<u>Direct Awards:</u>		
Office of Elderly Affairs		65,883
		<hr/>
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	
<u>Direct Awards:</u>		
Office of Elderly Affairs		216,490
		<hr/>
Special Programs for the Aging - Title III, Part D - In-Home Services for Frail Older Individuals	93.046	
<u>Direct Awards:</u>		
Office of Elderly Affairs		185,986
		<hr/>
Special Programs for the Aging - Title IV - Training, Research and Discretionary Projects and Programs	93.048	
<u>Direct Awards:</u>		
Office of Elderly Affairs		1,814
		<hr/>
Demonstration Grants for Residential Treatment for Women and Their Children	93.102	
<u>Direct Awards:</u>		
Department of Health and Hospitals		630,088
		<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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Food and Drug Administration - Research	93.103	
<u>Direct Awards:</u>		
Department of Agriculture		<u>\$2,300</u>
Maternal and Child Health Federal Consolidated Programs	93.110	
<u>Through: Tulane University, New Orleans, LA</u>		
LSU Medical Center (Shreveport)		<u>39,274</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	
<u>Direct Awards:</u>		
Office of Public Health		<u>977,942</u>
Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services - Technical Assistance Centers for Evaluation	93.119	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>130,336</u>
Nurse Anesthetist Traineeships	93.124	
<u>Direct Awards:</u>		
Medical Center of Louisiana at New Orleans		<u>60,169</u>
Mental Health Planning and Demonstration Projects	93.125	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>3,940</u>
Emergency Medical Services for Children	93.127	
<u>Direct Awards:</u>		
Office of Public Health		<u>85,224</u>
Primary Care Services - Resource Coordination and Development Primary Care Offices	93.130	
<u>Direct Awards:</u>		
Office of Public Health		<u>136,853</u>
Injury Prevention and Control Research and State and Community Based Programs	93.136	
<u>Direct Awards:</u>		
Office of Public Health		<u>126,969</u>
Projects for Assistance in Transition from Homelessness (PATH)	93.150	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>324,694</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Health Program for Toxic Substances and Disease Registry	93.161	
<u>Direct Awards:</u>		
Office of Public Health		\$72,326
Grants for State Loan Repayment	93.165	
<u>Direct Awards:</u>		
Office of Public Health		130,473
Research Related to Deafness and Communication Disorders	93.173	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		14,274
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	93.196	
<u>Direct Awards:</u>		
Department of Health and Hospitals		2,463,890
Southern University and A&M College (Baton Rouge)		(240)
Subtotal Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities		2,463,650
Family Planning - Services	93.217	
<u>Direct Awards:</u>		
Office of Public Health		3,629,011
Immunization Grants	93.268	
<u>Direct Awards:</u>		
Office of Public Health		2,105,714
Alcohol National Research Service Awards for Research Training	93.272	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		35,117
Alcohol Research Programs	93.273	
<u>Direct Awards:</u>		
Grambling State University		41,198
Drug Abuse National Research Service Awards for Research Training	93.278	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		24,635

(Continued)

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

STATE OF LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Mental Health National Research Service Awards for Research Training	93.282	
<u>Direct Awards:</u>		
Grambling State University		<u>\$199,931</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	
<u>Direct Awards:</u>		
Office of Public Health		<u>751,264</u>
Nurse Practitioner and Nurse-Midwifery Education Programs	93.298	
<u>Direct Awards:</u>		
Northwestern State University		<u>313,205</u>
Professional Nurse Traineeships	93.358	
<u>Direct Awards:</u>		
Northwestern State University		35,487
Southeastern Louisiana University		<u>12,202</u>
Subtotal Professional Nurse Traineeships		<u>47,689</u>
Cancer Cause and Prevention Research	93.393	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		<u>465</u>
Family Preservation and Support Services	93.556	
<u>Direct Awards:</u>		
Department of Social Services		6,159,030
<u>Through: Caring Connections of Concordia Parish</u>		
LSU Agricultural Center		<u>26,513</u>
Subtotal Family Preservation and Support Services		<u>6,185,543</u>
Temporary Assistance for Needy Families	93.558	
<u>Direct Awards:</u>		
Department of Social Services		<u>103,038,948</u>
Family Support Payments to States - Assistance Payments	93.560	
<u>Direct Awards:</u>		
Department of Social Services		<u>(77,312)</u>
Child Support Enforcement	93.563	
<u>Direct Awards:</u>		
Department of Social Services		<u>16,383,621</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Refugee and Entrant Assistance - State Administered Programs	93.566	
<u>Direct Awards:</u>		
Department of Social Services		<u>\$816,591</u>
Low-Income Home Energy Assistance	93.568	
<u>Direct Awards:</u>		
Department of Social Services		<u>11,114,260</u>
Community Services Block Grant	93.569	
<u>Direct Awards:</u>		
Department of Labor		<u>11,239,549</u>
Community Services Block Grant Discretionary Awards - Community Food and Nutrition	93.571	
<u>Direct Awards:</u>		
Department of Labor		<u>64,696</u>
Child Care and Development Block Grant	93.575	
<u>Direct Awards:</u>		
Department of Social Services		<u>35,553,564</u>
Refugee and Entrant Assistance - Discretionary Grants	93.576	
<u>Direct Awards:</u>		
Office of Public Health		<u>31,500</u>
Empowerment Zones Program	93.585	
<u>Direct Awards:</u>		
Department of Social Services		<u>1,325,936</u>
State Court Improvement Program	93.586	
<u>Direct Awards:</u>		
Supreme Court of Louisiana		<u>247,732</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	
<u>Direct Awards:</u>		
Department of Social Services		<u>25,378,949</u>
Head Start	93.600	
<u>Direct Awards:</u>		
Department of Social Services		<u>144,783</u>
Child Welfare Research and Demonstration	93.608	
<u>Direct Awards:</u>		
Grambling State University		<u>4,517</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>\$1,334,763</u>
Children's Justice Grants to States	93.643	
<u>Direct Awards:</u>		
Department of Social Services		<u>219,775</u>
Child Welfare Services - State Grants	93.645	
<u>Direct Awards:</u>		
Department of Social Services		<u>6,067,764</u>
Adoption Opportunities	93.652	
<u>Direct Awards:</u>		
Supreme Court of Louisiana		<u>97,606</u>
Temporary Child Care and Crisis Nurseries	93.656	
<u>Through: Volunteers of America of</u>		
<u>Greater New Orleans, Inc.</u>		
LSU Agricultural Center		<u>1,318</u>
Foster Care - Title IV-E	93.658	
<u>Direct Awards:</u>		
Department of Social Services		<u>62,403,194</u>
Adoption Assistance	93.659	
<u>Direct Awards:</u>		
Department of Social Services		<u>5,231,862</u>
Social Services Block Grant	93.667	
<u>Direct Awards:</u>		
Department of Social Services		<u>21,496,626</u>
Child Abuse and Neglect Discretionary Activities	93.670	
<u>Direct Awards:</u>		
Department of Social Services		<u>250,172</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	93.671	
<u>Direct Awards:</u>		
Office of Women's Services		\$754,371
<u>Through: Central State University</u>		
Southern University and A&M College (Baton Rouge)		<u>183,141</u>
Subtotal Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes		<u>937,512</u>
Community-Based Prevention Program	93.672	
<u>Direct Awards:</u>		
Department of Social Services		<u>472,463</u>
Grants to States for Planning and Development of Dependent Care Programs	93.673	
<u>Direct Awards:</u>		
Department of Education		<u>12,204</u>
Independent Living	93.674	
<u>Direct Awards:</u>		
Department of Social Services		<u>1,432,637</u>
Health Care Financing Research, Demonstrations and Evaluations	93.779	
<u>Direct Awards:</u>		
Department of Insurance		137,386
Southern University and A&M College (Baton Rouge)		<u>8,086</u>
Subtotal Health Care Financing Research, Demonstrations and Evaluations		<u>145,472</u>
Health Careers Opportunity Program	93.822	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		<u>144,418</u>
Heart and Vascular Diseases Research	93.837	
<u>Direct Awards:</u>		
Pennington Biomedical Research Center		<u>48,307</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Minority Access to Research Careers	93.880	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$5,552
LSU Medical Center (Shreveport)		26,940
Subtotal Minority Access to Research Careers		32,492
Grants for Physician Assistant Training Program	93.886	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		104,678
Model Criminal Justice Drug Abuse Treatment for Incarcerated Populations, Non-Incarcerated Populations and Juvenile Justice Populations	93.903	
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Corrections Services		4,426
Grants to States for Operation of Offices of Rural Health	93.913	
<u>Direct Awards:</u>		
Office of Public Health		43,422
HIV Care Formula Grants	93.917	
<u>Direct Awards:</u>		
Office of Public Health		6,757,947
Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease	93.918	
<u>Direct Awards:</u>		
Medical Center of Louisiana at New Orleans		88,171
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	
<u>Direct Awards:</u>		
Office of Public Health		230,341
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	
<u>Direct Awards:</u>		
Northwestern State University		177,188
Southeastern Louisiana University		92,699
Southern University and A&M College (Baton Rouge)		107,618
Subtotal Scholarships for Health Professions Students from Disadvantaged Backgrounds		377,505

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Comprehensive Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	
<u>Direct Awards:</u>		
Department of Education		<u>\$231,964</u>
HIV Prevention Activities - Health Department Based	93.940	
<u>Direct Awards:</u>		
Office of Public Health		<u>3,603,661</u>
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	
<u>Direct Awards:</u>		
Office of Public Health		<u>1,365,974</u>
Assistance Program for Chronic Disease Prevention and Control	93.945	
<u>Direct Awards:</u>		
Office of Public Health		<u>29,825</u>
Block Grants for Community Mental Health Services	93.958	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>4,168,432</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	
<u>Direct Awards:</u>		
Department of Health and Hospitals		<u>25,158,429</u>
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	
<u>Direct Awards:</u>		
Office of Public Health		<u>1,341,155</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>38,548</u>
Preventive Health and Health Services Block Grant	93.991	
<u>Direct Awards:</u>		
Office of Public Health		<u>5,499,115</u>
Maternal and Child Health Services Block Grant to the States	93.994	
<u>Direct Awards:</u>		
Office of Public Health		<u>11,710,278</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Family Preservation Project - Orleans Parish <u>Through: Volunteers of America of Greater New Orleans, Inc.</u> LSU Agricultural Center	93.unknown	<u>(\$291)</u>
Family Preservation/Support Program - Tensas/Madison Parishes <u>Through: Delta Community Action Agency</u> LSU Agricultural Center	93.unknown	<u>(267)</u>
Family Protection, Red River <u>Through: Thirty-Ninth Judicial District Court</u> LSU Agricultural Center	93.unknown	<u>(86)</u>
Family Support Parent Education Program <u>Through: Caring Connections</u> LSU Agricultural Center	93.unknown	<u>20,633</u>
Federal Parent Locator Service-Crossmatch <u>Direct Awards:</u> Department of Labor	93.90-4cmia-008	<u>7,200</u>
Food Inspection <u>Direct Awards:</u> Office of Public Health	93.223-96-4119	<u>34,725</u>
Home Visitation Parent Coach Program <u>Through: Caring Connections</u> LSU Agricultural Center Catahoula Parish Concordia Parish	93.unknown	<u>6,610</u> <u>5,872</u>
Subtotal Home Visitation Parent Coach Program		<u>12,482</u>
MBRS Program at Grambling <u>Direct Awards:</u> Grambling State University	93.551466MO4531-08	<u>262,678</u>
Nat Off Death Index <u>Direct Awards:</u> Office of Public Health	93.606046-706031-806032	<u>25,559</u>
National Youth Sports Program <u>Through: National Collegiate Athletic Association</u> Northeast Louisiana University	93.97-102	<u>61,719</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, 1998

	<u>CFDA OR OTHER NUMBER</u>	<u>ACTIVITY</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Partnership for Minority Access to Baccalaureate <u>Direct Awards:</u> Grambling State University	93.2R256GM51773-02	<u>\$89,199</u>
Rural Health Care Transition - Wellness Program - Fixed Price Contract <u>Through: South Cameron Memorial Hospital</u> LSU Agricultural Center	93.unknown	<u>2,850</u>
Seafood Inspection <u>Direct Awards:</u> Office of Public Health	93.223-97-4119	<u>8,205</u>
SSA/SSI Referral and Monitoring Contract <u>Direct Awards:</u> Department of Health and Hospitals	93.0600-94-12734	<u>3,096</u>
State Demand and Needs Assessment Studies: Alcohol and Other Drugs <u>Direct Awards:</u> Department of Health and Hospitals	93.270-94-0028	<u>104,403</u>
State Prevention Needs Assessment: Alcohol and Other Drugs <u>Direct Awards:</u> Department of Health and Hospitals	93.277-95-1036	<u>174,188</u>
Vital Statistics Cooperative <u>Direct Awards:</u> Office of Public Health	93.200-95-7218	<u>165,240</u>
Women's Health <u>Direct Awards:</u> Office of Public Health	93.97D47623301D	<u>5,000</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> Office of Elderly Affairs	93.044	<u>5,090,207</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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Aging Cluster:</u> (Cont.)		
Special Programs for the Aging - Title III, Part C - Nutrition Service	93.045	
<u>Direct Awards:</u>		
Office of Elderly Affairs		\$6,917,349
Subtotal Aging Cluster		12,007,556
<u>HIV Cluster:</u>		
HIV Emergency Relief Project Grants	93.914	
<u>Through: City of New Orleans</u>		
University of New Orleans		28,175
<u>Medicaid Cluster:</u>		
State Medicaid Fraud Control Units	93.775	
<u>Direct Awards:</u>		
Department of Justice		823,358
State Survey and Certification of Health Care Providers and Suppliers	93.777	
<u>Direct Awards:</u>		
Department of Health and Hospitals		4,018,392
Medical Assistance Program	93.778	
<u>Direct Awards:</u>		
Department of Health and Hospitals		2,287,153,584
Subtotal Medicaid Cluster		2,291,995,334
<u>Research and Development Cluster:</u>		
Area Health Education Centers - Model Programs	93.107	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		265,950
Maternal and Child Health Federal Consolidated Programs	93.110	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		165,097
Office of Public Health		74,845
Biological Response to Environmental Health Hazards	93.113	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		171,222
LSU Medical Center (New Orleans)		146,797
LSU Medical Center (Shreveport)		229,954
Northeast Louisiana University		42,412
Pennington Biomedical Research Center		147,311

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Biological Response to Environmental Health Hazards (Cont.)	93.113	
<u>Through: Tulane University Medical Center</u>		
LSU and A&M College (Baton Rouge)		\$41,261
<u>Through: University of Florida</u>		
LSU and A&M College (Baton Rouge)		32,689
Applied Toxicological Research and Testing	93.114	
<u>Direct Awards:</u>		
Northeast Louisiana University		\$29,014
Oral Diseases and Disorders Research	93.121	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		131,776
LSU Medical Center (New Orleans)		656,931
Financial Assistance for Disadvantaged Health Professions Students	93.139	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		17,658
NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143	
<u>Through: University of Florida</u>		
LSU and A&M College (Baton Rouge)		38,510
AIDS Education and Training Centers	93.145	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		467,192
<u>Through: University of Miami</u>		
LSU Medical Center (New Orleans)		52,862
Health Program for Toxic Substances and Disease Registry	93.161	
<u>Direct Awards:</u>		
Northeast Louisiana University		91,691
Office of Public Health		267,222
Human Genome Research	93.172	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		387,393

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Research Related to Deafness and Communication Disorders	93.173	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$125,624
LSU Medical Center (New Orleans)		448,136
Pennington Biomedical Research Center		122,900
<u>Through: University of California - Irvine</u>		
LSU Medical Center (New Orleans)		11,000
<u>Through: University of Maryland</u>		
Pennington Biomedical Research Center		40,083
Biological Models and Materials Research	93.198	
<u>Through: Indiana University</u>		
Pennington Biomedical Research Center		32,100
Mental Health Research Grants	93.242	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		72,754
LSU Medical Center (Shreveport)		367,116
Pennington Biomedical Research Center		425,987
University of New Orleans		90,629
<u>Through: Case Western University</u>		
LSU Medical Center (New Orleans)		9,872
<u>Through: Hospital for Sick Children</u>		
LSU Medical Center (New Orleans)		14,292
Occupational Safety and Health Research Grants	93.262	
<u>Through: University of Texas Health Center at Tyler</u>		
Southeastern Louisiana University		11,070
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		80,021
Alcohol National Research Service Awards for Research Training	93.272	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		16,288
Alcohol Research Programs	93.273	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1
LSU Medical Center (New Orleans)		948,501
LSU Medical Center (Shreveport)		255,793

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster</u> (Cont.)		
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	93.277	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		\$154,015
Drug Abuse National Research Service Awards for Research Training	93.278	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		(2,851)
University of New Orleans		10,655
Drug Abuse Research Programs	93.279	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		88,715
LSU Medical Center (New Orleans)		912,637
LSU Medical Center (Shreveport)		729,829
University of New Orleans		149,551
<u>Through: University of Toronto</u>		
LSU Medical Center (New Orleans)		5,593
Mental Health Research Career/Scientist Development Awards	93.281	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		1,124
LSU Medical Center (Shreveport)		96,490
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	
<u>Direct Awards:</u>		
Office of Public Health		280,687
<u>Through: University of California - Los Angeles</u>		
LSU Medical Center (New Orleans)		7,261
Comparative Medicine	93.306	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		107,978
LSU Medical Center (Shreveport)		162,399
University of Southwestern Louisiana		954,881
Clinical Research	93.333	
<u>Through: Tulane University</u>		
LSU Medical Center (New Orleans)		71,238

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Biomedical Research Support	93.337	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$2,091
LSU Medical Center (New Orleans)		125,693
Professional Nurse Traineeships	93.358	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		73,958
Biomedical Technology	93.371	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		(249)
Minority Biomedical Research Support	93.375	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		284,507
Research Infrastructure	93.389	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		56,409
Southern University and A&M College (Baton Rouge)		906,635
Academic Research Enhancement Award	93.390	
<u>Direct Awards:</u>		
Northeast Louisiana University		51,731
University of Southwestern Louisiana		30,803
Cancer Cause and Prevention Research	93.393	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		183,029
LSU Medical Center (New Orleans)		999,566
LSU Medical Center (Shreveport)		17,202
Cancer Detection and Diagnosis Research	93.394	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		92,054
Through: <u>Cornell University Medical College</u>		
LSU and A&M College (Baton Rouge)		108,014

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Cancer Treatment Research	93.395	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		\$48,423
LSU Medical Center (Shreveport)		162,144
<u>Through: Cancer Treatment Research Center, San Antonio, TX</u>		
LSU Medical Center (Shreveport)		93,655
<u>Through: Southwest Oncology</u>		
LSU Medical Center (New Orleans)		43,902
<u>Through: University of Alabama, Birmingham, AL</u>		
LSU Medical Center (Shreveport)		4,652
<u>Through: University of Pittsburgh</u>		
LSU Medical Center (New Orleans)		4,662
Cancer Biology Research	93.396	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		202,361
LSU Medical Center (Shreveport)		145,765
Cancer Centers Support	93.397	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		222,860
<u>Through: Cancer Treatment Research Center, San Antonio, TX</u>		
LSU Medical Center (Shreveport)		25,319
Cancer Research Manpower	93.398	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		44,107
Cancer Control	93.399	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		278,979
LSU Medical Center (Shreveport)		5,704
Developmental Disabilities University Affiliated Programs	93.632	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		271,420

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Cell Biology and Biophysics Research	93.821	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$206,605
LSU Medical Center (Shreveport)		194,040
<u>Through: Case Western Reserve University</u>		
LSU and A&M College (Baton Rouge)		40,639
Health Careers Opportunity Program	93.822	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		258,304
Area Health Education Centers	93.824	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		164,581
Heart and Vascular Diseases Research	93.837	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		812,702
LSU Medical Center (Shreveport)		750,247
Pennington Biomedical Research Center		751,531
<u>Through: Loyola of Chicago</u>		
LSU Medical Center (Shreveport)		35,350
<u>Through: University of Chicago</u>		
Louisiana Tech University		25,113
Lung Diseases Research	93.838	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		(215)
LSU Medical Center (New Orleans)		183,969
LSU Medical Center (Shreveport)		51,203
<u>Through: Johns Hopkins University</u>		
LSU and A&M College (Baton Rouge)		57,153
<u>Through: Long Beach Memorial Medical Center,</u>		
<u>Long Beach, CA</u>		
LSU Medical Center (Shreveport)		681
Blood Diseases and Resources Research	93.839	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		215,354

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster (Cont.)</u>		
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		\$8,000
Pennington Biomedical Research Center		17,365
Diabetes, Endocrinology and Metabolism Research	93.847	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		32,691
LSU Medical Center (New Orleans)		242,612
LSU Medical Center (Shreveport)		15,165
Pennington Biomedical Research Center		861,617
<u>Through: George Washington University</u>		
Pennington Biomedical Research Center		14,467
Diabetes, Endocrinology and Metabolism Research - Fixed Price Contract	93.847	
<u>Through: George Washington University</u>		
Pennington Biomedical Research Center		4,000
Digestive Diseases and Nutrition Research	93.848	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		291,519
LSU Medical Center (Shreveport)		1,864,759
Pennington Biomedical Research Center		1,162,340
Kidney Diseases, Urology and Hematology Research	93.849	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		96,013
LSU Medical Center (Shreveport)		351,277
Biological Basis Research in the Neurosciences	93.854	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		890,922
LSU Medical Center (Shreveport)		425,545
Allergy, Immunology and Transplantation Research	93.855	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		190,848
LSU Medical Center (Shreveport)		29,678

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Microbiology and Infectious Diseases Research	93.856	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		\$289,050
LSU Medical Center (New Orleans)		219,522
LSU Medical Center (Shreveport)		530,817
<u>Through: Arizona State University</u>		
LSU Medical Center (New Orleans)		30,996
<u>Through: GL Synthesis, Inc.</u>		
LSU Medical Center (New Orleans)		6,989
<u>Through: Shreveport Bio-Tech, Inc., Shreveport, LA</u>		
LSU Medical Center (Shreveport)		973
<u>Through: Tulane University</u>		
LSU Medical Center (New Orleans)		279,278
Pharmacology, Physiology, and Biological Chemistry Research	93.859	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		141,025
LSU Medical Center (Shreveport)		247,991
Genetics and Developmental Biology Research	93.862	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		203,828
LSU Medical Center (Shreveport)		477,875
Cellular and Molecular Basis of Disease Research	93.863	
<u>Direct Awards:</u>		
Northeast Louisiana University		9,798
Center for Research for Mothers and Children	93.865	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		162,820
LSU Medical Center (Shreveport)		372,964
Pennington Biomedical Research Center		236,700
<u>Through: Color Byte Software</u>		
LSU Medical Center (New Orleans)		9,140
Aging Research	93.866	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		539,493

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster: (Cont.)</u>		
Vision Research	93.867	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		\$3,080,473
<u>Through: Johns Hopkins University</u>		
LSU Medical Center (New Orleans)		115,048
<u>Through: Laser Diagnostic</u>		
LSU Medical Center (New Orleans)		15,878
<u>Through: Miravant Medical Technology</u>		
LSU Medical Center (New Orleans)		96,175
Minority Access to Research Careers	93.880	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		17,446
Alcohol Research Center Grants	93.891	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		1,248,063
Residency Training and Advanced Education in the General Practice of Dentistry	93.897	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		93,797
Communications Programs for Demonstrating the Prevention of Alcohol and Drug Problems	93.901	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		49,315
Rural Outreach - Rural Network Development Program	93.912	
<u>Through: Concordia Substance Abuse Council</u>		
LSU and A&M College (Baton Rouge)		12,945
Ryan White HIV/AIDS Dental Reimbursements	93.924	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		16,140
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		13,009
University of Southwestern Louisiana		130,500

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Healthy Start Initiative	93.926	
<u>Through: City of New Orleans</u>		
LSU Medical Center (New Orleans)		(\$37,792)
Fogarty International Research Collaboration Award	93.934	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		24,458
LSU Medical Center (Shreveport)		12,100
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	
<u>Direct Awards:</u>		
Office of Public Health		25,876
<u>Through: Tulane University</u>		
LSU Medical Center (New Orleans)		51,229
<u>Through: University of Georgia</u>		
LSU Medical Center (New Orleans)		107,904
Assistance Program for Chronic Disease Prevention and Control	93.945	
<u>Direct Awards:</u>		
Office of Public Health		126,728
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		48
Office of Public Health		500,618
Senior International Fellowships	93.989	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		1,359
LSU Medical Center (Shreveport)		34,355
Analysis of Molecular Data to Map Genes	93.263-MD-236138	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		3,888
Armadillo/Leprosy Contract - Fixed Price Contract	93.258-96-0009	
<u>Direct Awards:</u>		
LSU and A&M College (Baton Rouge)		80,315

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
Audiologic/Genetic Studies of Jewish Families	93.263-MD-727434	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		\$13,627
Bioavailability and Metabolism of Dietary Carcinogens	93.3203538-12	
Through: <u>University of Florida</u>		
LSU and A&M College (Baton Rouge)		4,278
Database for the Usher Syndrome Consortium	93.263-MD635530	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		940
Determine Genetic Susceptibility to Lung Cancer	93.NO1-HG-65404	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		217,146
DNA Sequencing With Infrared Fluorescence Biomolecules	93.unknown	
Through: <u>Li-Cor, Inc.</u>		
LSU and A&M College (Baton Rouge)		22,694
Epidemiologic Study of Black/White Differences	93.NO1-CN-45175	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		34,902
Family Resource Center Project	93.unknown	
Through: <u>Volunteers of America</u>		
LSU and A&M College (Baton Rouge)		25,432
Firing Pattern Regulation in Midbrain Dopamine Neurons	93.1 R01 NS37963-01	
<u>Direct Awards:</u>		
University of New Orleans		44,055
Infant Mortality Review	93.44968-01B	
Through: <u>City of New Orleans</u>		
LSU Medical Center (New Orleans)		(16,503)
National AETC Workshop Plan	93.103HR95104IP	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		38,880
National Cancer Institute: Serum Samples and Demographic Data	93.NIHJS7275	
<u>Direct Awards:</u>		
LSU Medical Center (Shreveport)		5,315

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
<u>Research and Development Cluster:</u> (Cont.)		
National Institute of Health - Metabolic and Genetic Markers for Dietary Obesity	93.R1DK45785B	
<u>Direct Awards:</u> Pennington Biomedical Research Center		\$237,189
NIMH Support of Imaging Techniques Symposium	93.263-MD-349137	
<u>Direct Awards:</u> LSU Medical Center (New Orleans)		(8)
Provide Educational Training in Iberville Housing <u>Through: Housing Authority of New Orleans</u> LSU Medical Center (New Orleans)	93.95-77-003	2,069
Repair of Hair Bundles in Sea Anemones		
<u>Direct Awards:</u> University of Southwestern Louisiana University of Southwestern Louisiana	93.1 R01 GM52334001A1 93.NO1-NS-5-2323	85,618 398,129
Screening of Compounds for Anti-Tuberculosis Activity - <u>Fixed Price Contract</u>	93.258-95-0010	
<u>Direct Awards:</u> LSU and A&M College (Baton Rouge)		266,267
Substance Abuse Evaluation/Therapy to HIV Client <u>Through: City of New Orleans</u> LSU Medical Center (New Orleans)	93.96-64-092	11,706
TMJ Function and Mechanics: Experimental Models <u>Through: University of Washington</u> Louisiana Tech University	93.388743	7,565
Subtotal Research and Development Cluster		<u>35,970,062</u>
<u>Student Financial Assistance Cluster:</u>		
Scholarships for Students of Exceptional Financial Need	93.820	
<u>Direct Awards:</u> LSU Medical Center (New Orleans)		31,924
Total U.S. Department of Health and Human Services		<u><u>\$2,726,434,381</u></u>

(Continued)

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

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
Retired and Senior Volunteer Program	94.002	
<u>Direct Awards:</u>		
Northeast Louisiana University		\$38,781
State Commissions	94.003	
<u>Direct Awards:</u>		
Office of Lieutenant Governor		91,110
Learn and Serve America - School and Community Based Programs	94.004	
<u>Direct Awards:</u>		
Department of Education		339,065
Office of Lieutenant Governor		7,695
Subtotal Learn and Serve America - School and Community Based Programs		346,760
Learn and Serve America - Higher Education	94.005	
<u>Direct Awards:</u>		
Southern University and A&M College (Baton Rouge)		36,647
<u>Through: American Association of Community Colleges</u>		
Elaine P. Nunez Community College		3,275
Subtotal Learn and Serve America - Higher Education		39,922
AmeriCorps	94.006	
<u>Direct Awards:</u>		
Office of Lieutenant Governor		1,477,742
Training and Technical Assistance	94.009	
<u>Direct Awards:</u>		
Office of Lieutenant Governor		157,237
Northeast Louisiana Delta Grant	94.unknown	
<u>Through: Northeast Louisiana Delta Community Development Corporation</u>		
Grambling State University		10,039
<u>Foster Grandparent/Senior Companion Cluster:</u>		
Foster Grandparent Program	94.011	
<u>Direct Awards:</u>		
Pinecrest Developmental Center		249,365
Total Corporation for National and Community Service		\$2,410,956

(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, 1998

	CFDA OR OTHER NUMBER	ACTIVITY
EXECUTIVE OFFICE OF THE PRESIDENT		
Office of National Drug Control Policy - Louisiana Gulf Coast Initiative		
<u>Direct Awards:</u>		
Department of Public Safety and Corrections - Public Safety Services	95.17PGCP501	\$219,936
Department of Public Safety and Corrections - Public Safety Services	95.18PGPC508	<u>176,802</u>
Subtotal Office of National Drug Control Policy - Louisiana Gulf Coast Initiative		<u>396,738</u>
Total Executive Office of the President		<u><u>\$396,738</u></u>
SOCIAL SECURITY ADMINISTRATION		
Social Security - Disability Insurance	96.001	
<u>Direct Awards:</u>		
Department of Social Services		<u>\$30,335,458</u>
<u>Research and Development Cluster:</u>		
Health Measurement Consultant	96.60096-27545	
<u>Direct Awards:</u>		
LSU Medical Center (New Orleans)		<u>5,678</u>
Total Social Security Administration		<u><u>\$30,341,136</u></u>
TOTAL STATE OF LOUISIANA		<u><u>\$4,952,847,831</u></u>

(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, 1998****A. PURPOSE OF THE SCHEDULE**

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires a schedule of expenditures of federal awards showing total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number for each program when the CFDA number is not available. To comply with this requirement, the Executive Department, Division of Administration required each state agency, hospital, and university to prepare a schedule of expenditures of federal awards. These schedules were combined to form the Schedule of Expenditures of Federal Awards for the State of Louisiana.

B. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards includes all federal financial assistance received from federal agencies or pass-through entities that was expended or issued by the State of Louisiana during the year ended June 30, 1998. Pass-through entities include local governments, entities in other states, and private organizations and establishments 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 generally accepted accounting principles. Therefore, except as explained in the following paragraphs, expenditures of federal awards presented in the Schedule of Expenditures of Federal Awards represent cash disbursements of the individual programs. Consequently, certain expenditures (activity) are recognized when paid rather than when obligations are incurred. Accordingly, the information presented in the schedule is not intended to present federal program expenditures in conformity with generally accepted accounting principles.

Indirect Costs - Certain costs, such as those associated with budgeting, accounting, personnel administration, et cetera, benefit more than one program but are not readily assignable to the programs receiving the benefits. Some agencies, hospitals, and universities apply a federally approved indirect cost rate to direct program costs to recover a portion of these indirect costs from federal grants or contracts. Indirect costs charged to federal grants and contracts by means of approved indirect cost rates are recognized as disbursements or expenditures in the accompanying Schedule of Expenditures of Federal Awards.

Department of Labor - Significant transactions of the Department of Labor are processed through the department's electronic data processing cost accounting system, which produces information on the modified accrual basis of accounting, rather than through the state's

STATE OF LOUISIANA

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

Integrated Statewide Information Systems. Therefore, the information presented in the Schedule of Expenditures of Federal Awards for the Department of Labor was derived from the department's cost accounting system and represents expenditures of federal awards on the modified accrual basis of accounting. Consequently, expenditures are recognized when the related liability is incurred.

Public Institutions of Higher Education - Except as explained in the following paragraph, the expenditures of federal awards for the public institutions of higher education are presented on the full accrual basis of accounting. Consequently, expenditures are recognized when the related liability is incurred.

Fixed Price Contracts - These contracts provide that a specified amount of funds will be paid upon delivery of a product, generally, a report on the results of a research study. As a result, the amount of federal awards that may be expended under fixed price contracts is limited to the amount of funds received from the contracts, regardless of the amount of costs incurred to perform the contracts or the period in which those costs were incurred. Therefore, the information presented in the Schedule of Expenditures of Federal Awards for fixed price contracts represents federal funds received on the cash basis of accounting. Consequently, expenditures (activity) are recognized when the related asset is received and in the amount of the asset received, rather than when the obligation is incurred and in the amount of the obligation.

Donations - Activity of the Donation of Federal Surplus Personal Property Program is reported in the Schedule of Expenditures of Federal Awards at acquisition cost provided by the federal government when the property is received by the State of Louisiana.

Issues - Issues of the Food Stamp Program are reported in the Schedule of Expenditures of Federal Awards at the dollar value of the food stamp coupons when the coupons are issued by local governing authorities to food stamp recipients. Issues of the Food Stamp Program also include the amount actually expended for food purchases by recipients who obtain their benefits through electronic benefit transfer. Issues of the commodities program are reported in the Schedule of Expenditures of Federal Awards at the federally assigned value of the commodities when they are issued to state agencies, public and private school systems, and nonprofit organizations.

**D. TRANSFERS OF FEDERAL FUNDS AMONG STATE
AGENCIES, HOSPITALS, AND UNIVERSITIES**

The accompanying Schedule of Expenditures of Federal Awards presents expenditures (activity) for the state agencies, including hospitals and universities that initially received the assistance. In some instances, assistance received by one agency is transferred to a subrecipient state agency, hospital, or university to be expended for the original program or when allowed by the original program, to be expended for other federal programs. In those instances, federal award expenditures (activity) are reflected for the agency that initially received the assistance from a federal, local, or other state government.

STATE OF LOUISIANA

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

E. FEDERAL FAMILY EDUCATION LOANS

The Office of Student Financial Assistance (OSFA) guarantees 100% of the loans made to students under the Federal Family Education Loans Program (CFDA 84.032). The federal government reimburses OSFA a percentage of the defaulted claims payments to lenders on certain defaulted loans, and when defaulted loans are collected, OSFA returns a percentage of the amount collected to the federal government. During the year ended June 30, 1998, OSFA paid lending institutions \$24,428,136 for defaulted student loans, and the average federal participation in these default payments was 99.1%. New loans made to students during the year ended June 30, 1998, which are guaranteed by OSFA, amounted to \$188,318,909. As of June 30, 1998, the original principal on outstanding loans made under the Federal Family Education Loans Program guaranteed by OSFA amounted to \$1,036,204,439.

F. FEDERAL DIRECT STUDENT LOANS

The federal government provides loan capital directly to vocational, undergraduate, and graduate students, and their parents under the Federal Direct Loan Program (CFDA 84.268) officially known as the William O. Ford Federal Direct Loan Program. During the year ended June 30, 1998, loans totaling \$2,501,486, \$3,214,180, and \$238,500 were made to students at the campuses of Elaine P. Nunez Community College, Southern University at New Orleans, and Southern University at Shreveport-Bossier City, respectively.

G. UNEMPLOYMENT INSURANCE PROGRAM

The Unemployment Insurance Program (CFDA 17.225) is administered through a unique federal-state partnership that was founded upon federal law, but implemented through state law. For the purposes of presenting the expenditures of this program in the accompanying Schedule of Expenditures of Federal Awards, both state and federal funds have been considered federal awards expended. The breakdown of the state and federal portions of the total program expenditures for fiscal year ended June 30, 1998, is as follows:

State Portion (Benefits Paid)	\$136,423,976
Federal Portion (Administrative Costs)	<u>22,237,897</u>
Total	<u><u>\$158,661,873</u></u>

H. PETROLEUM VIOLATION ESCROW FUNDS

Petroleum Violation Escrow Funds are monies that were provided to the state by the U.S. Department of Energy (DOE). These distributions were the result of legislative, administrative, and judicial actions involving violations of DOE's price and allocation controls in effect from August 1973 through January 1981. These controls applied to the allocation and pricing of crude oil and refined petroleum products. The funds include Warner Amendment funds, Exxon

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)

funds, and Multi-District Litigation (M.D.L.) Number 378 "Stripper Well" funds and are sometimes referred to as Federal Energy Settlement funds. Court orders and consent decrees relative to the lawsuits that resulted in these distributions imposed restrictions on the way the state can administer and use these monies.

I. NURSING STUDENT LOANS AND HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE LOANS/LOANS FOR DISADVANTAGED STUDENTS

Public institutions of higher education receive federal capital contributions under the Nursing Student Loans Program (CFDA 93.364) and the Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students Program (CFDA 93.342) to make low-interest loans to eligible students to assist them in meeting their educational needs. The amount of new loans made during the year and the outstanding balances of loans made under these programs as of June 30, 1998, 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, 1998</u>	<u>Outstanding Balance June 30, 1998</u>	<u>Loans Made During the Year Ended June 30, 1998</u>	<u>Outstanding Balance June 30, 1998</u>
Grambling State University		\$304,131		
LSU and A&M College (Baton Rouge)				\$10,053
LSU at Eunice		2,945		
LSU Medical Center (New Orleans)	\$90,069	635,772	\$593,811	6,477,690
LSU Medical Center (Shreveport)				799,460
Medical Center of Louisiana at New Orleans		72,640		
Nicholls State University		5,273		
Northeast Louisiana University		68,650	230,068	1,180,061
Northwestern State University		152,602		
Southeastern Louisiana University		36,200		
University of Southwestern Louisiana	40,639	267,725		
Total	\$130,708	\$1,545,938	\$823,879	\$8,467,264

J. FEDERAL PERKINS LOAN PROGRAM - FEDERAL CAPITAL CONTRIBUTIONS

Public institutions of higher education receive federal capital contributions under the Federal Perkins Loan Program - Federal Capital Contributions (CFDA 84.038) to make low-interest loans to eligible students to assist them in meeting their educational needs. The amount of new

STATE OF LOUISIANA

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

loans made during the year and the outstanding balances of loans made under this program as of June 30, 1998, are presented in the following schedule.

<u>University</u>	<u>Perkins Loans</u>	
	<u>Loans Made During the Year Ended June 30, 1998</u>	<u>Outstanding Balance June 30, 1998</u>
Delgado Community College		\$5,825
Grambling State University	\$75,332	1,990,095
LSU and A&M College (Baton Rouge)	2,214,253	12,455,479
LSU at Eunice	64,229	487,700
LSU Medical Center (New Orleans)	427,050	2,277,437
LSU Medical Center (Shreveport)	228,620	1,048,889
Louisiana Tech University	1,152,174	7,140,037
McNeese State University	354,479	2,116,299
Nicholls State University	6,681	79,219
Northeast Louisiana University	609,767	4,382,666
Northwestern State University	390,505	2,740,123
Southeastern Louisiana University	360,789	2,008,961
Southern University and A&M College (Baton Rouge)		2,308,909
Southern University at New Orleans		84,111
Southern University at Shreveport-Bossier City		650,025
University of New Orleans	867,118	4,652,696
University of Southwestern Louisiana	1,063,980	8,198,716
Total	<u>\$7,814,977</u>	<u>\$52,627,187</u>

K. FEDERAL PERKINS LOAN CANCELLATIONS

Students who received National Defense or Perkins Loans may have a portion or all of their loan balance canceled if they meet certain military or teacher service requirements. Under the Federal Perkins Loan Cancellations Program (CFDA 84.037), the federal government restores the total amount of canceled principal and interest to the universities' loan funds. The amounts canceled under this program during the year ended June 30, 1998, 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 Canceled</u>
Grambling State University	\$3,385
LSU and A&M College (Baton Rouge)	94,426
LSU at Eunice	7,566
LSU Medical Center (New Orleans)	7,180
Louisiana Tech University	131,237
McNeese State University	29,306
Nicholls State University	940
Northeast Louisiana University	149,036
Northwestern State University	102,251
Southeastern Louisiana University	39,272
Southern University at New Orleans	12
University of New Orleans	20,141
University of Southwestern Louisiana	<u>142,115</u>
Total	<u><u>\$726,867</u></u>

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

Public institutions of higher education receive loans from the federal government under the College Housing and Academic Facilities Loans Program (CFDA 84.142). These funds may be used to finance the construction, acquisition, and rehabilitation of student and faculty housing and related dining facilities or to finance the renovation or reconstruction of older undergraduate academic facilities. The outstanding balances of loans made under this program as of June 30, 1998, are presented in the following schedule.

STATE OF LOUISIANANotes to the Schedule of Expenditures of Federal Awards
(Continued)

<u>University</u>	<u>Outstanding Balance June 30, 1998</u>
Delgado Community College	\$392,000
Grambling State University	2,466,000
LSU and A&M College (Baton Rouge)	3,709,000
LSU Medical Center (New Orleans)	520,000
Louisiana Tech University	94,000
McNeese State University	193,000
Nicholls State University	72,000
Northeast Louisiana University	370,000
Southeastern Louisiana University	55,000
University of New Orleans	27,000
	<hr/>
Total	<u>\$7,898,000</u>

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

The University of Louisiana System Board of Trustees for State Colleges and Universities has signed 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 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, 1998, the outstanding loan balance is \$3,152,260. Payments totaling \$81,351 were made during the year.

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

During the fiscal year ended June 30, 1998, the Office of Public Health received cash rebates from infant formula manufacturers totaling \$33,874,049 from sales of formula to participants in the WIC Program (CFDA 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Dividing the rebates received by the net average food package cost per participant results in 1,007,257 more participants served as a result of the rebate collections. In the absence of a rebate contract, the average food package cost would increase and available federal funding would support approximately 600,000 less participants than were actually served during the fiscal year.

STATE OF LOUISIANA**Notes to the Schedule of Expenditures of Federal Awards
(Continued)****O. MAJOR FEDERAL AWARD PROGRAMS**

The State of Louisiana's major federal award programs for the year ended June 30, 1998, were determined using the criteria established by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Beginning with fiscal year June 30, 1998, OMB Circular A-133 requires major programs to be determined using a risk-based approach. This approach was implemented for the first time in the 1998 fiscal year. The total federal awards expended was based on actual program activity as described in note C (page A-153) and the outstanding loan balances as of and for the year ended June 30, 1997. The state's Type A federal award programs for the year ended June 30, 1998, were all federally assisted programs for which program activity was equal to or greater than the 1998 Type A/B threshold of \$15,062,165, and all federally assisted loan programs for which the federal government's risk in the outstanding loan balances as of June 30, 1997, was equal to or greater than \$15,062,165.

A total of 27 Type A programs were identified. Auditors designated four Type A programs as low-risk. These four Type A programs were not audited as major during the 1998 fiscal year. The four Type A programs identified as low-risk are:

- 10.565 Commodity Supplemental Food Program
- 14.228 Community Development Block Grant/State's Program
- 96.001 Social Security - Disability Insurance
- Child Nutrition Cluster:
 - 10.553 School Breakfast Program
 - 10.555 National School Lunch Program
 - 10.556 Special Milk Program for Children
 - 10.559 Summer Food Service Program for Children

Under Option 2 described in Section 520 of OMB Circular A-133, four high-risk Type B programs were identified. Along with the high-risk Type A programs, these four high-risk Type B programs were audited as major during the 1998 fiscal year. The high-risk Type B programs audited as major during the 1998 fiscal year are:

- 39.003 Donation of Federal Surplus Personal Property
- 84.186 Safe and Drug-Free Schools and Communities - State Grants
- 93.569 Community Services Block Grant
- Fish and Wildlife Cluster:
 - 15.605 Sport Fish Restoration
 - 15.611 Wildlife Restoration

The major programs cumulatively account for approximately 90% of the state's expenditures/issues/loans of federal award programs for the year ended June 30, 1998. 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:

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
10.550	Food Distribution		\$18,629,358	\$18,462,735
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		73,599,306	None
10.558	Child and Adult Care Food Program		42,282,133	41,884,053
17.225	Unemployment Insurance		158,661,873	None
20.205	Highway Planning and Construction		276,327,034	None
39.003	Donation of Federal Surplus Personal Property		7,756,314	3,861,535
66.458	Capitalization Grants for State Revolving Funds		27,415,380	None
84.010	Title I Grants to Local Educational Agencies		175,580,949	173,803,065
84.048	Vocational Education - Basic Grants to States		18,897,442	7,707,521
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States		53,184,459	***
84.186	Safe and Drug-Free Schools and Communities - State Grants		9,955,145	9,171,879
93.558	Temporary Assistance for Needy Families		103,038,948	***
93.569	Community Services Block Grant		11,239,549	10,721,941
93.575	Child Care and Development Block Grant		35,553,564	4,469,737
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund		25,378,949	***
93.658	Foster Care - Title IV-E		62,403,194	***
93.667	Social Services Block Grant		21,496,626	***
93.959	Block Grants for Prevention and Treatment of Substance Abuse		25,158,429	2,771,969
Food Stamp Cluster:				
10.551	Food Stamps	\$476,471,901		***
10.561	State Administrative Matching Grants for Food Stamp Program	38,931,144	515,403,045	***
Fish and Wildlife Cluster:				
15.605	Sport Fish Restoration	3,334,633		None
15.611	Wildlife Restoration	4,231,654	7,566,287	None
JTPA Cluster:				
17.246	Employment and Training Assistance - Dislocated Workers	22,642,729		17,309,117
17.250	Job Training Partnership Act	46,759,881	69,402,610	43,043,219
Student Financial Assistance Cluster:				
84.007	Federal Supplemental Educational Opportunity Grants	5,939,883		None
84.032	<u>Federal Family Education Loans:</u>			
	Administrative Expenditures	14,990,286		None
	Loan Expenditures	1,118,456,735		None
84.033	Federal Work-Study Program	8,428,391		None
84.038	<u>Federal Perkins Loan Program - Federal Capital Contributions:</u>			
	Administrative Expenditures	418,273		None
	Loan Expenditures	43,463,006		None
84.063	Federal Pell Grant Program	118,308,261		None

*** Information could not be provided by Department of Social Services.

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

CFDA Number	Program Name	Programs Included in Cluster	Total Activity	Amounts Provided to Subrecipients
Student Financial Assistance Cluster: (Cont.)				
84.268	<u>Federal Direct Loan:</u> Loan Expenditures	\$5,954,166		None
93.342	<u>Health Professions Student Loans, Including Primary Care Loans/ Loans for Disadvantaged Students:</u> Loan Expenditures	8,288,999		None
93.364	<u>Nursing Student Loans:</u> Loan Expenditures	1,542,757		None
93.820	Scholarships for Students of Exceptional Financial Need	31,924	\$1,325,822,681	None
Special Education Cluster:				
84.027	Special Education - Grants to States	40,421,428		\$35,138,474
84.173	Special Education - Preschool Grants	5,869,746	46,291,174	5,166,650
Medicaid Cluster:				
93.775	State Medicaid Fraud Control Units	823,358		None
93.777	State Survey and Certification of Health Care Providers and Suppliers	4,018,392		None
93.778	Medical Assistance Program	2,287,153,584	2,291,995,334	None
Research and Development Cluster:				
	U.S. Department of Agriculture	8,889,100		34,481
	U.S. Department of Commerce	3,980,189		3,042
	U.S. Department of Defense	20,540,284		617,466
	Central Intelligence Agency	98,505		None
	U.S. Department of Housing and Urban Development	288,461		None
	U.S. Department of Interior	4,813,485		26,960
	U.S. Department of Justice	74,733		None
	U.S. Department of State	3,821		None
	U.S. Department of Transportation	254,225		None
	National Aeronautics and Space Administration	5,045,855		39,351
	National Foundation on the Arts and the Humanities	48,708		None
	National Science Foundation	10,398,518		429,454
	Small Business Administration	1,418,586		None
	Tennessee Valley Authority	18,316		None
	U.S. Department of Veterans Affairs	196,719		None
	Environmental Protection Agency	4,607,115		1,847,522
	U.S. Department of Energy	5,024,011		301,364
	United States Information Agency	8,782		None
	U.S. Department of Education	1,810,070		108,645
	U.S. Department of Health and Human Services	35,970,062		721,131
	Social Security Administration	5,678	103,495,223	None
Total Expenditures (Activity) of Major Programs			\$5,506,535,006	\$377,641,311

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

The Louisiana Department of Social Services (DSS) could not provide information on the amount of major federal awards provided to subrecipients for the 1998 fiscal year. Therefore, the amounts provided to subrecipients could not be presented in total for the following major programs administered by DSS:

- Food Stamp Cluster:
 - 10.551 Food Stamps
 - 10.561 State Administrative Matching Grants for Food Stamp Program
- 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
- 93.558 Temporary Assistance to Needy Families
- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
- 93.658 Foster Care - Title IV-E
- 93.667 Social Services Block Grant

**P. COMPONENT UNITS AUDITED BY
EXTERNAL AUDITORS**

Other external auditors audited certain entities included in the State of Louisiana's *Comprehensive Annual Financial Report* for the year ended June 30, 1998. To obtain the latest audit report of a particular entity, contact the agency using the following list of addresses:

Amite River Basin Drainage and Water
Conservation District
3535 Sherwood Forest, Suite 135
Baton Rouge, Louisiana 70816-2255

Atchafalaya Basin Levee District
Post Office Box 170
Port Allen, Louisiana 70767

Ascension-St. James Bridge and
Ferry Authority
Post Office Box 1566
Donaldsonville, Louisiana 70346

Board of Registration for Professional
Engineers and Land Surveyors
10500 Coursey Boulevard, Suite 107
Baton Rouge, Louisiana 70816-4045

STATE OF LOUISIANA

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

Bossier Levee District
Post Office Box 189
Benton, Louisiana 71006

Lafourche Basin Levee District
Post Office Box 670
Vacherie, Louisiana 70090

The Custodian of Notarial Records
of Orleans Parish
421 Loyola Avenue, Room B-4
New Orleans, Louisiana 70112

Lake Charles Harbor and
Terminal District
Post Office Box 3753
Lake Charles, Louisiana 70602

East Jefferson Levee District
203 Plauche Court
Harahan, Louisiana 70123

Legislative Budgetary Control Council
Post Office Box 44305
Baton Rouge, Louisiana 70804

* Foundation for Excellence in LPB
7860 Anselmo Lane
Baton Rouge, Louisiana 70810

Legislative Fiscal Office
Post Office Box 44097
Baton Rouge, Louisiana 70804

* Greater New Orleans Expressway
Commission
Post Office Box 7656
Metairie, Louisiana 70010

Louisiana Auctioneers Licensing Board
8017 Jefferson Highway, Suite B-3
Baton Rouge, Louisiana 70809

Harbor Police Retirement System
2714 Canal Street, Suite 306
New Orleans, Louisiana 70119-5595

Louisiana Beef Industry Council
4921 I-10 Frontage Road
Port Allen, Louisiana 70767

Joint Legislative Committee on
the Budget
Post Office Box 44294
Baton Rouge, Louisiana 70804

Louisiana Board of Chiropractic
Examiners
8621 Summa Avenue
Baton Rouge, Louisiana 70809

* Single Audit

STATE OF LOUISIANA

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

Louisiana State Board of Veterinary
Medical Examiners
263 Third Street, Suite 104
Baton Rouge, Louisiana 70801

Louisiana Real Estate Appraisers State
Board of Certification
Post Office Box 14785
Baton Rouge, Louisiana 70898

Louisiana Economic Development
Corporation
Post Office Box 94185
Baton Rouge, Louisiana 70802

Louisiana Real Estate Commission
Post Office Box 14785
Baton Rouge, Louisiana 70898

* Louisiana Educational Television Authority
7860 Anselmo Lane
Baton Rouge, Louisiana 70810

Louisiana School Employees Retirement
System
Post Office Box 44516
Baton Rouge, Louisiana 70804-4516

Louisiana House of Representatives
Post Office Box 94062
Baton Rouge, Louisiana 70804

Louisiana Senate
Post Office Box 94183
Baton Rouge, Louisiana 70804

* Louisiana Housing Finance Agency
200 Lafayette Street, Suite 300
Baton Rouge, Louisiana 70801-1302

Louisiana Soybean and Grain Research
and Promotion Board
Post Office Box 95004
Baton Rouge, Louisiana 70890

Louisiana Motor Vehicle Commission
3519 Twelfth Street
Metairie, Louisiana 70002

Louisiana Stadium and Exposition District
1500 Poydras Street
New Orleans, Louisiana 70112

Louisiana Naval War Memorial Commission
305 South River Road
Baton Rouge, Louisiana 70802

Louisiana State Board of Architectural
Examiners
8017 Jefferson Highway, Suite B-2
Baton Rouge, Louisiana 70809

* Single Audit

STATE OF LOUISIANA

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

Louisiana State Board of Barber
Examiners
Post Office Box 14029
Baton Rouge, Louisiana 70898-4029

Louisiana State Board of Nursing
3510 North Causeway Boulevard, Suite 501
Metairie, Louisiana 70002

Louisiana State Board of Certification for
Substance Abuse Counselors
4637 Jamestown Avenue, Suite 2-A
Baton Rouge, Louisiana 70808

Louisiana State Board of Physical
Therapy Examiners
2014 West Pinhook, Suite 701
Lafayette, Louisiana 70508

Louisiana State Board of Dentistry
1515 Poydras Street
New Orleans, Louisiana 70112

Louisiana State Board of Practical Nurse
Examiners
3421 North Causeway Boulevard, Suite 203
Metairie, Louisiana 70002

Louisiana State Board of Electrolysis
Examiners
Post Office Box 67
DeRidder, Louisiana 70634-0067

Louisiana State Board of Private Security
Examiners
Post Office Box 86510
Baton Rouge, Louisiana 70879-6510

Louisiana State Board of Examiners
of Interior Designers
8017 Jefferson Highway, Suite B-3
Baton Rouge, Louisiana 70809

Louisiana State Employees Retirement System
Post Office Box 44213
Baton Rouge, Louisiana 70804-4213

Louisiana State Board of Examiners
of Psychologists
11924 Justice Avenue, Suite A
Baton Rouge, Louisiana 70816-2372

Louisiana State Law Institute
LSU Law Center, Room 382
Baton Rouge, Louisiana 70803

Louisiana State Board of Medical Examiners
Post Office Box 30250
New Orleans, Louisiana 70190-0250

Louisiana State Police Retirement System
Post Office Box 66614
Baton Rouge, Louisiana 70896-6614

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, Louisiana 70808

Port of New Orleans
Post Office Box 60046
New Orleans, Louisiana 70160

Louisiana Workers Compensation
Corporation
2237 South Acadian Thruway, Suite 102
Baton Rouge, Louisiana 70808

Poverty Point Reservoir District
Post Office Box 811
Delhi, Louisiana 71232

Morgan City Harbor and Terminal District
Post Office Box 1460
Morgan City, Louisiana 70381

Red River, Atchafalaya, and Bayou Boeuf
Levee District
Post Office Box 8235
Alexandria, Louisiana 71306

Natchitoches Levee and Drainage District
Post Office Box 1209
Natchitoches, Louisiana 71458-1209

Sabine River Authority
15091 Texas Highway
Many, Louisiana 71449

North Lafourche Conservation, Levee,
and Drainage District
Post Office Box 230
Raceland, Louisiana 70394

South Lafourche Levee District
Post Office Box 426
Galliano, Louisiana 70354

Office of the Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

South Tangipahoa Parish Port Commission
163 West Hickory Street
Ponchatoula, Louisiana 70454

Pontchartrain Levee District
Post Office Box 426
Lutcher, Louisiana 70071

* St. Bernard Harbor and Terminal District
Post Office Box 1331
Chalmette, Louisiana 70044-1331

* Single Audit

STATE OF LOUISIANA

**Notes to the Schedule of Expenditures of Federal Awards
(Concluded)**

State Licensing Board for Contractors
Post Office Box 14419
Baton Rouge, Louisiana 70898-4419

Teachers Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123

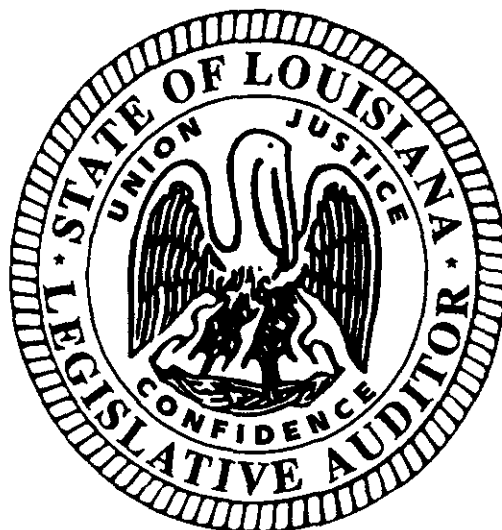
Tensas Basin Levee District
Post Office Box 68
Rayville, Louisiana 71269

* West Jefferson Levee District
Post Office Box 608
Marrero, Louisiana 70072

* Single Audit

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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August 21, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor's Office
State of Louisiana
P O Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We concur with your findings that the college did not maintain complete personnel files for all employees. We also concur that the college failed to submit required SF 1 Forms in a timely manner, to the Department of Civil Service and that Time, Attendance, and Leave Records were not maintained adequately.

In reference to the incomplete personnel files, we have implemented an audit of all files and have begun securing all missing data. Utilizing an inventory checklist, we have reviewed all personnel files and have requested missing data for each file. We have completed this process for classified and unclassified employees. The college's full time faculty returned to work on Monday, August 17, 1998, and we will be able to complete the teaching staff folders by September 1, 1998.

The Director of Human Resources, Joe Monsour, is identified as the person responsible for assuring that the above corrective process is completed.

In reference to the failure to submit required SF1 Forms to the Department of Civil Service, the majority of BPCC personnel were converted to Civil Service status at the same time. Our Human Resources Department was submitting large batches of forms at one time and was submitting them faster than the personnel at Civil Service could efficiently process them. The Civil Service Office asked that we submit these forms in smaller increments to allow time for processing. We have a letter from Allen Reynolds verifying that request.

We have now established procedures to complete and submit all civil service forms within the required time schedules. This procedure is fully implemented and there have been no delays since July 1, 1998 in submission of SF1 Forms to the Civil Service Office.

The Director of Human Resources, Joe Monsour, is identified as the person responsible for assuring the above corrective process/procedure is implemented and completed.

Office of the President

Tom Carleton

2719 Airline Drive North

Bossier City

Louisiana 71111

318 746-9851 ext. 216

fax 318 742-8664



In reference to the inadequate time and attendance reporting for adjunct professors, we have implemented a new procedure for monitoring and reporting time for adjunct instructors.

This procedure consists of new sign-in sheets located at the South Complex, P.E. Building, Allied Health Building and the Main Campus. Sign-in sheets are then reconciled with required classroom meeting hours. Instructors who miss classes and who do not provide adequate make-up time are docked for missed time.

Since we have incorporated this system, beginning Summer of 1998, we have been able to provide accurate time reporting for all adjunct instructors. Beginning in the Fall of 1998, adjunct instructors will be required to use the Standard Time Sheet for reporting time. This procedure will be in place and completed by August 24, 1998.

The Director of Human Resources, Joe Monsour, is identified as the person responsible for assuring that the above corrective process/procedure is implemented and completed.

In reference to the lack of adequate leave records, it has been addressed as follows; an audit has been conducted of all past attendance sheets and employee notification of discrepancies, missing authorization forms, has been implemented. We have received 98% of the support documents needed and expect to complete this process by late August, 1998.

A new procedure has been documented to apply a reconciliation of the payroll roster and respective time sheets. Time sheets are checked for all support data and supervisory signatures. When the new payroll system is implemented in September 1998, all payroll checks will be generated by time input, which adds another layer of inspection and verification.

Office of the President

Tom Carleton

There have been no new cases of this type since the July 31, 1998 Payroll.

The Director of Human Resources, Joe Monsour, is identified as the person responsible for assuring that the above corrective process/procedure is implemented and completed.

In reference to our records concerning accumulated leave, we concur that our records are not complete. We received records of accumulated leave from the Bossier Parish School Board that were incomplete. After numerous attempts to obtain good statistics we were told that individual schools were responsible for keeping the own "leave records" even though these requests were sent through the school board office. No such records were kept.

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Bossier City

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Also, accurate state employment service date records were not available at the school or school board office. In order to bring the college into compliance we have recorded factual data regarding leave accumulation and are prepared to entertain employee variances on an individual basis when supplied support documentation.

We have now completed a report, indicating effective service dates for all employees. These dates are used to calculate leave accrual. We have established a procedure for employees to request and receive prior state employment credit through verification of documented service time.

The Director of Human Resources, Joe Monsour, is identified as the person responsible for assuring that the above corrective process/procedure is implemented and completed.

In summary, we believe that our newly developed and implemented policies and procedures will indicate our positive response to this audit. We believe that the new procedures have been very successful in each initiative. We have established policies for new employee orientation that initiate the completion of all required federal and state forms. We have implemented an inventory of all personnel files to ensure that all required forms are present and complete as required by civil service rules and regulations.

The Director of Human Resources, Joe Monsour, is identified as the person responsible for assuring that all of the above corrective processes/procedures are implemented.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink that reads 'Tom Carleton'.

Office of the President

Tom Carleton

Tom Carleton
President

Cc: Mike Noble, CPA
Russell Evans, CPA
Raymond Abraham, CPA
Tom Williams
Joe Monsour

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Bossier City

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fax 318 742-8664



October 20, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor's Office
State of Louisiana
P O Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Management of Bossier Parish Community concurs with the finding as it relates to the General Appropriation Act.

Bossier Parish Community College will place into effect an accounting/budgeting system that will provide for accurate budget projections and precise accrual of expenditures as it relates to the summer semester. This will be achieved by completing the installation of the Human Resources System (HRS) module which interfaces with the Financial Reporting System (FRS) module of the SCT/A PLUS.

Once installation is complete, the summer semester salary accrual will be posted before the year end closing of the college's financial records. Currently, Bossier Parish Community College plans to increase revenues, and reduce expenditures where increases in revenues cannot be achieved, in order to compensate for the 1997-98 accrual error.

The corrective action plans are expected to be completed by November 30, 1998, by the efforts of the staff located within the Comptroller's Office and the Human Resources Office. The contact personnel in that office are Craig Atkins, Controller, Brett Knecht, Assistant Controller, and Joe Monsour, Director of Human Resources.

Office of the President

Tom Carleton

The management of Bossier Parish Community College appreciates the advice and recommendations of your staff, and recognizes the need for strong internal controls over its accounting system and will continue to improve upon the progress achieved in its first year of operations.

Sincerely,

A handwritten signature in black ink that reads 'Tom Carleton'.

Tom Carleton
President

TC/ks

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Bossier City

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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>

September 30, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) partially concurs with the finding related to Inadequate Administration of Program Income. In addition, it should be noted this finding occurred only because the conference noted in the finding had already taken place before the Department received your prior year finding related to this conference.

The Division of Special Populations has voided the agreement with the Louisiana Association of Special Education Administrators (LASEA) related to the annual conference. The Division has so notified the Council by letter signed by the Superintendent of Education. The Division will no longer enter into agreements with nonprofit organizations to cosponsor conferences and split program income. The Division may, however, pay for a conference consultant/speaker when appropriate.

The SDE does not concur with those parts of your finding related to reimbursed travel expenses. Part of this amount was reimbursement to employees who were not invited to attend a LASEA business meeting and luncheon on July 29, for LASEA members only. Because these employees were not LASEA members invited to the luncheon, it would have been necessary for them to pay for their own lunches, which would be reimbursable under state travel regulations. In addition, due to the problems associated with parking in large urban areas, the use of taxis is often less expensive than the cost of retrieving an employee's vehicle, driving to a new destination, and paying for short-term parking in order to eat. Further, the fact the SDE provided session speakers to the conference does not in and of itself release SDE employees from paying registration fees.

Finally, the Division has sought to clarify with the United States Department of Education 34 CFR §80.25 regarding program income and allowable costs.

The person responsible for corrective action is Virginia Beridon, Director, Division of Special Populations. If you have any questions, please contact us.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
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October 14, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) partially concurs with the finding related to Inadequate Controls for Federal Cash Management.

Under the current SDE policy, the SDE does not make advances to subgrantees as a matter of policy. An advance can occur only if a subgrantee incorrectly or improperly estimates a request for funds for expenditures such as salaries or incorrectly submits a claim for items previously paid. Under these circumstances, the subgrantee representation of funds expended cannot be validated at the time of a claim for payment. The validation can only occur through an on-site monitoring or audit of funds.

The SDE has evaluated current claim procedures and taken the following corrective action:

1. the SDE standard claim form has been revised to include cash balance on-hand;
2. funding guidelines for school districts have been developed and released in July 1998;
3. SDE instructions for adjustment of claims for cash balances on-hand at the district level has been scheduled for discussion at the November 1998 Education Finance Advisory Committee meeting, after which the instructions will be distributed to all school districts; and
4. the Expenditure Control staff will verify deduction of reported cash on-hand when processing claims for payment.

The person responsible for corrective action is Kitty Littlejohn, Acting Director, Division of Appropriation Control. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



October 14, 1998

STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
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Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle,

The Department of Education (SDE) partially concurs with the finding Inadequate Controls for the Cash Management Improvement Act (CMIA) Agreement.

The pattern was developed based upon all checks issued for FY 96-97 to all subgrantees for all programs. The finding stated different patterns would apply for different types of vendors; however, the same types of vendors are utilized across all programs. Many subgrantees or vendors participate in multiple CMIA and nonCMIA programs. The SDE agrees the source of federal funds does not determine the check clearance pattern; however, we disagree a subgrantee which is a particular type of entity would have a different check-cashing process for different sources of funds received. For example, an entity may participate in the Church-Based Tutorial and Child Care Food programs. It is not logical the entity's deposit procedures would differentiate between the two programs. Therefore we believe the pattern submitted to the Office of Statewide Reporting and Accounting Policy (OSRAP) and used in FY 97-98 is correct in that respect.

The clearance pattern development did not include wire transfers and interagency transfers, which are charged immediately upon approval. We concur the clearance pattern would be impacted by their inclusion, but would have the effect of shortening the period of time between draws.

The SDE has taken the following steps to correct the check clearance pattern:

1. a check clearance pattern for three consecutive months for each fund source and draw component is being developed which will be submitted to OSRAP by November 15, 1998;
2. have requested the development of an ad hoc report for CMIA draw information by fund source and draw component.

The person responsible for corrective action is Kitty Littlejohn, Acting Director, Division of Appropriation Control. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,


Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:


Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
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November 9, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

At this time, the Department of Education (SDE) is unable to offer a definitive statement as to our concurrence or nonoccurrence with the finding related to Inadequate Controls for the Safe and Drug-Free Program.

The nature and substance of the finding raised certain technical and legal issues. The SDE believes these issues must be researched before we can make a definitive statement regarding the finding. Due to the request of your representatives, the SDE is preparing this response based on the information available to us at this time

Some of the issues we intend to research include, but are not necessarily limited to:

1. What responsibility does the SDE have in this matter based on the language of our agreement with the Office of the Governor?
2. What procedures are used by the Office of the Governor to approve a grant application?

When we have completed our research into this matter and the related issues, the SDE will be able to make a definitive statement regarding this finding. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr

c: file
Rose Hudson
Dudley Garidel



STATE OF LOUISIANA
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December 17, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education provides the following response to the finding entitled *Inadequate Controls Over Data in the Minimum Foundation Program*:

The Department partially concurs with this finding

Review of Local District Revenue Data:

The SDE has performed a review of the tax revenue data prior to its use in the MFP formula for the past several years. The review includes both obtaining an independent, third party verification of the tax revenue data from the respective tax collection agents, and an error detection analysis. The independent verification of the data is the same procedure utilized by many of the independent Certified Public Accountants in preparing a school district Consolidated Annual Financial Report (CAFR). Only after the financial data has been through this review process is it utilized in the MFP formula.

As part of the SDE efforts to continually refine the data review process, in the future, the SDE will incorporate into the MFP audit process a reconciliation of the financial data submitted by the school districts in the Annual Financial Report (AFR) to the department with the district Consolidated Annual Financial Statement (CAFR). If any errors in the amounts are detected, audit adjustments will be recommended. As a result, adjustments to funding related to this comparison will be made in the following fiscal year.

Audit of Budgeted Personnel Data:

Audits of the budgeted personnel information were never before performed due to a staff shortage. During fiscal year 1997-98, the audit section, with a maximum of 8 employees dedicated entirely to MFP issues, was never fully staffed. This was a result of lengthy hiring procedures, lack of available or interested candidates, and staff promotions or departures. The staff of 6 auditors on board during the year did, however, successfully complete audits of all 66 school systems in the Spring of 1998 resulting in a savings to the state of over \$3 million. However, in order to complete the student count audits which have always been a priority, and begin audits of the personnel data, the audit section must be fully staffed with qualified and trained auditors. Since the beginning of the new fiscal year, additional staff departures have compounded the lack of manpower problem.

Despite these setbacks, the SDE will begin auditing some of the local school districts in the Spring of 1999 regarding the budgeted personnel data utilized in the MFP formula

Multiple Enrollments:

The Student Information System does permit students identified as identical on the computer system according to id number, name, birth date, sex and race to be funded in two districts. This is referred to as a multiple enrollment. These students are identified on an error report and each one is audited to determine in which district funding should be denied. In the following fiscal year, funding adjustments related to these audit results are made.

The SDE has handled multiple enrollments in this manner because these situations are often complicated, special case scenarios involving students who have moved from one school district to another. The resolution of such a situation requires extensive research. A limited amount of time has prevented the resolution of all of these situations prior to the preparation of the MFP funding allocation each year. At this time, the SDE will explore new procedures available to resolve the funding of a student in two districts, and the funding impact of any new procedure on the school systems.

Duplicate Students:

The Student Information System does identify students that have the same phonetic first name, last name, birth date, and sex, but different id numbers within the same system. These students are identified on an error report and each one is audited to determine under which id number the student should be funded. In the following fiscal year, funding adjustments related to these audit results are made.

The SDE has handled duplicate students in this manner because these situations are often complicated, special case scenarios involving two students who just happen to have similar characteristics. The resolution of such a situation requires extensive research. A limited amount of time has prevented the resolution of all of these situations prior to the preparation of the MFP funding allocation each year. At this time, the SDE will explore new procedures available to resolve the possible funding of a student twice within a district, and the funding impact of any new procedure on the school systems.

Dr. Daniel G. Kyle, CPA, CFE
December 17, 1998
Page 3

Additionally the SDE examined the situation identified in the finding and has denied the 13 students identified as "Changed to ID" in the Student Information System database. These student count changes will be reflected in funding adjustments to be made in the 1998-99 fiscal year. The SDE will explore the development of additional edits to the student database to prevent future occurrences of such an error.

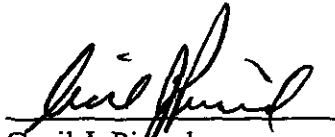
Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,



Marlyn Langley
Deputy Superintendent
Office of Management and Finance

APPROVED:



Cecil J. Picard
State Superintendent of Education

MJL/BS/fa



STATE OF LOUISIANA
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November 20, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle,

The Department of Education (SDE) partially concurs with the finding Inadequate Controls Over Reimbursements to Subrecipients.

The SDE disagrees with that part of the finding related to payment outside the period of availability for United States Department of Agriculture (USDA) funding of the Child Care and Adult Food Program. USDA guidance allows a one-time payment during a 36-month period to any entity submitting a claim 61 days or more after the end of the claim month. The guidance requires claimants be notified of their eligibility for the one-time exception which must receive subsequent state approval. The SDE has documents on file which substantiate the request for and subsequent approval of the one-time exception by the subgrantee upon which your finding is based. These documents were, in fact, provided to your representatives during the audit.

Regarding the other parts of your finding, the SDE offers the following:

1. The SDE conducted training for all payment managers related to regulatory requirements for liquidating FY 98/99 and future payments.
2. The SDE will conduct follow-up training for all payment staff related to unallowable items and estimated costs.
3. The Federal Aid Subsystem was fully implemented in ISIS in July 1998. The SDE expects this subsystem to act as a substantial control over payments made beyond the boundary dates.
4. The questioned costs will be reviewed internally and with the United States Department of Education for a decision regarding disposition.

The person responsible for corrective action is Kitty Littlejohn, Acting Director, Division of Appropriation Control. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Handwritten signature of Marlyn J. Langley in black ink.

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Handwritten signature of Cecil J. Picard in black ink.

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA

DEPARTMENT OF EDUCATION

POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064

<http://www.doe.state.la.us>

November 2, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) partially concurs with the finding related to the Church-Based Tutorial Program (CBTP). The SDE offers the following specific comments related to the finding:

- The CBTP staff, in cooperation with the Bureau of Internal Audit (BIA), is in the process of *investigating those instances of movable property discrepancies* noted in your finding. Appropriate action will be taken upon completing the follow-up. It should be noted, however, federal administrative regulations normally stipulate title to equipment lies with the subgrantee and also allow the subgrantee in some circumstances to retain equipment even after a program has ended.
- The SDE does not concur with that part of your finding related to State eligibility criteria. The CBTP tries to ensure all students served at state-funded tutoring sites have the desirable characteristics listed in the administrative manual. The only eligibility requirements, however, for state-funded sites are the child must be between five and eighteen years of age and enrolled in a public or nonpublic school. State funding, by its nature, does not carry the same restrictions as federal funds and the eligibility requirements for state-funded sites were purposely set to allow more leeway for eligibility.
- The CBTP staff, in cooperation with the BIA, is in the process of recovering payroll taxes paid in error. In addition, procedures will be established to train coordinators at operating sites in remitting payroll taxes to appropriate authorities. Finally, the CBTP staff will confer with the SDE Office of Management and Finance in order to develop procedures to verify claims supported by actual expenditures.

The person responsible for corrective action is Cheryl Brown, Program Administrator. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
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December 17, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) partially concurs with the finding Inadequate Planning for Year 2000 (Y2K) Computer Issues.

To this point, SDE Y2K assessment and planning efforts have centered on preparations for agency operations. Y2K corrections to the SDE mainframe were substantially completed in October 1998. We are preparing for system certification testing in April 1999.

Regarding local school systems (LEA) Y2K issues:

1. The SDE has developed and distributed a Y2K survey to school district superintendents. These surveys are to be returned to the SDE by the end of December. It is our intent to determine what actions are being taken at the LEA level to relevant to the Y2K issue.
2. The SDE Y2K Coordinator, as well as SDE staff with responsibilities that may require contingency planning, participated in the state-sponsored Y2K Contingency Planning workshop on December 8, 1998. The SDE will develop Y2K contingency plans based on LEA responses to our survey. The SDE Deputy Superintendent of Management and Finance will lead and participate in Y2K contingency planning.

The SDE does not concur with the part of your finding which states management has not recognized the importance of the Y2K issue for the integrated educational management system shared with the LEA's. SDE management previously recognized this issue and investigated the possibility of obtaining state funding for LEA use in dealing with Y2K issues. While the SDE will continue to inform and assist the LEA's in dealing with Y2K, the LEA's are ultimately responsible for their own business affairs.

The person responsible for corrective action is Bobby Franklin, Director, Division of Planning, Analysis, and Information Resources. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marilyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

July 2, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) does not concur with the finding related to the "Unallowable Costs for Trip to Italy". The SDE believes your finding is based on a narrow definition of the term "support services" as provided in Office of Management and Budget Circular A-87. The SDE believes "support services" are not limited to those specific areas listed in your finding.

In addition, the original project was recommended for approval by the State Special Education Advisory Panel and approved by the State Board of Elementary and Secondary Education. The SDE is unaware of any specific federal regulation prohibiting out-of-country travel associated with a specific activity to support programs for children with disabilities.

As a precautionary measure, however, the SDE has written to Mr. Tom Hehir, Director, Office of Special Education Programs (OSEP), US Department of Education (USDOE), requesting this matter be clarified. If the USDOE determines the costs are unallowable, the SDE has also requested the USDOE assist in resolving any questioned cost. The response will be forwarded to your representatives upon receipt.

If corrective action is necessary, the person responsible to ensure such is Virginia Beridon, Director, Division of Special Populations. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr

c: file
Billy Crawford
Virginia Beridon
Dudley Garidel



STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064
<http://www.doe.state.la.us>

September 30, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education concurs with the finding related to Unallowable Costs in Federal Program. It is the intent of the SDE to adhere strictly to state and federal guidelines in the future to ensure prudent and efficient use of federal funds.

The Division of Special Populations (formerly Office of Special Education Services) has contacted the United States Department of Education (USDOE) by letter in an effort to clarify the criteria under which amendments to the Louisiana Special Education State Plan must be requested. Upon receipt of a response, the Division will take appropriate action to address the finding.

The person responsible for corrective action is Virginia Beridon, Director, Division of Special Populations. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Handwritten signature of Marlyn J. Langley in cursive.

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Handwritten signature of Cecil J. Picard in cursive.

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr



NUNEZ COMMUNITY COLLEGE

3710 PARIS ROAD • CHALMETTE, LA 70043 • (504) 278-7440 • FAX: (504) 278-7463

Office of the President

November 24, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
Kenner, LA 70062

Dear Dr. Kyle:

The following is our response for the audit finding:

STUDENT REFUNDS and ENROLLMENT STATUS

Elaine P. Nunez Community College concurs with the finding and recommendation. The college now notifies the federal government immediately of a change in the student's enrollment status rather than wait until the next submission of a Student Confirmation Report. In addition, the college has implemented procedures to (1) increase communication between the Financial Aid Office and the Accounting Office, and (2) minimize the length of time between notification by Financial Aid of a need to process a refund, and the subsequent refund to the Pell or Loan program by a corresponding reduction in the next drawdown of funds. These procedures will ensure that refunds to the Pell Grant Program and the Federal Direct Loan Program are processed within the prescribed 30 and 60 calendar day time periods, respectively.

Sincerely,

Carol S. Hopson, Ph.D.
President



State of Louisiana
DIVISION OF ADMINISTRATION

LOUISIANA PROPERTY ASSISTANCE AGENCY

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

November 16, 1998


Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

We are in receipt of the letter which outlines the audit findings relative to the Federal Property Assistance Agency. A separate response for the two findings is attached.

I appreciate the courteous manner in which Ms. Debra Zundel conducted the audit and exit interview.

Sincerely,


Irene Babin
Director

Attachments

c: Mr. Whitman Kling, Jr., Deputy Undersecretary
Mr. Edgar Jordan, Assistant Commissioner
Mr. Jack Liuzza, Manager

EXECUTIVE DEPARTMENT

Inaccurate Federal Financial Reports

The Louisiana Federal Property Assistance Agency (LPFAA) does not have adequate controls in place to ensure that federal financial reports for the *Donation of Federal Personal Surplus Property Program* (CFDA 39.003) are accurate. The Code of Federal Regulations (41CFR 101-44.4701) requires that the agency submit a donation report of surplus personal property (Form 3040) each quarter to the General Services Administration (GSA). An adequate system of controls requires accurate reports supported by accounting records and adequate supervision and review to ensure that errors are detected and corrected timely.

The Louisiana Federal Property Assistance Agency concurs with this audit finding. Mr. Jack Liuzza, Manager is responsible for corrective action in this matter.

The four quarterly reports covered by this audit period are being corrected and revised reports will be sent to the General Services Administration (GSA) by December 20, 1998.

The employee that has been assigned to prepare the reports in the future will be thoroughly trained and monitored to ensure that all future submissions to GSA are correct.

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

August 31, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Re: Inadequate Fund Balance - Patient's Compensation Fund

Dear Dr. Kyle:

As requested, the Patient's Compensation Fund Oversight Board (Board) submits herein its response to the above-captioned finding.

The Board concurs with the finding. The corrective action plan is attached. The undersigned is the contact person responsible for the corrective action. At the present time there is no anticipated completion date.

Please call if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Mike Walsh".

Mike Walsh, AIC, Executive Director

RESPONSE BY THE LOUISIANA PATIENT'S COMPENSATION FUND TO THE CONCERN OVER RESERVE LEVELS

In the early 1970's, a crisis arose in medical malpractice liability and coverage in the United States. Louisiana was one of the states facing this problem. In this climate the Louisiana Legislature enacted Act 817 of 1975 which regulated malpractice litigation, including limiting the liability of qualified health care providers, and created the Louisiana Patient's Compensation Fund ("PCF"). The purpose of this legislation was to assure both coverage for health care providers and compensation for claimants.

Under the original legislation, the PCF was jointly administered by the Attorney General and the Commissioner of Insurance. They were responsible for defending claims against the Fund (including appointing attorneys, setting reserves, and paying settlements and judgements), collecting surcharges, keeping records on the qualified status of providers, and much more. Of particular importance, they were charged with setting surcharge rates, subject to the approval of the Louisiana Insurance Rating Commission ("LIRC").

Over the years various modifications were made to the original legislation. In 1990, the Legislature removed the PCF from the control of the Department of Insurance and the Attorney General and created the Patient's Compensation Fund Oversight Board ("Board") to manage the Fund's operations. Act 454 became effective on October 1, 1990. Thus, in late 1990, the current Board inherited a 15-year old Fund with certain deficiencies including no reserves for outstanding claims.

At that time, the Fund's claims and reserve records and its management information systems were significantly inadequate. One of the first tasks which the Board identified was the immediate modernization of these systems in order, among other things, to improve the data base for rate development purposes.

Over the next several years, the Board made great strides toward developing reserves for all outstanding claims. Also during that time, the Board asked for dramatic rate increases in order to address the shortfall in reserves. Between 1991 and 1998, the Fund had surcharge increases on six separate occasions, resulting in a cumulative total of approximately 180% for hospitals and 100% for physicians, as follows:

Effective	Hospitals	Physicians
7/1/91	22.5%	17.5%
7/1/92	56.3%	21.8%
7/1/93	23.0%	7.8%
7/1/94	8.1%	8.1%
1/1/97	9.0%	17.0%
1/1/98	3.5%	6.0%

These amounts, according to the Fund's actuaries, "are substantially more than those adopted by the medical malpractice industry over the same period."

Of course, the total indicated increases were much greater. In 1995 the Fund asked for increases of 12% for hospitals and 15% for physicians which were rejected by the LIRC. As a result of that disapproval, no rate filing was attempted until the composition of the LIRC was changed. The Fund's 1995 experience illustrates perhaps the biggest single limitation to its ability to meet its statutory reserve responsibility. The Board is not in ultimate control of its own rates and the reality of LIRC review has a limiting effect on potential increases.

In addition to rate increases, the Board continues to utilize its experience rating program, initiated in 1993, which allows for the debiting of qualified health care providers with poor PCF claims experience. Additional surcharge payments of over one million dollars were generated by this program in both 1996 and 1997.

The Board is also in the process of making some changes in its rating structure in hopes of attracting into the Fund health care providers who have previously not found economic incentive to enroll. In particular, we are seeking to devise reasonable rates for nursing homes, rehabilitation hospitals and pharmacists.

The Board is also taking a more active roll in working with local and national groups (specifically, the National Patient Safety Foundation at the AMA) in the area of health care risk management in hopes of finding ways to reduce the incidence of medical error.

In summary, over the last eight years the Patient's Compensation Fund Oversight Board has had a great deal of "catching up" to do. It had, first, to develop systems to accurately track the appropriate reserve amounts. At the same time, it had to address the large deficit which it inherited. It has made significant progress in both of those endeavors, despite resistance from the LIRC, some health care providers, and others. It has increased cash reserves from zero to more than seventy-four million dollars. While it still has much to do, the Board firmly believes that its pace has been as rapid as it could have been.

Despite the problems inherited by the Board, it has always paid each claim, settlement and judgement as required by law, and there has never been a default by the Board nor has there been an unfounded liability as ordered by any court. It has met and will continue to meet its obligations in the future.



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
LOUISIANA PROPERTY ASSISTANCE AGENCY

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

November 16, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

We are in receipt of the letter which outlines the audit findings relative to the Federal Property Assistance Agency. A separate response for the two findings is attached.

I appreciate the courteous manner in which Ms. Debra Zundel conducted the audit and exit interview.

Sincerely,

A handwritten signature in cursive script that reads "Irene Babin".

Irene Babin
Director

Attachments

c: Mr. Whitman Kling, Jr., Deputy Undersecretary
Mr. Edgar Jordan, Assistant Commissioner
Mr. Jack Liuzza, Manager

EXECUTIVE DEPARTMENT

Inadequate Subrecipient Monitoring

The Louisiana Federal Property Assistance Agency does not have an adequate monitoring system to ensure the subrecipients spending \$300,000 or more in federal funds are audited in accordance with Government Auditing Standards. Federal regulations [Office of Management and Budget (OMB) Circular A-133] require the LFPAA to ensure that a subrecipient expending \$300,000 or more in federal awards in a year has an audit performed that will comply with this circular. The receipt of surplus property is considered a federal award under OMB Circular A-133.

The Louisiana Federal Property Assistance Agency concurs with this audit finding. Mr. Jack Liuzza, Manager of the program is responsible for corrective action relative to this finding.

Through an oversight, when the computer program for this agency was planned, the listing for subrecipients spending \$300,000 or more in federal funds was not requested. This error has been corrected and all future reports will reflect the required information.

A listing of those subrecipients spending \$300,000 or more in federal funds for this audit period is attached. Letters will be sent to the Donees by December 20, 1998 reminding them that these funds must be audited and that a copy of the completed audit is to be submitted to this office upon completion of said audit. The manager and/or the assistant manager will monitor this process in the future to ensure that proper procedures are being followed.

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

November 6, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Re: Weaknesses in Controls Over Claims Payments

Dear Dr. Kyle:

This will acknowledge our receipt of the above-captioned finding dated November 3, 1998. The response of the Patient's Compensation Fund Oversight Board is as follows:

Response to #1 - It is essentially correct that the Claims Manager is the only person with access to the blank checks and the signature disk. The Executive Director also has access, but being housed in a separate location and having no involvement in the claims operation, it would be a significant impediment to the claims process if those items were kept in the Executive Director's location.

As to the check payment forms (actually it is called the "claims payment form") the Claims Manager is not the only person to approve these forms. The form is initially completed by the claims adjuster and approved by the Claims Supervisor, the Claims Manager and the Executive Office. The Executive Director approves any claims payments of \$400,000 or above.

As to the check register, it is reviewed by the Claims Manager, but it is also reconciled between the Information Systems Programmer and the Staff Accountant. The Executive Director also reviews the register at the time payments are approved on the state-wide system.

As to data supporting the payment, these materials are reviewed initially by the adjuster and then by the Office of Risk Management Claims Council (the State Risk Director and Claims Manager). The Claims Council then refers settlement recommendations to the PCF Oversight Board's Claims Committee via a Narrative and Request for Settlement Approval. For claims settlements in excess of \$300,000 the approval of a quorum of the full Board is required. The Narrative is provided to the Board at the monthly meetings.

Response to #2 - It is correct that there is no dollar amount on checks that can be payed with the signature disk. Again, due to the geographical distance between the claims office and the individuals with check signing authority it has been felt that the signature disk would suffice. Also, as noted in the response to #1 above, there are numerous individuals who approve the "claims payment forms" that must precede the issuance of any settlement check. Does the Legislative Auditor strongly suggest that checks over a certain amount be individually signed? Please advise.

Dr. Daniel G. Kyle
November 6, 1998
page two

Response to #3 - It is correct that in most cases a settlement check is not mailed to the payee. It is sent to either the attorney representing the PCF, the attorney representing the health care provider or their primary carrier, or the claimant. However, a payment clerk processes the check and the check is then mailed with attachments by the adjuster or the Contracts Officer. In regard to Future Medical benefits, the payment is mailed to the payee.

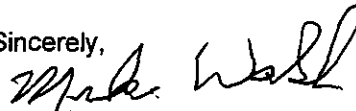
Response to #4 - It is agreed that the Request for Settlement Approval form has not been completed in every case. The Narrative is now utilized in lieu of this form in most cases. This Narrative is completed in every case involving a proposed claim settlement. It provides a very detailed account of all factors relative to the issues of liability and damages.

A "Work Request" should be completed when establishing initial reserves or when adjusting reserves. Reserves are established whenever a claim file is transferred from an examiner to an adjuster. This is done whenever sufficient information is received indicating the case has the potential to impact the Fund's layer of coverage. Adjusters have authority to set reserves up to \$25,000, supervisors up to \$100,000 and the claims manager for anything over \$100,000. The dollar amount of the reserve is based upon the knowledge and experience of the claims personnel as it relates to the nature and extent of the injury involved. The range of awards for specific injuries, as published Louisiana case law and other national jury verdict studies, gives an estimate of the "judgement value" of the case. The "settlement value" is less than the "judgement value" since it takes into consideration the time value of a trial and the likelihood that the case can be successfully defended. The opinions of the defense counsel for the primary carrier/health care provider and the PCF (when applicable) are also taken into consideration when establishing or changing reserves.

The Claims Committee of the Oversight Board review supporting documentation on all settlements before approving settlement authority. For settlements over \$300,000 the Narrative is read to the entire Board at the monthly meetings before the full Board approves the settlement.

Please contact the undersigned if there are any follow-up questions or concerns. Thank you.

Sincerely,



Mike Walsh, AIC, Executive Director



Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

December 18, 1998

Dr. Daniel G. Kyle, CPA, CFE
Office of the Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Please find below management's response to the audit finding reported in the June 30, 1998, audit of Grambling State University's Schedule of Expenditures of Federal Awards titled **Satisfactory Academic Progress**:

97-01 Satisfactory Academic Progress

Response: We concur with the finding and recommendation.

Corrective Plan of Action:

We are working with the Information Resource Center programming staff to make corrections to parts of the program that have been identified as problems areas. The University has purchased the Banner software that has a separate module that will enable us to more accurately identify ineligible students and hopefully eliminate future audit findings. This expected implementation date for the Banner system is February 1999.

Thank you for your consideration of this response. Please advise if you need further information.

Sincerely,

A handwritten signature in black ink that reads "Steve A. Favors".

Steve A. Favors
President



Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

December 18, 1998

Dr. Daniel G. Kyle, CPA, CFE
Office of the Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Please find below management's response to the audit finding reported in the June 30, 1998, audit of Grambling State University's Schedule of Expenditures of Federal Awards titled **Student Eligibility**:

97-02 Student Eligibility

Response: We concur with the finding and recommendation.

Corrective Plan of Action:

Because financial aid is processed during the registration period, errors such as this one can be easily made. Therefore, for the 1999/2000 year, the Office of Student Financial Assistance plans to implement a self-audit system whereby each Financial Aid Counselor will audit students' folders on a semester by semester basis. Folders will be audited for the Fall Semester in November and for the Spring Semester in April. Each Financial Aid Counselor will be required to sign off on the checklist that will identify required documentation in each student's folder as well as rechecking the eligibility status for each student. The Coordinator for Fiscal Operations and Counseling and the Supervisor for Counseling and Student Loans will work together to ensure student folders are reviewed each semester.

Thank you for your consideration of this response. Please advise if you need further information.

Sincerely,

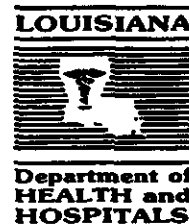
A handwritten signature in black ink, appearing to read "Steve A. Favors".

Steve A. Favors
President

SF/mlid



STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



M. J. "Mike" Foster, Jr.
GOVERNOR

David W. Hood
SECRETARY

October 15, 1998

Daniel G. Kyle Ph.D., CPA, CFE
Legislative Auditor
Office of Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Audits of Federal Subrecipients and
State Contractors Not Obtained

Dear Dr. Kyle:

Reference is made to Mr. Bruce Janet's letter to Mr. Stan Mead of October 8, 1998 regarding the reportable audit finding "Audits of Federal Subrecipients and State Contractors Not Obtained" for the year ended June 30, 1998. The Department concurs with the finding and associated recommendation.

I have written a letter to all Assistant Secretaries, OS Bureau Chiefs, and OMF Division Directors directing them to take whatever action is necessary to insure compliance with DHH Policies 3575-95 and 3105-96. I have also asked them to discuss this issue at their next staff meeting and to review their practices on a periodic basis.

Additionally, DHH has in force, a policy by the Contract Review Committee not to review contracts or initiate new contracts with contractors that are not in compliance with the Policies.

Sincerely,

Charles F. Castille
Undersecretary

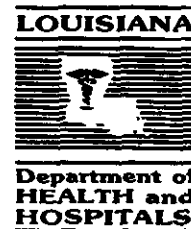
CFC/jbm

cc: Stan Mead

B-31



STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



M. J. "Mike" Foster, Jr.
GOVERNOR

David W. Hood
SECRETARY

October 5, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We have received your audit finding "Failure to Reimburse Federal Share of Provider Overpayments". The Department concurs with the findings and has the following comments :

1. As you pointed out, the Louisiana Attorney General (AG) maintains and monitors the collection of the outstanding balances on providers committing fraud in the Medicaid program. We notify the AG monthly of all accounts we have on our books from that office. Subsequent to the finding the first year, we also began including SURS balances on the report as well. We request a verification of this listing within ten (10) days of receipt, and as of June 30, 1998, we believe that our balances are current.
2. These accounts had been identified at June 30, 1998 and were reported to the Health Care Financing Administration (HCFA) at that time.
3. Mr. Ken Corkern, Administrator of the Financial Management Section, has been responsible for corrective action.

Should you have any questions regarding our response or corrective action taken, please advise.

Sincerely,

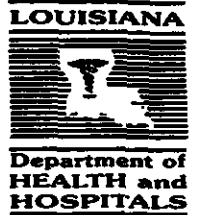

Stan Mead, Director
Division of Fiscal Management

SM:KC:aud98:providers
c: Glen R. Petersen
AG, Medicaid Fraud Control Unit



M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



Department of
**HEALTH and
HOSPITALS**
David W. Hood
SECRETARY

October 23, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Laboratory Services Payment Errors

Dear Dr. Kyle:

Please refer to your correspondence of October 2, 1998.

We concur with the audit finding.

The payment errors occurred as a result of eleven laboratory codes not properly edited within the system.

Program Operations has instructed Unisys to correct the edit logic. Reports have been requested to identify the total overpayments and providers involved. When these are received a SUR Referral will be made. Anticipated completion date is December, 1998. Celia Gascon in Program Operations is the contact person.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas D. Collins".

Thomas D. Collins
Director

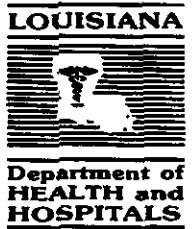
TDC/DM/ST/sb

cc: Stan Mead
Bruce Gomez
Susan Taskin
Celia Gascon



M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



David W. Hood
SECRETARY

August 31, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We have received your audit finding "Medicaid Cash Management Errors". While the Department concurs with the findings and has taken corrective actions on each, it should be noted that while the state has possession of the federal funds, the State Treasurer's Office is earning a higher interest than the liability accruing to the federal government. The interest earned as result of the overstated draws in instances 4. and 5. below exceed all of the instances identified as having caused the state to lose interest. Specific responses to each finding are as follows:

1. When the clearance pattern was updated in October 1997 we inadvertently used the 95 percent, and when we identified the error in December 1997, we corrected the calculations.
2. In our attempts to complete the Annual Fiscal Report for 1997 for submission no later than September 2, 1997 (the day following the holiday), we did fail to make the draw timely. As indicated in our response to the 1997, effective September 24, 1997, we marked all calendars for staff affected and subsequently received a list of the holidays from the DHHS Payment Management staff to ensure that draws will be made prior to the holidays.
3. We have been unable to determine why this draw did not go through on the scheduled day. When the deposit did not show up at the State Treasurer's office, we discovered that the request had either failed or had not been transmitted. The appropriation accountants now verify that the letter of credit screen print is attached to the deposit each day.
4. This error occurred when we inadvertently duplicated one of the daily draws. This problem should be corrected with the full implementation of direct deposit.

5. This error was the result of prior year carry-overs that were inaccurately posted to our spread sheets. We were in the process of training a new employee, and the reconciliation of our draws was slowed. The reconciliation is now back on schedule and this type error should not reoccur.
6. The Medical Vendor Administration budget unit was moved from the Office of the Secretary on July 1, 1997. We did not properly plan the process for charging indirect costs incurred in the Office of the Secretary to the new budget unit, and while we were closing out the 1997 year, we failed to place enough emphasis on the process. This process was corrected and procedures are in place to distribute the indirect charges as soon as they are available.
7. The administrative draws go through a number of complicated steps in order to determine the final amount to be drawn. As mentioned earlier, we were training a new employee at this time, and the error in the formulas used to calculate the federal match rates were undetected. We have instituted more frequent analysis and review of the worksheets.
8. Medicare Buy-in payments are processed by the State Treasurer's Office. We notify both the Office of Statewide Reporting and Accounting Policy (OSRAP) and the State Treasurer's Office in writing of the date on which the payment should be made. We have notified them of this finding, and again requested their assistance in assuring that the payments are transmitted timely.

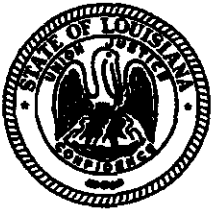
The contact person responsible for the corrective action on these findings is Mr. Ken Corkern, Administrator of the Financial Management Section.

Should you have any questions regarding our response or corrective action taken, please advise.

Sincerely,


Stan Mead, Director
Division of Fiscal Management

SM:KC:aud98:medcmgt
c: Charles Castille, Undersecretary



STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



M. J. "Mike" Foster, Jr.
GOVERNOR

David W. Hood
SECRETARY

August 13, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Audit Finding

Dear Dr. Kyle:

Please refer to your letter of July 22, 1998 in which you cite the following audit finding.

DEPARTMENT OF HEALTH AND HOSPITALS

Medicaid Provider Enrollment Procedures Not Always Followed

The Department of Health and Hospitals (DHH) has not enrolled providers in the Medical Assistance Program (CFDA 93.778, Medicaid) in accordance with federal and state laws and regulations and departmental policies and procedures. In order to participate in the Medicaid Program and receive Medicaid payments, providers of medical services must be licensed in accordance with federal, state and local laws and regulations and the provider must make ownership disclosures to the state.

We concur with the individual finding and recommendation. In order to ensure that the Department of Health and Hospitals does not make payments on behalf of Medicaid recipients to providers who do not meet federal and state guidelines, the department will review the provider enrollment process and establish a corrective action plan as documented on the attached page. The primary contact person with the Department of Health and Hospitals is Cindy Bride, Manager of the Provider Enrollment. Additional contact person is Jennifer Boothe, Supervisor of the Provider Enrollment Unit.

Dr. Daniel G. Kyle, CPA, CFE
Page 2
August 13, 1998

CORRECTIVE ACTION PLAN:

RECORDS CITED

Corrective action on the records cited will be implemented immediately. Requests for license verification and/or closure as appropriate will be completed by September, 1998. It has been verified that the five providers no longer licensed but still actively enrolled had no Medicaid payment in years.

REVIEW PROVIDER ENROLLMENT PROCEDURES

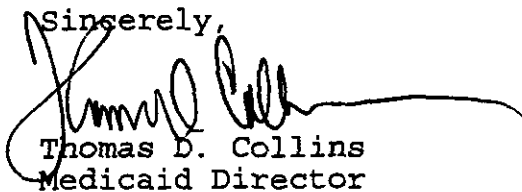
Our existing written Medicaid provider enrollment guidelines will be reviewed. The current guidelines are not formal, but we plan to update the procedures and formalize them to be more specific with regard to required levels of documentation and staff will be appropriately notified. This project will be completed by November, 1998.

PURGE INACTIVE PROVIDERS

A plan to establish procedures to purge inactive providers will be scheduled and will be done routinely. We expect the first purge of inactive providers will be completed by February, 1999.

Thank you for the opportunity to present our plans.

Sincerely,



Thomas D. Collins
Medicaid Director

TDC/DA/ST/CB/wp

cc: Stan Mead
Dexa Alexander
Susan Wagner
Susan Taskin
File-OLA



M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



Department of
**HEALTH and
HOSPITALS**

David W. Hood
SECRETARY

August 31, 1998

Daniel G. Kyle, PhD., CPA, CFE, Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: FYE 06/30/98 Single Audit of Louisiana Findings
Medicaid Third Party Liability

Dear Dr. Kyle:

This is in response to the FYE 06/30/98 Single Audit of Louisiana Findings, Medicaid Third Party Liability, dated August 18, 1999, which cited Medicaid Program TPL errors (42 CFR Ch. IV, 433.135 - 433.154).

Finding #1: DHH failure to pursue possible TPL coverage.
Finding #2: DHH failure to enter/transmit private insurance coverage.
Contact: Georgia Stokes, Manager, Third Party/Medicaid Recovery Unit
Response: (a) We concur with the findings; however, please note that DHH does not rely solely upon BHSF staff to identify and transmit TPL data to the MMIS Claims Processing Resource File. During the past 10 years, DHH has employed a private contractor who recovers funds due DHH from health insurance carriers and is required to perform data matches with 30 major health insurance carriers. The object of the data match is to identify coverage not reported to DHH/BHSF by Medicaid recipients or coverage which has not been added to the File and, secondly, to enhance DHH TPL recoveries. Such discovered coverage is retroactively added to the MMIS Resource File via electronic transfer.

(b) Additionally, as a result of findings reported to DHH on September 3, 1997, DHH Field Operations developed new and more comprehensive TPL instructions which became part of the staff training package. The improved package was implemented at the November 1997 training sessions held throughout the State. Also, during initial training/orientation for new field staff, emphasis has been placed on the worker's TPL responsibility and the role that TPL plays in the Medicaid Program. Parish supervisors are acutely aware of the importance of TPL and assure that review for TPL or potential TPL is included in their selective case

August 31, 1998
Daniel G. Kyle, PhD.
FYE 06/30/98 Single Audit of Louisiana Findings
Medicaid Third Party Liability
Page 2

readings. The impact of these efforts should become evident in the calendar year 1998 Legislative Audit review.

(c) DHH is in the process of implementing a new BHSF health insurance input file which is used by field staff to record recipient health insurance coverage for transmittal to the MMIS Resource File. The file has been redesigned to be more user friendly, expanded to become multi functional and additional edits have been created to assure and enhance the accuracy of critical fields.

Finding #3: Misplaced BHSF case record.

Contact: Georgia Stokes, Manager, Third Party/Medicaid Recovery Unit
Ruth Kennedy, Acting Chief, Field Operations

Response: Ms. Kennedy is researching the problem of the case which is not available and plans to address and resolve the misfiling of case records. She will advise us of her plan, which we will review and forward to you.

Finding #4: OFS-Assignment of third party benefits.

Contact: Georgia Stokes, Manager, Third Party/Medicaid Recovery Unit

Response: Refer to the attached correspondence to the Department of Social Services requesting resolution to this ongoing problem. We have noted; however, that the assignment of rights clause is located on page two of the application and is no longer a separate addendum to the form. When the corrective action plan is received, we will forward a copy to you.

Should you have additional questions or requests for additional clarifications, please contact Georgia Stokes, telephone 342-9250, as she is coordinating the resolutions and responses.

Sincerely,



Thomas D. Collins, Director
Bureau of Health Services Financing

TDC:DM:ST:GS:wp

cc: Stan Mead Susan Wagner
Dexa Morgan Georgia Stokes
Susan Taskin Ruth Kennedy



M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



November 10, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Untimely Filing and Payment of Medicaid Bills

Dear Dr. Kyle:

Please refer to your letter of October 28, 1998.

We concur with the individual finding and recommendation.

Department monitoring in November 1997 resulted in a discrepancy report to the Fiscal Intermediary that questioned why a Medicare crossover claim which was over two years old and did not meet one of the exceptions had paid. A program correction was made by the Fiscal Intermediary in January, 1998. At the time of the Legislative Audit finding, while the edit had been corrected, a claims recoupment had not as yet been completed on the 1997 claims.

Georgia Stokes in the Third Party Liability Unit of the MMIS is the person responsible for the claims recoupment. The corrective action planned is recoupment of all claims paid in error. The anticipated completion date is December, 1998. As of this time all claims requiring recoupment have been identified and Provider Notifications will be generated in November, 1998. Long term corrective action is to continue monitoring claims payments, as we now do.

Sincerely,

Thomas D. Collins
Director

TDC/DM/ST/sb

cc: Susan Wagner, Georgia Stokes, Dexa Morgan, Stan Mead



M.J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
POST OFFICE BOX 94094
BATON ROUGE, LOUISIANA 70804-9094
(504) 342-3011

GAREY J. FORSTER
SECRETARY

November 18, 1998

Dr. Daniel Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9094


Dear Dr. Kyle:

This letter is in response to your audit finding regarding improper charging of payroll expenditures to federal programs.

The positions are allocated to cost centers based on the yearly function for the cost center. It is the duty of the cost center manager to properly manage the use of these positions.

We are planning to convert to Uniform Payroll System and ISIS System in July 1999. We will study this problem and make any corrections needed to address this problem.

Cordially,


Garey Forster
Secretary of Labor

GJF/JB/thb



M.J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
POST OFFICE BOX 84084
BATON ROUGE, LOUISIANA 70804-8084
(504) 342-3011

GAREY J. FORSTER
SECRETARY

November 20, 1998

Mr. Daniel G. Kyle, Ph.D, CPA, CFE
Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Kyle,

Reference is made to Ms. Sandra Duchamp's letter of November 13, 1998 concerning your office's audit of the Louisiana Department of Labor. The following response is offered with respect to the auditor's findings:

Finding: Inadequate Monitoring of JTPA Subrecipients

Response: We do not concur with the finding that **monitoring** of JTPA subrecipients is inadequate. OMB Circular A-133 cited by the auditor sets forth standards for obtaining consistency and uniformity among Federal agencies for the **audit** of non-Federal entities expending Federal awards. The compliance requirements included in OMB Circular A-133 in our opinion, are applicable to audits of subrecipients and not monitoring reviews. All subrecipients are audited regularly in full compliance with OMB Circular A-133 and the Job Training Partnership Act.

As the auditor has indicated, OMB Circular A-133 does require that pass through entities monitor the activities of subrecipients as necessary to provide reasonable assurance that Federal awards are used for authorized purposes in compliance with laws and regulations. We feel that we are in substantial compliance with this requirement through the use of a comprehensive monitoring guide that was developed with the assistance of the U.S. Department of Labor and which includes all significant areas of compliance and performance. However, in an effort to improve upon the JTPA monitoring process and internal controls, we agree with the auditor's findings and recommendations regarding the preparation, review and retention of work papers. Appropriate staff have been instructed to ensure adequate monitoring of subrecipients compliance with the JTPA regulations and to prepare and retain work papers and other documents as evidence of their work. This corrective action should adequately resolve this finding.

Mr. A. C. Wilkinson is the contact person for this JTPA finding.

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Mr. Dan Kyle
November 20, 1998
Page Two

Finding: Inadequate Monitoring of CSBG Subrecipients

Response: Response:

We concur in part with the CSBG findings and recommendations noted by the Legislative Auditor. We do maintain work papers for problem areas noted during our monitoring reviews and these work papers are normally maintained from two to three years. Further, we believe that our monitoring instrument addresses the assurances the state must meet to comply with its funding agreement with the U. S. Department of Health and Human Services. We do agree that we do not maintain work papers, other than a checklist, for areas that we determine to be satisfactory during our reviews. Further, we do agree that there is a need for us to develop ways to improve our monitoring procedures and compliance requirements to ensure there is adequate documentation of the monitoring function and ensure CSBG rules and regulations have been followed.

It has been our understanding that OMB Circular A-133 addressed the audit requirements of our CSBG subgrantees, and we do require subgrantees to address CSBG findings noted in their audit reports. We were not aware that OMB Circular A-133 set monitoring guidelines that we were not adequately addressing during our monitoring reviews. Further, our monitors perform two functions when they do monitoring reviews. They monitor for compliance with CSBG rules and regulations and provide technical assistance. With just three monitors and forty-three subgrants to monitor, we need to consider what we can reasonably accomplish.


Mr. Ivan Chatelain is the contract person who will oversee the following CSBG corrective action plan.

Corrective Action Plan:

1. Review the current CSBG monitoring procedures.
2. Work with the Legislative Auditor on monitoring procedures needed to correct any deficiencies.
3. Set written procedures in place to correct these deficiencies by June 30, 1999.

Should you have any questions or need further information concerning this matter, please contact us.

Cordially,



Garey Forster
Secretary of Labor

GF/ACW/IC/jg



February 12, 1999
(REVISED)

Dr. Daniel G. Kyle, CPA, CFE, Legislative Auditor
Office of the Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Response to Legislative Auditor Finding – Inadequate Report of
Receivables for the Fiscal Year Ended June 30, 1998

Dear Dr. Kyle:

The LSU Medical Center - Health Care Services Division (LSUMC-HCSD) concurs that the Accounts Receivable for Ineligible Patient Fees and Medicaid, as reported in the Annual Financial Report for the fiscal year ended June 30, 1998, can not be quantifiably substantiated to meet Legislative Auditor standards. LSUMC-HCSD made adjustments of \$66,521,573 for Ineligible Patient Fees and \$34,248,441 for Medicaid in order to more accurately represent accounts receivables, with which the Legislative Auditors agreed.

The Colleges and Universities Annual Financial Report model and instructions did not require a breakdown of Accounts Receivable between Medicare, Medicaid, and Ineligible Patient Fees, as the General Fund Annual Financial Report model and instructions had in the past. Because the Accounts Receivable was not broken down, only the Total Accounts Receivable was analyzed. Due to the unusual problems that occurred at Medical Center of Louisiana (MCL) during the fiscal year ended June 30, 1998, coupled with changing the basis for reporting Accounts Receivable - from collections in the first 45 days of the new year for Ineligible Patient Fees, and collections in the next 12 months for Medicare and Medicaid - to the full accrual basis for all Accounts Receivable, and in comparison to total Accounts Receivable as reported in the Annual Financial Report in past years, it appeared that the net Accounts Receivable as reported was reasonable. Total MCL Accounts Receivable, as submitted in the Annual Financial Report, was reported as \$83 million for the fiscal year ended June 30,

Dr. Daniel G. Kyle
February 11, 1999 (Revised)
Page Two

1996, and \$76 million for the fiscal year ended June 30, 1997, as compared to the \$135 million for the fiscal year ended June 30, 1998. After the Annual Financial Report was submitted, and the Medicaid Accounts Receivable had to be estimated to compare to DHH's Medicaid Accounts Payable, the estimated Ineligible Patient Fees Accounts Receivable was high.

The Ineligible Patient Fee Accounts Receivable adjustment is based on a percentage of collections at December 31, 1997, to June 30, 1998, assuming that the collection effort at MCL for the fiscal year ended June 30, 1999, will be the same as it was in the fiscal year ended June 30, 1998.

The Medicaid Accounts Receivable adjustment is based on percentage of payments at December 31, 1997, to June 30, 1998, as prepared by DHH, and also assuming that the collection effort at MCL for the fiscal year ended June 30, 1999 will be the same as was in the fiscal year ended June 30, 1998.

As part of the fiscal response requirements, the following items have been attached:

- ♦ Attachment A -- Factual Data That Contributed to This Finding
- ♦ Attachment B -- A Corrective Action Plan, which includes:
 - ♦ the names of the responsible contact persons,
 - ♦ what corrective actions are planned,
 - ♦ and the anticipated completion dates.

If you have any questions concerning this matter, please call me at 922-2265.

Sincerely,



Arthur D. Landry, CPA, MHA
Comptroller

AL/mf/js

Attachments

98CAFRFINDING

Factual Data That Contributed to This Finding

- LSUMC-HCSD was transferred to the Louisiana State University System on July 1, 1997. For the fiscal year ended June 30, 1998, this year was the first year LSUMC-HCSD was reported as a part of the Colleges and Universities Fund within the LSU System. It was previously included in the General Fund, following the Office of Statewide Reporting and Accounting Policy's (OSRAP) annual reporting procedures and guidelines for state agencies.
- In previous years, Accounts Receivable for Medicaid and Medicare was reported based on the Patient Accounting System, the same basis as was used in the fiscal year ended June 30, 1998. LSUMC-HCSD receives payments on Medicaid claims through the Department of Health and Hospitals (DHH). Until the fiscal year ended June 30, 1998, there was no analytical review or comparison made between LSUMC-HCSD's reported Medicaid *Receivable* and DHH's reported Medicaid *Payable* to LSUMC-HCSD. At June 30, 1998, LSUMC-HCSD reported Medicaid Accounts Receivable as \$60,079,896; DHH estimated their Medicaid Payable as \$25,831,455. DHH's estimated Payable is based on historical data. LSUMC-HCSD's estimated Receivable is based on charges less contractual allowances in our Patient Accounting System.
- In previous years, Accounts Receivable for Ineligible Patient Fees was reported as payments received during the first 45 days of the next fiscal year, based on reporting procedures from OSRAP. Total Ineligible Patient Fees Receivables were disclosed in the footnotes only, based on procedures established in 1988 by consultants from our Patient Accounting Software Vendor and the Office of Hospitals, with approval by OSRAP. For the fiscal year ended June 30, 1998, this year was the first year to report Ineligible Patient Fees on a full accrual basis. LSUMC-HCSD reported Ineligible Patient Fees Receivable of \$85,452,405 at June 30, 1998.
- The largest hospital in the LSUMC-HCSD – Medical Center of Louisiana at New Orleans (MCL) – represents 75% of LSUMC-HCSD's total Accounts Receivable; 90% of Ineligible Patient Fees Accounts Receivable; and 65% of Medicaid Accounts Receivable.
- MCL consists of two hospital campuses – the "Old Charity" Hospital and the "Old University" Hospital (formerly Hotel Dieu). Each of these campuses had a separate Patient Accounting System until July 1, 1997. A new "Merged" Patient Accounting System was created on July 1, 1997, and a consolidated business office initiative was attempted. MCL has been running three Patient Accounting Systems since

Factual Data That Contributed to
This Finding
Page 2

July 1, 1997. Since July 1, 1997, new patient charges have been input into the "Merged" system only. The two old systems are being worked until all the Accounts Receivable is settled.

- When the new "Merged" system was set up on July 1, 1997, major system and operational problems occurred that prevented correct bills being produced and submitted for approximately 9 months. Sixty-five per cent (65%) of the dollar amount of Medicaid claims submitted between July 1, 1997, and February 28, 1998, were denied and had to have manual intervention to resubmit to Medicaid. All of the Commercial and Ineligible Patient Fee bills could not be mailed out until after March 1998 due to inaccuracies in the address field of the bill form.
- With the new "Merged" system, the Business Office at MCL was re-organized; due to the system problems, personnel and supervision issues, and the re-organization, collection efforts were at a minimum.
- At June 30, 1998, MCL reported net Accounts Receivable as \$135,722,469. The Colleges and Universities Annual Financial Report model and instructions did not require a breakdown of Accounts Receivable between Medicare, Medicaid, and Ineligible Patient Fees, as the General Fund Annual Financial Report model and instructions had in the past. Because the Accounts Receivable was not broken down, only the Total Accounts Receivable was analyzed. Due to the unusual problems that occurred at MCL during the fiscal year ended June 30, 1998, coupled with changing the basis for reporting Accounts Receivable - from collections in the first 45 days of the new year for Ineligible Patient Fees, and collections in the next 12 months for Medicare and Medicaid - to the full accrual basis for all Accounts Receivable, and in comparison to total Accounts Receivable as reported in the Annual Financial Report in past years, it appeared that the net Accounts Receivable as reported was reasonable. Total Accounts Receivable, as submitted in the Annual Financial Report, was reported as \$83 million for the fiscal year ended June 30, 1996, and \$76 million for the fiscal year ended June 30, 1997, as compared to the \$135 million for the fiscal year ended June 30, 1998. After the Annual Financial Report was submitted, and the Medicaid Accounts Receivable had to be estimated to compare to DHH's Medicaid Accounts Payable, the estimated Ineligible Patient Fees Accounts Receivable was high.

**Factual Data That Contributed to
This Finding
Page 3**

The Ineligible Patient Fee Accounts Receivable adjustment is based on a percentage of collections at December 31, 1997, to June 30, 1998, assuming that the collection effort at MCL for the fiscal year ended June 30, 1999, will be the same as it was in the fiscal year ended June 30, 1998.

- The Medicaid Accounts Receivable adjustment is based on percentage of payments at December 31, 1997, to June 30, 1998, as prepared by DHH, and also assuming that the collection effort at MCL for the fiscal year ended June 30, 1999 will be the same as was in the fiscal year ended June 30, 1998.

Corrective Action Plans

Systemwide Action Plans and Incentives:

- Proposal to establish a Patient Financial Services Director position and reorganization of the Reimbursements Division and Patient Accounting and Accounts Receivable reporting responsibility. Executive management's exploring options to streamline, reorganize and make more accountable the functional areas of Patient Financial Accounting and Reporting on a system-wide basis.
 - Contact Persons Responsible for Corrective Action – Don Elbourne and Don Hutchinson
 - Anticipated Completion Date – September 30, 1999

- Forthcoming educational in-service scheduled for February 11 and 12, 1999, for all Finance Officers, Patient Accounting Managers, and select Reimbursement Division staff titled "How to Building a Better Business Office" requested to provide additional training and best practices review to staff and to stimulate operational improvements and efficiencies.
 - Contact Persons Responsible for Corrective Action – Don Elbourne and Art Landry
 - Anticipated Completion Date – June 30, 1999

- Charge Description Master (CDM) – the CDM is an integral component of the patient accounting system.
 - Establishment of a CDM review committee to review standardization opportunities.
 - Engage outside consultant to assist in evaluation and identification of updates to CDM to maximize revenue generation opportunities.
 - Establishment of system-wide consistency and implementation of permanent monitoring and charge management to the CDM process.
 - Contact Persons Responsible for Corrective Action – CDM Committee – Greg Speyer and Clay Dunaway
 - Anticipated Completion Date – June 30, 2000

- Proposed re-organization of Application Support to provide more timely and proactive support to hospitals. To establish standardized reporting and timely management information reports in the area of patient financial accounting.
 - Contact Persons Responsible for Corrective Action – Don Elbourne
 - Anticipated Completion Date – September 30, 1999

Corrective Action Plans
Page 2

- Initial evaluation of the implementation of performance appraisal system for all patient accounting managers and charge capture sections within each hospital as well as executive financial management.
 - Contact Persons Responsible for Corrective Action -- Don Elbourne and LSUMC-HCSD Executive Management
 - Anticipated Completion Date -- June 30, 2000

- Major initiative regarding training and upgrading employee skill sets and responsibilities in the area of patient accounting charge capture/cost recovery and other revenue generating area in the hospitals.
 - Contact Persons Responsible for Corrective Action -- Don Elbourne and LSUMC-HCSD Executive Management
 - Anticipated Completion Date -- June 30, 2000

- Extensive financial reporting and operational re-structuring effort in New Orleans at MCL, since they represent approximately 65% to 90% of all HCSD Accounts Receivable balances (approximately 65% of Medicaid Accounts Receivable and 90% of Ineligible Patient Fees Accounts Receivable).
 - Business office re-engineering is an ongoing initiative under direction of new acting Chief Financial Officer (CFO). (The 5th CFO in 6 years.)
 - Contact Persons Responsible for Corrective Action -- John Berault and Helen Bates
 - Anticipated Completion Date -- June 30, 2000

- Outside consultant assistance at MCL in area of patient accounting system engaged to do internal control review, operational and procedural flow analysis and recommendations.
 - Contact Persons Responsible for Corrective Action -- John Berault and Helen Bates
 - Anticipated Completion Date -- June 30, 1999

- Due to lack of competent staff and a patient accounting experience shortage, executive management turned to outside consultants in an effort to turn around the extensive problems with the MCL patient accounting operations.
 - Contact Persons Responsible for Corrective Action -- John Berault and Helen Bates
 - Anticipated Completion Date -- June 30, 1999

Corrective Action Plans
Page 3

- Establishment and staffing of Internal Audit staff on-site at MCL to monitor and test accuracy of systems, processes, and procedures in place and being implemented. New area of emphasis will be to monitor patient accounting systems for accuracy and reliability of financial data that is used in the preparation of the MCL financial statements.
 - Contact Persons Responsible for Corrective Action – Ken Laney and Debbie Zimmerman
 - Anticipated Completion Date – June 30, 1999

- New Information Technology (I/T) incentives at MCL by executive management to address system infrastructure and reliability which was sporadic and problematic in the past and greatly contributed to the patient accounting accuracy and reliability issue from a historical perspective. Areas of emphasis will include network reliability and connectivity.
 - Contact Persons Responsible for Corrective Action – John Berault and Greg Speyrer
 - Anticipated Completion Date – June 30, 1999

- Examination and appropriate revisions to the methodology regarding the estimation of accounts receivable, allowances for doubtful accounts, contractual allowances and net accounts receivable will be examined and revised as necessary to reflect more accurate accounts receivable for the next reporting period to the state which is for June 30, 1999.
 - Contact Persons Responsible for Corrective Action – Don Elbourne, Art Landry and Judy Albin
 - Anticipated Completion Date – June 30, 1999

- Now that LSUMC-HCSD is a part of Colleges and Universities reporting and not the General Fund, every effort will be made to work more closely with DHH financial management to insure the accuracy and reliability of the matching of accruals between the two agencies.
 - Contact Persons Responsible for Corrective Action – Don Elbourne, Art Landry and Judy Albin
 - Anticipated Completion Date – June 30, 1999



Daniel G. Kyle, Ph.D., CPA
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Revised response to Legislative Audit Finding
Medical Center of Louisiana at New Orleans
Electronic Data Processing Controls

Dear Dr. Kyle:

Management concurs with the finding related to Electronic Data Processing (EDP) Controls. We recognize the importance of these controls for safeguarding the integrity of our data.

In order to resolve these control issues, in July 1998, we moved the responsibility for the addition, modification and deletion of User IDs from MCLNO to the LSUMC-HCSD Information Systems (IS) department and adopted the LSUMC-HCSD procedures. Current procedures are being reviewed and updated to ensure adequate EDP controls are in place to safeguard our data. All LSUMC-HCSD facilities will adopt these revised procedures by 6/30/99.

In addition, the LSUMC-HCSD IS department is currently:

- Reviewing all users identified as having more than one User ID and deleting the additional User IDs;
- Ensuring user profiles for access agree with the user's job responsibilities; and
- Verifying that no terminated employees remain on the system with active User IDs.

Appropriate adjustments are being made as needed. Scheduled completion of this process is 6/30/99.

Currently, the Office of Internal Audit is completing a draft audit report on controls over the security for accessing SMS. The issues addressed by the Legislative Auditor are included in this audit.

Respectfully,

A large, handwritten signature in black ink, appearing to read "John Berault".

John Berault
Chief Executive Officer
Medical Center of Louisiana

cc:
Helen Bates
Roy Clay

Medical Center of Louisiana

Charity Hospital • 1532 Tulane Avenue • New Orleans, LA 70112 • (504) 568-2311
University Hospital • 2021 Perdido Street • New Orleans, LA 70112 • (504) 588-3000

● Page 2

November 24, 1998

Ken Laney
Pete Schmidt
Laurie Smith
Debbie Zimmerman



HealthCare
Services
Division

Daniel G. Kyle, Ph.D., CPA
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Response to Legislative Audit Finding
Medical Center of Louisiana at New Orleans
Inaccurate Patient Charges

Dear Dr. Kyle:

Management concurs in part with the finding of Inaccurate Patient Charges. We agree with two of the three deficiencies noted and will address all deficiencies below.

Timeliness of Billing

We do not concur with the finding as stated.

Your finding indicates that the actual number of days from discharge to billing is used as the performance measurement to ensure that patients receive timely billings. This does not agree with LSUMC – HCSD Billing/Accounts Receivable Policy as stated, or with industry standards. The LSUMC-HCSD policy states “LSUMC-HCSD will maintain an unbilled revenue performance standard of an average of 10 days or less on inpatient and outpatient accounts.”

While at 6/30/98 the average days of unbilled revenue was 23, for the months of July, August and September 1998, MCLNO's average days of unbilled revenue was 9,11, and 10 days respectively. Performance is currently monitored weekly by managers and staff in the Patient Financial Services department to ensure continued adherence to the policy.

Accuracy of Charges

We concur with this finding as stated.

To address this issue, in August 1998, MCLNO established a committee focused on resolving late and lost charge issues. The mission of the committee is twofold:

Late Charges – The committee is working to determine the underlying factors causing late charges. System corrections, system edits, and staff training needs have been identified as potential causes resulting in late charges. The committee members are working with departments to identify and implement the appropriate actions necessary to correct the situations. At the weekly meetings, the committee members review reports which track late charges by department as a means to determine if the situations are improving as a result of the actions taken.

Lost Charges – In September 1998, the MCLNO Revenue and Enhancement Department began identifying and trending lost charges by department, including the reason for the lost charge, as a part of their routine bill audits performed on a weekly basis.

In addition to this internal tracking, MCLNO contracted with a consulting firm in New Orleans to perform chart audits on 300 randomly selected patients. The results of the consultant's testing will be available within the next 30 days. The committee members will work with the departments to identify and implement the appropriate actions necessary to correct the situations identified as a result of the tracking and testing performed.

Charge Description Master


We concur with the finding as stated.

LSUMC-HCSD Billing/Accounts Receivable Policy 1504 states "...the Charge Description Master (CDM) should be maintained and reviewed at least annually for HCPC and CPT4 coding and pricing updates. Corrections and updates are to be made upon receipt of fee schedule to insure that the most accurate reimbursement rates are reflected in the appropriate field. ... Written notification of any changes will be forwarded to the Hospital Fiscal Officers Designee." While an adequate procedure exists to ensure the CDM is reviewed and evaluated on a periodic basis, this procedure was not followed as designed.

We are currently in the process of contracting with an outside vendor to assist us in establishing standard CDMs by department. The outside vendor will ensure that any and all procedures performed and supplies used are set up on the system and appropriate third party coding requirements and fee schedules are accurate. Pending approval of the contract, completing of the project will take approximately 4 months.

As each department is completed, MCLNO's Information Systems department will validate the order entry screen mapping to the standard CDM and ensure that ancillary department's systems accurately interface with the CDM. This validation process will lag approximately 30 – 60 days behind the standardization process.

Respectfully,



John Berault
Chief Executive Officer
Medical Center of Louisiana

cc:

Helen Bates
Roy Clay
Art Landry
Ken Laney
Pete Schmidt
Laurie Smith
Debbie Zimmerman

State of Louisiana



M.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

DEPARTMENT OF NATURAL RESOURCES

October 28, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, La. 70804-9397

Dear Dr. Kyle:

The Department of Natural Resources (DNR) concurs with the finding entitled Errors in Classification of Mineral Income. To address the problems pointed out in this finding I have asked our internal auditor to examine the current supervisory review process. When her examination is completed, she will recommend a review process that will ensure that errors in classification are detected and corrected in a timely manner. This will ensure that revenues are properly classified between funds and fiscal years. She will also assist the Fiscal and Budget Division to implement these procedures immediately and will then perform an audit later in the fiscal year to ensure that all problems have been addressed.

Should you have questions concerning this response, please contact me at 342-4534.

Sincerely,

A handwritten signature in cursive script that reads "Robert D. Harper".

Robert D. Harper,
Undersecretary

RDH/mg



Northeast Louisiana University

Office of the President
Monroe, Louisiana 71209-3000
(318) 342-1010
(318) 342-1019 FAX

November 6, 1998

Dr. Daniel G. Kyle, CPA, CFE
1600 Riverside Drive
PO Box 94397
Baton Rouge, LA 70804-9397

RE: Financial Statements Not Properly Prepared

Dear Dr. Kyle:

Your finding states that the lack of adequate internal control procedures required audit adjustments to correct the financial statements. We partially concur with your finding as discussed below.


- We concur that, due to the limited time and personnel, there was a limited review process of the June 30, 1998 financial statements. This process will be improved in the future. Robert Earl Turner, Vice President for Business Affairs, is the university representative responsible for implementing these procedures.
- Most of the \$37,500,000 detailed in your finding consists of one audit adjustment of \$22,486,121 to recognize construction-in-progress. Construction-in-progress was not included in the University annual financial report originally submitted to the Office of Statewide Reporting (OSRAP) because the *College and University Year End Close Procedures* provided by OSRAP instructed universities to report construction-in-progress for projects financed by self-generated funding or federal revenues and not report work-in-progress or construction-in-progress for the State of Louisiana Office of Facility Planning and Control projects. At June 30, 1998, the only construction-in-progress at Northeast Louisiana University was a project handled by the Office of Facility Planning and Control which was not financed by self-generated funding or federal revenues. Therefore, based on our understanding of the OSRAP instructions, the university did not record the construction project in the financial statements. After the financial statements were submitted, the Controller discussed the construction-in-progress with OSRAP employees who informed him that revisions to the financial statements were not necessary. Since auditors from the Office of Legislative Auditor were on-site, daily, prior to and during the university's year-end closing and financial reporting process, the Controller informed them that the construction-in-progress was not reported. The auditors did not discuss the construction-in-progress issue with management again until the audit finding was presented on October 27, 1998. If your auditors had instructed our personnel to recognize the construction-in-progress and resubmit the financial statements, we would have gladly done so.

Dr. Daniel G. Kyle
November 6, 1998
Page 2

- The remaining \$15,038,105 of audit adjustments consisted mostly of reclassifications of revenues, expenditures, and mandatory or nonmandatory transfers. These were a result of differences in interpretation of accounting principles by the auditors and university personnel and did not materially misstate the fund groups presented in the financial statements. Adjustments to the financial statements are considered by most auditing firms to be a normal part of the audit process. In fact, many independent auditors also prepare the financial statements for the audited agency.
- Your finding states that eight required schedules were not included in the financial statements. We do not concur that the schedules are required. The schedules to which your finding refers, relate to contracts and notes payable, per diem paid board members, assistance for fixed price contracts, secondary-subrecipients of major federal programs, and interagency transfers. The information for these schedules either did not apply to the university or was provided elsewhere in the financial statements or notes. The financial statements were prepared in accordance with generally accepted accounting principles and our discussions with OSRAP personnel disclosed that inclusion of the schedules to which your finding refers is considered by OSRAP personnel to be optional.

Thank you for allowing us the opportunity to respond to the proposed finding.

Sincerely,



Lawson L. Swearingen, Jr.
President

A:\response_11-6wpd.wpd



November 6, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

RE: OVER AWARD OF TITLE IV AID

Dear Dr. Kyle:

In response to the above referenced audit finding, the university concurs with the finding and has immediately implemented the following actions to address this issue:

Northwestern State University has reviewed its procedures necessary to prevent the over award of Title IV aid. The review has addressed the following conditions found in the current audit:

- Lack of controls and procedures necessary for identifying all aid provided to students and detecting over awards

The Student Financial Aid Office has implemented two procedures for identifying all aid and detecting over awards:

1. Manual review - Employees with the capability to enter aid shall be charged with the responsibility to report the occurrence of an over award to a designated financial aid officer for review, verification, approval, and action, if appropriate.
2. Automated review - A designated financial aid officer shall receive a bi-weekly report and shall review for the occurrence of an over award. Any over award shall be reported to a designated financial aid officer for review, verification, approval, and action, if appropriate.

- Lack of procedures to take the appropriate action to remedy the over award

After final determination that an over award exists and FFEL funds are involved, the Business Affairs - Student Accounting Section will be advised to process repayment to the appropriate lender. Accordingly, the financial aid officer shall adjust the FFEL amounts in the Financial Aid Management System to reflect the repayment.

In the event that an over award is detected and there are no FFEL funds involved, the financial aid officer shall adjust the funds in the Financial Aid Management System to remedy the over award. Funds shall be adjusted and refunded to the grantor in accordance with university policy in the following order:

1. Campus based programs (Perkins, FSEOG, and SSIG)
2. University-funded programs
3. Third party programs

Corrective action is the responsibility of the Director of Student Financial Aid.

Sincerely,

Randall J. Webb
President

RJW/pc



DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

RICHARD L. STALDER, SECRETARY

September 11, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

re: Accumulation of Compensatory Leave

Dear Dr. Kyle:

In reference to your second year repeat finding concerning the Department's accumulation of compensatory leave, the Department continues to work with the Civil Service Commission in proposing a Civil Service rule change that will more clearly accommodate the work schedule of the department's workforce. The proposed rule offered by Civil Service (see attached) seeks to clarify the carry-forward provision in a fashion that is fair to the employees by insuring that they do not lose that which they have earned, even in the face of the department's inability to pay for straight-time compensatory leave.

The Department does not view the payment of these accumulated hours of compensatory leave as a donation of a thing of value of the State, since these individuals provided a service to the State by working the additional hours. To simply eliminate it, given the inability to allow the time off or to pay for it, is taking a thing of value from the employee.

The Department is committed to working with the Civil Service Commission in resolving this very complex issue and thereby eliminating the concerns expressed by your office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Trey Boudreaux".

Bernard E. "Trey" Boudreaux, III
Undersecretary

cc: Richard L. Stalder, Secretary
Ron Granier, Chief Fiscal Officer
Zbigniew Cypel, Human Resource Director

Amend 6.25 (c)

6.25 Caps on Accumulation of Compensatory Leave.

- (a)
- (b)

(c). Compensatory leave earned hour for hour at and above GS 12 in the General Schedule and MS 57 in the Medical Schedule may be accrued in excess of 45 work days, but not more than 45 work days may be carried forward after January 1, 1999.

Payment for compensatory leave earned hour for hour at and below GS 11 in the General Schedule and MS 56 in the Medical Schedule shall be as given below:

1. After January 1, 2000, compensatory leave earned hour for hour at and below GS 11 in the General Schedule and MS 56 in the Medical Schedule may be accrued in excess of 45 work days but any that exceeds 45 work days shall be paid no later than January 1 of each year.
2. Upon separation or transfer from the department in which the leave was earned:
 - a. 15 work days must be paid after January 1, 2000
 - b. 30 work days must be paid after January 1, 2001
 - c. All work days must be paid after January 1, 2002
3. Compensatory leave earned hour for hour at and below GS 11 in the General Schedule and MS 56 in the Medical Schedule shall be paid at the regular hourly rate for all hours over the above limitations.

EXPLANATION

This amendment would eventually prevent the loss of compensatory leave earned for employees below GS 11 in the General Schedule and MS 56 in the Medical Schedule.

AMEND RULE 11.29 (e)

11.29 Compensatory Leave

- (a)
- (b)
- (c).....
- (d)
- (e)

1.

2. (a) . All unused annual compensatory leave earned hour for hour at and above GS 12 in the General Schedule and MS 57 in the Medical Schedule may be paid upon separation or transfer from the department in which he earned it at the final regular rate received by the employee, excluding premium pay, shift differential and non-cash compensation.
- (b). All unused compensatory leave earned hour for hour at and below GS 11 in the General Schedule and MS 56 in the Medical Schedule shall be paid, in accordance with rule 6.25 (c), at the final regular rate received by the employee, excluding premium pay, shift differential and non-cash compensation.
3. All unused compensatory leave earned hour for hour at and above GS 12 in the General Schedule and MS 57 in the Medical Schedule, if not paid to the employee upon separation or transfer, shall be canceled upon separation or transfer from the department in which he earned it. Such leave shall not be recredited to him upon his reemployment in that or any other department.

EXPLANATION

This amendment would prevent the loss of compensatory leave when an employee at and below GS 11 in the General Schedule and MS 56 in the Medical Schedule separates or transfers from the department in which it was earned.

DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

M. J. "MIKE" FOSTER, JR., GOVERNOR



RICHARD L. STALDER, SECRETARY

January 12, 1999

Dr. Daniel G. Kyle, CPA/CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

re: *Improper Expenditures for food and household supplies*

Dear Dr. Kyle:

Please find enclosed response prepared by the Louisiana State Penitentiary in justifying the expenditures questioned in the above finding.

Sincerely,

A handwritten signature in cursive script that reads "Trey Boudreaux".

Bernard E. "Trey" Boudreaux, III
Undersecretary

cc: *Richard L. Stalder, Secretary*
Burl Cain, Warden/LSP
Ron Granier, Chief Fiscal Officer

RESPONSE TO LEGISLATIVE AUDIT REPORT of December 18, 1998
Louisiana Department of Public Safety and Corrections

Expenditures for Food and Household Supplies

The administration of Louisiana State Penitentiary received an audit report from the Office of the Legislative Auditor on December 18, 1998. The report questioned various purchases for food and household supplies throughout fiscal year 1997-1998 as they relate to the mission of the Incarceration Program. The Incarceration Program encompasses all security and related costs. It also includes other services in keeping with the goal of providing for the custody and care of persons committed to the department's custody.

The expenditures questioned by the Auditor have been sorted by category on the attached spreadsheet (Attachment 1). The following narrative explains each subsection of the spreadsheet by number.

1. The items grouped in category 1 total \$11,392.89 for food items purchased for consumption by inmates at Louisiana State Penitentiary and \$475.82 for computer labels. The purchase of computer labels was made to replenish depleted stock.

Some of the food purchases were for special meals on holidays (Thanksgiving, 4th of July, etc.). The audit report specifically questioned why charcoal and lighter fluid was purchased for these functions when they found no purchases for meat. Each prison camp has on-site a bar-b-que pit as bar-b-que meals are served on various holidays. These special meals help keep morale up, thereby reducing violence and disciplinary problems throughout the institution. Holidays are typically a time of low morale for the inmate population and violence increases during those times. We put forth special effort during holidays to use various measures to reduce incidents within the prison to maintain stability-- special meals is but one of those measures. The inmates are served a traditional 4th of July bar-b-que. There are no meat purchases identified in the documents reviewed, as the meat was issued to each housing location through warehouse withdrawals of warehouse stock.

An expenditure of \$467 for "Camp D movie moonpies" was questioned. A location agreement between LSP and Universal Pictures for a motion picture entitled "*Out of Sight*" was executed to commence on October 14, 1997 and to not extend beyond November 12, 1997. This major motion picture, which was ordinarily set in Florida, was filmed at Louisiana State Penitentiary and at two other Louisiana locations, largely due to the fact that the production company decided that LSP was the best prison location for filming. This decision was based on the ability of film makers to feel safe while filming on location in an environment that also enhanced their production. The use of inmate extras, design and construction of movie sets made preliminary meetings in which to discuss security matters a necessity. Therefore, meetings were held with key staff months prior to the beginning of filming and throughout the production. The movie company's location fee was \$2,500.00

to the Louisiana State Penitentiary Inmate Welfare fund and a \$7,500.00 in-kind contribution to Louisiana State Penitentiary. A portion of the movie was filmed at Camp D. As filming on that particular day ran late in the evening, the inmate extras were provided a "snack". The moonpies were necessary and essential as the workday was prolonged and extra food was needed in order that filming would not be interrupted. Providing food to the inmates is in keeping with the mission of the Incarceration Program. In addition, this movie had a positive economic impact on the State of Louisiana.

None of the items grouped in category 1 were purchased for use or consumption by employees, guests, or any other individuals.

2. The items grouped in category 2 total \$10,700.78 (not including \$15.57 for reimbursed costs) for food items and \$823.65 for cleaning and household supplies.

Each of the food purchases was made for the purpose of providing meals to official guests. Department Regulation A-06-004, authorized by Chapter 9 of Title 36, specifically authorizes Wardens to furnish meals for official guests at no charge when in their opinion it is in the best interest of the state. This is and always has been a common occurrence at LSP. Due to the notoriety and size of LSP, a large number of guests and officials tour, meet and conduct business at the institution. On occasion, it is necessary to serve meals to official guests because of the extreme remote location of the prison. The nearest dining location to the penitentiary is thirty miles away. Other wardens have applied the same department regulation in the past at Angola.

All of the meals served were served to official guests and the LSP staff members who facilitated the meetings.

Fire Marshal Meeting

In 1993, Louisiana State Penitentiary was cited for numerous Health Department and Fire Marshal violations. The State Fire Marshal as established by La. R. S. 40:1561 et seq. has the duty to take all steps necessary and proper to protect life and property from the hazards of fire and the panic which may arise from fire or the threat of fire or explosion. The State Fire Marshal and LSP must work in close co-existence on renovations and new construction so as to insure the complete safety of staff and inmates. Many discussions are held during lunch, where plans and drawings for renovations/construction can be laid out and thoroughly discussed.

Pardon Board Meetings

This Board is appointed by the Governor. R.S. 15:572.2 provides for reimbursement for members for necessary travel and other expenses actually incurred in the discharge of his duties. As members' official domicile vary, members are eligible for meal reimbursement for the noon meal when at Louisiana State Penitentiary. Meals served by the institution, at the institution, provide an economic savings to the state. As the nearest restaurant to the prison is over 30 miles away from the institution, travel time to and from such an establishment must be considered. Valuable time would be lost if members were not provided a meal at the institution. R.S. 15:572.2 further provides for reimbursement of Pardon Board members' actual expenses incurred. The cost of the meal provided by the state is far less than the expense of a meal served at a restaurant.

Chamber of Commerce Meeting

The St. Francisville Chamber of Commerce has held a meeting at Louisiana State Penitentiary after normal business for the past three years. In keeping with LSP's mission statement to "maintain and improve credibility with the general public and the local community", chamber members were provided a tour of the penitentiary prior to their meeting. The mission statement of the Chamber of Commerce specifically states that "The Chamber is actively involved in economic development, governmental affairs, community development, education," In order to further our own mission and goals, it is imperative that meaningful communication be established with community leaders, many of whom are members of the Chamber of Commerce.

LSP uses the chamber meetings at LSP as an opportunity to request local officials to actively participate and assist in our recruiting efforts by referring local unemployed citizens to LSP for job consideration. The importance of this recruiting effort is evident at this time when a major strain on our budget is the payment of overtime due employee shortages.

In times of emergency, the St. Francisville community has willingly come to the assistance of the penitentiary. The St. Francisville community provided assistance to LSP during the flood of 1997 -- providing loading equipment to load dirt used to build a levee berm; providing space in a town facility for storage of inmate medical records and other vital LSP records during the threat of flood; making arrangements to vacate the Tunica School facility for use as staff housing and a media center in the event of evacuation of inmates.

National Institute of Corrections

The National Institute of Corrections hosted a deputy directors conference in Louisiana during October, 1997. The NIC and the Louisiana Department of Corrections share the belief that it is important to develop and promote effective standards for the care, custody, training and treatment of offenders. It is important, as well as helpful, in this endeavor to visit with professionals from different criminal justice systems and discuss matters of mutual concern and/or interest with administrators. Contacts made in other states have greatly impacted LSP's ability to network with other criminal justice professionals. This has, in turn, led to the establishment of a greater pool of resources. LSP has been chosen by both the National Institute of Corrections and the American Correctional Association as a prison to tour when there are conferences in our state.

The NIC serves the nation in correctional training programs and Louisiana must compete for training slots. Visits such as this benefit Louisiana and Louisiana State Penitentiary through the exchange of information and new ideas regarding efficient and safe incarceration.

ACA Auditors

A primary goal of Louisiana State Penitentiary (as stated in its Mission Statement) is to "maintain accreditation through the American Correctional Association and the Commission on Accreditation", which will further our goal to improve LSP's overall operation, programs and effectiveness. In addition, maintenance of accreditation will assist in maintaining and improving credibility with the general public and local community.

During November, 1996, LSP's first re-accreditation audit was performed. LSP scored 97.9% on non-mandatory standards and 100% on mandatory standards established by the American Correctional Association. This re-accreditation represented the satisfactory completion of a rigorous self-evaluation, followed by an outside review by a team of independent auditors. In an effort to insure maintenance of ACA standard compliance, a team of HQ and other DOC facilities auditors conduct semi-annual reviews. Throughout the course of these reviews, the auditors inspect all areas of the prison. During this time, auditors are able to provide direct communication with key staff who are responsible for maintaining accreditation standards. Staff are provided the opportunity to ask questions concerning standards for re-accreditation. At the conclusion of the audit process, an exit interview is conducted which provides auditors with the opportunity to comment on and discuss their findings. Such discussion and direct interaction between staff members and the audit team is critical to our success when preparing for our next re-accreditation effort, which is scheduled for November 1999.

Grand Jury

The grand jury, under Article 444.C of the code of Criminal Procedure "may make such reports as are authorized by law." In the Parish of West Feliciana, the Courts require the grand juries to inspect Louisiana State Penitentiary and return its report in open court. Such reporting insures the operations of the prison are of an acceptable nature. Just as petit juries are provided meals during a trial, in this instance the grand jury was provided a meal during its tour of Louisiana State Penitentiary.

This visit also provides a forum to encourage the grand jury to support LSP when criminal charges are brought against employees, visitors, or inmates in an effort to discourage violence and/or introduction of contraband, both of which could cause instability within the prison.

Levee Board Meetings

These "levee board meetings" were with representatives of the Louisiana National Guard and/or the United States Army Corps of Engineers. The LSP levee is owned by the State of Louisiana and is the only levee along the Mississippi River that is not part of the U.S. Army Corps of Engineers levee system. The flood in the spring of 1997 caused great concern regarding the impact of a major flood and the disruption and extensive costs associated with the evacuation of the inmates at LSP. The Corps of Engineers has proposed to construct features to provide LSP with a level of flood protection equivalent to the Flood Control, Mississippi River and Tributaries Project. These meetings were to address flood damage reduction measures for LSP, consisting of enlargement of the existing levee, construction of seepage berms and relief wells, replacement of an existing concrete double culvert structure in the existing levee, restoration of conveyance capability of an exterior intercepted drainage channel, and relocation of the mitigation feature from the Sugar Lake area to the Monkey Island area. Such planning meetings are critical to the safety of staff and inmates, as well as the safety of the general public.

The Corps of Engineers plans to spend \$20 million on the LSP levee system. Corps representatives drive or fly to LSP, arriving at 9:30 or 10:00 a.m. To leave the institution and travel 30 miles to lunch, returning 30 miles to continue meetings would result in a 2 hour lunch delay. This makes it imperative that lunch be served at LSP. Staff kitchens were dismantled years ago and business cannot be conducted in a noisy inmate dining room. There is no alternative for maximum time utilization but to serve lunch at the institution.

Museum Dedication

In 1995, the Bank of Commerce donated the old bank building which was formerly the Angola Branch of the St. Francisville facility to Louisiana State Penitentiary. As the building is located on prison grounds, just outside of the front gate facility, a decision was made to establish a museum to preserve the rich history of Angola, the state's only maximum security prison. The museum presents a history of the penitentiary and provides an educational experience to help the public understand the history of imprisonment in Louisiana. The Louisiana State Penitentiary is the only prison museum in the southern United States operated under the auspices of an active prison. During 1996 and 1997 items for museum exhibits were collected from various offices at Angola, Headquarters, State Archives, and the State Museum in New Orleans. An advisory board was established, consisting of members of the West Feliciana community and several Louisiana university faculty members (Southern University, Louisiana State University, Louisiana Tech University, University of Southwestern Louisiana). These advisory board members serve on a volunteer basis. The official "grand opening" and dedication of the museum was held on April 17, 1998. As the museum represents a major tourist attraction for the Felicianas, local and state dignitaries were invited to attend the ceremony. The guest speaker for this *significant event* was Mr. Phillip Jones of the Department of Culture Recreation and Tourism. Refreshments were available for guests. No formal meal was served.

The Department is committed to supporting the public's expectations of incarceration, while working to develop, implement and support alternatives to traditional correctional practices. Such alternatives permit efficient and effective allocation of new and existing resources for prevention initiatives. The Department has launched a full-scale effort to develop a primary *crime prevention program that incorporates initiatives to positively impact children*. While duty bound as a state correctional system to protect public safety and promote order and discipline first, the Department can expand its mission and impact. The LSP Museum is part of this crime prevention initiative. The museum is an integral part of tours organized to bring at risk youth to the penitentiary in order to help change their lives so incarceration may not be in their future.

In addition to providing an education experience for the at-risk youth, the museum log reflects visitors from all over the United States, as well as many foreign countries. The positive economic effect on Louisiana is immeasurable.

Parole Board Meetings

(Same as above - Pardon Board meetings) R.S. 15:574.2 provides for reimbursement for necessary travel and other expenses actually incurred in the discharge of his duties.

K-9 Visitors

Dog trainers assemble and exchange techniques just as lawyers and doctors go to continuing education. For a number of years, Angola has been the site for an annual canine training conference. Law enforcement officers from all across the state participate in this training event. It is through training sessions such as this, coupled with the networking of law enforcement officers, that we are able to further develop security components of the institution. Members of the Louisiana State Penitentiary Chase Team also participate in the training sessions. It is vital to the success of our contingency plans for apprehension of an escapee that we maintain a cadre of highly trained professionals as members of the Louisiana State Penitentiary Chase Team. This enables us to ensure the safety of staff, inmates, and the general public in the event of an escape. Interaction and cooperation between various law enforcement officers is essential to public safety.

The \$823.65 in household and cleaning items was purchased for the proper sanitary maintenance of state owned facilities.

3. The items grouped in category 3 total \$4,094.57 for food items and \$280.29 for cleaning and other household supplies.

It is the policy of the department to allow wardens and other unit heads to acknowledge the significant contribution and dedication of the employees of the department in accomplishing its mission by conducting employee appreciation events. These events are funded with public funds and normally include the provision of a low cost meal prepared at the institution. (These are not meals purchased in restaurants). These functions are consistent with the current philosophy of the State Department of Civil Service and the Division of Administration as outlined in the attached letter from Allen H. Reynolds, Director of Civil Service approved by Commissioner of Administration, Mark C. Drennen.

These activities are a significant management tool in sustaining the above average performance of staff in the face of below average compensation, hazardous duty conditions, emergency assistance responsibilities and other atypical characteristics of correctional employment. For example, **Correctional Officers** who comprise 55% of the department's workforce **are the lowest paid in the nation** according to the 1997 Corrections Yearbook. Even in the face of this, they continue to perform diligently and are the backbone of the department's successful and fully accredited operations throughout the state.

Chapter 9 of Title 36 authorizes the Secretary of the department to determine the policies of the department and to organize, plan, direct, administer, execute and be responsible for the functions and programs vested in the department. It also grants him the authority to "employ, appoint, remove, assign, and promote such personnel as is necessary for the efficient administration of each office of the department and the performance of its powers, duties, functions, and responsibilities" and "to do such other things, not inconsistent with law, as are necessary to perform properly the functions vested in him." These functions are viewed as a furtherance of the public duty or responsibility of the department in maintaining a sound personnel management system and the costs of such events is very small compared to the benefit.

It is our opinion that such programs with the incidental associated meal do not offend Article VII, Section 14(A) of the Louisiana Constitution relative to "...things of value of the State..." being "...donated to or for any person..." Mr. Robert Boland, Civil Service General Counsel, adopted the position that the recently approved employee bonus awards to civil servants also do not offend the Constitution, (even though they are direct cash payments.) Borrowing heavily from his analysis in response, our belief that such meals are allowable is based on the following points:

- ◆ A three-fold analysis must take part to determine whether or not a donation is acceptable within the limits of Article VII, Section 14(A).
- ◆ The first test is a general review of whether or not the agency makes the donation, (in this case, meals), consistent with some constitutional or statutory authority. In this case, as referenced earlier, Chapter 9 of title 36 clearly provides statutory authority for these types of legitimate personnel management functions.
- ◆ The second and related test is whether or not the donation of the meals furthers the duties and responsibilities of the agency. Obviously, employee recognition functions for civil servants who work at great risk for comparatively low pay in a correctional environment qualify as a sound management practice and further our duties and responsibilities.
- ◆ Thirdly, a determination must be made relative to the value of that given by the employees compared to the value of that received, (meals in this example). In this case, our employees have enabled the full American Correctional Association (ACA) accreditation of our correctional system, (ranking us among the best in the nation). Their work has resulted in less violence in our units and fewer escapes than ever before in our history. Our programs are more varied and productive. Our participation in community policing efforts has helped to lower crime in Louisiana. The provision of over 15,000 man-hours per week of community service in litter pickup and other assistance has helped to improve the image of the State. While we could continue to list many other examples of enhanced service, we will not. The third test is met. The value received in the form of a prison cooked meal is not disproportionate to the value gained by the State.

The Attorney General has concluded that the giving of plaques, certificates and pins, (all very much items of value bought by the State and donated to persons), does not violate the constitution. It is inconceivable that a simple meal during an employee appreciation function at a prison would or could be considered any differently.

Also, included in this category were expenditures for meals served for the Capital Area United Way campaign at LSP. Employee morale is one of the most important factors in a work product at Louisiana State Penitentiary. United Way creates a bond between employees that no administration could ever create. This year a total of \$37,880 was contributed by LSP employees to support United Way. This bond helps build morale and creates an atmosphere within the work place of harmony and goodwill. It is in this environment that employees give above and beyond the call of duty. The United Way also supports and promotes many of the civic and community organizations that provide alternatives to incarceration for "at risk" youth. (Alcohol & Drug Abuse council, C.Y.O., Big Buddy Programs, Boy Scouts, Girl Scouts, Camp Fire Girls, Catholic Community Services, Children's Developmental Centers, Community Associations for the Welfare of School Children, Youth and Family Counsels, Head Start Programs YMCA, YWCA). These programs assist in the State's effort to reduce crime and are actively supported through the United Way by the Louisiana Department of Corrections.

The \$280.29 in household and cleaning items was purchased for proper sanitary maintenance of state owned facilities.

4. The items grouped in category 4 total \$2,947.32 for food items. These items were purchased for banquets and other functions for inmate religious organizations. These types of functions are usually paid for by the inmate organization it benefits, but the religious organizations in question do not or did not have a source of funding at the time of that particular function.

The mission statement of Louisiana State Penitentiary states "It is the philosophy of Louisiana State Penitentiary to provide services in a professional manner so as to protect the safety of the public, the staff and the inmate population. Consistent with this, it is LSP's responsibility to provide meaningful opportunities to enhance -- through a variety of education, work, social service and medical programs -- the individual's desire to become a productive member of society. In addition, LSP has set a goal (as referenced in its mission statement) to improve LSP's overall operation, programs, and effectiveness and to maintain and improve credibility with the general public and the local community.

The presence of religious programming is absolutely essential for "moral" rehabilitation. Religious inmates are more peaceful, easier to manage, and have a calming effect on others. We encourage community religious organizations to conduct bible studies and religious programs in the institution. It is our belief that these people are "messengers" to the silent majority regarding positive conditions of confinement. Participation in such programs assists in the "individual's desire to become a productive member of society". Such programming and rehabilitative efforts are vital to the security of the institution.

Strong religious programs promote a "safe haven" for inmates who would otherwise become "victims" in an institutional setting. They also provide an opportunity to belong to a group that promotes goodwill instead of one that promotes violence, such as inmate gangs that are so prevalent in many of the country's institutions. It is the philosophy of Louisiana State Penitentiary to promote religion to the fullest extent in order to have a more peaceful and safe environment.

As of June 30, 1998, Louisiana's incarceration rate was 710 per 100,000 residents, with only Texas having a higher rate. Louisiana's rate is 56% higher than the U.S. total incarceration rate. Inmates who are released from prison who have actively participated in religious programs do become productive members of their community and are less likely to recidivate.

5. The items grouped in category 5 total \$389.61 in cleaning supplies. These items were purchased for the Training Academy and the Mail/Package Room, which are both state facilities. The requests for purchase clearly reflect the delivery point and were properly coded to the Incarceration Program.
6. The items grouped in category 6 total \$1,176.35 for food items. These items were inadvertently purchased from the Incarceration Program. They should have been purchased from the Rodeo Fund. This is a regrettable but very understandable mistake since many items purchased for the rodeo from the Rodeo Fund are very similar to regular items purchased from the General Fund. These purchases are made by the same employees and were mistakenly misidentified at the time of purchase. We will initiate a payment from the Rodeo Fund to the General Fund for that amount.
7. The items grouped in category 7 total \$9,517.28 (not including \$315.81 for reimbursed items) for food items and \$1,375.97 for cleaning and other household supplies.

These expenditures are for meals served during various executive staff meetings held during the noon hour. The employees who attend these meetings are exempt from the provisions of the Fair Labor Standards Act, and are therefore not compensated monetarily for these meetings which are held during their normal lunch time. Since the cost to compensate these employees greatly outweighs the cost of the lunch, it is in the best interest of the state to occasionally have working meetings of departmental staff wherein a lunch is provided in lieu of compensation.

The \$1,375.97 in household and cleaning items was purchased for the proper sanitary maintenance of state facilities.

All general funds budgeted for food expenditures are budgeted through the Incarceration Program. All procurement activity referenced above was properly approved and related to specific goals and objectives of the Louisiana State Penitentiary, as is required by policies and procedures set forth in Penitentiary Directive 02.011.

In May, 1998 LSP was questioned by the Legislative Auditor regarding expenditures for meals served at the Ranch House. In March 1997, LSP initiated procedures for monitoring of those expenditures. Many of the food expenditures questioned in the current audit report are associated with meetings held at the Ranch House. The Ranch House is a formal meeting room with a large conference table, office facilities, as well as a fully equipped kitchen. This facility also serves as a "command post" for institutional emergencies (floods, riots, escapes, tactical exercises, etc.), providing for private discussions of highly sensitive issues. The Ranch House is a state facility and is utilized to conduct state business in an effective manner.

Please note that \$331.81 in expenditures for items such as crawfish, Slimfast, and Kentwood water have been reimbursed, since they were not justified within the context of the above functions.

LOUISIANA STATE PENITENTIARY

12/21/98

RESPONSE TO LEGISLATIVE AUDITOR FINDINGS

RFP #	DATE	ITEM	AMOUNT	non-food	COMMENTS	reimb.
1	80096	7/2/97 Charcoal/Starter	\$ 496.60		4th of July bbq for inmates (meat from w/h)	
1	80126	7/3/97 Charcoal/Starter	\$ 439.72		4th of July bbq for inmates (meat from w/h)	
1	80352	7/10/97 Sausage Mix	\$ 487.20		For general use (inmates)	
1	81742	8/25/97 Grape Juice/grapefruit Juice	\$ 484.05		915 w/h (1st quarter)	
1	81866	9/19/97 margarine	\$ 490.20		915 w/h (2nd quarter)	
1	81918	9/24/98 margarine	\$ 493.50		915 w/h (2nd quarter)	
1	82100	10/2/97 lettuce, tomatoes, onions, etc	\$ 474.00		915 w/h	
1	82512	10/27/97 Moon pies	\$ 466.65		Camp D Movie	
1	82584	10/30/97 Juices	\$ 493.75		915 w/h	
1	82581	10/31/97 baking powder	\$ 499.20		915 w/h	
1	82648	11/5/97 baking powder	\$ 499.20		915 w/h	
1	82827	11/18/97 soft drinks	\$ 499.50		915 w/h 2nd quarter	
1	82837	11/18/97 powdered milk	\$ 485.60		915 w/h 2nd quarter	
1	82838	11/17/97 pie pans, styro trays	\$ 374.05		Thanksgiving for inmates	
1	82840	11/20/97 Sandwich Meat, etc.	\$ 52.13		Hospice inmates	
1	83245	12/23/97 charcoal, lighter, vanilla waf.	\$ 433.00		915 w/h	
1	83920	2/13/98 milk replacer	\$ 482.85		915 w/h 3rd quarter	
1	84567	3/30/98 food for diet meals	\$ 458.00		diet meals	
1	84676	4/7/98 charcoal and lighter	\$ 485.60		915 w/h	
1	84822	4/2/98 Phenix - computer. labels	\$	\$ 475.82	915 w/h	
1	85011	4/29/98 No salt seasoning	\$ 450.00		915 w/h	
1	85189	5/11/98 lett, tom, flour, potatoes	\$ 487.46		915 w/h	
1	85708	6/16/98 tea, tom, lett, buns	\$ 466.50		915 w/h 4th quarter	
1	85769	6/19/98 charcoal and lighter	\$ 451.50		4th of July for inmates	
1	85781	6/22/98 chicken, lett, tom, sausage, etc	\$ 469.50		4th of July for inmates	
1	85840	6/25/98 ham, turkey, roast, lett, tom, etc	\$ 473.13		915 w/h 4th quarter	
			<u>\$ 11,392.89</u>	<u>\$ 475.82</u>		
2	80321	7/8/97 Sandwich Meat, etc.	\$ 127.21		Fire Marshall Mtg.	
2	81089	8/15/97 various food/non-food	\$ 87.15	\$ 12.79	Pardon Board	
2	81231	8/21/97 Chicken breasts, etc.	\$ 78.50		Pardon Board	
2	81373	8/25/97 Paper dishes	\$ 461.05		Chamber of Commerce	
2	81400	8/27/97 Food tray, etc.	\$ 172.21		Chamber of Commerce	
2	81410	8/27/97 food, etc.	\$ 295.63	\$ 29.26	Chamber of Commerce	
2	81592	9/5/97 Chicken breasts/sausage	\$ 483.90		National Guard Levee Mtg.	
2	81884	9/24/97 lettuce, tomatoes, sausage	\$ 494.10		United Way Function	
2	81885	9/23/97 pie plates, bowls, etc.	\$ 425.60		United Way Function	
2	81919	9/25/98 various food/non-food	\$ 184.51	\$ 23.07	National Guard and Civil Service Mtg.	
2	82402	10/20/97 ribs, drumettes, produce, etc	\$ 497.22		NIC Deputy Director Conference	
2	82421	10/14/97 table cloths, plates, cups, etc.	\$ 196.40		Departmental Meeting	
2	82513	10/27/97 fryers, ground beef, roast	\$ 174.09	\$ 15.70	ACA Auditors on 10/27 and 10/28	

RFP #	DATE	ITEM	AMOUNT	non-food	COMMENTS	reimb.
2	82529	10/28/97 ribs, fruit and veggies	\$ 1,214.22			
2	82536	10/29/97 ham, potatoes, onions, etc.	\$ 91.60		Departmental Meeting	
2	82582	11/3/97 various food/non-food	\$ 157.91	\$ 28.49	Departmental Meeting ACA Auditors	
2	82730	10/20/97 ribs, sausage chicken	\$ 498.20		NIC Deputy Director Conference	
2	82836	11/20/97 shrimp, crabmeat	\$ 154.76		Corp. of Engineers Mtg.	
2	82956	11/25/97 various food/non-food	\$ 139.59	\$ 55.44	LA Film Commission	
2	83026	12/9/97 crawfish tails	\$ 379.45		12/1/97 Pardon Board	\$ 4.45 Kentwood
2	83931	2/19/98 various food/non-food	\$ 279.97	\$ 20.59	6 Parole Bd., 2 DEQ, LSP staff	
2	83958	2/10/98 various food/non-food	\$ 74.36	\$ 13.25	George Dear (HQ), 10 LSP staff	
2	84353	3/13/98 various food/non-food	\$ 78.89	\$ 60.68	Pointe Coupee Parish Sheriff's Office*4, pilot, 4 LSP staff	
2	84661	4/6/98 various food/non-food: ribs, sirloin, turkey, charcoal, etc.	\$ 488.83	\$ 59.50	NG & Corps of Engineers(23), Levee Bd.(30) on 4/7/98	
2	84675	4/7/98 various food/non-food	\$ 120.76	\$ 17.24	NG & Corps of Engineers(23), Levee Bd.(30) on 4/7/98	
2	84771	4/14/98 misc. food	\$ 447.50		Museum dedication	
2	84785	4/15/98 misc. food	\$ 467.02		Museum dedication	
2	84911	4/24/98 misc. food	\$ 159.12		Father Bob Guste +7, 2 LSP	
2	85188	5/11/98 various food/non-food	\$ 247.18	\$ 24.29	Ouchita Leadership Comm. (29 guests and 4 staff)	
2	85379	5/21/98 sausage, pork loin, chicken	\$ 473.64		Levee Bd. Mtg. On 5/30/98	
2	85393	5/26/98 Chicken, charcoal, non-food	\$ 445.00	\$ 320.40	K-9 visitors	
2	85395	5/26/98 various food/non-food	\$ 205.56	\$ 58.76	Corp of Engineers	
2	85626	6/10/98 various food/non-food	\$ 159.93	\$ 49.88	Pardon Board	\$ 11.12 slimfast
2	85632	6/10/98 crawfish	\$ 69.90		Pardon Board	
2	85674	6/12/98 pork loin, fruit, turkey breast	\$ 449.08		PE Board Mtg.	
2	85707	6/17/98 various food/non-food	\$ 220.74	\$ 34.31	PE Board Mtg.	
			<u>\$ 10,700.78</u>	<u>\$ 823.65</u>		
3	80918	9/10/97 Charcoal/Starter	\$ 309.69		Officer Appreciation	
3	80926	8/8/97 Onion/Lettuce/Tomatoes	\$ 499.40		Officer Appreciation	
3	81030	8/11/97 Onion/Lettuce/Tomatoes	\$ 499.40		Officer Appreciation	
3	81080	9/10/97 Shrimp/Oysters/Crab/Filet	\$ 142.30		Classification Planning Mtg.	
3	83685	lunchmeat	\$ 302.39		for overtime work	
3	84362	3/16/98 ribs, charcoal, potatoes	\$ 393.80		Social Worker Appreciation Week	
3	84770	4/14/98 various food/non-food	\$ 360.16	\$ 34.79	Officer of the Month Banquet	
3	84986	4/27/98 Charcoal/lighter, steaks, prod.	\$ 436.40	\$ 245.50	Outcamp Warden's Aprpr. Dinner	
3	85018	4/30/98 charcoal and lighter	\$ 443.47		Officer Aprpr. Week	
3	85024	4/30/98 lettuce and tomatoes	\$ 498.25		Officer Aprpr. Week	
3	85049	5/4/98 onions, lett, tomat, must, mayo	\$ 486.60		Officer Aprpr. Week	
			<u>\$ 4,372.86</u>	<u>\$ 280.29</u>		
4	80616	7/23/97 Chickens/Lettuce/Tomatoes	\$ 493.50		Religious Banquet	
4	80646	7/24/97 Steaks	\$ 496.80		Religious Banquet	
4	81201	8/19/97 Chicken, etc.	\$ 465.08		Cowboys for Christ	
4	81212	9/10/97 Charcoal	\$ 101.89		Cowboys for Christ	
4	81387	8/26/97 Chicken and potatoes	\$ 467.65		Religious Banquet	
4	83133	12/16/97 lettuce, tomatoes, ribs	\$ 483.00		Bible College Grads	
4	83616	1/22/98 Chicken	\$ 419.40		P-OPS program inmates	
			<u>\$ 2,947.32</u>			

RFP #	DATE	ITEM	AMOUNT	non-food	COMMENTS	reimb.
5	82583	10/28/97	lysol, pine oil, windex	\$ 66.43		
5	83791	1/26/98	cleaning supplies	\$ 323.18		
			<u>\$ 389.61</u>			
6	81870	9/22/97	food items	\$ 478.03		
6	82316	10/2/97	charcoal, fruit, steaks, etc.	\$ 291.31		
6	82887	10/23/97	various food/non-food	\$ 407.01		
			<u>\$ 1,176.35</u>			
7	80536	7/16/97	various food/non-food	\$ 122.86	\$ 28.80	
7	80763	7/25/97	various food/non-food	\$ 50.36	\$ 13.13	
7	80815	7/30/97	various food/non-food	\$ 128.65	\$ 35.31	
7	80842	8/1/97	various food/non-food	\$ 82.95	\$ 4.95	
7	80885	8/6/97	various food/non-food	\$ 125.99	\$ 24.41	
7	81198	8/19/97	Chicken, etc.	\$ 139.11	\$ 28.18	
7	81559	9/4/97	various food/non-food	\$ 179.61	\$ 1.78	
7	81754	9/16/97	various food/non-food	\$ 158.23	\$ 25.75	
7	82105	10/3/97	misc. food	\$ 416.04	\$ 30.20	
7	82289	10/17/97	charcoal, lighter, left, tom, etc.	\$ 239.26	\$ 130.51	
7	82293	10/9/97	various food/non-food	\$ 436.66	\$ 27.90	
7	82937	12/1/98	various food/non-food	\$ 233.79	\$ 46.06	Staff Mtg.
7	82981	12/3/97	various food/non-food	\$ 134.72	\$ 2.86	10 staff/2 guests
7	83126	12/15/97	various food/non-food	\$ 454.57	\$ 40.87	
7	83216	12/22/97	crawfish tails, supplies, etc.	\$ 55.92	\$ 8.62	
7	83269	12/31/97	various food/non-food	\$ 316.55	\$ 85.47	
7	83332	1/5/98	sandwich meat, bread, ice cr.	\$ 94.31	\$ 24.95	
7	83399	1/7/98	various food/non-food	\$ 390.45	\$ 30.55	10 staff and 8 guests
7	83517	1/16/98	various food/non-food	\$ 233.79	\$ 46.06	Staff Mtg.
7	83535	1/20/98	various food/non-food	\$ 267.76	\$ 30.92	
7	83571	1/14/98	various food/non-food	\$ 499.62	\$ 26.25	14 staff
7	83631	1/29/98	various food/non-food	\$ 496.34	\$ 142.24	tickets from 3/97-4/97
7	83670	1/26/98	various food/non-food	\$ 266.30	\$ 52.19	10 staff and 1 guest
7	83717	1/29/98	gumbo, crabs, med. Shrimp	\$ 129.69		
7	83822	2/5/98	various food/non-food	\$ 268.84	\$ 28.86	
7	83868	2/18/98	various food/non-food	\$ 310.32	\$ 15.70	
7	84022	2/19/98	various food/non-food	\$ 357.48	\$ 56.06	
7	84129	3/3/98	various food/non-food	\$ 308.81	\$ 16.58	
7	84277	3/10/98	various food/non-food	\$ 86.86	\$ 11.34	
7	84442	3/19/98	various food/non-food	\$ 150.26	\$ 196.00	
7	84648	4/3/98	fishify, peanut oil, onions, etc.	\$ 499.20		
7	84660	3/16/98	Kentwood water	\$ 51.33		
7	84818	4/17/98	various food/non-food	\$ 134.85	\$ 23.70	
7	84987	4/28/98	Kentwood water	\$ 55.05		
7	85014	4/29/98	various food/non-food	\$ 118.04	\$ 20.59	
7	85163	5/6/98	various food/non-food	\$ 462.07	\$ 54.40	
7	85269	5/15/98	various food/non-food	\$ 161.83	\$ 10.26	
7	85558	6/4/98	various food/non-food	\$ 217.77	\$ 2.89	
7	85614	5/22/98	Kentwood water	\$ 53.75		

\$ 14.18 slimfast and Kentwood

\$ 16.02 slimfast and Kentwood

\$ 8.90 Kentwood

\$ 57.00 crawfish

\$ 51.33 Kentwood

\$ 55.05 Kentwood

\$ 53.75 Kentwood

RFP #	DATE	ITEM	AMOUNT	non-food	COMMENTS	reimb.
7	6/12/98	various food/non-food	\$ 234.98	\$ 32.63		
7	6/16/98	Kentwood water	\$ 59.58			\$ 59.58 Kentwood
7	6/25/98	various food/non-food	\$ 332.73	\$ 19.00		
			<u>\$ 9,517.28</u>	<u>\$ 1,375.97</u>		<u>\$ 315.81</u>
			<u>\$ 40,497.09</u>	<u>\$ 2,955.73</u>		<u>\$ 331.38</u>



DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

RICHARD L. STALDER, SECRETARY

January 25, 1999

Dr. Daniel G. Kyle, CPA/CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

re: *Improper Procurement Practices*

Dear Dr. Kyle:

In explaining the number of small purchases questioned under item number 1 of your finding regarding improper procurement practices, it is important to note that Louisiana State Penitentiary is a vast operation (18,000 acres, 5,108 inmates and over 1,700 employees). The size and complexity of this unit requires that small orders be made in addition to its regular purchases to comply with safety and security issues as well as repair and maintenance of the physical plant. Louisiana State Penitentiary is located 30 miles from any city or town with a store. The options for diversity of vendors are extremely limited due to the fact that we are so far away from a major city. St. Francisville is the closest town to Louisiana State Penitentiary and it, like most small towns, has one store for certain commodities. Baton Rouge is 60 miles away and it would be extremely inefficient and demonstrate poor management to travel that distance to make small purchases which are available in closer proximity to the prison. However, in some cases, Baton Rouge is the closest place to make certain purchases.

It is also important to note that Louisiana State Penitentiary operates under the philosophy of "Unit Management." The National Institute of Corrections recognizes this management style as being an efficient and effective management practice. This concept works very well for an organization as large as Louisiana State Penitentiary and especially well due to the configuration of the prison. Each section of the prison operates as its own operating unit. The main prison and each outcamp are under the direct authority of an Assistant Warden with responsibility for the security and all other components of the respective facility (religious, culinary, maintenance, etc.). Non-security sections are under the direct authority of their own Unit Manager. The complexity of operations at Louisiana State Penitentiary does not allow each Warden or Unit Manager to contact every other area of the prison to determine if another unit is making or has made a similar order. The Louisiana State Penitentiary purchasing office makes every effort to identify these types of orders as they come through and group them into single orders. This is demonstrated by some of the RFP's that were questioned by the auditors.

Dr. Daniel G. Kyle, CPA/CFE

January 25, 1999

Page 2

Louisiana State Penitentiary purchases frequently used supplies on a quarterly basis from the state contract to adequately stock its warehouses that routinely run an average combined inventory of over \$2,100,000. Of the 5,899 RFP's issued during FY 1997-98, over 3,000 were for quarterly orders to stock warehouses for issue to different segments of the prison. Even with the best planning methods, there will be occasions of necessity to make small orders for certain items in an operation as large as Louisiana State Penitentiary. These occasions may occur for a variety of reasons such as an infrequently used item, a new item, the inability of a vendor to deliver a contract item in a timely manner, etc. The management of Louisiana State Penitentiary will make a concerted effort to ensure that LDO's are kept to a minimum and they are only used when necessary or the situation warrants the use of them.

In reference to items 2 and 3, the department concurs with your finding in regards to the majority of the specific food purchases noted. Correspondence will be directed to Warden Burl Cain advising him of the impropriety of these purchases. He will be instructed to discontinue these practices and institute action to insure compliance with Executive Order Number MJF98-20 relative to purchases.

The department will also require LSP to monitor purchases more carefully to insure that orders for food and other supplies are competitively bid when required.

If you require additional information in this regard please advise.

Sincerely,



Bernard E. "Trey" Boudreaux, III
Undersecretary

BEB/RLG/cah

cc: Richard L. Stalder, Secretary
Warden Cain, Warden/LSP
Ron Granier, Chief Fiscal Officer

DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

M. J. "MIKE" FOSTER, JR., GOVERNOR



RICHARD L. STALDER, SECRETARY

November 2, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

re: *Inadequate controls over Federal Program Reports and Expenditures*

Dear Dr. Kyle:

In response to your finding regarding the controls over the Title IV-E Program (CFDA 93.658) funded through the Louisiana Department of Social Services, the following response is offered. The Department concurs with your recommendation that adequate documentation for the calculation for the allowable rates of foster care maintenance payments for all residential care facilities be maintained to insure that the requests for payment from DSS are accurately reflected. The Department also concurs that only the actual attributable administrative expenses relating to the program and supported by documentation should be reported.

The Office of Youth Development is developing procedures to insure that documentation from DSS for the allowable foster care maintenance rates is current and maintained on file. They will also insure that only actual administrative expenses relating to the program are reported to DSS.

Through these actions, the Department will overcome the noted weaknesses in this area.

Sincerely,

A handwritten signature in cursive script that reads "Trey Boudreaux".

Bernard E. "Trey" Boudreaux, III
Undersecretary

BEB/RLG/cah

cc: Mr. Richard L. Stalder, Secretary
Mr. Ron Granier, Chief Fiscal Officer
Mr. Ed Isolani, Director/Youth Services

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B-81

P. O. Box 94304 * Capitol Station * Baton Rouge, Louisiana 70804-9304
(225) 342-6739

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DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

RICHARD L. STALDER, SECRETARY

September 11, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

re: *Wardens' residences*

Dear Dr. Kyle:

Regarding your repeat finding concerning the Wardens of Louisiana State Penitentiary (LSP) and Dixon Correction Institute (DCI) not residing on prison grounds, the Department reviewed the housing arrangements at these facilities and determined that the Department is meeting its needs in terms of on-sight availability of management personnel at these two facilities. The current allocation of housing is efficiently addressing the broad spectrum of executive, security, medical, and maintenance staffing requirements.

LSP currently has 108 houses. Many are occupied by various levels of security personnel, including a Deputy Warden 5, 8 Assistant Wardens, a Colonel and several Lieutenant Colonels. The continued utilization of available resources in making necessary repairs to staff housing rather than rebuilding the warden's residence at LSP will provide the State with a greater return on the investment, in the department's opinion.

DCI currently has three houses. The limited amount of state-owned housing at DCI does not allow for housing assignments for senior level security staff to be on the grounds. Warden Cain's residing at DCI helps to alleviate this problem by being available for call to assist Warden LeBlanc in addressing potential security problems at DCI. The security experience and support provided to DCI by Warden Cain far outweighs the additional commuting costs that are incurred.

Additionally, Warden LeBlanc has a personal residence within approximately seven miles of the institution. This distance is not significantly greater than the state housing for the institution, which is approximately five miles from the prison grounds. Because of this, Warden LeBlanc's ability to respond to emergencies is not impaired and no significant additional commuting costs are incurred by his utilizing his private residence.

Sincerely,

A handwritten signature in cursive script, appearing to read "Trey Boudreaux".

Bernard E. "Trey" Boudreaux, III
Undersecretary

cc: Richard Stalder, Secretary
Johnny Creed, Assistant Secretary/Office of Adult Services
Ron Granier, Chief Fiscal Officer



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF RISK MANAGEMENT

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

June 5, 1998

Dr. Daniel G. Kyle, PH.D., CPA, CFE
Legislative Auditor
State of Louisiana
Baton Rouge, LA 70804-9397

RE: Response to audit finding for June 30, 1998.
Lack of Review of Original Documentation

Dear Dr. Kyle:

The Office of Risk Management concurs with the finding. It is true that for most of 97/98 ORM again had no internal auditor. However, ORM wishes to point out that the Budget Office of the Division of Administration has, each year, cut the position from ORM's TO. Fiscal year 97/98 was the first year ORM was permitted to hire an internal auditor. This took some time to accomplish.

At the present time, ORM has hired a licensed CIA, Ms. Donna Buchmann. Donna has experience with the Legislative Auditors, the Division of Administration, and the Office of Risk Management's Accounting Section. She has a degree from LSU and is well qualified to perform in this important function.

Ms. Buchmann's first day of work was Tuesday, May 26, 1998. She reports directly to me, the Director, and the Assistant Director, Evon Wise. Ms. Buchmann has been through orientation, has had meetings with the Director, Assistant and the Unit Heads.

Her orientation has included a history of ORM, and for reference, prior audits, policies, and procedures. Her initial assignment is to review two or three randomly selected legal service providers for review internally and on premises. In addition an audit charter for ORM will be written and established.

ORM is excited about utilizing this employee's skills to help improve the fiscal condition of the agency.

Sincerely,

Seth E. Keener, Jr.
State Risk Director

SEK, JR./ELW/tps

c. Evon L. Wise
rsibley/wpdoc/personne/auditfind.sb



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF RISK MANAGEMENT

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

June 22, 1998

Daniel G. Kyle, Ph.D., CPA, CFE
Office of Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Response to Audit Finding-Overstatement of Reserves for Claim Payments

The Office of Risk Management has received from the Legislative Auditors a list of nine claims wherein the Office of Risk Management allegedly failed to set reserves at the levels required by the Second Injury Fund. The Office of Risk Management concurs with the finding, but makes the following comments:

ORM has recently changed its policy regarding claims which occurred prior to passage of the reserve limits and now sets reserves for all second injury claims at the legal limits regardless of occurrence date.

ORM has been making numerous changes over the past two years to improve internal control. Changes in the areas of Workers' Comp were in process but had not been completed at the time the tests for second injury claims were done. The following steps have been and are being taken to institute further internal controls regarding second injury claims.

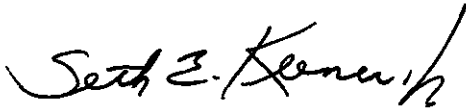
1. Monthly reports to adjusters/supervisors showing reserve limits/reserves on second injury claims.
2. Establishment of a Claims Manager position for the Workers' Comp section. Previously the Claims Manager who supervised Workers' Comp also supervised Medical Malpractice. Recognizing that this situation did not provide optimal supervision for either section, ORM now has a Claims Manager for each section.

Dr. Daniel G. Kyle
Page 2

3. Quarterly tests of second injury claims for reimbursement requests and/or receipt of reimbursements to be performed by ORM'S internal auditor.

ORM expects to have these controls established by June 30, 1998 or very shortly thereafter.

Sincerely,

A handwritten signature in cursive script that reads "Seth E. Keener, Jr." with a stylized flourish at the end.

Seth E. Keener, Jr.
State Risk Director

SEK/agg



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE

DIVISION OF FISCAL SERVICES
ADMINISTRATIVE

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BATON ROUGE, LOUISIANA 70821-3496

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MADLYN B. BAGNERIS
SECRETARY

October 1, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

The Office of Community Services (OCS) and the Office of Family Support (OFS) concurs with the finding regarding Failure to Perform Cost Allocation Samples Timely. In order to assure future compliance with RMS procedures OCS and OFS has developed a corrective action plan as follows:

OCS Corrective Action Plan

OCS concurs with the findings of the auditor. The following corrective action plan will be implemented to assure policies and procedures are followed in each office. The corrective action plan includes several steps to ensure compliance and that information is sufficiently distributed and understood by all levels of staff. OCS State Office staff is involved in each step of the plan for corrective action as a resource, a facilitator, a trainer, and an evaluator. The basic plan includes the following steps:

1. Meeting with the two regional RMS coordinators.
2. Develop proposal for each region.
3. Facilitate regional training sessions for all RMS coordinators and observers.
4. Conduct on-site visits to evaluate and monitor compliance with program.
5. Provide feedback to Regional Administrators.

Summarized below is a more detailed narrative of the agency's plans.

1. Meeting with Regional RMS Coordinators

Statewide meeting for all regional coordinators will be held. In this meeting we will review basics, including the purpose of RMS, its importance, why we use it, the methodology, etc. Coding will be explained and all questions answered concerning RMS. The general status of RMS will be given, such as audit findings of past 2 years, including the internal audit and our observations. We will also explain that RMS observations that were not done cannot be reconstructed.

Top priority will be given to obtaining feedback from the Regional Coordinators on what they see as problems, potential solutions, what they need, etc. State office staff will record all information, paying particular attention to the needs in each region. While noting problems for each region, we will seek workable solutions. These sessions will provide an environment for sharing techniques and ideas that work in the regions, as well as what does not work.

As part of our corrective action plan for RMS, State Office will conduct annual meetings. Regional Coordinators will meet at least once each year. Based on future audit findings and internal monitoring, additional meetings which include other staff will be conducted.

2. Development of Regional Meetings

From the information obtained from the regional coordinators, State Office will begin developing a proposal for the meetings that will be held in each region. Every region is different and has different needs. Therefore, each proposal will be designed specifically for each region. State Office will schedule a visit to meet with Regional Coordinator to discuss the proposal, obtain feedback and plan regional training that is specific for each regions' problems/issues.

The proposals will address specific issues for each region. We will propose options that can be considered as potential solutions. Options include backup plans, reminders, and rotation of observers on a quarterly basis, rather than monthly. Other options would include ideas obtained from the meeting.

3. Facilitate Regional Meetings

State Office staff, along with the regional coordinator in each region, will facilitate regional meetings. All coordinators and alternates, observers and alternates will be required to attend. This meeting will give some of the basic information that was shared with the Regional Coordinators at the statewide meeting, but will also focus on issues

that are specific to the region. The meeting will provide a forum for interaction between all persons involved in the RMS process. It is assumed the meetings will give more attention to regional needs while providing an opportunity for greater attention to RMS. The results should be greater compliance as information about the importance of RMS to OCS will be shared with staff. Parish staff should take the information back to each respective office to be shared with the rest of the staff.

4. Site Visit for Evaluation and Monitoring

State Office staff will conduct unannounced site visits to each RMS site on a yearly basis. Each site will be monitored for compliance and evaluated for effectiveness of training on RMS.

If an office is not in compliance with RMS policies and procedures, then additional unannounced visits will be conducted. The on-site review also provides an opportunity for local staff to ask questions which may not have been covered during the regional meetings.

5. Provide Feedback

Following on-site visits in each parish and regional office, State Office staff will review findings with parish/regional office and with Regional Coordinators. If additional corrective action is needed, it will be requested. Written reports will be completed and sent to Regional Administrators describing the findings of the on-site visits. Written clarification will also be provided concerning questions asked during the visits.

Carmen Wiesner is the contact person, she may be reached at (225)342-4011.

OFS Corrective Action Plan

The Office of Family Support agrees with the findings of the audit report. OFS will take corrective action to remedy the deficiencies which were cited in the report. The corrective action plan will include the following set of requirements which will be issued through an Administrative Bulletin:

1. Reinforce the importance of RMS sampling and monitoring activities occurring timely and accurately.
2. Increase the reporting to Regional Managers and Field Operations Division Directors of sampling deficiencies from quarterly to monthly.
3. Impose a new requirement that Parish Managers must monitor RMS sampling for each organization code in the parish at least once per month.


4. When sampling deficiencies are found, the Parish Manager must submit a corrective action plan to the Regional Manager which will address the deficiency. Additionally the Regional Manager will be required to increase the frequency of monitoring of the parish with the deficiency to once per month instead of once per quarter. The monthly monitoring will take place until the parish has gone at least three months without a deficiency.

5. Regional Managers will be required to submit their RMS monitoring reports to the Field Operations Division Director.

Don Moore is the contact person, he may be reached at (225)342-4273.

Thank you for the opportunity to respond.

Respectfully,



Thomas Joseph, CPA
Director

c: Madlyn B. Bagneris
Vera W. Blakes
Shirley Goodwin
Paula M. Roddy
Al Sanford
Thomas Joseph
Linda Robinson



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE

M. J. "MIKE" FOSTER, JR.
GOVERNOR

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MADLYN B. BAGNERIS
SECRETARY

November 5, 1998

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
1600 N. Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: INADEQUATE CONTROLS OVER FOSTER CARE PROGRAM

Dear Dr. Kyle:

Attached is our official response from the Office of Community Services concerning the findings dealing with Inadequate Controls Over Foster Care Program.

If you have any questions, please contact Carmen Weisner at 342-4035.

Respectfully,

Thomas Joseph
Thomas Joseph, CPA
Fiscal Director

c: Madlyn B. Bagneris
Paula Merrick-Roddy
Al Sanford
Shirley Goodwin
Bob Hand
Linda Robinson
Malcolm Myers

SOCIAL SERVICES, DEPARTMENT OF

Inadequate Documentation of Foster Care Payments

CONDITION #1

Seven of 50 payments (14 percent) that totaled \$1,612 of the \$5,468 (30 percent) examined were not supported by the required documentation.

RESPONSE

OCS concurs with the findings. For the errors associated with claim processing, the corrective action plan is to have a pop up window for the TIPS with a reminder to print and file the 106 service authorization in the case record when the record adding the service authorization passes the edits into the system. Currently the user gets a congratulatory message that 106 has been updated, we will continue to display a little window with this reminder.

CONDITION #2

Eight of the 40 cases (20 percent) examined were not re-determined eligible for foster care within the six-month time frame.

RESPONSE

OCS concurs with the findings. However, OCS maintains Title IV-E eligibility criteria were met for three of the eight cases. Federal regulations require redeterminations to be completed annually. OCS has established six month guidelines only as general procedures to stay within the one year requirement for annual redeterminations. These procedures allow OCS flexibility in conducting redeterminations at the time Family Team Conferences are held and allow for unforeseen circumstances such as computer downtime which prevent the completion of the redetermination while still remaining in federal compliance. In three of the eight cases, the redetermination were completed annually.

OCS will revise the Financial Assessment Manual to reflect the philosophy of state procedures that allow flexibility of redeterminations. OCS is currently implementing a plan for corrective action which includes a review of cases for overall compliance of six month redetermination procedures. State Office staff will utilize the review findings to determine problematic areas to address with OCS staff.

CONDITION #3

Two of the 40 foster homes or residential facilities (five percent) were not re-certified within one year.

RESPONSE

OCS concurs with the finding. The agency has automated controls to remind the worker that the foster home requires a re-evaluation. In addition, overdue notices are forwarded to the worker if the re-evaluation is not reported as completed on the Louisiana Adoption Resource Exchange (LARE). As part of the agency's corrective action plan the agency shall issue a directive statewide reminding staff of the importance of the re-evaluation.



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GOVERNOR

MADLYN B. BAGNERIS
SECRETARY

November 19, 1998

Dr. Daniel Kyle, CPA, CFE
Office of the Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Kyle,

Refer to Mr. William Burch's letter of November 9, 1998 regarding your audit of the TANF program.

We concur with the findings of this audit. You identified areas where the agency failed to follow established procedures or failed to adequately document case records. Erroneous payments possibly occurred only in the three cases where the agency failed to verify the reasonableness of the child care payment to the client's participation. Recovery action will be taken, if indicated. No erroneous sanctions were applied.

Corrective action will be taken to address the errors identified in your audit. A statewide Corrective Action Memorandum will be released advising all staff involved in the administration of the TANF program of the results of your audit. All staff will be reminded of the proper procedures to address each of the deficiencies you cited. Staff responsible for second level case reviews will be instructed to pay particular attention to these areas to assure compliance. This Corrective Action Memorandum will be released no later than December 15, 1998.

Please contact Vera W. Blakes, OFS Assistant Secretary if you additional information is needed.

Sincerely,

A handwritten signature in cursive script that reads "Thomas Joseph".

Thomas Joseph, Director
Fiscal Services



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES

M. J. "MIKE" FOSTER, JR.
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November 19, 1998

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
1600 N. Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

**RE: INADEQUATE CONTROLS OVER VOCATIONAL REHABILITATION
GRANTS TO STATE PROGRAMS**

Dear Dr. Kyle:

In response to the above referenced audit finding, the Department of Social Services submits the following:

Finding: Part A "Seven of 20 payments (35%) that totaled \$2,306 of the \$9,406 (25%) examined were not signed and dated as audited prior to input into the BRIS system." Part B "Two of 20 payments (10%) that totaled \$257 (3%) were not supported by purchase order requisition documents filed in the case file."

Response: LRS concurs with Part A of this finding. LRS is unable to either concur or disagree with Part B of this finding without knowing the exact service in question. Purchase order requisitions are not required for services of general medical exams, psychological exams, or vocational evaluations. Given the dollar amount of this finding (\$257), it appears that this could be a payment for such diagnostic exams.

Corrective

Action: Although LRS's BRIS Fiscal Manual contains procedures (attachment 1, page 39) that require a signature and date on the BRIS 3 on the audited by line, LRS has made a change to include this requirement in Section IV, BRIS 3 Payment Process, page 154 (attachment 2) to further clarify this issue. LRS will also instruct Regional Managers to hold an in-service training no later than January 29,

Page 2

November 18, 1998

Dr. Daniel Kyle, PH.D., CPA, CFE

1999, to review these procedures with appropriate staff. Contact Person who will ensure that training has been provided: Claire Hymel, LRS Bureau Administrator.

Finding: One of 20 cases (5%) examined failed to document the extension of the 60 day determination and to obtain the required written approval by the client or his representative.

Response: Without knowing the date or case related to this audited record, LRS is unable to either concur or disagree with this finding. LRS' Policy (attachment 3) initially required "written" agreement from the client. However, after further examination of both the federal guidelines (attachment 4) and the Rehabilitation Act (attachment 5), LRS determined that the Agency was not required to obtain "written" agreement, only that "the individual agree to a specific extension of time." In LRS' efforts to expeditiously and effectively provide services to clients, LRS amended its Policy (attachment 6) to require that "the client agrees to an extension of time..." The verbal agreement by the client is then narratively entered into the client's case record. Therefore, no corrective action is planned; as LRS is in compliance with the Rehabilitation Act and Federal Regulations.

Finding: One of 20 cases (5%) examined failed to properly follow established procedures in the closing of a case.

Response: LRS has established policy and procedures (Attachment 7) relative to case closure. The agency agrees with this finding.

**Corrective
Action**

LRS has established procedures (attachment 8) relative to monthly in-service training in the Regions. LRS will instruct the Regional Managers to review the Agency's Policy and Procedures on case closure as a part of the region's in service training no later than January 29, 1999. Contact Person who will ensure that training has been provided.: Claire Hymel, LRS Bureau Administrator.

Finding: For the month of December 1997, the amount reported on the PMS 272 report did not reconcile with the amount of expenditures reported in the department's internal statement of expenditures. The amount per the PMS 272 report was \$2 million less for the 1997 grant, and \$2.25 million less for the 1998 grant than the amount per the statement of expenditures

Page 3

November 18, 1998

Dr. Daniel Kyle, PH.D., CPA, CFE

Response: The December, 1997 PMS report was completed on January 23, 1998 but the internal statement of expenditures was not completed until January 26, 1998. Expenditures reported on the PMS report did not include journal vouchers that were prepared by the LRS office. Reconciling of PMS and the internal statement of expenditures was done after the fact considering the journal vouchers and a quarterly adjustment that was posted to the form 269 (quarterly federal report).

The correct expenditures were to be reported on the January, 1998 PMS report but the report was discontinued as of December, 1997. Federal regulations dictated the PMS report was to be submitted no later than the 25th of each month. Regulations also allowed expenditures to be reported in the month following the actual occurrence of expenditures as reflected on the internal statement of expenditures. An ongoing reconciliation of grant balance per this agency versus grant balance per the feds is in process. Based on this information, we neither concur nor disagree with this finding.

Finally, with respect to 'case services process issues,' matters of this kind are routinely handled through LRS' in-service training, as outlined in attachment 8. LRS also has Quality Assurance Guidelines in place (Attachment 9) to assist the agency in responding to program issues. LRS also has a Rehabilitation Counselor Training Academy (Attachment 10) and will hold an Academy for the Rehabilitation Counselor Associates early next year. During these training programs, LRS routinely addresses case service process issues, such as those outlined in the audit finding.

If you have any questions, please do not hesitate to contact Ms. May Nelson at 925-4184.

Respectfully,



Thomas Joseph, CPA
Fiscal Director

c: Madlyn B. Bagneris
Paula Merrick-Roddy
Al Sanford
May Nelson
Linda Robinson
Malcolm Myers



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE

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SECRETARY

November 4, 1998

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
1600 N. Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: **INADEQUATE MONITORING OF SUBRECIPIENTS**

Dear Dr. Kyle:

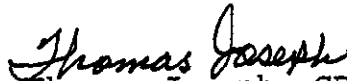
The exit conference for the 96/97 audit period was held on March 11, 1998. The Department of Social Services (DSS) was cited for a similar finding (F-97-AG-DSS1). During the discussion of the finding, it was made abundantly clear through a partial chronology of correspondence that, as early as May 28, 1996, your office was queried directly on the steps we needed to take to be in compliance with the pending revisions to OMB Circular A-133, Audits of States, Local Government and Nonprofit Organizations. When pressed about this issue, the Director of your office for Financial and Compliance Audit made the statement that if the contract clause was altered to reflect the appropriate guidance, this finding would be a thing of the past. Attached is the clause reflecting the guidance of the previously-referenced audit prescription, along with the appropriate guidance for those subrecipients that fall below the \$300,000 threshold for audits. Concurrent with this, is the implementation of an evaluation process for each contract which is entered into the contract system and forwarded for further processing. This system was activated for the 98/99 period, since the advice desired for the 97/98 period was proffered at a date too late for implementation.

To our mind's eye, we have complied with the guidance your staff offered. Therefore, we are perplexed as to why this finding has resurfaced. Once again, we are requesting a determination as to the adequacy of this clause. Please advise us of any amendments that need to be made.

Page 2
Dr. Daniel G. Kyle
Inadequate Monitoring of Subrecipients
November 4, 1998

Also attached are the responses from our respective offices concerning the findings dealing with inadequate monitoring of contractors.

Respectfully,


Thomas Joseph, CPA
Fiscal Director

During the performance of this agreement, the Contractor hereby agrees to the following terms and conditions:

1. Contractor hereby agrees to adhere to the mandates dictated by Title VI and VII of the Civil Rights Act of 1964, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Sec. 503 of the Rehabilitation Act of 1973; Sec. 202 of Executive Order 11246 as amended; Americans with Disabilities Act of 1990, and all requirements imposed by or pursuant to the regulations of the U.S. Department of Health and Human Services. Contractor agrees that he/she will not discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, age, national origin, sexual orientation, handicap, political beliefs, disabled veteran, veteran status or any other non-merit factor.
2. Contractor shall abide by all laws and regulations concerning confidentiality which safeguard information and the patient/client confidentiality.
3. Contractor grants to the State of Louisiana, through the Office Legislative Auditor, Department of Social Services, Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract. Contractor is expected to comply with federal and/or state laws requiring an audit of contractor's operation as a whole or of specific program activities.

SUBRECIPIENT CONTRACTOR

Any subrecipient contractor who expends \$300,000 or more in federal funds annually is required to obtain a single audit. Contractor shall inform Agency within thirty (30) days after the end of their fiscal year whether or not a single audit is to be performed. If a single audit is expected, then the Contractor will send Agency a copy of the engagement letter. The audit shall be conducted in accordance with generally accepted auditing standards contained in the Governmental Auditing Standards-Standard for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the United States General Accounting Office, Single Audit Amendments of 1996 (Public Law 104-156), the provisions as specified in OMB Circular A-133-revised June 24, 1997, Audits of States, Local Governments, and Non-Profit Organizations, and any other applicable State and/or Federal regulations. Contractor shall furnish Agency with four (4) copies of the audit covering funds awarded under this contract. All reports and engagement letters are to be forwarded to: La. Department of Social Services, c/o: OMF/External Audit, P.O. Box 3927, Baton Rouge, LA 70821.

If the cost of the audit is to be recovered through this contract, the audit engagement letter prepared by the CPA performing the audit shall include a budget showing the portion of cost allocated to each program/contract included in the audit.

For those subrecipients who expend less than \$300,000 per year in federal funds, they will follow the compliance/attestation guidance offered in the Louisiana Governmental Audit Guide (revised January 1, 1998) pertaining to quasi-public entities, as prepared by the La. Society of CPAs. Upon completion, four (4) copies of this report will be forwarded to: La. Department of Social Services, c/o: Office of Management and Finance, P.O. Box 3927, Baton Rouge, LA 70821.

4. Contractor agrees to retain all books, records, and other documents relevant to contract and funds expended thereunder for at least four (4) years after final payment or as described in 45 CFR 74:21 (b) whichever is longest, and; if Medicare reimbursable, these shall be made available to the Secretary, U.S. DHHS and the U.S. Comptroller General, and their representatives to certify nature and extent of costs of services, as provided at Section 2440.4 of the Provider Reimbursement Manual (HIM 15-1).
5. Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Agency thereto, provided, however, that claims for money due or to become due to the Contractor from the Agency under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be promptly furnished to the State.
6. Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this agreement and/or legislative appropriation shall be said Contractor's obligation.
7. It is agreed that in consideration for the goods delivered or services performed, the Agency shall make all checks payable to the order of Contractor in the amounts expressed or specified in the agreement. In cases where travel and related expenses are required to be identified separate from the fee for services, such costs shall be in accordance with State Travel Regulations and shall be specified under "Special Provisions." It is further agreed that Contractor accepts payment made under the terms of the agreement in full for services delivered.
8. No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition of matter having the effect of law being considered by the legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.
9. Should Contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify appointing authority of any existing contract with the State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.
10. When applicable, upon completion of this contract or if terminated earlier, all records, reports, worksheets or any other materials related to this contract shall become property of the state.
11. Contractor shall not enter into any subcontract for work or services contemplated under this agreement without obtaining prior written approval of the Agency (which approval shall be attached to the original agreement). Any subcontracts approved by Agency shall be subject to conditions and provisions as the Agency may deem necessary; provided, however, that notwithstanding the foregoing, unless otherwise provided in this agreement, such prior written approval shall not be required for the purchase by the contractor of supplies and services which are incidental but necessary for the performance of the work required under this agreement; and provided, further, however, that no provisions of this clause and no such approval by the Agency or any subcontract shall be deemed in any event or manner to provide for the incidence of any obligation of the Agency beyond those specifically set forth herein. Further provided that no subcontract shall relieve the Contractor of the responsibility for the performance of any subcontractor.
12. Any alterations, variations, modifications, or waivers of provisions of this agreement shall be valid only when they have been reduced to writing, duly signed, and attached to the original of this agreement. No claim for services furnished or requested for reimbursement by Contractor, not provided for in this agreement, shall be allowed by Agency.
13. In the event the Agency determines that certain costs which have been reimbursed to Contractor pursuant to this or previous agreements are not allowable, the Agency shall have the right to set off and withhold said amounts from any amount due the Contractor under this agreement for costs that are allowable.



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M. J. "MIKE" FOSTER, JR.
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MADLYN B. BAGNERIS
SECRETARY

November 2, 1998

MEMORANDUM

TO: Thomas Joseph, Director
Fiscal Services

FROM: Shirley B. Goodwin *SBG*
Assistant Secretary

RE: Official Response For Legislative Auditor
Inadequate Monitoring of Subrecipients

Attached please find the official response from OCS relative to the above referenced audit finding. If you have any questions, please contact Carmen D. Weisner, Assistant Division Director at 342-4035.

SBG/cdw

Attachment

cc: Richard Duscoe
Robert Hand
Carmen Weisner

**Office of Community Services Response
Inadequate Monitoring of Subrecipients**

The Office of Community Services has a long history of interface with the Department of Public Safety and Corrections, Office of Youth Development, relative to providing Title IV-E funds for federal foster care expenses incurred for providing these services to eligible children. The contract between the Department of Social Services and the Department of Public Safety and Corrections details the roles and responsibilities of these agencies in terms of complying with the mandates of Title IV-E.

We do not agree that OCS has no monitoring system for the Foster Care – Title IV-E (CFDA 93.658) program. The basis of this disagreement is as follows:

- By contract, the Department determines initial eligibility and redetermination of that portion of the DPSC/OYD population that is IV-E eligible.
- The billings for reimbursable expenses are reviewed by staff within OCS to determine if the youth identified by invoice as receiving the service are actually IV-E eligible during the service period.
- OCS has required that OYD develop a system for administrative review that is comparable to the one maintained by OCS.
- OYD receives copies of federal directives and participates in federal meetings and consultations.
- The DPSC/OYD, by contract and federal regulations, must submit data for the Adoption and Foster Care and Analysis Reporting System (AFCAR) on the cases that are eligible for Title IV-E funds. The data is transmitted prior to the federally required state transmission date. It is subject to screening by OCS prior to official transmission. The State's data transmitted reporting period under review passed the federal threshold for compliance.

It is this Department's position that when a pass-through entity (OCS for IV-E funds) knows that a subrecipient will have a Circular A-133 audit, it may reduce the amount of monitoring it performs because it can rely on the single audit results to identify problems with or provide assurance about a subrecipient's compliance with program requirements. It is our understanding that a subrecipient has a responsibility to provide OCS with a copy of its single audit report when the pass-through entity is affected by findings responded in the Schedule of Findings. We have not received such notice but will reiterate this responsibility in future contracts with DPSC/OYD.

To minimize the potential for future findings relative to inadequate monitoring of subrecipients, the OCS will require that we receive on a quarterly basis a summary of its internal monitoring reports relative to administrative review compliance.



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M. J. "MIKE" FOSTER, JR.
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MADLYN B. BAGNERIS
SECRETARY

October 28, 1998

MEMORANDUM

TO: Thomas Joseph, Director
Fiscal Services

FROM:  Vera W. Blakes, Assistant Secretary
Office of Family Support

RE: Official Response For Legislative Auditor
Inadequate Monitoring Of Subrecipients

Please refer to your correspondence of October 23, 1998.

Attached is a response to the findings relative to the Office of Family Support.

If you have any questions, please advise.

RPT/kb

Finding: Within the Office of Family Support, a monitoring system has been implemented; however, the system does not include procedures to ensure that the federal award information and applicable compliance requirements are provided to the subrecipient. Also, the office failed to ensure that subrecipients used federal funds within the Temporary Assistance for Needy Families (TANF) (CFDA 93.558) program in accordance with authorized purposes.

Response:

The Office of Family Support does and has taken steps to ensure subrecipients are aware of the monitoring and auditing responsibilities attached to entering into contractual arrangements with us. The information relative to contract auditing is included in the revised standard Contract Form DSS CF-1.

The Agency not only includes the revised standard provision in the Contract Form DSS CF-1, we also provide training to the subrecipients. We monitor contracts for programmatic compliance but we do not audit them. However, we do require audits in accordance with OMB Circular A-133.

The Office of Family Support will continue to vigorously ensure that subrecipient contractors are monitored and audits are performed in accordance with OMB Circular A-133.

In areas where the Department of Social Services has administrative responsibility, we defer to them the following findings:

Finding: While monitoring procedures have been developed to ensure that subrecipients or cost-reimbursement contractors are audited, the department did not implement these procedures until March 1998. For fiscal year 1997/98, the department can not ensure that all required audits were received.

Finding: Within the Office of Community Services, no monitoring system has been developed or implemented to monitor the subrecipient of the Foster Care - Title IV-E (CFDA 93.658) program.



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES
ADMINISTRATIVE

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November 6, 1998

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
1600 N. Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: EXCESS FEDERAL FUNDS

Dear Dr. Kyle:

Attached is our official response from the Office of Community Services concerning the findings dealing with Excess Federal Funds.

If you have any questions, please do not hesitate to contact Mr. Bob Hand at 342-5188.

Respectfully,

Thomas Joseph
Thomas Joseph, CPA
Fiscal Director

c: Madlyn B. Bagneris
Paula Merrick-Roddy
Al Sanford
Shirley Goodwin
Bob Hand
Linda Robinson
Malcolm Myers

November 6, 1998

RESPONSE TO LEGISLATIVE AUDIT FINDING RELATED TO EXCESS FEDERAL FUNDS:

The matter under question in this finding relates to a balance of Social Services Block Grant funds (100% federal) which were on hand at June 30, 1997. The agency reclassified \$5,927,314 in administrative expenditures during the period between June 30, 1997 and the official close for FY 96-97 at August 15, 1998. These federal funds were then carried forward into FY 97-98 for expenditure in the Child Welfare program. As a result of changes in the Department's draw down practice for federal funds in OCS, the expenditure pattern was altered. The result of this change in expenditure pattern delayed the expenditure of these carryover funds in a timely manner. These excess funds were not expended until November 1997.

This finding was listed in the audit exit conference held with the Department in March 1998 for the Fiscal Year ending June 30, 1997, under the listing "Other Items of Discussion". The Office of the Legislative Auditor assumed the position that interest penalty should be assessed on these federal funds and made contact with Mr. Jim Knox, CMIA Program Director for FMS in Washington, D.C. regarding the assessment of interest penalty against the state for holding these excess federal funds. It was further stated that this finding would be reflected in the audit for FY 97-98 if Mr. Knox continued to support the position taken by the Office of the Legislative Auditor.

Since the finding is indeed included in the FY 97-98 audit report for this Department, we must assume that the Office of the Legislative Auditor has some indication that there is agreement at the federal level that the Department is liable for interest penalties. To date, the Department has not received any information directly from Mr. Knox or any other federal representative relative to this finding, nor has the Department received any information from the Office of the Legislative Auditor indicating the intention of the federal government relative to any assessment of interest penalty.

Following a letter dated February 6, 1998, from Mr. Thomas Joseph, Director, Division of Fiscal Services for the Department to Ms. Margaret Franklin, Office of the Legislative Auditor, advising that the Department would not pursue action to obtain an opinion from the federal government, this matter was referred to Mr. Howard Carlton, Office of Statewide Reporting and Accounting Policy (OSRAP) for review and recommendation. This Department was advised by OSRAP that they do not support the position that interest penalties are due on these funds. Accordingly, the Department is presently planning no further action in this matter. The Department does, however, acknowledge that the holding of large amounts of excess federal revenue is inconsistent with the CMIA of 1990. In an effort to more effectively manage its state and federal revenue, OCS has established quarterly meetings with the Cash Management Section of DSS to review and adjust revenue drawdown patterns as necessary.



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

July 24, 1998

TO: Ms. Cheryl Sullivan

FROM: F. Howard Karlton, CPA
Director

SUBJECT: CMLA Reports

The Office of Statewide Reporting and Accounting Policy (OSRAP) has been made aware that DSS has drawn administrative funds untimely in regard to the Cash Management Improvement Act of 1990. Although the FY 96-98 Treasury/State Agreement states "The State and the Secretary (of the U. S. Treasury) agree that no interest liabilities shall be incurred or calculated for indirect costs or administrative cost grants", we feel the reports should show how the federal dollars were actually applied. No interest penalties will be calculated for this.

If you have any questions concerning this matter please contact Ms. Gaye Smith at (504) 342-1094.

FHK/gs



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES
ADMINISTRATIVE

333 LAUREL STREET - 4TH FLOOR
P. O. BOX 3927 - PHONE - 504/342-4247 - FAX # 504/342-4220
BATON ROUGE, LOUISIANA 70821-3496

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MADLYN B. BAGNERIS
SECRETARY

February 6, 1998

Ms. Margaret Franklin, CPA, AIC
Legislative Auditor's Office
State of Louisiana
1600 N. Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: EXCESS FEDERAL FUNDS

Dear Ms. Franklin:

After careful consideration, the Department of Social Services will not pursue an attempt to obtain an opinion from the Federal Government regarding interest penalties for cash drawn for the SSBG. It is our opinion that this opinion should be pursued by the DOA.

It is the opinion of DSS that the original response submitted by this department is a fair representation of our position, and will suffice for purposes of responding to any further concerns your office may have regarding this matter.

Sincerely,


Thomas Joseph
Director

c: Madlyn B. Bagneris
J. Renea Austin
Shirley Goodwin
Al Sanford
Bob Hand
Kathleen Morales
Cheryl Sullivan



State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES
ADMINISTRATIVE

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MADLYN B. BAGNERIS
SECRETARY

333 LAUREL STREET - 4TH FLOOR
P. O. BOX 3927 - PHONE - 504/342-4247 - FAX # 504/342-4220
BATON ROUGE, LOUISIANA 70821-3496

October 23, 1998

MEMORANDUM

TO: SHIRLEY GOODWIN, ASSISTANT SECRETARY
OFFICE OF COMMUNITY SERVICES

FROM: THOMAS JOSEPH, DIRECTOR *Thomas Joseph*
FISCAL SERVICES

RE: OFFICIAL RESPONSE FOR LEGISLATIVE AUDITOR
NONCOMPLIANCE WITH CASH MANAGEMENT IMPROVEMENT
ACT - EXCESS FEDERAL FUNDS

Please respond to the attached request for an official response for my signature and return to me ASAP, but no later than October 28, 1998.

If you have an questions, contact me at 342-4247.

c: Madlyn B. Bagneris
Paula Merrick-Roddy
Al Sanford
Bob Hand
Linda Robinson
Malcolm Myers

January 28, 1998

MEMORANDUM:

TO: Thomas Joseph, Director
Fiscal Services

FROM: Shirley B. Goodwin
Assistant Secretary

RE: Official Response for Legislative Auditor

Attached please find our response to the finding of the Legislative Auditor as it relates to "Excess Federal Funds". Please include our comments in the Department's official response.

As you know, this response was delayed due to a meeting with Legislative Audit staff on January 22, 1998. Following that meeting, the Legislative Audit staff was to confirm that this audit finding would stand as written. We have not received any contact in this regard, and have decided to respond at this time.

Thank you for your time and cooperation.

SBG/rjh

Attachment

cc: Madlyn B. Bagneris
J. Renea Austin
Brenda L. Kelley
Al Sanford
Bob Hand

RESPONSE TO AUDIT FINDING RELATED TO EXCESS FEDERAL FUNDS:

While this finding specifically addresses an issue related to an interpretation of the terms of the agreement between the state and the federal government as outlined in the Cash Management Improvement Act (CMIA) of 1990, the finding does not speak to the circumstances under which these revenue shifts were made. The reviewing auditor did speak with the Cash Management Section of DSS, but did not speak to anyone in the program office (Office of Community Services [OCS]) responsible for administering the Social Services Block Grant (SSBG) prior to issuing this finding. As such, it is our opinion that the auditor did not gain a full understanding of the complexity of the child welfare funding streams, especially Title IV-B, Parts 1 and 2, and Title IV-E, and did not understand the financing management decisions involved in carrying out the mission of this agency.

The mix of federal funds and the required SGF match utilized in funding child welfare services is a complex issue. Children are court-ordered into the state's custody, with OCS designated as the agency responsible for their care and safety. Generally, services for these children/families are directed by the juvenile courts. The eligibility of these children/services for certain revenue streams is not known prior to actual custody or delivery. As such, OCS monitors its use of federal and SGF stringently to assure adequacy of appropriate funds. Extensive eligibility procedures are in place to maximize client eligibility for federal funds. As expenditure patterns for a fiscal year develop, revenue shifts are made to maximize the funds available for child welfare services, which includes positioning the agency to carryover available federal funds into the next fiscal year. The judicious use of state and federal revenue has enabled the agency to carry-out its stated mission of caring and protecting those children placed in its custody.

We do not agree with the statement "the department should reimburse the federal government for the remaining \$1,644,089 of overdrawn funds". These expenditures are eligible for and are currently charged against SSBG. These expenditures are also eligible for charge against Title IV-A/Emergency Assistance funds. The federal liaison has been contacted by DSS and indicates that these IV-A funds are forthcoming. When these funds are available, it is the intent of the agency to adjust these expenditures to charge against IV-A rather than SSBG. However, since these funds are currently appropriately charged, we fail to see the reasonableness of this finding.

While the audit finding states that "excess federal funds of \$7,491,065 (were) on hand at June 30, 1997, in the SSBG", careful review reveals that this position was not established until the Department completed its closeout on August 14, 1997. As such, the normal drawdown pattern for SSBG was followed, resulting in a larger amount of SSBG revenue on-hand than is normal practice. Again, the reasonableness of this finding is questioned.

In summary, OCS concurs that the holding of large amounts of excess federal revenue is inconsistent with the CMIA of 1990. In an effort to more effectively manage its state and federal revenue, OCS will establish quarterly meetings with the Cash Management Section of DSS to review and adjust revenue drawdown patterns as necessary.

INCORPORATED 1890 RELOCATED 1914
SOUTHERN
UNIVERSITY
Agricultural & Mechanical College

Office of the Chancellor
P. O. Box 9374
[504] 771-5020
FAX [504] 771-2018

December 29, 1998

Dr. Daniel Kyle
Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

Attention Ms. Joann Sanders

Dear Dr. Kyle:

Enclosed are responses from the Southern University - Baton Rouge Campus to the Federal Grants Financial and Compliance Audit for the year ended June 30, 1998.

Please let me know if you need additional information.

Sincerely,



Edward R. Jackson
Chancellor

/brs

Enclosures

B-110

SOUTHERN UNIVERSITY - BATON ROUGE
Response to Federal Grants
Financial and Compliance Audit Report
 FOR THE YEAR ENDED JUNE 30, 1998

Date: December 29, 1998

Audit Finding	Corrective Action Plan	Anticipated Completion Date	Contact Person(s)
97-01 Satisfactory Academic Progress	<p>The University's Satisfactory Academic Progress policy has been revised and submitted to the United States Department of Education for review. A computerized program is being developed to fully automate the SAP process. This program will eliminate the need for human intervention and allow Satisfactory Academic Progress to be determined, monitored and processed electronically.</p>	<p>June 30, 1999</p>	<p>Ms. Debra Ephrom</p>
97-02 Federal Family Education Loan Limits	<p>The student identified in this finding exceeded the aggregate loan limit because the amount borrowed at the previous school attended was not included on the aggregate screen used by the University to verify loan limits. The University will work with the Financial Aid Management System support staff and the NSLDS staff at the Department of Education to establish a method of including transfer students' data on the aggregate loan screen.</p>	<p>June 30, 1999</p>	<p>Ms. Debra Ephrom</p>

SOUTHERN UNIVERSITY - BATON ROUGE
Response to Federal Grants
Financial and Compliance Audit Report
 FOR THE YEAR ENDED JUNE 30, 1998

Date: December 29, 1998

Audit Finding	Corrective Action Plan	Anticipated Completion Date	Contact Person(s)
97-03 Aid in Excess of Documented Need	The University will closely monitor the awards of all Title IV recipients to prevent over awards from occurring. The University will develop a computer program which will check the cost of attendance against the amount awarded to identify if an over award has occurred. If it is determined that an over award has occurred, the University will take appropriate and timely corrective action to resolve this condition.	June 30, 1999	Ms. Debra Ephrom



SOUTHERN UNIVERSITY AT NEW ORLEANS

6400 Press Drive
New Orleans, LA 70126
(504) 286-5311
FAX (504) 284-5500

OFFICE OF THE CHANCELLOR

January 4, 1999


Dr. Daniel G. Kyle
Office of Legislative Auditor
State of Louisiana
1600 Riverside North
P.O. Box 94397
Baton Rouge, LA 70804-9197

Attention: Ms. JoAnn Sanders

Dear Dr. Kyle:

Attached, please find the University's response to the 1997-98 Financial Aid Audit Finding (Title IV Refunds).

Sincerely,


Gerald C. Peoples
Chancellor

/lh

Attachment

c: Mr. Tolor E. White
Mr. Junius W. Robinson, Jr.
Mr. Gerald Williams
Mr. Edward Phillips

**SOUTHERN UNIVERSITY AT NEW ORLEANS
CORRECTIVE ACTION PLAN - SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 1998**

January 4, 1999

AUDIT FINDING	PROPOSED CORRECTIVE ACTION	PROJECTED COMPLETION DATE	CONTACT PERSON
<p>Title IV Refunds:</p> <p>Conditions</p> <ul style="list-style-type: none"> • Twelve (12) refunds out of thirteen (13) tested were not remitted to the Title IV Program within the prescribed timeframe. • One (1) refund out of thirteen (13) tested was incorrectly calculated; • Two (2) refunds out of thirteen (13) tested was distributed to the incorrect Title IV Program; • Three (3) repayments were not performed. 	<p>The University will adhere to established procedures to ensure that:</p> <ul style="list-style-type: none"> • Refunds are calculated, distributed to the correct Title IV Program and remitted within the prescribed timeframe; and • Repayments are performed as required. 	<p>March 15, 1999</p> <p>March 15, 1999</p>	<p>Mr. Gerald Williams, Comptroller</p> <p>Mr. Gerald Williams, Comptroller</p>



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**Southern University at Shreveport-Bossier City
Office of the Chancellor**

Dr. Daniel Kyle,
Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, LA 70802

Dear Dr. Kyle:

Enclosed, please find the Corrective Action Plan for the audit finding for Southern University at Shreveport-Bossier City, contained in the Single Audit Report for the State of Louisiana for year ending June 30, 1998.

Should you require additional information, please contact me at (318) 674-3311.

Sincerely,

Mr. S. Albert Gilliam,
Interim Chancellor

c: Dr. Leon Tarver, II
Mr. Tolor White

B-115

3050 Martin Luther King, Jr. Drive - Shreveport, Louisiana 71107

Phone: (318) 674-3312 Fax: (318) 674-3374

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SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY
 Corrective Action Plan
 Single Audit Report
 Year Ending June 30, 1998

DATE: December 29, 1998

FINDING	PROPOSED CORRECTIVE ACTION	PROJECTED COMPLETION DATE	PERSON RESPONSIBLE
<p>6. REFUNDS TO THE TITLE IV PROGRAM Ten (10) refunds out of ten (10) tested, were not remitted to the applicable Title IV Program within thirty days.</p>	<p>Southern University at Shreveport-Bossier City will adhere to established procedures for processing Title IV refunds within the prescribed time frame.</p> <p>Procedures will be reviewed and revised to insure the timely reporting of withdrawals by the Registrar's Office and calculations by Business Office Personnel.</p>	<p>March, 1999</p>	<p>Mrs. Jeanette Williams, Registrar, Mr. Bobby Gray, Director of Accounting Services, Mr. Benjamin W. Pugh, Vice-Chancellor for Fiscal Affairs and Administration</p>



State of Louisiana

BOARD OF TRUSTEES
STATE EMPLOYEES GROUP BENEFITS PROGRAM
P.O. BOX 44036, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804

November 20, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804

Dear Dr. Kyle:

In response to your letter dated November 17, 1998 relative to the audit finding on *Failure to Reconcile Financial Records*, please note the following.

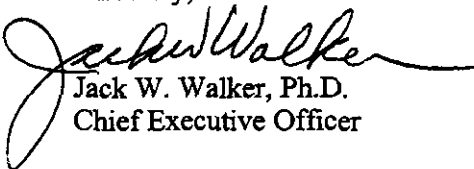
- ***The State Employees Group Benefits Program did not reconcile health claims expenditures recorded in the state's general ledger accounting system to health claims expenditures recorded in its subsidiary health claims processing system prior to submitting its Annual Fiscal Report to the Office of Statewide Reporting and Accounting Policy.***

We concur with this finding. The amounts reflected on the financial statements represent actual claims checks issued and cash deposits received. The differences between these amounts and amounts reported in our claims processing system are due to the fact that we generally make adjustments to our claims processing system on an accrual basis.

We have contracted with a consultant to assist in determining how a reconciliation between the two systems can be accomplished.

The contact person responsible for corrective action is Mr. Bruce Minor.

Sincerely,


Jack W. Walker, Ph.D.
Chief Executive Officer

cc: Kip Wall
Bruce Minor

B-117

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NEW ORLEANS 504/826-2485 • SHREVEPORT 318/676-7026
TDD Toll-Free (LA Only) 1-(800)-259-6771 • Toll Free 1-(800) 272-8451 (LA Only)



State of Louisiana

BOARD OF TRUSTEES
STATE EMPLOYEES GROUP BENEFITS PROGRAM
P.O. BOX 44036, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804

December 3, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804

Dear Dr. Kyle:

In response to your letter dated November 20, 1998 relative to the audit finding on *Improper Claims Payments*, please note the following.

- **The State Employees Group Benefits Program's internal control system did not effectively prevent overpayments of health claims.**

We concur with this finding in part. There were incidences of overpayments which should not have occurred. The agency has implemented internal controls to reduce overpayments to members. The agency is in the process of determining and evaluating reasons for overpayments and will seek to insure that overpayment levels are at or below industry acceptable standards.

The contact person responsible for corrective action is Kip Wall.

Sincerely,

A handwritten signature in cursive script that reads "Jack W. Walker".

Jack W. Walker, Ph.D.
Chief Executive Officer

cc: Kip Wall

B-118

An Equal Opportunity Employer

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NEW ORLEANS 504/826-2485 • SHREVEPORT 318/676-7026

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State of Louisiana

BOARD OF TRUSTEES
STATE EMPLOYEES GROUP BENEFITS PROGRAM
P.O. BOX 44036, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804

November 17, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804

Dear Dr. Kyle:

In response to your letter dated October 29, 1998 relative to the audit finding on *Inadequate Information Systems Controls*, please note the following.

1. SEGBP did not have adequate disaster recovery procedures as follows:

- *The claims processing system failed on June 10, 1998, and was not operational until June 22.*

We concur with this finding. In the reconfiguration of the agency's system, additional disk storage units were installed on or about October 30, 1998 and at the same time and through this reconfiguration, mirrored disk units were set up. This allows data to be written to two disk units simultaneously. Should one disk fail, the other unit maintains mirrored copies of data and the agency can continue to process without interruption while the failed disk is replaced. In addition, we have ordered a larger and faster tape back up unit.

- *In addition, the claims imaging system failed in October 1997 and initial attempts to recover the lost images were aborted after an error occurred in the tape recovery process.*

We concur with this finding. We have been working with a vendor since the conversion to restore the system's former images. We have the hard copies of these claims. The audit process should not be hampered.

- *SEGBP did not prepare reports on the June 1998 and October 1997 systems failures.*

We concur with this finding.

- *SEGBP did not have an off-site processing contract.*

We concur with this finding. We are in the process of developing a recovery plan to ensure that claims are paid timely in the event of a disaster. All options will be considered, including contracting with an off-site data processing center to provide assistance with the processing of claims and other support activities.

B-119

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NEW ORLEANS 504/826-2485 • SHREVEPORT 318/676-7026
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Page 2
Dr. Daniel G. Kyle
November 17, 1998

2. SEGBP did not reconcile system-generated reports to supporting claims detail information or SEGBP financial information.

We concur with this finding. We are in the process of addressing these concerns and have contracted with a consultant to assist.

3. SEGBP could not provide accurate system information to the auditors in a timely manner.

We concur with this finding, but must clarify certain key points. We feel that information requested by the auditors was provided, to the extent possible, in a timely and accurate manner. There were some misunderstandings of requests that caused delays. We plan to implement procedures that will supply auditors with the same data each year. Hopefully we can eliminate wasted time, help clarify requests, and streamline the annual audit process.

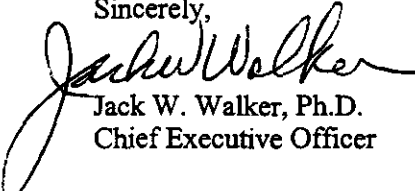
4. SEGBP had numerous general control weaknesses.

We concur with this finding. We are in the process of resolving these concerns and have contracted with a consultant to assist.

I would add that effective July 1, 1998, the Program was transferred to the Division of Administration. A Chief Executive Officer and a Chief Operations Officer have been appointed. All areas are currently under review and improvements to procedures and controls to ensure the integrity of programs, processing, and data will be made. Every effort will be made to ensure that the Program has proper disaster recovery and reconciliation procedures. In addition, the Program's goal will be to provide accurate system information in a timely manner.

The contact person responsible for corrective action is Mr. Kip Wall.

Sincerely,



Jack W. Walker, Ph.D.
Chief Executive Officer

cc: Kip Wall



M.J. "MIKE" FOSTER, JR
GOVERNOR

STATE OF LOUISIANA
OFFICE OF STUDENT FINANCIAL ASSISTANCE
P.O. BOX 91202 • BATON ROUGE, LA 70821-9202

October 22, 1998
98-409



(225) 922-1011
1-800-259-5626
FAX (225) 922-1089
www.osfa.state.la.us

Dr. Daniel G. Kyle, CPA, CPE
Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: Failure to Maintain Current Records

Dear Dr. Kyle:

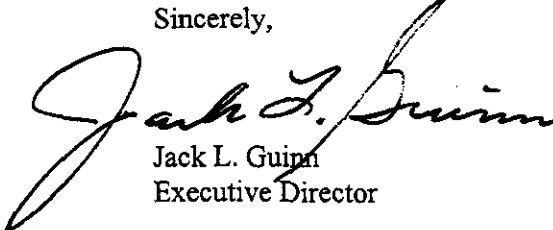
This agency concurs with the finding that it has not recorded all loan disbursements to students' records within 10 days of receiving the lenders' notices of loan disbursement.

The contact person responsible for implementing corrective actions is Ms. Pat Shannon, Director, Loan Division. The corrective action plan includes the following:

- a. An evaluation of whether human resources are adequate to maintain compliance has been performed and indicates that as long as all positions remain fully staffed and augmentation is available during the peak of the loan processing cycle, records can be updated within the time limitations imposed by regulations. To offset the impact of personnel turnover and absences due to sick and annual leave and to provide seasonal staff augmentation, the agency will seek authorization for temporary "while actually employed" (WAE) workers.
- b. Upon receipt of transactional documents from external sources, the responsible section shall identify those for which system input is time sensitive and prioritize them for manual input accordingly.
- c. The agency shall increase the number of lenders and/or contractors using the automated fee billing function provided by the agency's operating system which would reduce the demand for manual entry of loan disbursements to individual student records.

The anticipated completion date of all corrective actions is December 1, 1998

Sincerely,



Jack L. Guinn
Executive Director

JLG/csm



STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
P. O. Box 94245
Baton Rouge, Louisiana 70804-9245



M. J. "MIKE" FOSTER, JR.
GOVERNOR

November 25, 1998

FRANK M. DENTON
SECRETARY

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

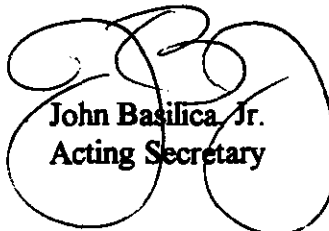
FINDING: Failure to Monitor Preliminary Engineering Projects

Dear Dr. Kyle:

The Department does not concur with the finding. While it is correct that some of the projects identified have not advanced beyond the preliminary engineering phase, the Department does have a system for tracking projects and can account for each one.

Several of the projects were determined to have such a low cost benefit as to be infeasible. Several projects encountered strong public opposition and therefore could not be environmentally cleared. Several others remain active projects and have assigned letting dates. The remaining active projects required extensive environmental remediation (such as scenic streams and archaeological sites) which take many years to accomplish. In summary, the purpose of preliminary plans is to sufficiently develop the project to determine if it is feasible from an engineering, environmental, and cost effectiveness standpoint. The Federal Highway Administration participates and is party to all decisions effecting these projects and does not view these instances as violations of CFR 630.307 (c).

To validate this condition, DOTD will send a letter to FHWA seeking their concurrence and assurance that reimbursement for these projects is not required or being demanded.


John Basilica, Jr.
Acting Secretary

JBjr:mab



STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
P. O. Box 94245
Baton Rouge, Louisiana 70804-9245



M. J. "MIKE" FOSTER, JR.
GOVERNOR

November 16, 1998

FRANK M. DENTON
SECRETARY

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

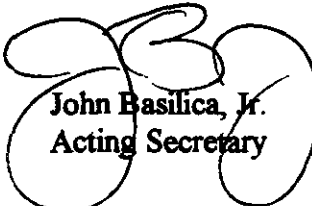
FINDING: Untimely Closing of Projects

Dear Dr. Kyle:

The Department concurs in part with the finding pending individual review of audited projects. Each of the project numbers noted by the auditors does not represent a unique project. Many of the numbers are components (funded from various sources) of the same project. Nevertheless, the Department generally does not dispute the remaining monies allocated to these projects and that all projects should be closed out as expeditiously as possible.

The action plan to improve the situation calls for procedures to be put in place under the authority of Act 555 of 1997, DOTD Cash Management. DOTD has developed new procedures that are currently being staffed to provide for the closing of projects by default when specified time thresholds have elapsed.

In addition, the Department will seek additional staff as part of the budget process to finish final estimates on the backlog of completed projects in a more timely fashion.


John Basilica, Jr.
Acting Secretary

JBjr:mab

LSU MEDICAL CENTER

Health Care Services Division
University Medical Center
2390 W. Congress
P.O. Box 69300
Lafayette, LA 70596-9300

March 20, 1998

Dr. Daniel G. Kyle
Office of Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

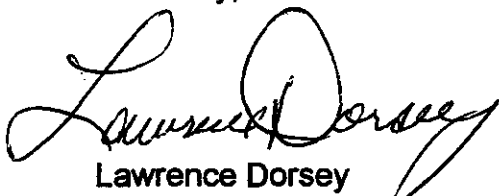
RE: Reconciliation of Food Vouchers

Dear Dr. Kyle,

It will be the responsibility of the Registered Nurse assigned to the WIC Clinic, or the department supervisor to review to determine that all food vouchers issued are properly authorized. In this process, the sequential numbering of the vouchers will be verified to assure that the units are intact. The charge person will initial the carbon of the first and last voucher after checking each number and then clipping the group together. Carbons of each voucher issued is kept on file on the unit.

All candidates are re-certified every six (6) months. This information is kept in the clients chart.

Sincerely,



Lawrence Dorsey
Hospital Administrator

LD:mlb

State of Louisiana



James H. Jenkins, Jr.
Secretary

Department of Wildlife and Fisheries
Post Office Box 98000
Baton Rouge, LA 70898-9000
(504)765-2800

M.J. "Mike" Foster, Jr.
Governor

April 23, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: 1998 Audit Finding - Vehicles Acquired with Federal Funds Used for Unallowed Activities

Dear Dr. Kyle:

The vehicles were transferred to the Enforcement Division due to reassignment of enforcement activities on wildlife management areas as directed by the Secretary. The U. S. Fish and Wildlife Service has been advised, and negotiations are underway concerning grant reimbursement.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronald G. Couvillion".

Ronald G. Couvillion
Undersecretary



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

October 16, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804

Dear Dr. Kyle:

Re: Single Audit Finding-Improper Use of Recurring Revenue

Please be advised that we do not concur in the aforementioned finding for the same reasons we enumerated in the prior fiscal period in which this finding was presented. First, this issue and process was highly publicized and widely discussed through various public forums (which included legislative and executive branch participants) over an extended period of time. It was also reviewed extensively by various legal entities to assure that the mandates of the constitution were followed and that no legal challenges were made in accordance with the law. It is abundantly clear that all constitutionally mandated parties involved in this decision clearly fulfilled their constitutional and statutory requirements in accordance with the law.

To provide ultimate assurance as to this fact when this finding was originally presented in the prior fiscal period I requested, on December 10, 1996, an Attorney General's Opinion on this issue. On December 12, 1996, the Attorney General issued his opinion 96-519 which fully supported the position that the utilization of the undesignated fund balance for purposes of a current defeasement was proper and legal in all respects. By your recitation on an opinion which in no respect addresses the issue at hand you are attempting to exercise an executive and legislative prerogative which is not supported. Your further recitations at determining intent are based upon your opinion and not fact or law.

I would further note that while your office is entitled to its opinion, it is the Attorney General who, as head of the Department of Justice, serves as the chief legal officer of the state, and ultimately the Judiciary who determine "intent" as it relates to statute or Constitutional law.

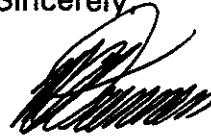
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Dr. Daniel G. Kyle, CPA, CFE
October 16, 1998
Page 2

It is also clear that based on your statement that *"paying short-term debt service requirements with non-recurring revenue makes the expected benefit of the Constitutional Amendment requiring defeasement "in addition to the existing amortization requirement, "unrealizable." (Italics added)*, that your staff has failed to consider the cost of the negative economic outcomes on the delivery of vital state services this action prevents. Further, your finding fails to disclose that over the last two years the defeasance actions sponsored and approved by the Executive and Legislative leadership resulted in debt reductions totaling \$539 million dollars over a four year period (FY 97-98 \$148,317,262; FY 98-99 \$155,087,833; FY 99-00 \$191,558,001; FY 00-01 \$54,187,438).

Finally, as we noted in the prior year finding that the entities that ultimately generated and approved this process were entities outside of the Executive Branch of government, and therefore, the finding (which in our opinion is erroneous) is improperly cast against the Executive Office.

Sincerely,



Mark C. Drennen
Commissioner of Administration

MCD/sm

c: The Honorable Randy Ewing
President of the Senate

The Honorable Hunt Downer, Jr.
Speaker of the House of Representatives



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 23, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Single Audit Finding - Inadequate Compilation Process

This Single Audit Finding states 1) that the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) does not have adequate procedures for compiling the State's Comprehensive Annual Financial Report (CAFR) and, 2) that the CAFR was not issued according to the statutory deadlines required by Louisiana law.

We concur with the finding that the CAFR was not published according to statutory deadlines and will devote whatever resources are needed to remove this finding. Concurrently, it is our belief that the audit process/procedures being utilized by the Legislative Auditors contributed to the delay in completion. It should be noted that an extraordinary length of time is spent in auditing some of the major funds. For example, the Capital Outlay Escrow, General Fund, Bond Security and Redemption, Louisiana Education Quality Trust, and the Louisiana Quality Support funds were submitted for audit on these respective dates: 11/14/98, 11/23/98, 11/12/98, 11/5/98, and 11/5/98. The audit was not completed on the above mentioned funds until these respective dates: 1/6/99, 1/25/99, 1/6/99, 12/17/98, and 12/17/98. The dates demonstrate that for the statutory deadline of December 31st to be met, changes in the audit process itself are required.

We do not concur with the part of the finding that states OSRAP lacks adequate procedures for compiling the CAFR and that the review function (with the exception noted below) is inadequate. A review process, utilizing a manager, assistant director and director, was in place. In fact, the assistant director

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Dr. Daniel G. Kyle, CPA, CFE
February 23, 1999
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devoted over 90% of his time to the review effort. Consequently, more time was spent in the review effort this year than in any previous year. An exception we do concur in was the College and University Fund. OSRAP failed to follow the review process and it was reflected in the submitted work product. Corrective action to address this area specifically is being developed by OSRAP management. While not an excuse, we would note that this was exasperated by the audit procedures regarding the submission of audit adjustments by the auditor.

Additionally, while it is the auditor's right to express his opinions in the finding, we believe the finding is drafted in a manner which fails to reflect the full facts and the complexity of the project in question. The term error is continually utilized, even if the item in question was a disagreement between the two parties over guideline interpretations or the exercise of professional judgment. While our goal is to have zero "errors" no review process can provide 100% assurance that none will be made. The finding also fails to note that "errors" were made on both sides. Two of the items listed as errors were either not detected by the in-house audit team or found long after the initial audit adjustments were presented to OSRAP. One of these included the failure to report the refunding of a bond issue in the Bond Security and Redemption Fund in the amount of \$350.6 million. While this does not excuse the failure of OSRAP to report this, it points to the complexity of the CAFR and the fact that errors are made by everyone. Another instance was a proposed audit adjustment to the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non - GAAP) - General, Special Revenue, and Debt Service Funds in the amount of \$651 million. This was an incorrect adjustment. When OSRAP pointed out the error of the proposed adjustment, the amount of the proposed was eliminated from the corrected adjustment listing which was subsequently given to that office.

There are several errors in the examples shown in the finding such as in Finding Number 1. The adjustments for restatements of prior year fund balance are clearly identified in the adjusting journal entries and, more importantly, in the working trial balance where they are shown separately. As the state's accounting system, ISIS, closes all prior year account activity after the annual close, adjustments reversing prior year accruals are few in number. For those we have, the fact that the entry is reversing an earlier accrual is reflected in the description of the entry. The finding is further inaccurate in its conclusion that the lack of "separation between adjustments" was the cause of the problem in the General Fund.

Dr. Daniel G. Kyle, CPA, CFE
February 23, 1999
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The finding further fails to note that there exists several serious statutory and constitutional impediments (i.e utilization of Bond Security and Redemption Fund, lack of mandated participation in the state's central financial management systems, etc.) to obtaining the desired product in the required time frame.

The finding also does not note that through the efforts of the Division that 1) one of the two departments in the Executive Office presently not on the central system, the Department of Labor, is currently being converted with a start up date planned for July 1, 1999, 2) that the Division in conjunction with the Department of Transportation has integrated the capital outlay activities of the Department of Transportation into the state's central financial system as of July 1, 1998, and 3) has initiated a project to implement a new statewide integrated Human Resource Management System by January 1, 2001. These three actions should both improve the product received and the time frame for completion.

As the executive branch currently has no legal authority to mandate participation in the central system, by either the legislative and judicial branches, assistance and support are needed from the Legislative Auditor to initiate changes which would result in their inclusion and participation within the central system, thereby further improving the product developed and the time frame for completion.

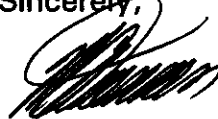
In closing, we acknowledge that improvements can always be made. We firmly believe that improvements continue to be made and we continue to strive to produce a quality product. This is borne out by the fact that this office initiated GAAP based reporting, as well as the issuance of a Comprehensive Annual Financial Report (including compilation and review procedures), years prior to any legislative requirements to do so. During the 1990's, the state received four Certificates of Achievement for Financial Reporting from the Government Finance Officers Association and an equal number of unqualified audit opinions further evidencing our commitment to completing a timely and accurate product.

Dr. Daniel G. Kyle, CPA, CFE
February 23, 1999
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As required by OMB Budget Circular A-123, the contact persons regarding this finding are Mr. Howard Karlton, CPA, Director Office of Statewide Reporting and Accounting Policy, (225) 342-6300, Mr. Afranie Adomoko, CPA, Assistant Director-Office of Statewide Reporting and Accounting Policy, (225) 342-6300 and, or Mr. Whitman J. Kling, Jr., CPA, CGFM, Deputy Undersecretary, Division of Administration (225) 342-7058.

Thank you for the opportunity to have responded to the proposed findings.

Sincerely,



Mark C. Drennen
Commissioner of Administration

MCK\WJK\sm

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M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

March 4, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Single Audit Finding Inadequate Controls in State's Elections Data Processing Systems

We do not concur with the aforementioned 1998 Single Audit Report Finding titled Inadequate Controls in State's Electronic Data Processing Systems.

As noted in prior responses on this subject, early in the development of ISIS, it was decided that the most effective method to distribute information to the agencies was through a network of ISIS Agency Liaisons designated departmental management. In 1994, the ISIS Project Director, Sylvia Vaught, issued a memo outlining the Liaisons responsibilities. The Project team met with the liaisons throughout the project in preparation for implementation of the new system. Closer to implementation, agencies were also requested to establish Security Administrators.

The ISIS project team established, prior to the implementation, extensive security procedures for the state agencies. These were distributed to the agencies via memorandums, the Agency Implementation Guide (AIG), and meetings held with the Liaisons and other agency representatives.

In January 1995, Chapter 10 of the AIG was released to the agencies. Chapter 10 was later revised and re-issued as Chapter 7, Section 7.4 and dealt exclusively with ISIS security. This chapter was distributed both by memo and during meetings with agency/departmental representatives and Security Administrators.

In the months preceding the implementation of AGPS, CFMS, and GFS, the Office of Statewide Information Systems (OSIS) distributed ISIS Request for USERID forms along with instructions for the completion of the forms. It was

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Dr. Daniel G. Kyle, CPA, CFE
March 3, 1999
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recognized that the user entity, not OSIS, is the appropriate entity to determine at the agency operating level who should have access to ISIS and at what permission level. This responsibility clearly resides with and is the responsibility of each individual agency user as they determine their internal functional and operational control levels. To ensure agency review of each request for a USERID, the **ISIS Request for USERID** forms contain an agency authorization section, which must be completed by the Agency Liaison and the Agency Security Administrator. These signatures are checked by the ISIS Security Administrator and the **ISIS Request for USERID** is only processed if the signatures (name) match our records.

In September 1995, OSIS distributed memorandum OSIS 96-005 to all the Liaisons. This provided the Liaisons with instructions for reviewing the security reports, a copy of the security reports for their agency, and the **ISIS USERID Profiles Report**. The agencies were instructed to review the reports verifying, that for each agency user, the correct permissions associated with specific profiles were assigned.

In 1998, as a result of the 1997 Audit finding on this matter and in attempt to assist agency user, the Office of Statewide Information Systems started offering a training course for **ISIS Agency Security Administrators**. The purpose of the course was to provide additional education to Agency Security Administrators on the structure of ISIS security; proper procedures for ISIS security; the correct completion and submission of appropriate security forms; the maintenance of security forms for audit purposes; and how to find ISIS security related information via the online system and security reports. Classes were structured to provide a question and answer session to address individual agency problems or issues. Course Handouts specify security control requirements. The deletion of **USERIDs** for terminated employees is specifically stressed. The course has been offered to-date as follows:

<u>Date</u>	<u>Attendees</u>
6/23/98	11
7/10/98	11
7/28/98	9
8/19/98	10
10/6/98	7
1/5/99	9

This class is offered at least once a quarter. It is scheduled more frequently to accommodate demand. OSIS has publicized the availability of the Security

Dr. Daniel G. Kyle, CPA, CFE
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Administrators course through an announcement memo, the Internet, the ISIS Informer newsletter, and through phone conversations and other memos concerning security administration or related issues. Class training materials, class rosters, and all notifications of the course are available for review or attachment.

Additionally in 1998, OSIS contacted each agency to verify the current Liaison and Security Administrators. This updated list is used by the ISIS Security Administrator to verify that the appropriate agency person has signed each security form received. Future verifications will take place annually.

The ISIS Security Administrator always stresses to Agency Security Administrators that there is no excuse for sharing a USERID. Written notification to this affect has been sent to all Agency Liaisons and Security Administrators restating this. Additionally, if a duplicate request for a USERID is received, the ISIS Security Administrator contacts the agency Liaison or the agency Security Administrator to verify the information. These cases are carefully controlled and there are less than 20 users that have 2 USERIDs. Several people at OCR (DOA/Office of Contractual Review) and OFSS (DOA/Office of Financial and Support Services) need this because of their wide range of duties. Also a few AGPS\CFMS users need more than the limit of 10 functions per USERID, so access was divided between 2 USERIDs.

A prevalent audit finding among all agencies was that there is not a proper segregation of duties. On March 1, 1996, representatives from the Legislative Auditors Office came to an AGPS User Group Meeting to address concerns in this area. Agency representatives were also concerned about "incompatible" functions but explained that some agencies are so small that there is only one person to do all the system functions. The auditors addressed the question as follows:

Procedures and controls need to be documented which avoid one person from doing everything. If there is a capability for someone to do the entire process, the auditors will be checking to see if that someone has actually done the entire process. They would look for approvals at various stages, and also look for compensating controls, outside the system, if there is the need for one person to do everything.

To assure a mechanism of control and audit, OSFS placed in production on April 22, 1997, an agency requested report in AGPS which reports violations to payment segregation of duties. It is report BA25Y and is available in BUNDL. It

Dr. Daniel G. Kyle, CPA, CFE
March 4, 1999
Page 4

looks at the USER APRV on OPAY and compares it to the USERID that made the LAST change to status 641/651 on OINV and if they MATCH it appears on the report. In other words, if the user posted the invoice and approved the payment, the order appears on the report. This report is available to the ISIS Liaison, the agency Security Administrator, the agency officials, and the Auditors. Therefore, in our opinion, adequate verification controls do exist.

Another prevailing finding has to do with a user's ability to add vendors, requisitions, orders, etc., and make changes to the master vendor files. Users are allowed to add new vendors to AGPS/AFS on the common vendor entry screen (VENC). When added on VENC, they are added at a casual status in AGPS/CFMS. This means the vendor can not receive any encumbrance or payment coming from AGPS/CFMS. It also means the vendor can not receive any payment from AFS because the Hold Payment indicator is "yes" for a casual vendor. System controls are in place which allow only OSRAP (DOA/Office of Statewide Reporting and Accounting Policy) to activate a vendor. Only an active vendor can receive a new encumbrance in AGPS/CFMS. Therefore, without OSRAP's intervention, a vendor can not be added, issued an order, and paid. Changes to active vendor records in AGPS/CFMS are restricted to OSRAP and OSP (DOA/Office of State Purchasing). Agency users do not have the ability to change vendor records in AGPS/CFMS unless the vendor is still at a casual status and has not been made active by OSRAP. Therefore, in our opinion, the finding as stated is not valid.

For Central Louisiana State Hospital, a finding was stated as, "The purchasing agent could perform all purchasing functions in AGPS and approve payment vouchers in GFS." Documents coming from AGPS and CFMS are flagged in AFS. Any attempt by a user to change a document in AFS that originated from AGPS or CFMS will cause a fatal system error. A purchasing agent could not set up an order in AGPS, encumber it, and then go to AFS and process a payment against that encumbrance. AFS security doesn't allow anyone to both enter and approve any document.

For Louisiana Technical College, a finding was stated as, "Tests revealed that no validation is made to ensure that transactions approved for payment in the AGPS were processed in GFS or that the output from GFS agrees to the input from AGPS." It is evident from this finding that the auditors do not understand how ISIS works. It is unclear why in a heavily tested automated system there would need to review the accuracy of transactions. This type of verification was done

Dr. Daniel G. Kyle, CPA, CFE
March 4, 1999
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prior to implementation of the system, and is done anytime a change is made to the system affecting the transaction. There is no re-keying of information coming from AGPS and therefore no chance of human error for the output to be different.

If a vendor is not paid, AFS may have a "Hold Payment" on the vendor, or the agency could be out of cash. If the vendor is paid a different amount than what AGPS sent, there could be a credit memo in AFS, or there could be a payment discount being taken. The assurance that all of these functions work properly should not lie with the agency. System assurance reports are in place to notify OSIS when a possible system problem occurred that caused the input and output to be different. If an agency is not contacted by OSIS, then the agency should be assured that the system is accurate, and there should be no need to double check the automated system. The following system assurance reports that are run on a daily basis:

- 1G35 - AGPS/AFS Trans Comparison Control Report
- 1G36 - AGPS/AFS System Assurance Report - PV
- 1G37 - AGPS/AFS System Assurance Report - PO
- 1G38 - AGPS/AFS System Assurance Report - RQ
- 1G39 - AGPS/AFS System Assurance Report - RX

These reports and detailed explanations are available in the ISIS/AFS Report Manual and are the mechanism for the Auditor to obtain system assurance.

For the Department of Economic Development, a finding was stated as, "In the Contract Financial Management System, three employees could enter and amend professional service contracts as well as approve payments for those contracts." This again has to do with the need for segregation of duties by the departments. A safeguard is in place for those contracts requiring OCR's (Office of Contractual Review) approval. The system will not allow a payment against a CFMS contract if OCR has not approved it, and it requires OCR's approval. These are generally contracts over \$10,000.

The Division of Administration agrees that there is a need for additional training of state agencies in ISIS security. In fact, one of the breakout sessions of the 1998 ISIS Users Conference, which was held February 26 and 27, addressed the issues of ISIS security. At this same conference, staff members from your office conducted an additional breakout session, aimed at preparing agencies for

Dr. Daniel G. Kyle, CPA, CFE
March 4, 1999
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audits. Additionally, it should be noted that based upon that fact, OSIS developed, for your office, a special two-day training class (part of which addressed ISIS security) which we felt would prepare the Legislative Auditors for the task of reviewing agency utilization (including security) of ISIS.

In closing, we strongly disagree with the finding as stated. Security controls and procedures are well documented at both the statewide/systemwide level and for the internal functional and operational user level. We restate that we accept the responsibility to develop and establish control levels and mechanisms as well as verification mechanisms and will continue with the efforts mentioned above, however, it is clearly the agencies responsibility to enforce adherence to those established policies within their own functional areas of control.

Sincerely,



Mark C. Drennen
Commissioner of Administration

MCD/WJK/sm



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
GOVERNOR

October 30, 1998

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Single Audit Finding - Inadequate Monitoring of CMIA Programs

This Single Audit Finding states that OSRAP does not properly monitor compliance with the programs that fall under the Cash Management Improvement Act of 1990, as amended, since:

- 1) the Division of Administration, Office of Statewide Reporting & Accounting Policy (OSRAP) is not verifying the underlying data for check clearance patterns before certification, and
- 2) agencies are not consistently notifying OSRAP when errors in draws are made.

We do not concur with this finding:

During fiscal year 1997-98, there were six programs listed for which clearance patterns were developed. According to Section 7.2 of the Treasury-State Agreement *"The sources of data that the State shall use when developing its clearance patterns are check registers, checks cleared reports from the bank, and reconciliation tapes."* Section 7.5 of the Treasury-State Agreement states *"The State shall identify for each check or warrant (hereafter, check) in the population: (1) the date the check was released for payment; (2) the date the check was debited from the State's account; and (3) the amount of the check."*

For each of the programs referred to in the finding, clearance patterns were developed using data either:

- 1) available from the State's accounting system in the form of computer-generated reports, ad hoc reports, or system table updates, or
- 2) available from agency sub-systems to which OSRAP does not have direct access, but which have the same type data available to obtain check clearance patterns.

Daniel G. Kyle, Ph.D., CPA, CFE
October 30, 1998
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In each case, the agency calculated the number of days between the date the check was created and the date the check cleared, including a period between the time the check was created and the check was actually mailed. For the agencies with sub-systems, the only information contained within the sub-systems relates to the program involved; therefore any checks cut from this system would be related to this program. The agencies did not submit to OSRAP individual check data or reports related to checks and clearance patterns, but maintained this information for the calculation of the check clearance pattern. Three months of data were used to establish the clearance patterns for each program, except CFDA# 93.575. Specific comments on each program referenced are reflected in Attachment A.

It is quite obvious the agencies are using the appropriate source data (check registers, checks cleared reports from the bank, and reconciliation tapes) to establish check clearance patterns. Also the agencies are identifying for each payment made, the correct data (the date the check was released for payment, the date the check was debited from the State's account, and the amount of the check).

Neither the U. S. Treasury, Financial Management Service nor the Cash Management Improvement Act regulations makes a distinction between the entities within the State. It is unreasonable to expect that an oversight agency such as OSRAP can/should have individual involvement with every detail of the daily operations of every agency within the State. Reliance must be placed upon the agencies to responsibly perform their various operational functions. It is our position that the agency/departments are fulfilling that responsibility.

Consequently, OSRAP maintains that it is not responsible for verifying that each individual payment that an agency uses to establish a clearance pattern is for "normal and actual check clearances for the program" as stated in the finding. OSRAP does not have the personnel resources, nor is it reasonable or make good business sense for the oversight entity to monitor individual payments from every agency for every program listed in the Treasury/State Agreement. At times, it is possible that a payment to a particular vendor could be for administrative costs and a different payment to the same vendor could be for program costs. To determine which type a payment is, administrative or program, is quite obviously a responsibility of the agency issuing payments. *In creating clearance patterns, OSRAP has always relied upon the abilities of the state agencies responsible for the programs in question to perform this duty accurately.* We would further point out that under the provisions of the Single Audit Act, it is the responsibility of the Legislative Auditor to determine when clearance patterns for a specific program are established incorrectly.

Therefore, we assert that the first item in the finding is without standing and merit and should be discarded.

Component item 2 states *"Generally the agencies correct the next draw after an error is identified without notification to OSRAP. Consequently, OSRAP cannot properly calculate the interest liability/receivable due to or from the federal government." OSRAP does not rely only upon when the agency identifies an incorrect draw. OSRAP reviews each draw to ensure that it was made on the correct day and that the money was received from the federal government on the correct day. By following these procedures, OSRAP has been able to identify additional days when draws were made incorrectly or when the money was not received timely from the Federal Government. OSRAP can and does properly calculate the interest liability/receivable due to or from the federal government.*

The agencies/departments are aware they must report the effect of errors and are in fact already recording errors on the reports/data that are being submitted to OSRAP. Agencies include this information in the reports/data submitted monthly/quarterly. From this data, OSRAP calculates the interest owed/due. Several examples of agencies identifying their incorrect draws on their reports was furnished to the Legislative Auditor. It would appear the auditor is suggesting that an agency must contact OSRAP for each instance where a draw occurs and that OSRAP should maintain a log of calls from the agencies. That position would result in OSRAP having to perform the ludicrous and burdensome and duplicative task of maintaining and subsequently reconciling the log to the reports/data submitted by the agencies for which no additional value is added.

It is our position, that the current procedures allow adequate control to calculate the interest owed when draws are made incorrectly. As interest calculations are only reported once a year, it is not necessary to have information reported more often. Further, it is noted that the auditors have, **in no instance**, found where the interest calculation has been reported incorrectly, nor where there was a loss to either the State or the Federal Government due to draws being made incorrectly and the interest not being calculated properly based on incorrect draws.

To assure that our procedures have general acceptance three sister southern states were contacted and asked about certification of their clearance patterns. The method in which one State accounts for their financial data related to CMLA is significantly different from the way that Louisiana does; therefore, they could not be used for comparison purposes. The other two states rely upon the agencies to determine the clearance patterns and no further verification is done of the conclusions the agencies draw regarding clearance patterns. They do not review the underlying data nor verify that the data included in the clearance patterns is for program expenditures vs administrative expenditures. It is felt this is totally the agency's responsibility and the auditor is responsible for verifying that what the agencies have done is in compliance

Daniel G. Kyle, Ph.D., CPA, CFE
October 30, 1998
Page 4

with established policy and/or procedure. During this time, there have been no audit findings related to CMIA for either of these states.

In conclusion, we do not concur with either component of the audit finding, nor do we believe that corrective action is required. OSRAP will continue to work closely with each agency receiving federal dollars under the Cash Management Improvement Act of 1990 to ensure continued compliance with all applicable regulations.

As required by OMB Budget Circular A-133, the contact persons regarding this finding are Mr. F. Howard Karlton (225) 342-1092 and Mr. Whitman Kling (225) 342-7058. Thank you for the opportunity to respond to the proposed finding.

Sincerely,



Mark C. Drennen
Commissioner of Administration

MCD/WJK/fhk

c: The Honorable Randy Ewing
President of the Senate

The Honorable Hunt Downer, Jr.
Speaker of the House of Representatives

ATTACHMENT A

SINGLE AUDIT FINDING -INADEQUATE MONITORING OF CMIA PROGRAMS

For CFDA# 93.778, an error was initially made when this clearance pattern was established because less than 99% of the checks were tracked until they cleared. This was due to the original regulations being used instead of the CMIA Policy #11 (dated May 20, 1994). When this error was discovered, the clearance pattern was revised and re-certified.

For CFDA# 93.575, data from four, non-consecutive months (January, February, April and June) were used to establish the clearance patterns. The agency's spending pattern for this program has been very erratic. This program has been in and out of the Treasury-State Agreement because some years it falls above the state's threshold for inclusion and some years it is below the threshold. Since the data collected to calculate the clearance pattern for this program were for expenditures made in FY97, the erratic nature of the payments made the collection of data difficult as three consecutive months of payments were not available.

For CFDA#s 10.555, 84.010 and 84.027, there was no distinction by the agency as to which type of checks were included in the calculation of the clearance pattern; i.e., checks for all components (administrative and program expenditures) were included. The agency is currently going through the process of calculating a new clearance pattern. However, the agency feels that the final outcome will not show a difference between the existing clearance pattern (established in June 1998) and in the new clearance pattern.

This agency also did not include Manual Warrants (manual checks) in the clearance pattern calculation. The agency does not request Manual Warrants for many payments throughout the year. Because of the small volume of payments made in this manner, the agency did not include them in calculating the clearance pattern. It would be very difficult for the agency to locate these payments and include them in the calculation because the Manual Warrants are not numbered until processed by the State Treasurer's Office. The cleared date for Manual Warrants is updated inconsistently within the state's accounting system and more than likely the Manual Warrant clearance date is just not available to the agency.



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 12, 1999

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Re: Single Audit Finding-Inconsistent Application of the Statewide Cost Allocation Plan (Revised)

We concur that for the period in question, that due to the manner in which premiums related to the State Risk Management Program were allocated to participating entities that the potential for possible inequitable federal participation did exist. We have taken steps to assure that future billing periods starting with FY 1999-00 do not result in this potential.

Members of this office have met in person with representatives of our cognizant federal agency and advised them of the potential problem and steps the state will take to eliminate the impact of the finding in question. Specifically, the state will prepare a detailed analysis of the years and coverages in question to ascertain the effects on federal programs. Once impact is determined the state will obtain concurrence from the appropriate federal entities as to the method of remediation (if any) to be utilized.

Concurrently we would point out two factors which should be noted in the finding, namely,

1. That the finding title is a misnomer, while the submitted data was as stated in the finding, the actual plan development and preparation was not inconsistent.
2. Prior to the fiscal period in question, the allocation of premiums favored agencies having federally funded programs.

B-143

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
February 12, 1999
Page 2

Thank you for the opportunity to reply. Should you have any questions, please contact Mr. Whitman Kling, Deputy Undersecretary at 342-7085.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark C. Drennen', written in a cursive style.

Mark C. Drennen
Commissioner of Administration

MCD/WJK/sm



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 22, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Re: Single Audit Finding-Internal Audit Function

We concur in part with the finding that additional internal audit resources are needed in all departments. At the same time we do not concur with that part of the finding which makes a subjective judgment statement that all entities named within the finding have an ineffective internal audit function. Further, the finding fails to delineate or reference the areas of departmental improvement made over the last reporting period.

This office continues to evaluate current internal audit needs and existing resource levels to ascertain the additional level of funding needed to provide that resource and works to find and provide those resources to the agencies. However, due to a lack of financial resources and this administration's stated objectives to do more with less, it will be incumbent upon each department to identify current resources which can be reallocated to be utilized for the internal audit function.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark C. Drennen".

Mark C. Drennen
Commissioner of Administration

MCD/WJK/sm

B-145



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 22, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

**RE: Single Audit Finding - Noncompliance with State's Moveable
Property Regulations**

The Division of Administration concurs with the finding regarding moveable property. An overwhelming majority of the findings at the twelve agencies were for noncompliance with time limitations on tagging and reporting receipt of property into the state master inventory control system. While the nature of these findings is considered a serious matter, the Louisiana Property Assistance Agency does not believe that these findings merit that punitive sanctions against those agencies should be imposed at this time. The Division of Administration and the Louisiana Property Assistance Agency has, and will continue, to pursue corrective actions to ensure that these findings are not repeated. Mr. Greg Rogers, Compliance Program manager, is responsible for the corrective action.

A corrective action plan has been implemented wherein the twelve affected agencies have been assigned to the Program Compliance Audit staff who have been assigned the responsibility to bring the agencies into compliance. The audit staff will also provide additional training to the agencies' property managers and will accelerate the number of regular audits that will be performed each year. The Legislative Auditor's Office will be provided with written documentation of these audits. The Louisiana Property Assistance Agency auditors will monitor the compliance of the affected agencies and advise agency management of any non-compliant situations that occur.

Dr. Daniel G. Kyle
February 22, 1999
Page 2

It is our belief that with increased compliance effort, the increase in auditing staff, additional training, and more one-on-one contact with all agencies, there should be a dramatic reduction in future audit findings. Due to the size and moveable aspects of the state property inventory, it is impossible for us to guarantee that there will be no future findings; however, this agency is dedicated to keeping any future findings to a minimum.

Sincerely,



Mark C. Drennen
Commissioner of Administration

MCD/WJK/sm



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

October 7, 1998

Dr. Daniel G. Kyle
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Noncompliance with Year 2000 Regulations
Office of State Purchasing

This letter is the official response to the reportable finding outlined in the attachment of your September 25, 1998, letter. The Office of State Purchasing does not concur with your finding or the summation of impact relative to the noncompliance with Y2K regulations. The uncertainty of legal ramifications regarding equipment containing date sensitive technology has been the topic of in-depth discussions resulting in many opinions and few facts. The following information is a factual account.

The Office of State Purchasing agrees that thirty-two (32) of the sixty-six (66) total brand name PC contracts did not contain the Y2K compliance language. I would like to point out there are many brands of PC's on contracts, all utilizing one (1) of three (3) processors and a select group of operating systems. These were all known to be Y2K compliant. To satisfy the concerns of the auditor reviewing the files, the Office of State Purchasing has verified with each manufacturer that the software is in fact Y2K compliant. (Statements of compliance are available for your inspection.)

The finding references that procurement of equipment and services that is not Y2K compliant would impair the state's ability to accurately report its financial position and could adversely affect the state's ability to provide services to the public. The state's financial and procurement systems reside on the mainframe computer; therefore, none of the software is procured from the brand name contracts or one-time buys referenced in the finding.

B-148

Dr. Daniel G. Kyle
October 7, 1998
Page 2

The finding that the state would have to pay for replacement or modification of the products is not correct. There is no legal basis to conclude that by omitting the Y2K statement, in the solicitation, will prevent the state from taking recourse against a manufacturer/supplier that provides equipment, which is not in compliance.

In fact, a product that fails to perform as expected, due to the Y2K problem, would clearly be defective in the eyes of the law. Such a vice or redhibitory defect would allow the state to completely rescind the sale. This legal action could be brought up to four (4) years from delivery of the product or one (1) year from the defect manifesting itself, whichever occurs earlier. The existence of a compliance statement has no impact on this ability.

As you are aware, the State of Louisiana has launched a massive campaign for individual agencies to identify and assure that all equipment and software will be Y2K compliant. The office of State Purchasing maintains a website, listing the manufacturers compliance statement for the agencies reference. It is constantly updated, as we become aware of additional information.

In summation, the fact that the Y2K clause was not included in the terms and conditions of the files reviewed by the Legislative Auditor does not place the state in jeopardy. However, to satisfy any concerns, the Office of State Purchasing is placing the Y2K clause on all solicitations where compliance could even remotely be an issue.

Please let me know if you need any additional information.

Sincerely,



Mark Drennen
Commissioner of Administration

MCD/DL/sm

c: Renea Austin
Whit Kling
Edgar Jordan
Denise Lea

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Appendix C

Findings and Recommendations Index by State Agency



LEGISLATIVE AUDITOR

Appendix C

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SCHEDULE 8-3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Federal Financial Reports

Reference Number: F-97-ED-GSU-1

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs: Resolved x Unresolved

Initial Year of Finding: 1996-97

Page Number: 96

Program name(s): Student Assistance Cluster-Federal Work-Study Program, Federal Perkins Loan Program-Federal Capital Contributions and Nursing Student Loans.

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.033, 84.038, and 93.364

Status of Finding

Fully Corrected	<u> </u>	Not corrected	<u> </u>
Partially Corrected	<u> x </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

Description of Status:

The University has implemented procedures to ensure that the information reported on the FISAP and Nursing Loan Reports are in agreement with the university's accounting records. Reports are reviewed and approved by a designee in the Accounting Office prior to submitting reports to the regulator agency. The Assistant Director will coordinate reconciliation efforts with the Accounting Office on a monthly basis. The University has purchased new financial aid and finance software that will allow more efficient processing of the federal reports. The financial aid office will implement the new system in February 1999.

Preparer's Signature: 

Phone Number: (318)274-6190

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1998

Finding Title: Audits of Federal Subrecipients and State Contractors

not obtained

Reference Number (from attached schedule of findings): F-97-AG, HHS-DHH-1

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Initial Year of Finding: 1996

Page Number (from '97 Single Audit Report): 77, 110

Program Name(s): Food, Block Grants, Medical Assistance

Federal Grantor Agency: Agriculture, Health and Human Services

CFDA Number(s): 10.557, 10.565, 93.196, 93.268, 93.630, 93.917, 93.940, 93.944, 93.958, 93.959, 93.991, 93.994, 93.778.

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>X</u>	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):

In addition to action identified in our original response, the Assistant Secretaries were notified again on May 19, 1998 to obtain audits or corrective action plans.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern *Ken Corkern*

Phone Number: 342-4379

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, 1998

Finding Title: Audit Reports not Monitored

Reference Number (from attached schedule of findings): F-97-AG-HHS-DSS-1

Amount of Questioned Costs in Finding: \$0

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Initial Year of Finding: 1994

Page Number (from '97 Single Audit Report): 80,119

Program Name(s): Foster Care-Title IV-E, State Administrative Matching Grants For Food Stamp Program

Federal Grantor Agency: Department of Agriculture, Department of Health and Human Services

CFDA Number(s): 93.658, 10.561

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)

On March 11, 1998, the Audit Directors for the Legislative Auditors Office stated emphatically that we only needed to revise standard Contract Clause #3 to remove this finding. On March 31, 1998, the Secretary issued a memorandum to all offices requiring all contracts for 98/99 include the revised contract clause. In addition a comprehensive monitoring system was put in place to determine all subrecipients and as a means to request the status of audits.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: *James Dawson*

Phone Number: 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, 1998

Finding Title: Failure to Perform Cost Allocation Samples Timely

Reference Number (from attached schedule of findings): F-97-AG-HHS-DSS-2

Amount of Questioned Costs in Finding: \$0

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 81, 120

Program Name(s): Temporary Assistance for Needy Families, State Administrative Matching Grants for Food Stamp Program, Family Support Payments to States-Assistance Payments, Foster Care-Title IV-E, Social Services Block Grant.

Federal Grantor Agency: Dept. Of Health and Human Services, Dept. Of Agriculture

CFDA Number(s): 93.558, 10.561, 93.560, 93.658, 93.667

Status of Finding (check one):

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u> X </u>	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)

We concur with Finding and recommendation for both agencies. Office of Family Support has informed lead management staff statewide to assure compliance with RMS Policy as reflected in Chapter 7, Section 900. Office of Community Services has developed a corrective action plan to assure future compliance with RMS procedures.

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: *Janni Dawson*

Phone Number: 342-4164

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**

Department/University or College/Commission/District:

PUBLIC HEALTH, OFFICE OF

For the Year Ended June 30, 1998

Finding Title: RECONCILIATION OF FOOD INSTRUMENTS NOT PERFORMED
WITHIN 150 DAYS

Reference Number (from attached schedule of findings): F 97 AG OPH 1

Amount of Questioned Costs in Finding: \$ _____

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Initial Year of Finding: _____

Page Number (from '97 Single Audit Report): _____

Program Name(s): _____

Federal Grantor Agency: _____

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):

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: Henry M. Klenick

Phone Number: 504-568-5065

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Theft of Stipend Checks

Reference Number: F-97-DOD-GSU-1

Amount of Questioned Costs in Finding: \$2,280

Status of Questioned Costs: Resolved X Unresolved _____

Initial Year of Finding: 1996-97

Page Number: 85

Program Name(s): Institute of Science for the Pursuit of Graduate Studies

Federal Grantor Agency: United States Department of Defense

CFDA Number(s):

Status of Finding

Fully Corrected	<u> X </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status:

Corrective action has been taken

Preparer's Signature: *Thel L. Davis*

Phone Number: (318) 274-6406

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Theft of Stipend Checks

Reference Number: F-97-NSF-GSU-1

Amount of Questioned Costs in Finding: \$1,942

Status of Questioned Costs: Resolved X Unresolved _____

Initial Year of Finding: 1996-97

Page Number: 86

Program Name(s): Research Careers for Minority Scholars in Chemical/Physics

Federal Grantor Agency: National Sciences Foundation

CFDA Number(s):

Status of Finding

Fully Corrected	<u> X </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status:

Corrective action has been taken

Preparer's Signature: Mark L. Davis

Phone Number: (318) 274-6406

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education

For the Year ended June 30, 1998

Finding Title: Improper Administration of Joint Conference

Reference Number (from attached schedule of findings): F-97-ED-EDUC-1

Amount of Questioned Costs in Finding: \$ 13,845

Status of Questioned Costs (check one): Resolved Unresolved

Initial Year of Finding: 1997

Page Number (from previous year Single Audit Report): 88

Program Name(s): Special Education – Grants to States

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.027

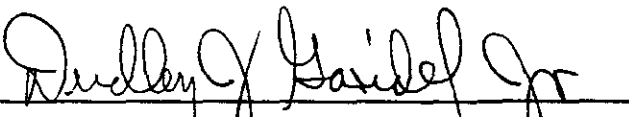
Status of Finding (check one):

Fully Corrected	<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 Department of Education—Division of Special Populations no longer enters into agreements with nonprofit organizations to cosponsor conferences. We have voided the agreement to cohost the 18th Louisiana Association of Special Education Administrators Conference and have sought to clarify with the USDOE 34 CFR § 80.25 related to program income and allowable costs. There is a repeat finding in the current year because the prior year finding was received too late to cancel the 17th Louisiana Association of Special Education Administrators Conference held at the beginning of the 97/98 fiscal year.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Telephone Number: 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education

For the Year ended June 30, 1998

Finding Title: Inadequate Controls for Federal Cash Management

Reference Number (from attached schedule of findings): F-97-ED-EDUC-4

Amount of Questioned Costs in Finding: \$ NONE

Status of Questioned Costs (check one): Resolved _____ Unresolved _____

Initial Year of Finding: 1997

Page Number (from previous year Single Audit Report): 104

Program Name(s): Title I Grants to Local Education Agencies; Special Education—Basic Grants to States; Eisenhower Mathematics and Science Education—State Grants; Special Education—Preschool Grants; and Innovative Education program Strategies.

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.010; 84.027; 84.164; 84.173; and 84.298

Status of Finding (check one):

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u> X </u>	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):

As noted in the Department's original response, the Bureau of Internal Audit performed an audit to determine the causes of the original finding. The report was issued June 26, 1998. Management has implemented the recommendations or will implement them in FY 99.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J. Basile Jr
Telephone Number: 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education

For the Year ended June 30, 1998

Finding Title: Lease Payment Advanced Improperly

Reference Number (from attached schedule of findings): F-97-ED-EDUC-2

Amount of Questioned Costs in Finding: NONE

Status of Questioned Costs (check one): Resolved _____ Unresolved _____

Initial Year of Finding: 1996

Page Number (from previous year Single Audit Report): 90

Program Name(s): Special Education – Grants to States

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.027

Status of Finding (check one):

Fully Corrected	<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):

An amended lease agreement was entered into between the Department of Education and the Louisiana School for the Deaf. The new agreement states payments will be made monthly upon receipt of an invoice.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J. Haridel Jr

Telephone Number: 342-1518

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education

For the Year ended June 30, 1998

Finding Title: Unallowable Costs in the Special Education Program

Reference Number (from attached schedule of findings): F-97-ED-EDUC-3

Amount of Questioned Costs in Finding: \$ 319,321

Status of Questioned Costs (check one): Resolved Unresolved

Initial Year of Finding: 1997

Page Number (from previous year Single Audit Report): 91

Program Name(s): Special Education – Grants to States

Federal Grantor Agency(s): United States Department of Education (USDOE)

CFDA Number(s): 84.027

Status of Finding (check one):

Fully Corrected	<input type="checkbox"/>	Not Corrected	<input checked="" type="checkbox"/>
Partially Corrected	<input type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Corrective Action	<input type="checkbox"/>	<small>{see OMB A-133 Section 315 (b)(4)}</small>	

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The Department has contacted the USDOE by letter requesting clarification of the issues in the finding. As of August 12, 1998, no response has been received from the USDOE.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J. Davidoff Jr

Telephone Number: 342-1518

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Federal Family Loan Limits

Reference Number: F-97-ED-GSU-3

Amount of Questioned Costs in Finding: \$6,554

Status of Questioned Costs: Resolved Unresolved

Initial Year of Finding: 1996-97

Page Number: 97

Program Name(s): Student Financial Assistance Cluster-Federal Family Education Loan (FFEL)

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.032

Status of Finding

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"/>		

Description of Status:

The University has revised its loan processing procedures. Each counselor is required to review the National Student Loan Data System information printed on the ISIR to determine the aggregate loan limits, instead of manually calculating the year's loan limit.

Preparer's Signature: *Alvin Thomas*

Phone Number : (318) 274-6190

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Federal Perkins Loan Program

Reference Number: F-97-ED-GSU-4

Amount of Questioned Costs in Finding: \$0

Status of Questioned Costs: Resolved X Unresolved _____

Initial Year of Finding: 1996-97

Page Number: 98

Program Name (s): Student Financial Assistance Cluster-Federal Perkins Loan Program-Federal Capital Contribution

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.038

Status of Finding

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>X</u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status:

The University has improved procedures to effectively monitor loan activities.

1. Files are color coded to identify the student's enrollment, repayment status and loan type.
2. Files are reviewed monthly to ensure loans are submitted to EFG Technologies, and all documents have the appropriate signatures.
3. Monthly reports from EFG Technologies are reviewed to determine the student's repayment status and to make sure in school deferments are on file for students who are enrolled.

4. Students who withdrew must see a Default Prevention specialist to complete exit counseling before withdrawal slips are signed. Withdrawal reports are produced and worked on a monthly basis to ensure all students who withdraw complete the necessary exit documents.

Preparer's Signature: *Alvin Thomas*

Phone Number : (318) 274-6190

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Federal Supplemental Educational Opportunity Grants

Reference Number: F-97-ED-GSU-6

Amount of Questioned Costs in Finding: \$92,805

Status of Questioned Costs: Resolved Unresolved

Initial Year of Finding: 1996-97

Page Number: 100

Program Name (s): Student Financial Assistance Cluster-Federal Supplemental Educational Opportunity Grants

Federal Grantor Agency: United States Department of Education

CFDA Number(s): 84.007, 84.032 and 84.063

Status of Finding

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"/>		

Description of Status:

The University has developed and implemented a new procedures whereby no Federal Supplemental Educational Opportunity Grant awards are made after the end of the semester. Reports to monitor the SEOG awards are reviewed monthly.

Preparer's Signature: *Adria Thomas*

Phone Number : (318) 274-6190

SCHEDULE 8-3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Programmatic Review of Student Financial Aid

Reference Number: F-97-ED-GSU-5

Amount of Questioned Costs in Finding: \$563,604

Status of Questioned Costs: Resolved ___ Unresolved x

Initial Year of Finding: 1995-96

Page Number: 99

Program name(s): Student Assistance Cluster-Federal Supplemental Educational Opportunity Grants, Federal Family Education Loans and Federal Work-Study Program, Federal Perkins Loan Program-Federal Capital Contributions and Federal Pell Grant Program

Federal Grantor Agency: United States Department of Education

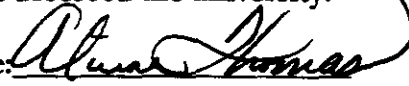
CFDA Number(s): 84.007, 84.032,84.033,84.038, and 84.063

Status of Finding

Fully Corrected _____ Not corrected _____
Partially Corrected x No Further Action Needed _____
Change of Corrective Action _____

Description of Status:

The University has implemented a new Satisfactory Academic Progress (SAP) Policy and the Information Resource Center has completed the testing of the policy which will become effective for the fall 1997 semester. Students are to be reviewed at the end of May 1998. A new SAP Committee has been established which consists of financial aid office staff and staff from the academic areas. In addition, the university has made arrangements with the U. S. Department of Education to satisfy any disallowed costs assessed the university.

Preparer's Signature: 
Phone Number: (318)274-6190

SCHEDULE 8-3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Satisfactory Academic Progress

Reference Number: F-97-ED-GSU-2

Amount of Questioned Costs in Finding: \$ 62,684

Status of Questioned Costs: Resolved ___ Unresolved x

Initial Year of Finding: 1996-97

Page Number: 97

Program name(s): Student Assistance Cluster-Federal Supplemental Educational Opportunity Grants, Federal Family Education loans and Federal Pell Grant Program

Federal Grantor Agency: United States Department of Education

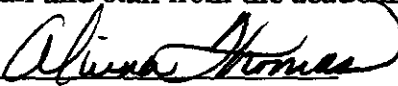
CFDA Number(s): 84.032 and 84.063

Status of Finding

Fully Corrected	_____	Not corrected	_____
Partially Corrected	<u> x </u>	No further action Needed	_____
Change of Corrective Action	_____		

Description of Status:

The University has implemented a new Satisfactory Academic Progress (SAP) Policy and the Information Resource Center has completed the testing of the policy which will become effective for the fall 1997 semester. Students are to be reviewed at the end of May 1998. A new SAP Committee has been established which consists of financial aid office staff and staff from the academic areas.

Preparer's Signature: 
Phone Number: (318)274-6190

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District:

NORTHWESTERN STATE UNIVERSITY

For the Year Ended June 30, 1998

Finding Title: Satisfactory Academic Progress Standards Not Adequately Monitored

Reference Number (from attached schedule of findings): F-97-ED-NSU-1

Amount of Questioned Costs in Finding: \$ 60,883

Status of Questioned Costs (check one): Resolved Unresolved:

Initial Year of Finding: 1996

Page Number (from '97 Single Audit Reports): 92

Program Name(s): Federal Family Education Loans; Federal Perkins Loan Program - Federal Capital Contributions; Federal Pell Grant Program.

Federal Grantor Agency: United States Department of Education

CFDA Number(s) : 84.032; 84.038; 84.063

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)}	<input type="checkbox"/>

Description of Status (include corrective action planned and anticipated completion date, if applicable):

The university has adopted and implemented revised policies and procedures for monitoring and determining academic progress for financial aid eligibility. All computer programming has been checked to insure that all students are monitored at the end of each academic year for continued eligibility or at the end of the semester where the student's aid was continued as a result of an appeal. Northwestern's policy is in compliance with the newly adopted standards developed by the University of Louisiana System Board of Trustees. Northwestern has completed its first run of the new revised progress program as of May, 1998 and has notified students who failed to make academic progress in accordance with university policy.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: 357 5474

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District:

NORTHWESTERN STATE UNIVERSITY

For the Year Ended June 30, 1998

Finding Title: Student Financial Aid Deficiencies

Reference Number (from attached schedule of findings): E-97-ED-NSU-2

Amount of Questioned Costs in Finding: \$ 4,200

Status of Questioned Costs (check one): Resolved Unresolved:

Initial Year of Finding: 1996

Page Number (from '97 Single Audit Reports): 93

Program Name(s): Federal Family Education Loans; Federal Work-Study Program;
Federal Pell Grant Program.

Federal Grantor Agency: United States Department of Education

CFDA Number(s) : 84.032; 84.033; 84.063

Status of Finding (check one):

Fully Corrected

Partially Corrected

Change of Corrective Action

Not Corrected

No Further Action Needed

{See OMB A-133 Section 315(b)(4)}

Description of Status (include corrective action planned and anticipated completion date, if applicable):

(1) Northwestern has reviewed its policy and procedures in regard to entrance interviews and is using the SCT Financial Aid Management (FAM) screens to monitor a student's entrance and exit interview forms. A student must complete the entrance interview prior to his/her student loan check being transferred to the Business Office for disbursement. On completion of the entrance interview, a flag on the FAM system is set which indicates to the loan clerk that the entrance interview has been completed. This process has been in effect during the 1997-98 financial aid year. When a student resigns from the University, he/she is given an exit interview upon returning the exit form to the financial aid office for signature. At this time the exit flag is set on the FAM system to indicate that the Exit Interview has been completed. If the student does not bring the resignation form to the financial aid office, the financial aid office will mail the student an exit interview packet once the automated form is received from the registrar's office. These actions have been in effect for the 1997-98 financial aid year.

(2) Financial Aid for the student in question was reduced to cover the overaward and charged back to the student's account and the overaward amount was repaid by the student. All changes to a student's budget are now received by financial aid officers and the changes are logged on the budget screen on the financial aid management system (FAM). The documentation is filed in the student's financial aid folder with all other federal documentation. This has been in effect for the 1997-98 financial aid year.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: _____



SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE, LOUISIANA 70813

OFFICE OF THE VICE PRESIDENT FOR FINANCE AND BUSINESS AFFAIRS AND COMPTROLLER

SCHEDULE 8-3 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

COMPTROLLERS OFFICE TELEPHONE (504) 771-5600 FAX (504) 771-5793 COLLECTIONS & RECEIVABLES TELEPHONE (504) 771-5252 FAX (504) 771-5461

Department/University or College/Commission/District

Southern University - Baton Rouge Campus

For the Year Ended June 30, 1998

Finding Title: Aid Exceeded Documented Need

Page Number 102

Reference Number F-97-ED-SUER-3

Program Name(s): Title IV Programs

CFDA Number(s):

Status of Finding (include corrective action planned and anticipated completion date, if applicable): The University will closely monitor all awards to prevent overawards from occurring. The procedure for adding subsequent awards to a student aid package will also be reviewed and revised accordingly.

The electronic program used to select budgets has been revised.

Corrective action is complete.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Delora L. Ephron

Phone Number: (225) 771-2790



SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE, LOUISIANA 70813

OFFICE OF THE VICE PRESIDENT FOR FINANCE AND BUSINESS AFFAIRS AND COMPTROLLER

SCHEDULE 8-3 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

COMPTROLLERS OFFICE TELEPHONE (504) 771-5600 FAX (504) 771-5793 COLLECTIONS & RECEIVABLES TELEPHONE (504) 771-5252 FAX (504) 771-5461

Department/University or College/Commission/District

Southern University - Baton Rouge Campus

For the Year Ended June 30, 1998

Finding Title: Satisfactory Academic Progress

Page Number 100

Reference Number F-97-ED-SUBR-1

Program Name(s): Title IV Programs

CFDA Number(s):

Status of Finding (include corrective action planned and anticipated completion date, if applicable): A new satisfactory academic progress policy was implemented for the 1997-98 academic year. The policy allows for fair and equitable evaluation of all students. There is no longer a probationary period in the policy. Appeals will be reviewed on a case by case basis, properly documented and approved by the appropriate level of Financial Aid Management.

The United States Department of Education has recommended that some changes be made to the new policy. Consequently, the Satisfactory Academic Progress Task Force will have to reconvene to determine which changes can be made and how to notify the student population.

The anticipated completion date is Fall, 1998.

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: Delva L. Ephron

Phone Number: (225) 771-2790



SOUTHERN UNIVERSITY SYSTEM

BATON ROUGE, LOUISIANA 70813

SCHEDULE 8-3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

OFFICE OF THE
VICE PRESIDENT FOR
FINANCE AND BUSINESS AFFAIRS
AND
COMPTROLLER

COMPTROLLERS OFFICE
TELEPHONE (504) 771-5600
FAX (504) 771-5793
COLLECTIONS & RECEIVABLES
TELEPHONE (504) 771-5252
FAX (504) 771-5461

Department/University or College/Commission/District

Southern University - Baton Rouge Campus

For the Year Ended June 30, 1998

Finding Title: Student Enrollment Status

Page Number 101

Reference Number F-97-ED-SUBR-2

Program Name(s): Stafford Loan Program

CFDA Number(s): _____

Status of Finding (include corrective action planned and anticipated completion date, if applicable): The students referred to in this finding were registered less than half time. A FOCUS program has been written (FFR501) to generate a listing of the less than half-time students. The students identified will be given exit interviews.

Southern University has been approved to participate in the National Student Loan Data System (NSLLDS) for Student Status Confirmation Reports (SSCRs). This is done through a sixty (60) day reporting cycle by way of electronic transmission whereby a student's enrollment status is updated. This electronic reporting process will allow the University to report in a timely manner.

According to recent data received from NSLDS, a division of the U.S. Department of Education, we are no longer required to submit status changes between reporting cycles.

The above corrective actions are complete.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Debra L. Ephron

Phone Number: (225) 771-2790



SOUTHERN UNIVERSITY SYSTEM

BATON ROUGE, LOUISIANA 70813

OFFICE OF THE
VICE PRESIDENT FOR
FINANCE AND BUSINESS AFFAIRS
AND
COMPTROLLER

SCHEDULE 8-3 SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

COMPTROLLERS OFFICE
TELEPHONE (504) 771-5600
FAX (504) 771-5793
COLLECTIONS & RECEIVABLES
TELEPHONE (504) 771-5252
FAX (504) 771-5461

Department/University or College/Commission/District:

Southern University at New Orleans

For the Year Ended June 30, 1998

Finding Title: Student Enrollment Status

Reference Number (from attached schedule of findings): F-97-ED-SUNO-1

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved Unresolved:

Initial Year of Finding: 1990

Page Number (from '97 Single Audit Report): 103

Program Name(s): Federal Family Education Loan (FFEL) Program

Federal Grantor Agency: _____

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 University will adhere to established policies and procedures
to ensure that required FFEL exit conference material is provided to
all borrowers prior to their leaving (graduation, withdrawal or ceasing
to re-enroll) the University and reducing their enrollment to less than
half-time status. The University will further ensure that lenders are
properly notified of changes in students' enrollment status.

The Office of Student Financial Aid and the Registrar's Office have
joined efforts and put into place policies and procedures to prevent
further infractions.

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: (504) 186-5263



SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE, LOUISIANA 70813

OFFICE OF THE VICE PRESIDENT FOR FINANCE AND BUSINESS AFFAIRS AND COMPTROLLER

SCHEDULE B-3 SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

COMPTROLLERS OFFICE TELEPHONE (504) 771-5600 FAX (504) 771-5793 COLLECTIONS & RECEIVABLES TELEPHONE (504) 771-5252 FAX (504) 771-5461

Department/University or College/Commission/District:

Southern University at Shreveport-Bossier City

For the Year Ended June 30, 1998

Finding Title: Inadequate Internal Controls Over Perkins Loans

Notes Receivable

Reference Number (from attached schedule of findings): F-97-ED-SUSH-1

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved NA Unresolved:

Initial Year of Finding: 1992

Page Number (from '97 Single Audit Report): 105

Program Name(s): Perkins Loan

Federal Grantor Agency:

CFDA Number(s): 84.038

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):

The university will continue its effort to identify and correct errors in the subsidiary ledger, identify the transactions making up the difference in Perkins Loan notes receivable; periodically review student account balances to ensure that all entries are recorded timely and properly. The univeristy has made substantial progress in resolving this finding by making correcting journal vouchers and identifying differences between the subsidiary and supporting loan records.

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 W. Pugh

Phone Number: (318) 674-3302

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Louisiana Department of Education

For the Year ended June 30, 1998

Finding Title: Inadequate Administration of the Church-Based Tutorial Network

Reference Number (from attached schedule of findings): F-97-HHS-EDUC-1

Amount of Questioned Costs in Finding: \$ 53,963

Status of Questioned Costs (check one): Resolved _____ Unresolved X

Initial Year of Finding: 1995

Page Number (from previous year Single Audit Report): 107

Program Name(s): Child Care and Development Block Grant

Federal Grantor Agency(s): Health and Human Services (HHS)

CFDA Number(s): 93.575

Status of Finding (check one):

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>X</u>	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):

As of the current fiscal year (97/98), the Church-Based Tutorial Network is no longer funded with federal funds. In addition, referral centers and nonpublic alternative schools are no longer funded. Finally, the program is currently attempting to conduct a complete audit of all sites to reconcile property inventories listed by the sites with Department records. The Department responded by letter dated July 1, 1997 to USHHS regarding questioned costs. As of this date, there has been no further communication from USHHS regarding the questioned costs.

NOTE: Use this form to present the status of any findings listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Audley J. Gaudel Jr.
Telephone Number: 342-1518

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1998

Finding Title: Nursing Student Loan Programs

Reference Number: F-97-HHS-GSU-2

Amount of Questioned Costs in Finding: \$55,057

Status of Questioned Costs: Resolved X Unresolved _____

Initial Year of Finding: 1996-97

Page Number: 124

Program Name(s): Nursing Student Loans

Federal Grantor Agency: United States Department of Health and Human Services

CFDA Number(s): 93.364

Status of Finding

Fully Corrected	<u> X </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status:

Corrective action has been taken.

Preparer's Signature: *Alvin Thomas*

Phone Number : (318) 274-6190

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1998

Finding Title: Electronic Data Processing Control Weaknesses

Reference Number (from attached schedule of findings): F-97-HHS-DHH-7

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 125

Program Name(s): Medical Assistance Program

Federal Grantor Agency: Health and Human Services - HCFA

CFDA Number(s): 93.778

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):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern 

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1998

Finding Title: Failure to Reimburse Federal Share of Checks

Outstanding More than 180 Days

Reference Number (from attached schedule of findings): F-97-HHS-DHH-2

Amount of Questioned Costs in Finding: \$ 368,258

Status of Questioned Costs (check one): Resolved X Unresolved: _____

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 112

Program Name(s): Medical Assistance Program

Federal Grantor Agency: Health and Human Services - HCFA

CFDA Number(s): 93.778

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):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern *Ken Corkern*

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1998

Finding Title: Failure to Reimburse Federal Share of Provider

Reference Number (from attached schedule of findings): F-97-HHS-DHH-3

Amount of Questioned Costs in Finding: \$ 428,292

Status of Questioned Costs (check one): Resolved Unresolved:

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 113

Program Name(s): Medical Assistance Program

Federal Grantor Agency: Health and Human Services - HCFA

CFDA Number(s): 93.778

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):

Although additional balances were identified in SFY '98, we have communicated with the AG's
Office and verified that as of 6-30-98, our totals are in agreement. Questioned costs were reported
to HCFA.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern *Ken Corkern*

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1998

Finding Title: Laboratory Services Payment Errors

Reference Number (from attached schedule of findings): F-97-HHS-DHH-4

Amount of Questioned Costs in Finding: \$ 560

Status of Questioned Costs (check one): Resolved Unresolved:

Initial Year of Finding: 1996

Page Number (from '97 Single Audit Report): 114

Program Name(s): Medical Assistance Program

Federal Grantor Agency: Health and Human Services - HCFA

CFDA Number(s): 93. 778

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):

DCR E28 - addendum #2 submitted 8-25-97 to change system logic. Recycle of 34,588 claims completed 9- 23-97 cycle. Notice to Providers - FIMS #3416 dated 8-25-97. When the claims were recycled, recoupments were initiated for questioned costs.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern *Ken Corkern*

Phone Number: 342-4379

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1998

Finding Title: Medicaid Cash Management Errors

Reference Number (from attached schedule of findings): F-97-HHS-DHH-8

Amount of Questioned Costs in Finding: \$ -0-

Status of Questioned Costs (check one): Resolved _____ Unresolved: _____

Initial Year of Finding: 1994

Page Number (from '97 Single Audit Report): 125

Program Name(s): Medical Assistance Program

Federal Grantor Agency: Health and Human Services - HCFA

CFDA Number(s): 93.778

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>X</u>	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):

In Addition to the corrective actions outlined in the original response, the department is implementing direct deposit of Provider payments. With full implementation of this project, only one (1) draw will be required per week in lieu of the current daily draws. Completion of this project is scheduled for September, 1998.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern 

Phone Number: 342-4379

**SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1998

Finding Title: Medicaid Eligibility Determinations Errors

Reference Number (from attached schedule of findings): F-97-HHS-DHH-5

Amount of Questioned Costs in Finding: \$ 156,478

Status of Questioned Costs (check one): Resolved Unresolved:

Initial Year of Finding: 1996

Page Number (from '97 Single Audit Report): 115

Program Name(s): Medical Assistance Program

Federal Grantor Agency: Health and Human Services - HCFA

CFDA Number(s): 93.778

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):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern *Ken Corkern*

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1998

Finding Title: Medicaid Third Party Liability Errors

Reference Number (from attached schedule of findings): F-97-HHS-DHH-6

Amount of Questioned Costs in Finding: \$ 61,196

Status of Questioned Costs (check one): Resolved Unresolved:

Initial Year of Finding: 1996

Page Number (from '97 Single Audit Report): 118

Program Name(s): Medical Assistance Program

Federal Grantor Agency: Health and Human Services - HCFA

CFDA Number(s): 93.778

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):

Corrective action was formulated in October 1997 in response to the Legislative Audit finding dated September 1997. The action constituted improved and comprehensive TPL Parish staff training and instructions which was initiated in November 1997 at training and new staff orientation sessions throughout the state and has continued as an ongoing process. As the corrections were made to the files, corrected data was picked up by the contractor, HMS, and appropriate billings made.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern *Ken Corkern*

Phone Number: 342-4379

**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, 1998

Finding Title: Inadequate Documentation of Foster Care Payments

Reference Number (from attached schedule of findings): F-97-HHS-DSS-3

Amount of Questioned Costs in Finding: \$2136

Status of Questioned Costs (check one): Resolved X Unresolved:

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 121

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	<u> </u>	Not Corrected	<u> </u>
Partially Corrected	<u> X </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

(See OMB A-133 Section 315(b)(4))

Description of Status: (include corrective action planned and anticipated completion date, if applicable)

The agency concurs with the finding. Corrective action has been taken in each office to assure proper procedures are adhered to in the future. Staff has been advised of appropriate authorization that conforms to agency standards. TIPS procedural manual was reviewed along with a review of office procedures to prevent future occurrences. In addition, the agency shall utilize the State Office TIPS Committee as a consultative work group to determine what other corrective measures are appropriate for improved operation of the system. A quarterly adjustment has been prepared to charge the FFP amount to state funds. This will be reflected on the September 30, 1998 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: *Samuel Dawson*

Phone Number: 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, 1998

Finding Title: Inappropriate Reimbursement for Related Party Transactions

Reference Number (from attached schedule of findings): F-97-HHS-DSS-4

Amount of Questioned Costs in Finding: \$159,746

Status of Questioned Costs (check one): Resolved Unresolved:

Initial Year of Finding: 1997

Page Number (from '97 Single Audit Report): 122

Program Name(s): Job Opportunities and Basic Skill Training

Federal Grantor Agency: Dept. Of Health and Human Services

CFDA Number(s): 93.561

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 finding shows an amount of \$159,746 as questionable cost. However, after further review by the Department, it was determined that the amount of questionable cost should be \$327,158. As of September 9, 1998, based upon allowances, negotiations and a compromise settlement approved by the court, the revised questionable amount due and paid by CILS is \$202,159.

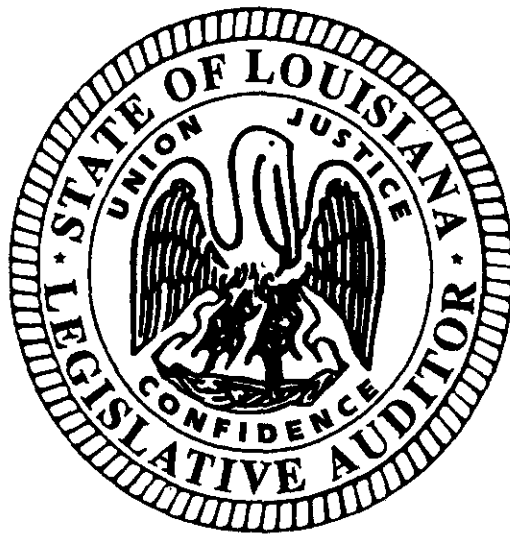
NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: 342-4164

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Acknowledgments



ACKNOWLEDGMENTS

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James Stevens, CPA - Department of Health and Hospitals Audit
Beth Davis, CPA - Louisiana Public Employees Deferred Compensation Plan and Department of Natural Resources Audits
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