SINGLE AUDITS OF SCHOOL BOARDS
SIGNIFICANT AUDIT FINDINGS
For the Year Ended 6/30/07

INTERNAL AUDIT REPORT

Audit Control Number 09-01
February 19, 2009

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LOUISIANA DEPARTMENT OF EDUCATION
BUREAU OF INTERNAL AUDIT
Baton Rouge, LA

NOTICE

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the Superintendent of Education, members of the Board of Elementary and Secondary Education, and to other officials as appropriate or required by law. A copy of this report is available for public inspection in the Bureau of Internal Audit at the Louisiana State Department of Education.

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February 19, 2009

Board of Elementary and Secondary Education
Mr. Paul G. Pastorek, Superintendent of Education
Louisiana Department of Education

Enclosed is the report on significant audit findings for single audits of school boards for the year ended June 30, 2007. If you have any questions, please contact us.

Respectfully submitted,

Dudley J. Garidel, Jr.
Director of Internal Audit

DJGJr

Distribution:

Board of Elementary and Secondary Education (11)
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Office of the Legislative Auditor
Office of the State Inspector General

EXECUTIVE SUMMARY

The State Department of Education (SDE) performs certain cognizant agency functions related to school board single audits in the State of Louisiana. As part of its responsibilities, the SDE performs desk reviews of selected school board single audit reports. The audit reports are prepared by independent certified public accountants and forwarded to the SDE for review. The review is performed to determine compliance with Office of Management and Budget (OMB) Circular A-133 and other regulatory guidelines. Listed below is a summary of significant or notable findings relative to school board audits (details begin on page 2).

Noncompliance with State Laws and Regulations (page 2)

- Movable Property Accounting
- Timely Audit Report
- Donation/Gift of Public Funds
- Louisiana Budget Act
- School Activity Funds
- Public Bid Law
- Seventy Percent Instructional Expenditures
- Collateralized Bank Deposits
- Agreed Upon Procedures

Noncompliance with Federal Laws and Regulations (page 4)

- Title I
- Title 2
- Temporary Assistance to Needy Families (TANF)
- School Food Service
- Office of Management and Budget (OMB) Circular A-87
- Suspended/Debarred Vendors

SIGNIFICANT FINDINGS NOTED

For the year ended June 30, 2007, significant audit findings and the school boards associated with those findings of noncompliance or internal control weakness are as follows:

Noncompliance with State Laws and Regulations

Movable Property Accounting

Louisiana Revised Statutes require public entities to maintain adequate control and accountability over movable property.

12th Consecutive Finding
Plaquemines

6th Consecutive Finding
St. Helena

5th Consecutive Finding
Caddo
City of Baker
Jackson

4th Consecutive Finding
East Feliciana
Evangeline
Lafayette

2nd Consecutive Finding
Bienville
Calcasieu
LaSalle

1st Finding
Assumption
Lafourche
West Baton Rouge

Timely Audit Report

Louisiana Revised Statute 24:513 requires public and quasi-public organizations receiving state or federal assistance to obtain audit services and submit an audit report within six months from the end of the fiscal year.

2nd Consecutive Finding
Claiborne
Orleans

1st Finding
Avoyelles
Beauregard
Bienville
Cameron

1st Finding (cont')
Plaquemines
Pointe Coupee
West Baton Rouge

Donation/Gift of Public Funds

Article VII, Section 15 of the Louisiana Constitution prohibits public bodies from making gifts or donations of public funds.

10th Consecutive Finding
Iberia

5th Consecutive Finding
Lafayette

Louisiana Budget Act

Louisiana Revised Statutes 17:88 and 39:1304-1310 require specific information on the notification, adoption, and amendments of budgets.

2nd Consecutive Finding
East Feliciana

School Activity Funds

While School Activity Funds are not the property of the school boards, the boards maintain a fiduciary and monitoring responsibility for these funds. Louisiana Revised Statute 17:414.3 regulates the management, expenditure of, and accounting for School Activity Funds.

6th Consecutive Finding
St. Helena

5th Consecutive Finding
Evangeline
Rapides

4th Consecutive Finding
City of Baker
Union

3rd Consecutive Finding
Claiborne
Morehouse

2nd Consecutive Finding
Bossier
Lafayette
LaSalle
Lincoln
Winn

1st Finding
Bienville
West Carroll

Public Bid Law

The Public Bid Law outlined in Louisiana Revised Statute 38:2212 mandates certain procedures and requirements for procurement of high-dollar value goods and services.

2nd Consecutive Finding
Cameron
St. Landry

1st Finding
Acadia
East Carroll
Grant

1st Finding (cont')
Rapides
Washington

Seventy Percent Instructional Expenditures

Louisiana Senate Concurrent Resolution #142 of the 1993 Session requires at least seventy percent of General Fund expenditures be spent for instructional purposes.

5th Consecutive Finding
East Carroll

4th Consecutive Finding
Jackson
Tensas

Collateralized Bank Deposits

Louisiana Revised Statutes 39:1211-1235 require bank deposits of public entities be fully secured at all times.

1st Finding
Acadia
Richland
Vernon

Agreed Upon Procedures

Certified Public Accountants performing School Board/District Single Audits are required, by Louisiana law (LSA-RS 24.514), to perform certain "agreed upon procedures" when auditing a School Board/District. These procedures are related to School Board Performance and Statistical Data and are not normally part of an audit. The procedures are intended to assist users in evaluating management's assertions about performance and statistical data and determine whether specified schedules are free of obvious errors and/or omissions.

4rthConsecutive Finding	2nd Consecutive Finding	1st Finding
Avoyelles	Assumption	Acadia
Bossier	Concordia	Caddo
East Carroll	DeSoto	Caldwell
St. Landry	East Baton Rouge	East Feliciana
St. Tammany	Grant	Iberville
Washington	Jefferson Davis	LaSalle
West Carroll	Morehouse	Plaquemines
	Rapides	Richland
3rd Consecutive Finding	Webster	St. James
Bienville	West Feliciana	Union
City of Baker	Winn	Vernon
Claiborne		
Franklin		
Jackson		
Lincoln		
Orleans		
Pointe Coupee		

Noncompliance with Federal Laws and Regulations

Title I

This federal award provides funds to enable school districts to improve the teaching and learning of children failing or most at-risk of failing and meet challenging State academic standards.

1st Finding
Lafayette
St. Landry
St. Mary

Title 2

This federal award provides funding to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools.

1st Finding
LaSalle

TANF

This federal award provides funds to assist needy families with children; reduce dependency by promoting job preparation, work, and marriage; reduce and prevent out-of-wedlock pregnancies; and encourage the formation and maintenance of two-parent families.

1st Finding
Lafourche

School Food Service

These federal awards provide funding to meet the nutritional requirements of eligible school children.

4th Consecutive Finding
Lafayette

1st Finding
Assumption
Beauregard
Calcasieu
Orleans

Office of Management and Budget Circular A-87

This federal circular establishes certain administrative requirements for federal awards, which include, but are not limited to, allowable costs, accounting record requirements, and allocation of time to federal awards.

2nd Consecutive Finding
Lafayette

1st Finding
West Baton Rouge

Suspended/Debarred Vendors

Under the OMB Circular A-133 Compliance Supplement, an entity is prohibited from contracting with vendors which have been suspended or debarred from conducting business with federal award programs. The entity must certify the vendor is not suspended or debarred from transactions expected to equal or exceed $25,000.

2nd Consecutive Finding
East Feliciana

By provisions of state law, this report is a public document. It has been distributed to appropriate public officials.

Dudley J. Garidel, Jr.
Director of Internal Audit