

SINGLE AUDITS OF SCHOOL BOARDS SIGNIFICANT AUDIT FINDINGS

For the Year Ended 6/30/09

INTERNAL AUDIT REPORT

Audit Control Number 11-01
October 4, 2010



Issued: December 9, 2010

**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, Louisiana State Department of Education.



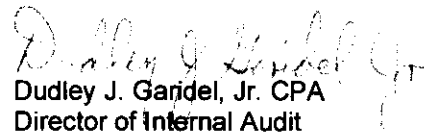
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December 9, 2010

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, 2009. If you have any questions, please contact us.

Respectfully submitted,


Dudley J. Garidel, Jr. CPA
Director of Internal Audit

DJGJr

Distribution:

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EXECUTIVE SUMMARY

By verbal agreement with the United States Department of Education (USDOE) the Louisiana Department of Education (LDE) performs certain cognizant agency functions related to school board single audits in the State of Louisiana. As part of its responsibilities, the Bureau of Internal Audit (BIA) performs desk reviews of selected school board single audit reports. The audit reports are prepared by independent certified public accountants and forwarded to the BIA 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.

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
- Agreed Upon Procedures
- Seventy Percent Instructional Expenditures
- Uniform Unclaimed Property Act

Noncompliance with Federal Laws and Regulations (page 4)

- Title I
- Title 2
- Individuals With Disabilities Education Act (IDEA)/Special Education
- School Food Service
- Office of Management and Budget (OMB) Circular A-87
- Suspended/Debarred Vendors
- Eligibility
- Cash Management

SIGNIFICANT FINDINGS NOTED

For the year ended June 30, 2009, 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.

<u>6th Consecutive Finding</u>	<u>2nd Consecutive Finding</u>	<u>1st Finding (cont)</u>
East Feliciana	Acadia	Morehouse
		Plaquemines
<u>4th Consecutive Finding</u>	<u>1st Finding</u>	Pointe Coupee
Calcasieu	Bienville	St. Landry
	Bossier	St. Tammany
<u>3rd Consecutive Finding</u>	East Carroll	Washington
West Baton Rouge	Jefferson Davis	West Carroll

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.

1st Finding
City of Baker
East Carroll
Plaquemines
St. Tammany

Donation/Gift of Public Funds

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

1st Finding
Iberia

Louisiana Budget Act

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

<u>4th Consecutive Finding</u>	<u>1st Finding</u>
Morehouse	Central Community
	Claiborne
<u>2nd Consecutive Finding</u>	Plaquemines
Cameron	

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.

<u>5th Consecutive Finding</u>	<u>1st Finding</u>	<u>1st Finding (cont)</u>
Claiborne	Bienville	Sabine
	Calcasieu	St. Helena
<u>2nd Consecutive Finding</u>	East Baton Rouge	St. Landry
Jackson	East Carroll	Webster
Pointe Coupee	Lincoln	West Carroll
West Baton Rouge	Rapides	

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.

<u>2nd Consecutive Finding</u>	<u>1st Finding</u>	<u>1st Finding (cont)</u>
East Feliciana	Bossier	St. Landry
Jackson	Claiborne	Union
	East Baton Rouge	West Carroll
	Iberville	Winn
	Pointe Coupee	

Agreed Upon Procedures

Louisiana Revised Statute 24:514 requires the Certified Public Accountant conducting a School Board/District/System Single Audits to perform certain "agreed upon procedures". 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.

<u>6th Consecutive Finding</u>	<u>4th Consecutive Finding</u>	<u>2nd Consecutive</u>
East Carroll	Assumption	Calcasieu
St. Landry	Morehouse	Central Community
St. Tammany	Webster	
West Carroll		<u>1st Finding</u>
<u>5th Consecutive Finding</u>	<u>3rd Consecutive Finding</u>	Bienville
Claiborne	Caldwell	Pointe Coupee
Jackson	Cameron	Rapides
	Iberville	West Baton Rouge
	Plaquemines	
	Union	
	Vernon	

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.

<u>2nd Consecutive</u>
Cameron

Uniform Unclaimed Property Act

The Uniform Unclaimed Property Act of 1997 (Louisiana Revised Statute 9:151-181) applies to unclaimed property and wages or other compensation for personal services. Abandoned property or wages are to be reported annually and funds equal to the value of the property or wages are to be submitted to the Louisiana Department of Revenue.

1st Finding

West Baton Rouge

Noncompliance with Federal Laws and Regulations**Title 1**

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.

3rd Consecutive Finding

St. Landry
St. Mary

2nd Consecutive Finding

Claiborne

1st Finding

Assumption
Calcasieu

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

West Carroll

IDEA/Special Education

This federal award provides the special education and related services needed to make a free appropriate public education available to all eligible children.

1st Finding

St. Landry

School Food Service

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

1st Finding

East Carroll
Iberville
St. Landry

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.

3rd Consecutive Finding
West Baton Rouge

2nd Consecutive Finding
Winn

1st Finding
Assumption
Claiborne
Iberville
St. James

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
Assumption

1st Finding
Claiborne
St. James
West Baton Rouge

Eligibility

Federal programs contain various eligibility requirements which must be met in order to allow participation in a program. Such requirements vary depending on the program.

1st Finding
Caldwell
Claiborne
Morehouse

1st Finding (cont)
St. Landry
Webster


Cash Management

Federal regulations require entities receiving federal funds to establish reasonable procedures to manage federal cash balances and disbursements.

2nd Consecutive Finding
Beauregard

1st Finding
Caldwell
Plaquemines
St. Landry

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


Dudley J. Gaidel, Jr. CPA
Director of Internal Audit