

SINGLE AUDITS OF SCHOOL BOARDS SIGNIFICANT AUDIT FINDINGS

For the Year Ended 6/30/10

INTERNAL AUDIT REPORT

Audit Control Number 12-01
October 1, 2011



Issued: October 17, 2011

**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.



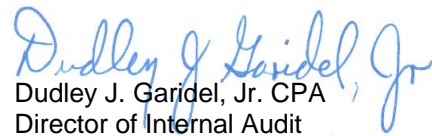
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October 17, 2011

Board of Elementary and Secondary Education
Ms. Ollie S. Tyler, Acting Superintendent of Education
Louisiana Department of Education

Enclosed is the report on significant audit findings for single audits of school districts/systems for the year ended June 30, 2010. If you have any questions, please contact us.

Respectfully submitted,


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

DJGJr

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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 district/system single audits in the State of Louisiana. As part of its responsibilities, the Bureau of Internal Audit (BIA) performs desk reviews of selected school district/system single audit reports.

The reports are based on audits of the school districts/systems performed by independent certified public accountants in accordance with federal and state regulations. 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 district/system audits.

Noncompliance with State Laws and Regulations (page 2)

- Movable Property/Fixed Asset Accounting
- Timely Audit Report
- Donation/Gift of Public Funds
- School Activity Funds
- Public Bid Law
- Agreed Upon Procedures
- Uniform Unclaimed Property Act
- Collateralized Deposits

Noncompliance with Federal Laws and Regulations (page 4)

- Title I
- Temporary Assistance to Needy Families (TANF)
- Individuals With Disabilities Education Act (IDEA)/Special Education
- School Food Service
- Office of Management and Budget (OMB) Circular A-87
- Office of Management and Budget (OMB) Circular A-133
- Suspended/Debarred Vendors
- Eligibility
- Cash Management
- Maintenance of Effort
- Davis-Bacon Act

The BIA believes the findings which pose the most risk to the school districts/systems are those related to movable property/fixed assets; school activity funds; collateralized deposits; and federal findings, particularly Title 1, TANF, IDEA, School Food Service, Cash Management, and Davis-Bacon Act.

SIGNIFICANT FINDINGS NOTED

For the year ended June 30, 2010, significant audit findings and the school district/system associated with those findings of noncompliance or internal control weakness are as follows:

Noncompliance with State Laws and Regulations

Movable Property/Fixed Asset Accounting

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

5th Consecutive Finding
Calcasieu

3rd Consecutive Finding
Acadia

2nd Consecutive Finding
Bienville

Bossier
East Carroll
Morehouse
Plaquemines
Pointe Coupee
St. Landry

1st Finding

Caldwell
City of Monroe
Webster

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

Avoyelles
East Feliciana
Jackson

1st Finding (cont)

St. Helena
Webster

Donation/Gift of Public Funds

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

2nd Consecutive Finding

Iberia

1st Finding

Orleans
St. Landry

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
Claiborne

3rd Consecutive Finding
Jackson
Pointe Coupee

2nd Consecutive Finding
East Carroll

Rapides
Sabine
St. Helena
St. Landry
Webster

1st Finding

Evangeline
Jefferson Davis
Lafayette
LaSalle
Richland

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>
Acadia	Bienville	Lafourche
Assumption	Calcasieu	Orleans
East Baton Rouge	Central Community	

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>7th Consecutive Finding</u>	<u>4th Consecutive (cont)</u>	<u>1st Finding</u>
East Carroll	Cameron	Ascension
St. Landry	Plaquemines	Concordia
West Carroll	Union	East Feliciana
		Franklin
<u>6th Consecutive Finding</u>	<u>3rd Consecutive Finding</u>	Grant
Claiborne	Central Community	Lincoln
		Richland
<u>5th Consecutive Finding</u>	<u>2nd Consecutive Finding</u>	St. James
Morehouse	Acadia	Terrebonne
Webster	Bienville	Winn
	Pointe Coupee	
<u>4th Consecutive Finding</u>	Rapides	
Caldwell	West Baton Rouge	

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.

<u>2nd Consecutive Finding</u>
West Baton Rouge

Collateralized Bank Deposits

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

<u>1st Finding</u>
Bienville

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

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

4th Consecutive Finding

St. Landry
St. Mary

2nd Consecutive Finding

Calcasieu

1st Finding

East Carroll
Iberville
Jackson

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

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

Jackson

School Food Service

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

2nd Consecutive Finding

St. Landry

1st Finding

Calcasieu
Concordia
Webster

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

Assumption

1st Finding

Iberia

Office of Management and Budget Circular A-133

This federal circular establishes certain administrative requirements for audits of federal awards made to states, local governments and nonprofit organizations

1st Finding

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

Claiborne
St. James

1st Finding

Caddo
East Carroll
Iberville
LaSalle
Morehouse

1st Finding (cont)

Rapides
Richland
St. Landry
Union
Webster

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.

2nd Consecutive Finding

St. Landry

1st Finding

Calcasieu
Union

Cash Management

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

3rd Consecutive Finding

Beauregard

2nd Consecutive Finding

Plaquemines
St. Landry

1st Finding

East Carroll

Maintenance of Effort

Certain federal programs require a continued minimum level of funding based on expenditures in previous year(s), depending on the program.

1st Finding

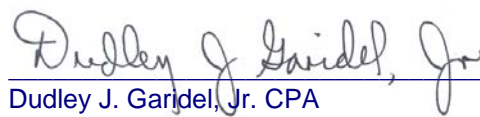
East Feliciana

Davis-Bacon Act

When required by this act, entities receiving federal funds used for construction contracts in excess of \$2000 must pay prevailing wage rates established for that locale by the US Department of Labor.

1st Finding
Concordia

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



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