

LOUISIANA SCHOOLS FOR THE
DEAF AND VISUALLY IMPAIRED

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
PROCEDURAL REPORT
ISSUED NOVEMBER 12, 2015

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Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Louisiana Schools for the Deaf and Visually Impaired

November 2015

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Introduction

The primary purpose of our procedures at the Louisiana Schools for the Deaf and Visually Impaired (LSDVI) was to evaluate certain controls LSDVI uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and overall accountability over public funds.

The mission of LSDVI is to foster a learning community that is student-oriented and dedicated to excellence by providing child-specific instruction and residential services to students.

Results of Our Procedures

We evaluated LSDVI's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of applicable laws and regulations. Based on the documentation of LSDVI's controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to student activity funds, inventory, and LaCarte purchasing card expenditures.

Student Activity Funds

LSDVI maintains student activity fund (SAF) bank accounts for the Louisiana School for the Deaf (LSD) and for the Louisiana School for the Visually Impaired (LSVI), and two SAF certificates of deposit (CDs) for LSD. We limited our procedures to the LSD SAF, which totaled \$104,671, or 51% of LSDVI cash balances at June 30, 2015, and \$115,368, or 56% of LSDVI cash balances at June 30, 2014. Based upon our understanding of LSDVI's controls, we performed procedures on deposits and disbursements for the LSD SAF to determine if select cash deposits were accurately and timely recorded and selected disbursements were allowable and properly authorized. Based on the results of our procedures, LSDVI had adequate controls in place to ensure that cash deposits were accurately and timely recorded and disbursements were allowable and properly authorized.

Inventory

LSDVI's warehouse inventory balance consists of residential and maintenance supplies that are used to operate and maintain the school and the dormitories, including food items, automotive supplies, pesticides, and cleaning supplies. We obtained an understanding of the controls over the on-site storage of these items and performed procedures to determine if warehouse activities were properly

accounted for. Based on the results of our procedures, LSDVI had adequate controls in place to ensure that warehouse acquisitions and distributions were properly authorized and accounted for and that inventory records were complete.

LaCarte Purchasing Card Expenditures

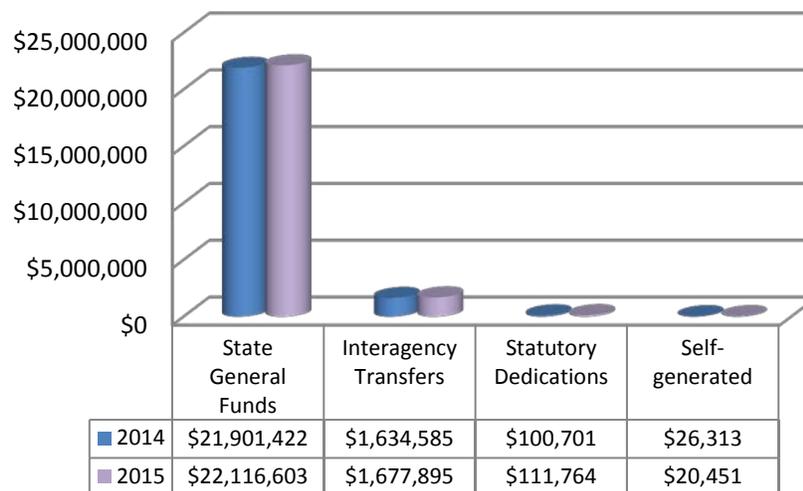
LSDVI participates in the state of Louisiana's LaCarte Purchasing Card (p-card) program and utilizes 57 cards to make purchases. P-card purchases totaled \$484,579 and \$746,591 in fiscal years 2014 and 2015, respectively. We obtained an understanding of controls over the p-card program and reviewed p-card activity for seven cardholders in fiscal years 2014 and 2015. Based on the results of our procedures, LSDVI had adequate controls in place to ensure that LaCarte purchases were properly authorized and supported, accurately recorded, and made for proper business purposes.

Comparison of Activity between Years

We compared the most current and prior-year financial activity using LSDVI's annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from management for any significant variances that could potentially indicate areas of risk. Management provided reasonable explanations for all significant variances.

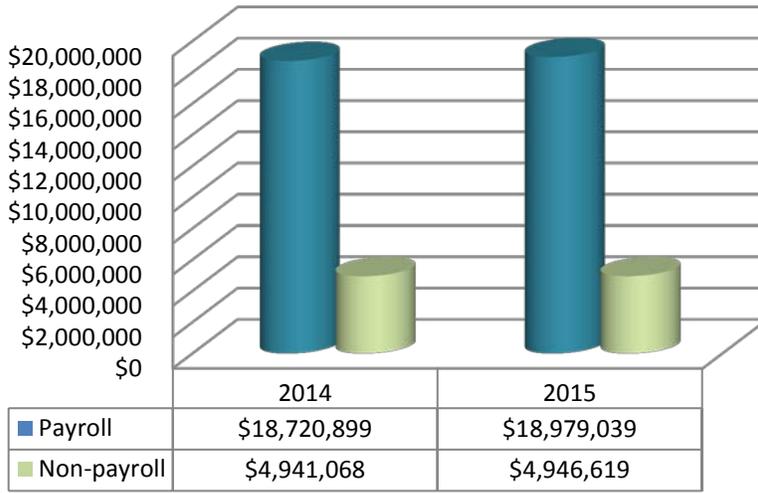
LSDVI is primarily funded with state General Fund monies and more than 79% of expenditures are for salaries and related benefits. As shown in Exhibits 1 and 2, there was no significant change in funding or expenditures from fiscal year 2014 to fiscal year 2015.

Exhibit 1
Revenue Sources - Fiscal Years 2014 and 2015



Source: Integrated Statewide Information System (ISIS) and Annual Fiscal Reports

**Exhibit 2
Expenditures - Fiscal Years 2014 and 2015**



Source: ISIS

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

Respectfully submitted,

 Daryl G. Purpera, CPA, CFE
 Legislative Auditor

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LSDVI2015

APPENDIX A: SCOPE AND METHODOLOGY

We conducted certain procedures at the Louisiana Schools for the Deaf and Visually Impaired (LSDVI) for the period from July 1, 2013, through June 30, 2015. Our objective was to evaluate certain internal controls LSDVI uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and overall accountability over public funds. The scope of our procedures, which are summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We did not audit or review LSDVI's Annual Fiscal Report, and, accordingly, we do not express an opinion on that report. LSDVI's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated LSDVI's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to LSDVI.
- Based on the documentation of LSDVI's controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to student activity funds, inventory, and LaCarte purchasing card expenditures.
- We compared the most current and prior-year financial activity using LSDVI's annual fiscal reports and/or system-generated reports and obtained explanations from LSDVI's management for any significant variances.

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