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Report Highlights

University of Louisiana at Lafayette

University of Louisiana System

Audit Control # 80130075
Financial Audit Services • December 2013

Why We Conducted This Audit

We conducted certain procedures at the University of Louisiana at Lafayette (University) as part of the University of Louisiana System's (System) financial statement audit and the Single Audit of the State of Louisiana for the year ended June 30, 2013, and to provide accountability over public funds.

What We Found

- **The New Iberia Research Center (NIRC) lacked controls to prevent or timely detect approximately \$26,000 in misappropriated assets.** Three NIRC employees misappropriated over \$10,000 during a two-year period by stealing items such as scrap metal, wiring, and batteries and selling them to a scrap yard. In addition, NIRC management did not notify the NIRC Security Director or the University Police Department nor notify the service provider to cancel service for two weeks after a University assigned cell phone went missing. As a result, over \$16,000 in fraudulent charges were placed on the phone in those two weeks.
- **Audit procedures performed on 45 receipts at three of the University's collection points disclosed that seven receipts totaling \$1,998,322 were not deposited timely.** Since the University does not have a method to document when checks are received, auditors had to compare the check date to the deposit date to determine the length of time before deposit, which resulted in a range of 18 to 42 days.
- **The University did not report all changes in enrollment status for students receiving Federal Direct Student Loan funds to the National Student Loan Data System as required by federal regulations, including none of the changes in enrollment status caused by unofficial withdrawals in the 2013 spring semester.** Lack of reporting changes in a student's enrollment status delays or prevents the recoupment of loan funds by the federal agency.
- **The University did not immediately report misappropriation of property to the legislative auditor and the local district attorney as required by Louisiana Revised Statute 24:523.** On May 30, 2013, the University reported theft of various items with values totaling \$12,062 which occurred from April 2012 through December 2012.

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What We Found (Cont.)

- Over the past four years state funding has declined and tuition revenue has increased. Federal funding increased in FY11 because of the American Recovery and Reinvestment Act which decreased in FY12 and FY13. In addition, there was an increase in other revenue in FY11 for construction funds of various projects and in FY13 for new endowments.

