



Report Highlights

Louisiana State University Health Sciences Center-New Orleans

Louisiana State University System

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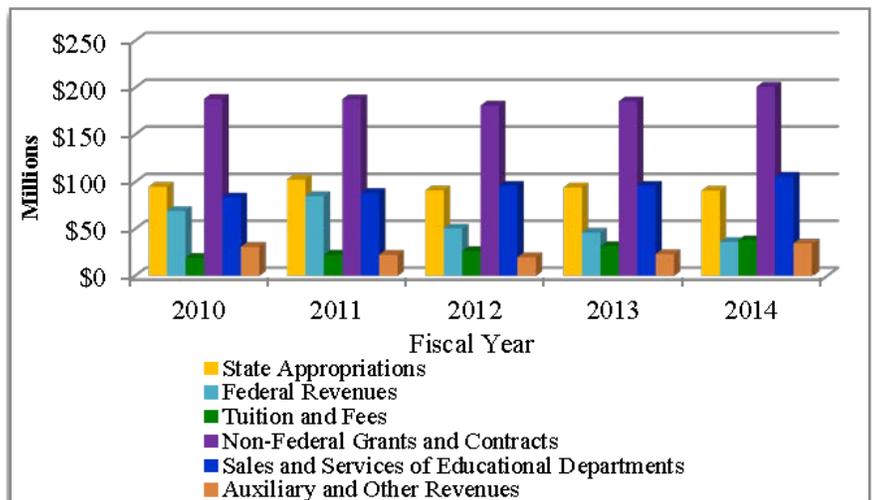
Why We Conducted This Audit

We performed certain procedures at Louisiana State University Health Sciences Center-New Orleans (LSUHSC-NO) as part of the Louisiana State University System's financial statement audit and the Single Audit of the State of Louisiana, and to evaluate its accountability over public funds for the period July 1, 2013 through June 30, 2014.

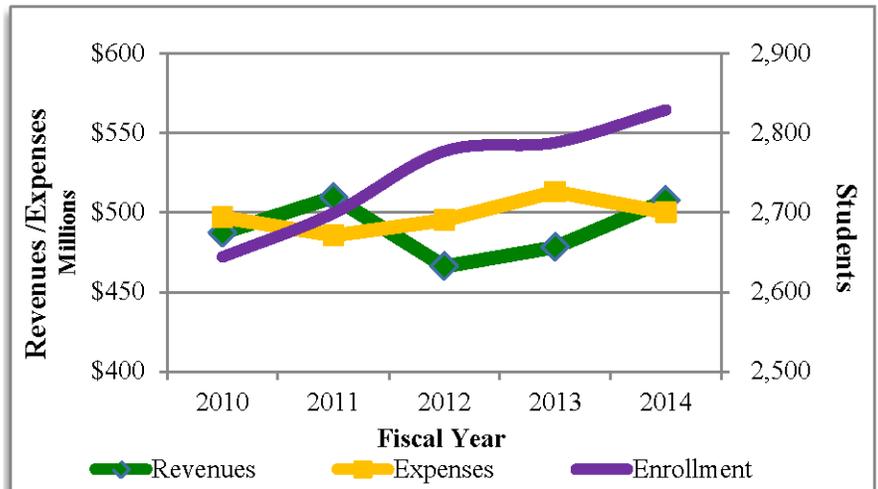
What We Found

- Management and employees within LSUHSC-NO's Auxiliary Enterprises received meals and drinks from LSUHSC-NO Dining Services without paying. These actions are possible violations of the Louisiana State Constitution and state law.
- The LSUHSC-NO School of Medicine in Baton Rouge did not ensure that its employees used the appropriate leave forms and that approval of leave requests was documented by the supervisors which increases the risk of employees taking unauthorized leave.
- Financial information relating to the following accounts was materially correct, as adjusted: capital assets, amounts due to/from State Treasury, other postemployment benefits payable, net position, nongovernmental grants and contracts revenues, education and general expenses, and Schedule 8-2.
- In analyzing financial trends of LSUHSC-NO over the past five years, expenses have remained relatively consistent. Since 2010, tuition and fees have increased by \$18.9 million mainly because of the increases in tuition permitted by the GRAD Act (Act 741 of the 2010 Regular Session of the Louisiana Legislature). In addition, non-federal grants and contracts have increased by \$13.2 million, and sales and services of educational departments have increased \$22 million, mainly because of the privatization of the state-owned hospitals and new contracts with private entities. Over that same period, state appropriations have decreased \$4.1 million, and federal revenues have decreased \$33.2 million. However, federal revenues for 2010 and 2011 include State Fiscal Stabilization Funds which were one-time funds received from the federal government that were used to offset reductions in state appropriations. As state appropriations and federal revenues continue to become a smaller portion of total revenues, LSUHSC-NO's operations are becoming more dependent on non-federal grants and contracts revenues and sales and services of educational departments revenues collected by LSUHSC-NO.

Five-Year Revenue Trend



Fiscal/Enrollment Trends



Source: Fiscal years 2010-2013 LSU System Audit Reports; Fiscal year 2014 LSUHSC-NO Annual Fiscal Reports