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## Report Highlights

# Louisiana State University and Related Campuses

## *Louisiana State University System*

Audit Control # 80150061  
Financial Audit Services • February 2016

### Why We Conducted This Audit

We performed procedures at LSU and Related Campuses (LSU) as part of the Louisiana State University System's audit and the Single Audit of the State of Louisiana, and to evaluate its accountability over public funds for the period July 1, 2014, through June 30, 2015.

### What We Found

- LSU Office of Internal Audit disclosed that the LSU College of Music and Dramatic Arts could not account for \$82,132 in collections of admission fees to theatre productions. In addition, the employee with custody over these funds issued two checks payable to himself totaling \$263.
- LSU notified us of an instance of falsified payroll records for a student employee resulting in \$5,253 in improper payments based on those records, charged to a federal Biomedical Research and Research Training program.
- LSU campus departments reviewed were not compliant with LSU's Credit Card Merchant Policy. Noncompliance with LSU's established policies and procedures regarding the security of sensitive credit card information exposes LSU and individuals to unnecessary risk.
- Louisiana State University Eunice (LSUE) disclosed misappropriation of assets totaling approximately \$18,000 within the Facilities department. LSUE was able to recover two of the missing items with a total value of \$4,209.
- The Louisiana State University Agricultural Center (Ag Center) did not comply with federal equipment management regulations as two of 25 (8%) items tested could not be located. The Ag Center did not have adequate controls in place to ensure that accurate information was maintained in the university's property management system and that equipment was properly safeguarded against loss.
- The Ag Center did not adequately monitor all five subrecipients of federal Research and Development (R&D) Cluster programs reviewed and was unable to provide documentation that it ensured each subrecipient obtained the required Office of Management and Budget (OMB) Circular A-133 audit within nine months of the subrecipient's fiscal year end.
- Pennington Biomedical Research Center (PBRC) did not adequately monitor three of 19 (16%) subrecipients of federal R&D Cluster programs tested.

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# Louisiana State University and Related Campuses

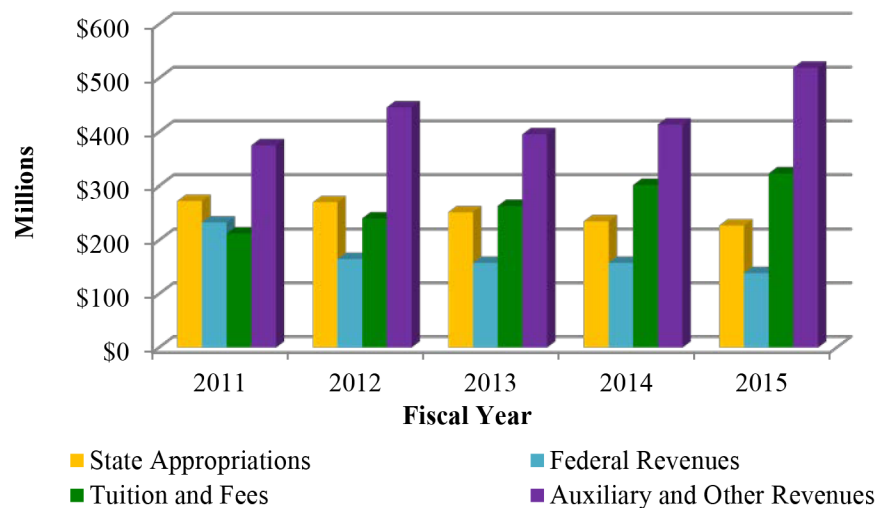
## Louisiana State University System

### What We Found (Cont.)

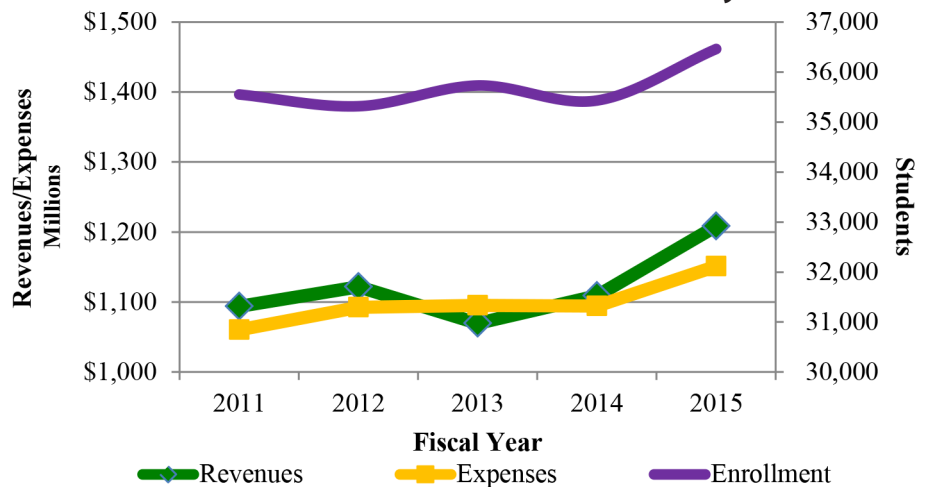
- PBRC did not require employees to certify their time and effort charged to federal R&D Cluster programs in a timely manner.
- PBRC personnel did not follow prescribed controls over compliance with the cash management requirements of R&D Cluster programs for six of 25 (24%) expense transactions tested as the related drawdown requests were not reviewed and approved by someone other than the preparer.

In analyzing financial trends of LSU over the past five years, expenses have increased by 9% since 2011 while state appropriations have decreased 17%. As state appropriations continue to become a smaller portion of total revenues, the university's operations are becoming more dependent on tuition and fees and auxiliary and other revenues collected by LSU and Related Campuses that are directly related to enrollment. Over that same period, tuition and fees have increased by 52% mainly because of the increases in tuition permitted by the GRAD Act (Act 741 of the 2010 Regular Session of the Louisiana Legislature). Total enrollment for LSU and Related Campuses has remained relatively consistent over the last five years.

#### Five-Year Revenue Trend



#### Fiscal/Fall Enrollment Trend Analysis



Source: Fiscal Year 2011–2014 LSU System Audit Reports; Fiscal Year 2015 LSU and Related Campuses Annual Fiscal Reports