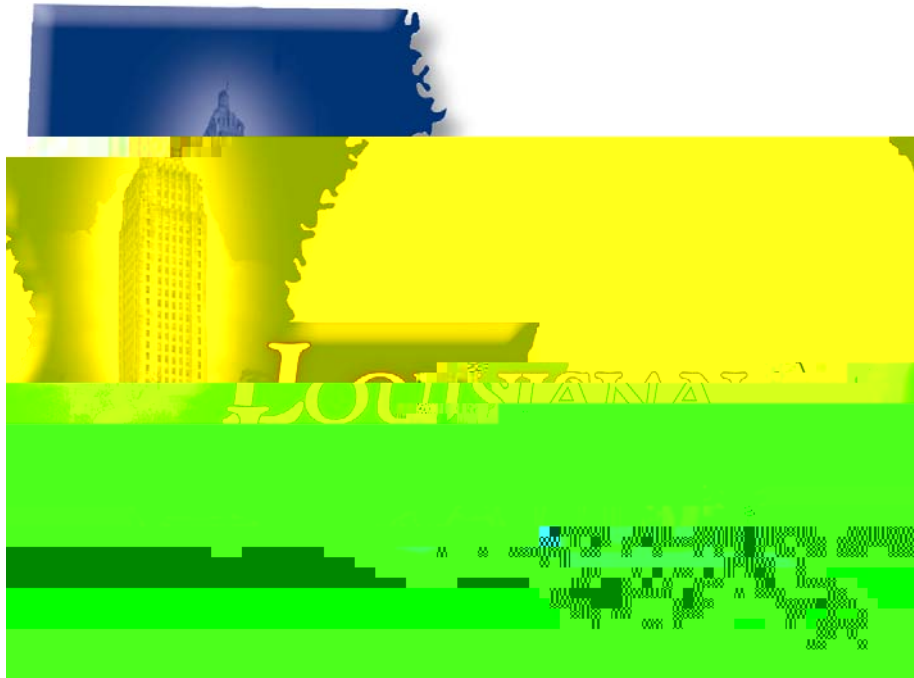


SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED DECEMBER 21, 2005

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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STEVE J. THERIOT, CPA

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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by



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November 29, 2005

SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Hammond, Louisiana

its annual certification of property inventory to the Louisiana Property Assistance Agency (LPAA) on September 12, 2005.

Good internal control and the Louisiana Administrative Code prescribe that efforts should be made to locate all movable property items for which there are no explanations available for their disappearance. Assets should be adequately monitored to safeguard against loss or theft, and periodic counts of property inventory, as well as the search for missing items, should be thorough.

Failure to thoroughly secure, locate, and account for movable property increases the risk of loss arising from unauthorized use of the property and could subject SLU to noncompliance with state laws and regulations. Also, the risk exists that sensitive information could be improperly retrieved from the missing computers and/or computer-related equipment, which could compromise SLU's data integrity.

Management of SLU should strengthen its internal controls over movable property, including the procedures for securing its movable assets and conducting its physical inventory, and should devote additional efforts to locating movable property reported as unlocated in previous years. Management concurred in part with the finding and recommendation and outlined a plan of corrective action (see Appendix A, pages 1-2).

Failure to Obtain Waiver and Meet Matching Requirements

SLU did not submit an application for waiver of the institutional-share requirement under the Federal Work-Study (FWS) Program (CFDA 84.033) for the 2003-2004 award years. In addition, the institutional share of earned compensation did not consist of 25% of nonfederal institutional funds as required by federal regulations.


The application for waiver of the institutional-share requirement must be submitted prior to expiration date established under the requirements of the U.S. Department of Education. The Code of Federal Regulations, Title 34 Part 675 Section 26 states that the federal share of FWS compensation paid to a student employed other than by a private for-profit organization, as described in Sec. 675.23, may not exceed 75%.

Management has not placed sufficient emphasis on the timely submission of the application for waiver of the institutional-share requirement. SLU has not paid the 25% of nonfederal institutional match. The university calculated \$60,950 as the remaining required match due to the U.S. Department of Education, and this amount results in questioned costs. There has been no communication from the U.S. Department of Education regarding the amount of the match not paid by the university because of failure to obtain a waiver. SLU should strengthen controls to ensure that the application for waiver is submitted timely. Management concurred in part with the finding and recommendation and outlined a plan of corrective action (see Appendix A, pages 3-4).

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the university. The nature of the recommendations, their implementation costs, and their potential impact on the operations of the university should be considered in reaching decisions on courses of action. The finding, which relates to the university's compliance with applicable laws and regulations, should be addressed immediately by management.

This letter is intended for the information and use of the university and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

LMF:JR:PEP:ss

[SLU05]

Management's Corrective Action
Plans and Responses to the
Findings and Recommendations
