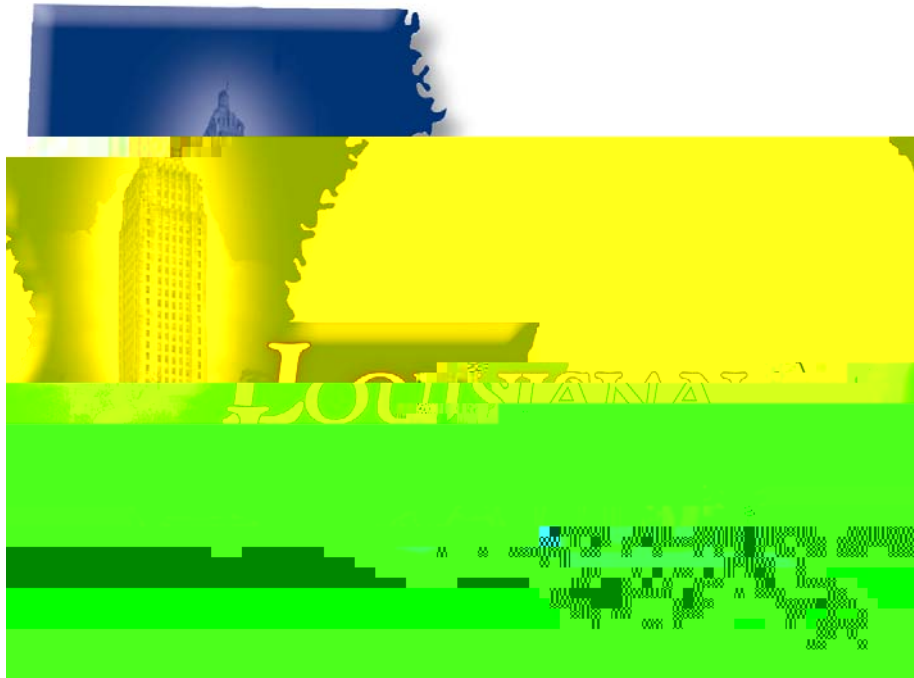


SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED DECEMBER 19, 2007

**LEGISLATIVE AUDITOR
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Louisiana Revised Statutes 39:324 and 39:325 require entities to conduct an inventory of movable property and identify amounts of unlocated property in an annual certification submitted to the Louisiana Property Assistance Agency (LPAA). SLU submitted its annual certification of property inventory to LPAA on September 11, 2007, and reported unlocated movable property items totaling \$610,986 as a result of the physical inventory. Of the unlocated property reported on SLU's annual certification, the amount of unlocated computers and computer-related equipment totaled \$244,267. The certification of property inventory disclosed \$31,970,817 in total movable property administered by SLU.

Failure to adequately monitor, secure, and account for all movable property and locate those items for which there are no explanations available for their disappearance subjects the movable property of SLU to increased risk of loss and/or unauthorized use and to noncompliance with state laws and regulations. Furthermore, because of the nature of services provided by the university, the risk exists that sensitive information could be improperly recovered from the missing computers and/or computer-related equipment.

SLU's management should strengthen its internal control over movable property to ensure that all movable property is adequately secured and monitored, thorough physical inventories are conducted, and additional efforts are devoted toward 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).

The recommendation in this letter represents, in our judgment, that most likely to bring about beneficial improvements to the operations of the university. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the university should be considered in reaching decisions on courses of action.

This letter is intended for the information and use of the university and its management, others within the university, and the Louisiana State Legislature 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:dI

SLU07

Management's Corrective Action
Plan and Response to the
Finding and Recommendation
