

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Leonard J. Clabert Medical Center  
Louisiana Health Care Authority  
State of Louisiana  
Houma, Louisiana

February 28, 1997



*Financial and Compliance Audit Division*

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*Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor*

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**LEONARD J. CHABERT MEDICAL CENTER  
LOUISIANA HEALTH CARE AUTHORITY  
STATE OF LOUISIANA  
Morrise, Louisiana**

**Management Letter  
Dated February 5, 1987**

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 state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor and at the office of the parish clerk of court.

February 26, 1987



OFFICE OF  
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February 5, 1997

**LEONARD J. CHABERT MEDICAL CENTER**  
**LOUISIANA HEALTH CARE AUTHORITY**  
**STATE OF LOUISIANA**  
Houma, Louisiana

As part of our audit of the State of Louisiana's financial statements for the year ended June 30, 1997, we conducted certain procedures at the Leonard J. Chabert Medical Center, Louisiana Health Care Authority. Our procedures included (1) a review of the medical center's internal control structure; (2) tests of financial transactions for fiscal years 1997 and 1996; (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for fiscal years 1997 and 1996; and (4) a review of compliance with prior year report recommendations.

The Annual Fiscal Report of the Leonard J. Chabert Medical Center, Louisiana Health Care Authority was not within the scope of our work, and, accordingly, we offer no form of assurance on that report upon its issuance. The medical center's accounts are an integral part of the State of Louisiana's financial statements upon which the Louisiana Legislative Auditor expresses an opinion.

Our procedures included interviews with management personnel and selected medical center personnel. We also evaluated documents, files, reports, systems, procedures, and policies as we considered necessary. After analyzing the data, we developed recommendations for improvements. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

In our prior management letter dated November 7, 1995, we reported findings relating to controls over disbursements, payroll and personnel controls, and commodities inventory records and reports. These findings have been resolved by the medical center.

Based upon the application of the procedures referred to previously, all significant findings are included in this report for management's consideration.

**Failure to Comply With Movable  
Property Regulations**

Leonard J. Chabert Medical Center has not complied with the provisions of the state's movable property law. Louisiana Revised Statutes 38:323-325 requires that all acquisitions of qualified property be tagged with a uniform SMM of Louisiana

LEONARD J. CHABERT MEDICAL CENTER  
LOUISIANA HEALTH CARE AUTHORITY  
STATE OF LOUISIANA

Management Letter, Dated February 5, 1997

Page 2

tag and all pertinent inventory information be forwarded to the Louisiana Property Assistance Agency (LPPAA) within 45 days after receipt of the items. In our test of additions to movable property, we determined the following:

- For 51 additions to property for fiscal year 1997, none of the property was tagged, and the inventory information was not submitted to LPPAA within 45 days of receipt of the property.
- For five additions to movable property for fiscal year 1996, three (60 percent) were not submitted to LPPAA within 45 days of receipt of the property. Of the three not submitted to LPPAA timely, one of the items was not tagged within 45 days of receipt.

The number of days between receipt and submission to LPPAA and/or tagging ranged from 24 to 609 days. Delay in tagging and submitting required information to LPPAA exposes the medical center to possible loss or misuse of its movable property.

The Leonard J. Chabert Medical Center should ensure that all movable property is tagged and inventory information is submitted to LPPAA within 45 days of receipt of property. In a letter dated January 9, 1997, Mr. Kent Greaux, Administrative Director, concurred with the finding and informed us that the Leonard J. Chabert Medical Center has initiated procedures to ensure that all movable property is tagged and submitted to LPPAA in a timely manner.

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

LEGISLATIVE AUDITOR

LEONARD J. CHABERT MEDICAL CENTER  
LOUISIANA HEALTH CARE AUTHORITY  
STATE OF LOUISIANA  
Management Letter, Dated February 5, 1997  
Page 3

This report is intended for the information and use of the medical center and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFC  
Legislative Auditor

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