

DEPARTMENT OF EDUCATION
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED MARCH 2, 2005

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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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 state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

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STEVE J. THERIOT, CPA
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February 3, 2005

DEPARTMENT OF EDUCATION
STATE OF LOUISIANA
Baton Rouge, Louisiana

As part of our audit of the State of Louisiana's financial statements for the year ending June 30, 2004, we considered the Department of Education's internal control over financial reporting and over compliance with requirements that could have a direct and material effect on a major federal program; we examined evidence supporting certain accounts and balances material to the State of Louisiana's financial statements; and we tested the department's compliance with laws and regulations that could have a direct and material effect on the State of Louisiana's financial statements and major federal programs as required by *Government Auditing Standards* and U.S. Office of Management and Budget Circular A-133.

The Annual Fiscal Report of the Department of Education is not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The department's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

In our prior management letter on the state Department of Education for the year ended June 30, 2003, we reported findings relating to improper charging of administrative expenditures to federal awards, ineffective controls over subrecipient monitoring, inadequate controls over federal payroll certifications, inadequate controls over the Special Education Grants for Infants and Families with Disabilities Program, and noncompliance with state reporting law. These findings have been resolved by management.

Based on the application of the procedures referred to previously, we found no matters that required disclosure in this management letter or in the Single Audit Report for the State of Louisiana. The department has made significant improvement in resolving numerous findings in the last six years, going from 19 findings in 1999 to zero findings in 2004, demonstrating management's diligent efforts to strengthen the department's internal controls.

This letter is intended for the information and use of the department 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,

A handwritten signature in black ink, appearing to read "Steve J. Theriot", written over a horizontal line.

Steve J. Theriot, CPA
Legislative Auditor

JDH:WDG:PEP:dl