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Report Highlights

Acadiana Area Human Services District

Louisiana Department of Health

Audit Control #80200048
Financial Audit Services • August 2020

Why We Conducted This Work

We performed certain procedures at the Acadiana Area Human Services District (AAHSD) to evaluate certain controls AAHSD uses to ensure accountability over public funds for the period July 1, 2018, through June 30, 2020.

What We Found

- For the second consecutive engagement, AAHSD did not bill Medicare, Medicaid, and private insurance companies in accordance with insurers' contracts. Based on our analysis of write-off transactions recorded during fiscal years 2019 and 2020, as of February 12, 2020 and explanations provided by management, AAHSD failed to collect \$384,070 of self-generated revenues for services provided from December 1, 2015, through January 30, 2020.
- For the second consecutive engagement, AAHSD disbursed federal funds to contractors without properly determining whether each contractor qualified as a subrecipient and failed to comply with all regulations set forth by 2 CFR § 200.331.
- AAHSD failed to submit delinquent accounts receivable to the Office of Debt Recovery in accordance with contract terms. AAHSD's staff was not properly applying the Louisiana Department of Health Liability schedule. This schedule determines how much of the patient's outstanding debt is the patient's responsibility. Once the issue was discovered, AAHSD stopped submitting any delinquent patient accounts to ODR as of August 2019.
- AAHSD does not have adequate segregation of duties or independent monitoring over cash handling procedures. Due to limited staffing, AAHSD's current practices allow the same employee to handle cash, post payments to patient accounts, and perform bank reconciliations. These functions are performed without subsequent review and approval by a supervisor.
- We evaluated controls and transactions relating to the patient billing cycle, payroll and personnel, contracts, and information system access. Except as noted above, these controls provided reasonable assurance of accountability over public funds and compliance with applicable laws and regulations for the period examined.

View the full report, including management's responses, at www.la.gov.