

LOUISIANA STATE UNIVERSITY AND RELATED CAMPUSES

LOUISIANA STATE UNIVERSITY SYSTEM

FINANCIAL AUDIT SERVICES

Management Letter
Issued March 25, 2026

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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BATON ROUGE, LOUISIANA 70804-9397**

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



LSU and Related Campuses

March 2026

Audit Control # 80250062

Introduction

As a part of our audit of the Louisiana State University System (System) and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2025, we performed procedures at the Louisiana State University and A&M College (LSU A&M), Louisiana State University Agricultural Center, Pennington Biomedical Research Center (PBRC), Louisiana State University of Alexandria, Louisiana State University at Eunice, and Louisiana State University Shreveport (LSUS), collectively referred to as LSU and Related Campuses, to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of LSU and Related Campuses' internal controls over financial reporting and compliance; and determine whether LSU and Related Campuses complied with applicable laws and regulations.

We also determined whether management has taken actions to correct the findings reported in the prior year.

Results of Our Procedures

Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the LSU and Related Campuses management letter dated April 23, 2025. We determined that management has resolved the prior-year findings related to Noncompliance with and Inadequate Controls over Subrecipient Monitoring at PBRC and Failure to Return Title IV Funds in Required Time Frames at LSUS. The prior-year finding related to Noncompliance with Gramm-Leach Bliley Act Regarding Student Information Security at LSUS has not been resolved and is addressed again in this letter.

Current-year Finding

Noncompliance with Gramm-Leach-Bliley Act Regarding Student Information Security at LSUS

For a second consecutive year, Louisiana State University Shreveport (LSUS) did not develop, implement, and maintain a comprehensive information security program to address the minimum requirements of the Gramm-Leach-Bliley Act standards for safeguarding student information. Management represents that it has prepared a draft information security program policy statement but acknowledges that the policies have not been finalized or implemented.

The Gramm-Leach-Bliley Act requires institutions that participate in Title IV Educational Assistance Programs to safeguard customers' sensitive data in accordance with federal regulations. Institutions are required to develop, implement, and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards that are appropriate for the University. The information security program should include certain elements required by federal regulations reasonably designed to:

- insure the security and confidentiality of customer information;
- protect against any anticipated threats or hazards to the security or integrity of such information; and
- protect against unauthorized access of such information that could result in substantial harm or inconvenience to any customer.

Failure to meet the minimum requirements of the Gramm-Leach-Bliley Act increases the risk of unauthorized disclosure, misuse, alteration, destruction or other compromise of student information and results in noncompliance with federal regulations. Management should develop, implement, and maintain an information security program to insure the security and confidentiality of student information and to protect against any anticipated threats or hazards to the security or integrity of such information. Management concurred with the finding and provided a corrective action plan.

Financial Statements - Louisiana State University System

As a part of our audit of the System's financial statements for the year ended June 30, 2025, we considered LSU and Related Campuses' internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

Statement of Net Position

Assets – Cash and Cash Equivalents, Investments, and Capital Assets

Liabilities – Due to Other Campuses, Compensated Absences Payable, Bonds Payable, Lease Liability, Finance Purchase Obligations, Total Other Postemployment Benefits Liability, and Net Pension Liability

Net Position – Net Investment in Capital Assets, Restricted-Expendable, Restricted Nonexpendable, and Unrestricted

Statement of Revenues, Expenses, and Changes in Net Position

Revenues – Student Tuition and Fees net of Scholarship Allowances, Federal Grants and Contracts, Auxiliary Enterprise net of Scholarship Allowances, State Appropriations, and Capital Appropriations

Expenses – Educational and General and Auxiliary Enterprise

Based on the results of these procedures, we did not report any findings. In addition, the account balances and classes of transactions tested are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2025, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on LSU and Related Campuses' major federal programs, as follows:

- Research & Development Cluster
- State and Local Homeland Security National Training Program (Assistance Listing 97.005)

Those tests included evaluating the effectiveness of LSU and Related Campuses' internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether LSU and Related Campuses complied with applicable program requirements. In addition, we performed certain procedures on loan information submitted by LSU and Related Campuses to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA) and on the status of the prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings, as required by Uniform Guidance.

Based on the results of these Single Audit procedures, we reported a finding related to Noncompliance with Gramm-Leach-Bliley Act Regarding Student Information Security at LSUS. In addition, LSU and Related Campuses' information submitted for the preparation of the state's SEFA and the state's Summary Schedule of Prior Audit Findings is materially correct.

Trend Analysis

We compared the most current and prior-year financial activity using LSU and Related Campuses' Annual Fiscal Reports and/or system-generated reports and obtained explanations from LSU and Related Campuses' management for any significant variances.

The recommendation in this letter represents, in our judgment, that which will most likely bring about beneficial improvements to the operations of LSU and Related Campuses. The nature of the recommendation, its implementation costs, and its potential impact on the operations of LSU and Related Campuses should be considered in reaching decisions on courses of action. The finding related to LSU and Related Campuses' compliance with applicable laws and regulations should be addressed immediately by management.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

RAY:ETM:JPT:BQD:aa

LSU 2025

APPENDIX A: MANAGEMENT'S RESPONSE

January 23, 2026

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor

Dear Mr. Waguespack:

LSUS continues to take very seriously the security of student information. While we have not finalized our draft Information Security Program policy as of yet, we are continually progressing our efforts to reach and maintain full compliance with GLBA. We continue to implement and maintain strong administrative, technical, and physical safeguards designed to protect LSUS student information.

Finding: Noncompliance with Gramm-Leach-Bliley Act Regarding Student Information Security

Management Response: Management concurs with the finding. The University will develop, implement, and maintain an information security program to ensure the security and confidentiality of student information and to protect against any anticipated threats or hazards to the security or integrity of such information.

Responsible Personnel:


Scott Hardwick, Associate Vice Chancellor of Information Technology & CIO
James Jackson, Associate Director of IT Security

Implementation Date: December 1, 2026



Shelby Keith
Vice Chancellor for Finance & Administration

1-23-2026
Date



Robert Smith
Chancellor

1/23/2026
Date

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Louisiana State University and A&M College, Louisiana State University Agricultural Center, Pennington Biomedical Research Center, Louisiana State University of Alexandria, Louisiana State University at Eunice, and Louisiana State University Shreveport, collectively referred to as LSU and Related Campuses for the period from July 1, 2024, through June 30, 2025, to provide assurances on financial information significant to the Louisiana State University System (System), and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the System's financial statements and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2025.

- We evaluated LSU and Related Campuses' operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to LSU and Related Campuses.
- Based on the documentation of LSU and Related Campuses' controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the System's financial statements.
- We performed procedures on the Research and Development Cluster and State and Local Homeland Security National Training Program (Assistance Listing 97.005) for the year ended June 30, 2025, as a part of the 2025 Single Audit.
- We performed certain procedures on information for the preparation of the state's Schedule of Expenditures of Federal Awards and on the status of prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings for the year ended June 30, 2025, as a part of the 2025 Single Audit.
- We compared the most current and prior-year financial activity using LSU and Related Campuses' Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from LSU and Related Campuses' management for significant variances.

The purpose of this report is solely to describe the scope of our work at LSU and Related Campuses and not to provide an opinion on the effectiveness of LSU and Related Campuses' internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review LSU and Related Campuses' Annual Fiscal Report, and accordingly, we do not express an opinion on that report. LSU and Related Campuses' accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.