

# LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER IN SHREVEPORT

LOUISIANA STATE UNIVERSITY

FINANCIAL AUDIT SERVICES

**Management Letter**  
**Issued March 18, 2026**

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

**LEGISLATIVE AUDITOR**  
MICHAEL J. "MIKE" WAGUESPACK, CPA

**FIRST ASSISTANT LEGISLATIVE AUDITOR**  
BETH Q. DAVIS, CPA

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# Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



Louisiana State University Health Sciences  
Center in Shreveport

March 2025

Audit Control # 80250083

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## Introduction

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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 Louisiana State University Health Sciences Center in Shreveport (LSUHSC-S) to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of LSUHSC-S's internal controls over financial reporting and compliance; and determine whether LSUHSC-S 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

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### Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in LSUHSC-S management letter dated May 21, 2025. We determined that management has resolved the prior-year findings related to Misappropriation of University Funds and Noncompliance with and Weakness in Controls Over Federal Research and Development Expenses. The prior-year finding related to Noncompliance and Weakness in Controls with Special Tests and Provisions Requirements has not been resolved and is addressed again in this letter.

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### Current-year Finding

#### **Noncompliance and Weakness in Controls with Special Tests and Provisions Requirements**

For the seventh consecutive year, LSUHSC-S did not have adequate controls in place to ensure compliance with Special Tests and Provisions requirements. Failure to implement controls over key personnel requirements increases the risk that federal

programs are not performed as authorized and could result in noncompliance with Special Tests and Provisions requirements. From July 1, 2024, through December 31, 2024, LSUHSC-S's biannual Time & Effort certification was not effectively designed to ensure prior approval was obtained for changes in effort by key personnel as required by federal regulations, specifically relating to disengagement from a project for more than three months or a 25% reduction in effort. LSUHSC-S implemented quarterly time and effort monitoring in the third quarter of fiscal year 2025; however, this process was not fully implemented.

We reviewed a sample of 16 federal Research and Development Cluster awards from a population of 83 awards, plus two additional awards based on materiality, for the fiscal year ending June 30, 2025. We noted that for two of 18 awards (11%), LSUHSC-S did not have adequate documentation to show that the key personnel maintained the required level of effort, and there was also no evidence of prior approval from the federal grantor for a disengagement or change in key personnel, as required.

In addition, we tested the quarterly time and effort monitoring control for the period January 1, 2025, through June 30, 2025, and noted that for eight of 18 awards (44%), LSUHSC-S did not complete the quarterly monitoring forms timely.

Management should monitor changes in effort for key personnel and verify that prior written approval is obtained from the federal grantor for changes that exceed the thresholds set in federal regulations. Management should also ensure the Time & Effort monitoring forms are completed timely to ensure compliance with Special Tests & Provisions requirements. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 1-3).

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## **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 LSUHSC-S's internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

### **Statement of Net Position**

**Assets** - Investments

**Liabilities** - Compensated Absences Payable

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

### **Statement of Revenues, Expenses, and Changes in Net Position**

**Revenues** - Nongovernmental Grants and Contracts

**Expenses** – Educational and General

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

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**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 LSUHSC-S's major federal program, the Research and Development Cluster.

Those tests included evaluating the effectiveness of LSUHSC-S's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether LSUHSC-S complied with applicable program requirements. In addition, we performed certain procedures on information submitted by LSUHSC-S to the Division of Administration's Office of Statewide Reporting and Accounting Policy 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 and Weakness in Controls with Special Tests and Provisions Requirements. This finding will also be included in the Single Audit for the year ended June 30, 2025. In addition, LSUHSC-S's information submitted for the preparation of the state's Summary Schedule of Prior Audit Findings, as adjusted, is materially correct.

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**Trend Analysis**

We compared the most current and prior-year financial activity using LSUHSC-S's Annual Fiscal Reports and/or system-generated reports and obtained explanations from LSUHSC-S's 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 LSUHSC-S. The nature of the recommendation, its implementation costs, and its potential impact on the operations of LSUHSC-S should be considered in reaching decisions on courses of action. The finding related to LSUHSC-S's 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

BDM:RCE:JPT:BQD:aa

LSUHSC-S2025

## **APPENDIX A: MANAGEMENT'S RESPONSE**

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February 26, 2026

Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, Louisiana, 70804-9397

**RE: FY 2025 Noncompliance and Weakness in Controls with Special Tests and Provisions Requirements**

Dear Mr. Waguespack,

Thank you for the opportunity to respond to your office's findings related to the Special Tests and Provisions Requirements. Louisiana State University Health Sciences Center in Shreveport (LSUHSC-S) has reviewed the issues identified by your staff. During this period, the institution was modernizing its Time & Effort framework via PeopleSoft, implementing revised PER (personnel change request) routing, and establishing a post-award monitoring process.

LSUHSC-S **CONCURS** with your recommendations for addressing the finding. The timeliness issues identified in the key control have been addressed, and corrective actions have been implemented to ensure proper functioning going forward.

**Recommendation:**

Management should monitor changes in effort for key personnel and verify that prior written approval is obtained from the federal grantor for changes that exceed the thresholds set in federal regulations. Management should also ensure the Time & Effort monitoring forms are completed timely to ensure compliance with Special Tests & Provisions requirements.

**Response and Corrective Action Plan**

LSUHSC-S is continuing to strengthen the management, internal controls, and efficiency of sponsored programs management. We have now established our Managing Effort policy to clarify that cost share is required if committed effort is not being charged to a project budget for any reason. We also modified our Cayuse award routing to include the Budget Office and General Accounting if the award record indicates that there will be any institutional cost sharing. This process is now automated and will ensure the setup of cost share accounts is incorporated into the account setup process, where it was a separate and "after the fact" process previously. Additionally, LSUHSC-S will implement a PI Eligibility Policy preventing gratis faculty from serving as PIs in the future.

**Time & Effort Certifications:** LSUHSC-S implemented the PeopleSoft Time & Effort certification system in January 2025, with quarterly certifications for biweekly employees and semiannual certifications for monthly employees. These certifications are the official after-the-fact documentation required by 2 CFR 200. Related institutional directives—AD 4.4 (Time & Effort Reporting Certification) and AD 4.10 (Effort Commitment – Managing Effort on Sponsored Projects)—were revised with an effective date of July 1, 2025, and accompanied by FAQs and distributed training/guidance to campus stakeholders. Importantly, each of the 8 exceptions for the key control had timely official PeopleSoft effort certifications.

**Quarterly Effort Monitoring Tool (Key Control):** Quarterly Effort Monitoring spreadsheets are used as the key control for monitoring effort prior to certification. This quarterly review provides an essential, structured “point in time” checkpoint that allows PIs and departments to identify discrepancies early and correct them before the official PeopleSoft effort certification is finalized. The control issues identified during the audit period were attributable to early-stage implementation of new systems and processes. LSUHSC-S has taken corrective action in several areas, including automating the workflow via AdobeSign, assigning a dedicated staff member to monitor the process, and incorporating escalation procedures to ensure timely return of the monitoring tool.

Per our Effort Commitment — Managing Effort policy, quarterly reviews are one monitoring tool among several, including monthly ledger reviews by departments, and PER reviews, where any effort reallocation routes to OSP Post Award for assessment of sponsor rules and prior-approval needs prior to approving the change institutionally. While these complimentary controls support the overall monitoring structure, they do not replace the Quarterly Effort Review Spreadsheet as the key control.

**Prior Approval Improvements:** To strengthen compliance with 2 CFR 200.308, LSUHSC-S implemented the electronic *InfoReady Change in Senior/Key Personnel Request* on May 1, 2025, now the primary tool for routing prior-approval requests. Integration with PER3 ensures OSP Post Award can deny personnel changes until sponsor approval is obtained. Automated reminders began April 1, 2025.

**Name of Contacts Responsible for Action Plan:**

Ramey Benfield, Chief Financial Officer & Vice Chancellor for Finance and Administration

Ashley Krukowski, Executive Director, Office for Sponsored Programs

Valarie White, Director, Office for Sponsored Programs, Pre-Award Administration

Tracy Calvert, Director, Office for Sponsored Programs, Post Award Administration

**Estimated Completion Date:** June 30<sup>th</sup>, 2026

**Conclusion**

LSUHSC-S considers that the implementation of the PeopleSoft effort certification system, revised effort and cost transfer directives, the InfoReady prior-approval

workflow, and automation of the Quarterly Effort Monitoring tool will address the auditors' concerns and provide a strong, sustainable compliance framework that will be further demonstrated in the next audit cycle.

If you have any questions or require additional information, please contact me at 318-675-6327 or via email at [ramey.benfield@lsuhs.edu](mailto:ramey.benfield@lsuhs.edu)

Sincerely,

*Ramey Benfield*

Ramey Benfield (Feb 27, 2026 07:34:03 CST)

Ramey Benfield, PhD, MBA, MS  
Vice Chancellor for Finance and Administration  
Chief Financial Officer

*Lester Johnson*

Lester Johnson (Feb 27, 2026 12:44:33 CST)

Lester W. Johnson, MD  
Interim Senior Vice Chancellor LSU Health Shreveport  
Interim Dean, LSUHS School of Medicine



## APPENDIX B: SCOPE AND METHODOLOGY

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We performed certain procedures at Louisiana State University Health Sciences Center in Shreveport (LSUHSC-S) 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 LSUHSC-S's 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 LSUHSC-S.
- Based on the documentation of LSUHSC-S's 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 for the year ended June 30, 2025, as a part of the 2025 Single Audit.
- We performed certain procedures 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 LSUHSC-S's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from LSUHSC-S's management for significant variances.

The purpose of this report is solely to describe the scope of our work at LSUHSC-S and not to provide an opinion on the effectiveness of LSUHSC-S's 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 LSUHSC-S's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. LSUHSC-S's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.