

NORTHWEST LOUISIANA HUMAN SERVICES DISTRICT *LOUISIANA DEPARTMENT OF HEALTH* STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Procedural Report
Issued September 3, 2025**

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Northwest Louisiana Human Services District



September 2025

Audit Control # 80250011

Introduction

The primary purpose of our procedures at the Northwest Louisiana Human Services District (District) was to evaluate certain controls the District uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. In addition, we determined whether management has taken action to correct the findings reported in the prior report.

Results of Our Procedures

We evaluated the District's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of the District's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to cash, accounts receivable, revenue billings, and payroll and personnel.

Follow-up on Prior-report Findings

We reviewed the status of the prior-report findings in the District's procedural report dated July 5, 2023. We determined that management has resolved the prior-report finding related to Inadequate Controls over Payroll. As a result of improvements made by management, the prior-report finding related to Failure to Timely Submit Delinquent Account Balances for Collection has not been repeated in this report.

Cash

The District maintains four bank accounts, one for each of the behavioral health clinics located in Shreveport, Minden, Natchitoches, and Many. The cash balance at June 30, 2024, per the District's Annual Fiscal Report, was \$589,246. We obtained an understanding of the District's controls over the bank accounts, evaluated the segregation of duties, and reviewed eight selected bank reconciliations and monthly remittances of collections to the State Treasury during the time period of July 2023

through February 2025. Based on the results of our procedures, the District had adequate controls in place to ensure timely preparation, review and approval of bank reconciliations; and to ensure that collections were accurately and timely remitted to the State Treasury.

Accounts Receivable

The District is required to submit delinquent debts to the Office of Debt Recovery (ODR) for collection when the debt has been final for 60 days, per Louisiana Revised Statute 47:1676. We reviewed the District's submissions of delinquent debt to ODR between July 2023 through December 2024. Based on the results of our procedures, we did not report any findings.

Revenue Billings

The District uses the Intuitive Computer-Assisted Notes (ICANotes) electronic health record system to bill for services provided to its clients and to maintain medical records for services rendered and amounts owed. We obtained an understanding of the District's controls over revenue billings. We reviewed system reports of charges billed and payments and adjustments made to clients' accounts for the period July 2023 through January 2025. We selected 20 transactions and examined supporting documentation for charges billed and amounts recorded in ICANotes. Based on the results of our procedures, the District had adequate controls in place to ensure services provided were billed properly and that payments and adjustments posted to the patient's account were supported.

Payroll and Personnel

Salaries and related benefits comprise approximately 58% and 67% of the District's expenditures in fiscal year 2024 and fiscal year 2025 through December 2024, respectively. District employees and supervisors utilize the Human Capital Module of the LaGov ERP System for the electronic certification and approval of timesheets. We obtained an understanding of the District's controls over these electronic certifications and approvals. We examined timesheets and pay rate authorizations for selected employees for pay periods between July 2023 and January 2025 to determine if pay rate amounts were supported, authorized, and accurate and if those timesheets were prepared and certified timely. Based on the results of our procedures, the District had adequate controls in place to ensure employees were paid the appropriate rates and to ensure timely employee certification and supervisor approval of timesheets.

One employee terminated their employment at the District during the two fiscal years ending June 30, 2025, as of February 18, 2025. We compared the employee's date of termination to the date access was removed from LaGov and ICANotes systems.

Based on the results of our procedures the District had adequate controls in place to ensure the terminated employee's accesses to the systems were removed timely.

Trend Analysis

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

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

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NLHSD2025

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Northwest Louisiana Human Services District (District) for the period from July 1, 2023, through June 30, 2025. Our objective was to evaluate certain controls the District uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review the District's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The District's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated the District'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 the District.
- Based on the documentation of the District's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures on selected controls and transactions relating to cash, accounts receivable, revenue billings, and payroll and personnel.
- We compared the most current and prior-year financial activity using the District's Annual Fiscal Reports and system-generated reports to identify trends and obtained explanations from the District's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at the District, and not to provide an opinion on the effectiveness of the District'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 purpose.