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# Report Highlights

## Louisiana State University Health Sciences Center – New Orleans

### Louisiana State University System

Audit Control # 80180093  
Financial Audit Services • February 2019

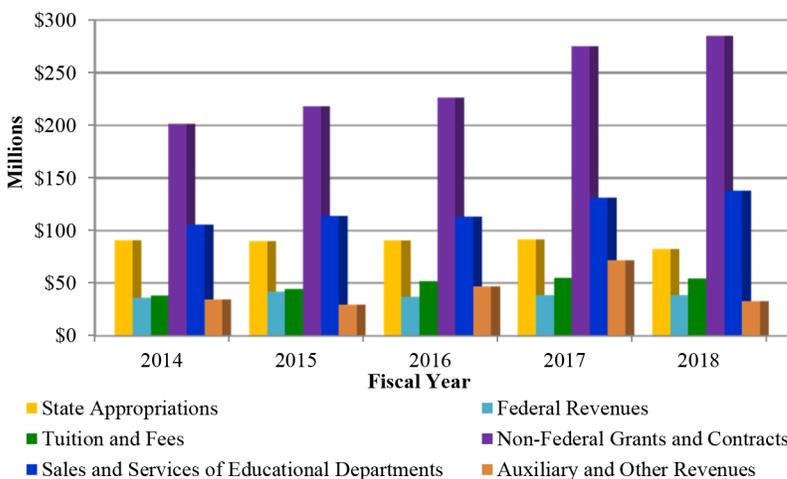
## Why We Conducted This Audit

We performed certain procedures at the Louisiana State University Health Sciences Center – New Orleans (LSUHSC-NO) as a part of the Louisiana State University System audit, the Single Audit of the State of Louisiana, and to evaluate LSUHSC-NO’s accountability over public funds for the period July 1, 2017, through June 30, 2018.

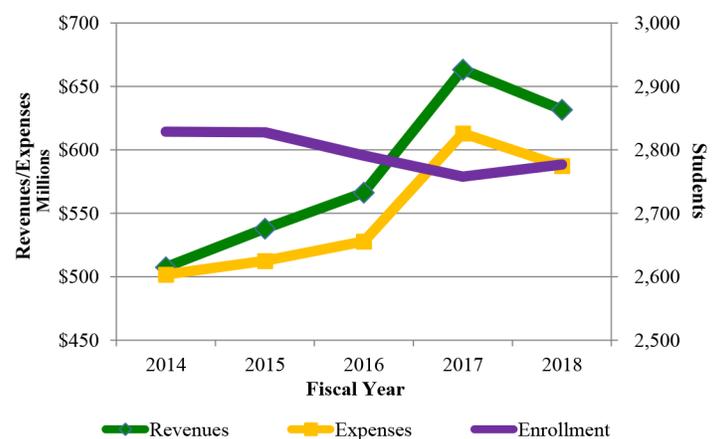
## What We Found

- LSUHSC-NO processed two illegitimate wire transfers that resulted in a loss of \$52,886. In April 2018, Accounting Services received and processed two email requests for wire transfers totaling \$60,060. The two email requests appeared to have come from the Associate Vice Chancellor for Administration and Finance (VCAF)’s email account. However, on April 10, 2018, LSUHSC-NO discovered that the emails were counterfeit and not initiated by the Associate VCAF.
- Financial information relating to the following accounts was materially correct: capital assets, receivables, net position, nongovernmental grants and contracts revenue, and educational and general expenses.
- In analyzing financial trends of LSUHSC-NO over the past five fiscal years, total revenues have increased 24%, and expenses have increased 17%. Tuition and fees have increased by 43%, even though enrollment has remained relatively consistent. This is mainly due to the increases in tuition permitted by Acts of the Louisiana Legislature including the GRAD Act (Act 741 of the 2010 Regular Session), Act 377 of the 2015 Regular Session, and Act 293 of the 2017 Regular Session. Non-governmental grants and contracts have increased 42%, which is mainly due to renegotiations in clinical contract amounts with area hospitals to include fair market value for billings. Sales and services of educational departments have increased 30%, which is mainly due to Medicaid expansion which took effect July 1, 2016, and the Affordable Care Act. In addition, expenses have increased due to agreements with the Louisiana Department of Health to provide services to low income needy individuals within the state, and faculty costs related to the increased clinical contract amounts with area hospitals.

**Five-Year Revenue Trend**



**Fiscal/Enrollment Trends**



Source: Fiscal Years 2014–2018 LSU System Audit Reports and Louisiana Board of Regents website

View the full report, including management’s response, at [www.lla.la.gov](http://www.lla.la.gov).