



Report Highlights

LSU Health Sciences Center in Shreveport Louisiana State University System

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Why We Conducted This Audit

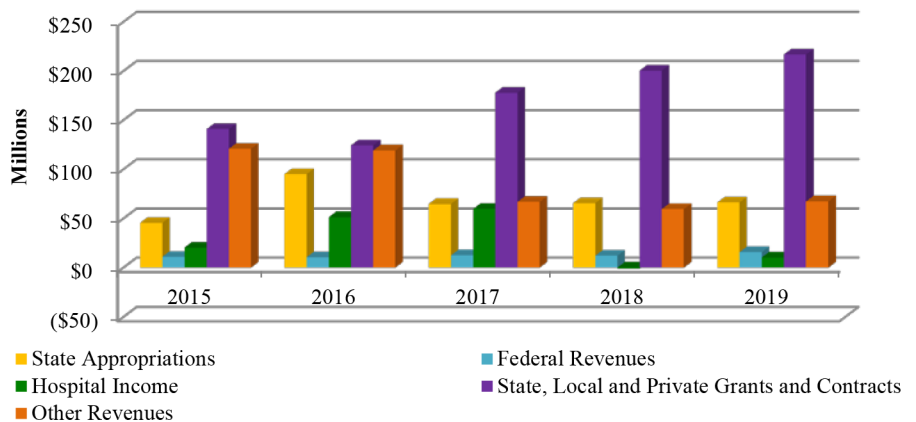
We performed certain procedures at the Louisiana State University Health Sciences Center in Shreveport (Center) as a part of the Louisiana State University System audit, the Single Audit Report of the State of Louisiana, and to evaluate the Center’s accountability over public funds for the period July 1, 2018, through June 30, 2019.

What We Found

- For the second consecutive year, the Center does not have adequate controls over state and private grants and contracts to pursue collection of accounts receivable.
- The Center inaccurately classified net position from BRF Hospital Holdings, LLC; Faculty Group Practice; Ochsner LSU Health; and Ochsner LSU Physician Group contracts totaling \$78,386,269, resulting in a net overstatement of restricted expendable net position and a net understatement of unrestricted net position.
- The Center did not adhere to internal policies and procedures to ensure compliance with federal documentation requirements for compensation of personnel services.
- The Center did not have adequate controls in place to ensure compliance with Special Tests and Provisions requirements.
- In analyzing financial trends of the Center over the past five fiscal years, grant and contract revenue has increased consistently since the privatization of the Center’s hospitals in fiscal years 2014 and 2015, and is the primary source of revenue used to finance the Center’s operations. In fiscal year 2018, hospital income decreased due to a write-off of approximately \$54 million for uncompensated care receivables that was recorded against hospital income.

Five-Year Revenue Trend, by Fiscal Year

Source: Fiscal years 2015-2019
Financial Statements, as adjusted



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