

CENTRAL LOUISIANA SUPPORTS AND SERVICES CENTER

OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES

LOUISIANA DEPARTMENT OF HEALTH

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Procedural Report
Issued May 10, 2023**

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Central Louisiana Supports and Services Center



May 2023

Audit Control # 80230026

Introduction

The primary purpose of our procedures at the Central Louisiana Supports and Services Center (Center) was to evaluate certain controls the Center 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 finding reported in the prior report.

Results of Our Procedures

We evaluated the Center'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 Center's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to procurement card expenditures, Medicaid billings, information technology access, contracts and capital outlay, and payroll and personnel.

Follow-up on Prior-report Finding

We reviewed the status of the prior-report finding in the Center's procedural report dated June 2, 2021. We determined that management has resolved the prior-report finding related to Failure to Maintain Accurate Annual and Sick Leave Balances.

Procurement Card Expenditures

The Center participates in the state of Louisiana's LaCarte purchasing card program for general office supplies and administrative expenditures. It also uses the Voyager procurement card system for fuel and certain vehicle related purchases. We obtained an understanding of the Center's controls over access to and use of these cards.

We analyzed procurement card transaction listings for the period of July 1, 2021, through February 2, 2023, for the LaCarte card and July 1, 2021, through March 10,

2023, for the Voyager card, and reviewed selected transactions. Based on the results of our procedures, the Center had adequate controls to ensure that purchases were approved and made for proper business purposes; sufficient documentation was maintained to support purchases; and purchases were properly reconciled to invoices and receipts.

Medicaid Billings

Approximately 99% of the Center's revenue collections, which totaled \$25.5 million in fiscal year 2022, consist of Medicaid billings for care of its residents. We agreed the revenue collected per the general ledger with billing statements and remittance advices from Medicaid to ensure the appropriate amounts were collected. We reviewed the monthly billings for February 2022, April 2022, September 2022, and February 2023 to determine whether the Center billed based on accurate census data and authorized reimbursement rates, and whether the billing transactions were properly recorded. Based on the results of our procedures, the Center had adequate controls in place to ensure that Medicaid billings were appropriately collected and recorded.

Information Technology Access

We performed procedures to determine whether information technology access is restricted to business-need only and access is adequately segregated. The Center has transitioned from the previous ISIS system to LaGov, which includes the Enterprise Core Component with modules for finance and human resources. Finance modules include functions for recording for the Center's monthly Medicaid billings. The Human Capital Management module includes the Center's personnel and payroll applications. Based on the results of our procedures, the Center had adequate controls in place to ensure that access was properly restricted and segregated.

Contracts and Capital Outlay

We obtained an understanding of the Center's policies and procedures relating to contract expenditures and capital outlay. We reviewed a listing of contracts in effect for fiscal years 2022 and 2023 through February 2023, for medical, dental, and other professional services. Contract expenditures totaled \$277,755 for fiscal 2022 and \$118,480 for fiscal 2023, as of February 28, 2023. We selected five contracts and examined the contracts, performance evaluations, and invoice payments made in February 2023 to determine whether the expenditures complied with established policies and state rules and regulations.

Capital outlay expenditures totaled \$6,561,043 during fiscal year 2022 and \$446,906 during fiscal year 2023 through February 28, 2023. The Center makes capital outlay expenditures based on its preliminary plans for improvements and arranges for the

Division of Administration, Office of Facility Planning and Control (OFPC), to plan and construct the improvements. We reviewed the projects the Center has planned and underway with the OFPC, including payment documentation that authorized expenditures.

Based on the results of our procedures, the Center had adequate controls in place over contract and capital outlay expenditures.

Payroll and Personnel

Salaries and related benefits comprise approximately 55% of the Center's expenditures in fiscal year 2022. We obtained an understanding of the Center's controls over the time and attendance function and reviewed selected employee time statements and leave records. Based on the results of our procedures, the Center had adequate controls in place to ensure timely review and approval of employee time statements and leave requests, employees were paid the amounts authorized, and leave taken was accounted for properly.

Trend Analysis

We compared the most current and prior-year financial activity using the Center's system-generated reports and obtained explanations from the Center'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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APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Central Louisiana Supports and Services Center (Center) for the period from July 1, 2021, through May 4, 2023. Our objective was to evaluate certain controls the Center 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 Center's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The Center'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 Center'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 Center.
- Based on the documentation of the Center's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures relating to procurement card expenditures, Medicaid billings, information technology access, contracts and capital outlay, and payroll and personnel.
- We compared the most current and prior-year financial activity using the Center's financial information and/or system-generated reports to identify trends and obtained explanations from the Center'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 Center and not to provide an opinion on the effectiveness of the Center'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.