

NEW ORLEANS CENTER FOR CREATIVE ARTS
SPECIAL SCHOOLS & COMMISSIONS



FINANCIAL AUDIT SERVICES
PROCEDURAL REPORT
ISSUED MAY 1, 2019

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Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



New Orleans Center for Creative Arts
Special Schools and Commissions

May 2019

Audit Control # 80190001

Introduction

The primary purpose of our procedures at the New Orleans Center for Creative Arts (NOCCA) was to evaluate certain controls that NOCCA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds.

Results of Our Procedures

We evaluated NOCCA'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 NOCCA's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to movable property, payroll and personnel, contracts and agreements, and the student activity fund.

Movable Property

NOCCA has 826 assets with an acquisition cost of \$1,806,364 as disclosed in its annual certification of property inventory, which was submitted to the Louisiana Property Assistance Agency on September 28, 2018. We obtained an understanding of NOCCA's controls over movable property and examined asset management system reports and selected movable property transactions. Based on the results of our procedures, NOCCA had adequate controls in place to ensure that assets were properly safeguarded and accurately recorded in the asset management system.

Payroll and Personnel

Salaries and related benefits comprise approximately 78% of NOCCA's expenditures in fiscal years 2018 and 2019. We obtained an understanding of NOCCA's controls over the time and attendance function and reviewed selected employee time statements and leave records. Based on the results of our procedures, NOCCA 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 properly accounted for.

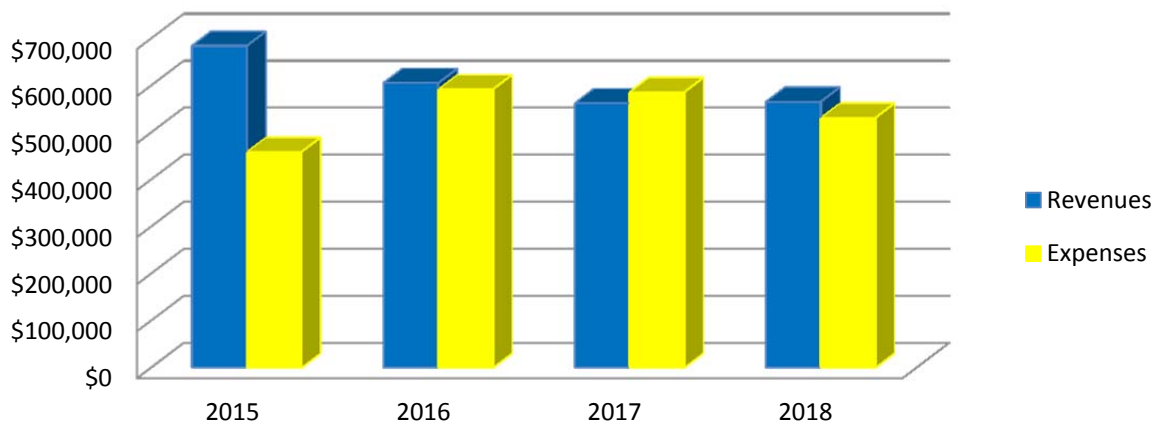
Contracts and Agreements

We obtained an understanding of NOCCA's controls over contracts and agreements. We examined selected contracts/agreements and payments for compliance with state laws and contract terms. Based on the results of our procedures, NOCCA had adequate controls in place to ensure that contracts/agreements were properly approved, and expenditures were in accordance with the terms of the contracts/agreements.

Student Activity Fund

NOCCA maintains a student activity fund (SAF) that accrues funds, for the benefit of its students, from student fees, fundraisers, vending machine commissions, and library fees. Based upon our understanding of NOCCA's controls over the SAF cash receipts and disbursements, we examined support for selected SAF transactions. Based on the results of our procedures, NOCCA had adequate controls in place to ensure that SAF transactions were properly authorized, accurately recorded, adequately supported, and in compliance with applicable laws and regulations. Exhibit 1 shows the SAF revenues and expenses for fiscal years 2015 through 2018.

Exhibit 1
Student Activity Fund Revenues and Expenses
by Fiscal Year

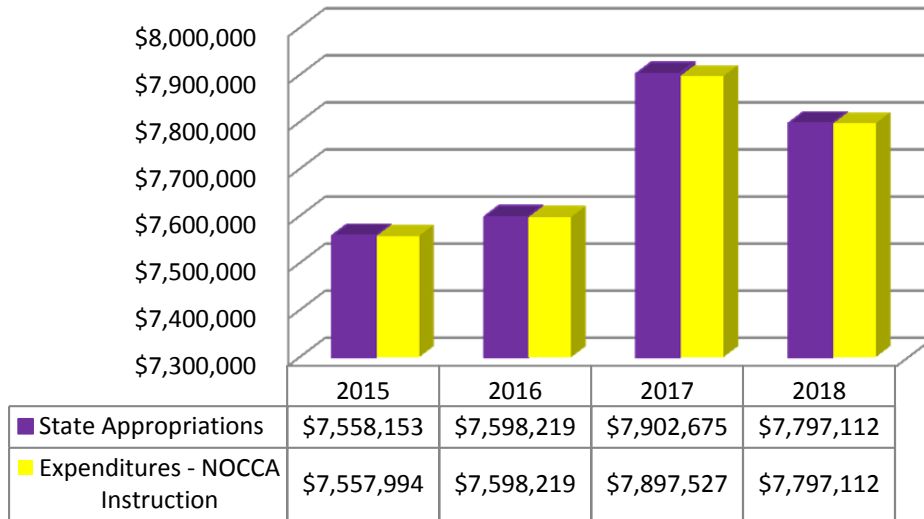


Source: NOCCA's Fiscal Year 2015-2018 Annual Fiscal Reports

Trend Analysis

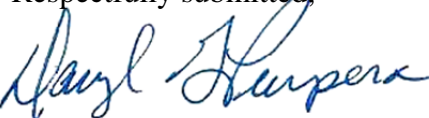
We compared the most current and prior-year financial activity using NOCCA's Annual Fiscal Reports and/or system-generated reports and obtained explanations from NOCCA's management for any significant variances. We also prepared an analysis of NOCCA's revenues and expenditures for fiscal years 2015 through 2018.

**Exhibit 2
Revenues and Expenditures
by Fiscal Year**



Source: Fiscal Year 2015-2018 Annual Fiscal Reports and system-generated reports

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

Respectfully submitted,

 Daryl G. Purpera, CPA, CFE
 Legislative Auditor

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NOCCA2019

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the New Orleans Center for Creative Arts (NOCCA) for the period from July 1, 2017, through April 17, 2019. Our objective was to evaluate certain controls NOCCA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds. The scope of our procedures, which are 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 NOCCA's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. NOCCA's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated NOCCA'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 NOCCA.
- Based on the documentation of NOCCA's controls and our understanding of related laws and regulations and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to movable property, payroll and personnel, contracts and agreements, and the student activity fund.
- We compared the most current and prior-year financial activity using NOCCA's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from NOCCA'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 NOCCA and not to provide an opinion on the effectiveness of NOCCA'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.