



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

April 14, 2014

THE PHILADELPHIA CENTER (SHREVEPORT)

Auditors were unable to render an opinion on the May 31, 2013 fiscal year-end financial statements of the Philadelphia Center, a Shreveport-based non-profit organization, because key records were missing, according to a report issued Monday by Legislative Auditor Daryl Purpera.

The audit of the organization, which helps finance education and treatment of HIV/AIDS for low-income patients in northwest Louisiana, was conducted by James K. McClelland, LLC, a certified public accounting firm in Shreveport.

In his report for the state auditor, McClelland said he was “unable to determine the validity of billings” for HIV/AIDS funds from the federal Ryan White program “due to the center’s inability to locate certain records. This prevented me from obtaining sufficient appropriate evidence about the provisions of services to clients or the accuracy of the invoices to the state of Louisiana, and I could not satisfy myself as to the validity of those invoices by other auditing procedures.”

The report said auditors at first noted what appeared to be \$5,215 in “excess billings” for client services that totaled \$12,456. It said the auditors then tested a sample of \$221,000 in billings, but during that testing “it was learned that a substantial number of client notes for the year 2013” that supported the billings were missing.

Client notes are the primary evidence that support the kind of services provided to clients and “verify the allowability of activities performed by center personnel,” according to the report.

Out of 25 client files selected for more audit testing, nine clients’ notes could not be located.

In its response, Philadelphia Center officials said the director of the branch in Natchitoches had her case notes with her when she was fired last September. She later turned her files over to auditors, the report said, but they accounted “for less than half of what is missing.”

A case manager in the Shreveport office was terminated in December and 15 of his client files were not in the central file room, the response said.

After first denying he took them from the office, the employee later said he would look for them outside of the office. He said after he was fired that he found the missing files “behind his desk” according to the report.



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In its response, the center said it has taken steps to better secure the files at its Shreveport office so they do not leave a certain area of the office and an additional surveillance camera will be installed. The response said surveillance equipment will be installed at the Natchitoches office to monitor handling of files.

Center officials have also contacted the district attorneys in Shreveport and Natchitoches.

The report said the center failed to comply with state law that mandates the audit be filed with Purpera's office within six months of the close of the fiscal year. The fiscal year for the center ended May 31, 2013, and the report was not filed until after Nov. 30, but the report said the center's executive director was involved in an accident in October and did not resume his duties until after the Nov.30 deadline passed.

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On Twitter: Auditors unable to render opinion on Shreveport-based non-profit.