



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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RECOVERY SCHOOL DISTRICT

BATON ROUGE – The Recovery School District, the state agency that operates public schools in five parishes, could not locate almost \$1.5 million in computers and other equipment in the fiscal year that ended last June 30, more than half of the value of equipment the district has been unable to find, Legislative Auditor Daryl Purpera’s office said Monday.

The management letter, sent to District Superintendent Patrick Dobard, said the failure to locate the property last year marked the sixth consecutive year the RSD “did not ensure that movable property was safeguarded against loss, including loss arising from unauthorized use and misappropriations.”

In the last four years, 1,633 items purchased for \$2.74 million cannot be found. The \$1.5 million unaccounted for in the last year included 908 of those items.

“Of the 1,633 unlocated items, 1,380 were computers or computer-related equipment,” auditors said.

The RSD reported the loss or theft of 97 items, valued at \$73,667, following 10 incidents at six separate schools last year to both the legislative auditor’s office and local district attorneys. RSD officials claim that seven items purchased for \$6,118, have been recovered.

“The 10 reported incidents involved computers being stolen from four RSD direct-run schools and one charter school,” auditors said. “There was no sign of forced entry in three instances that resulted in the loss of 48 items with an acquisition cost of \$20,064. In one instance, 26 Dell laptop computers and 20 Apple I-Pod Nano media devices with an acquisition cost of \$17,031 were stolen from an RSD direct-run school’s storage room.”

The district operates schools in Orleans, East Baton Rouge, Caddo, Pointe Coupee and St. Helena parishes, although the majority of them are in New Orleans. The report did not cite the locations of the thefts.

The auditors indicated that the problem with the movable property is due in large measure to the “decentralization of movable property at various . . . schools and a lack of accountability and training” of the custodians of the property.

“Failure to safeguard movable property increases the risk that assets may be mis-reported, lost or stolen,” auditors said. “In addition, the year-to-year cost of replacing lost or stolen movable items could reduce the availability of funds, federal or state, for other educational objectives.”



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Auditors recommended that RSD personnel better label and monitor equipment and that “thorough periodic physical counts of property inventory be conducted.” It also called on RSD officials to make the custodians of the equipment “responsible and accountable for assigned RSD movable property,” including holding the custodians “financially liable” for the missing items.

The auditors also recommended that RSD managers “should emphasize compliance with established policies through training and guidance and continue to search for unlocated property.”

In another finding, the auditors reported that the RSD does not properly ensure that the dates of employees who leave the district are recorded accurately or timely, a condition that “could result in overpayments to terminated employees.”

Auditors said that this was also the sixth year in a row they have reported that condition. The auditors examined the files of 14 RSD employees who left the district between July 1, 2011 and June 30, 2012 and none were properly entered into state records. For the 14, the separation dates were seven to 107 days late, auditors said.

Eight of the 14 files sampled lacked “supporting documentation available to confirm the employees’ separation dates. . . . Failure to support payroll charges with adequate documentation increases the risk that employees will be paid improperly,” the report said.

In its response, RSD said that changes are being made to better safeguard property at the schools and improve the payroll processing. He said that 762 employees left the RSD in the last fiscal year; no overpayments were made in the 14 cases examined.

RSD estimated that 70 percent of the \$2.7 million in missing items in the last four years probably have incorrect location codes on them and have not been stolen.

RSD also indicated that it is working on tighter controls over property and will “make progress towards locating as many missing assets as possible” by conducting “site-by-site inventories of locations we believe house a large amount of property marked as missing or unlocated. . . . This property may have shifted between locations historically over the last four years without proper paperwork submission.”

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