

LSU HEALTH SCIENCES CENTER – NEW ORLEANS

LOUISIANA STATE UNIVERSITY SYSTEM

FINANCIAL AUDIT SERVICES

Management Letter
Issued February 21, 2024

**LOUISIANA LEGISLATIVE AUDITOR
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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

LSU Health Sciences Center – New Orleans



February 2024

Audit Control # 80230087

Introduction

As a part of our audit of the Louisiana State University System (System) and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2023, we performed procedures at the Louisiana State University Health Sciences Center–New Orleans (LSUHSC-NO) to provide assurances on financial information that is significant to the System’s financial statements; evaluate the effectiveness of LSUHSC-NO’s internal control over financial reporting and compliance; and determine whether LSUHSC-NO complied with applicable laws and regulations. We also determined whether management has taken actions to correct the finding reported in the prior year.

Results of Our Procedures

Follow-up on Prior-year Finding

Our auditors reviewed the status of the prior-year finding reported in the LSUHSC-NO management letter dated April 3, 2023. We determined that management has resolved the prior-year finding related to Weakness in Controls over Research and Development Project Closeouts and Accounting Records.

Financial Statements – Louisiana State University System

As a part of our audit of the System’s financial statements for the year ended June 30, 2023, we considered LSUHSC-NO’s internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

Statement of Net Position

Assets - Capital Assets, Receivables

Net Position - Net Investment in Capital Assets, Restricted-Expendable, Restricted-Nonexpendable, and Unrestricted

Statement of Revenues, Expenses, and Changes in Net Position

Revenues - Nongovernmental Grants and Contracts

Expenses - Educational and General

Based on the results of these procedures, we did not report any findings. In addition, the account balances and classes of transactions tested, as adjusted, are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2023, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on LSUHSC-NO's major federal program, Research and Development Cluster.

Those tests included evaluating the effectiveness of LSUHSC-NO's internal control designed to prevent or detect material noncompliance with program requirements and tests to determine whether LSUHSC-NO complied with applicable program requirements.

In addition, we performed certain procedures on loan program information submitted by LSUHSC-NO to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA) and on the status of the prior-year finding for the preparation of the state's Summary Schedule of Prior Audit Findings, as required by Uniform Guidance.

Based on the results of these procedures, we did not report any findings. In addition, LSUHSC-NO's loan program information submitted for the preparation of the state's SEFA and prior finding information submitted for the preparation of the state's Summary Schedule of Prior Audit Findings is materially correct.

Trend Analysis

We compared the most current and prior-year financial activity using LSUHSC-NO's Annual Fiscal Reports and/or system-generated reports and obtained explanations from LSUHSC-NO's management for any significant variances.

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MT:DM:BH:BQD:ch

LSUHSC-NO 2023

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Louisiana State University Health Sciences Center–New Orleans (LSUHSC-NO) for the period from July 1, 2022, through June 30, 2023, to provide assurances on financial information significant to the Louisiana State University System (System), and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the System’s financial statements and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2023.

- We evaluated LSUHSC-NO’s operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to LSUHSC-NO.
- Based on the documentation of LSUHSC-NO’s controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the System’s financial statements.
- We performed procedures on the Research and Development Cluster for the year ended June 30, 2023, as a part of the 2023 Single Audit.
- We performed certain procedures on loan program information for the preparation of the state’s Schedule of Expenditures of Federal Awards and on the status of the prior-year finding for the preparation of the state’s Summary Schedule of Prior Audit Findings for the year ended June 30, 2023, as a part of the 2023 Single Audit.
- We compared the most current and prior-year financial activity using LSUHSC-NO’s Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from LSUHSC-NO’s management for significant variances.

The purpose of this report is solely to describe the scope of our work at LSUHSC-NO and not to provide an opinion on the effectiveness of LSUHSC-NO’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 purposes.

We did not audit or review LSUHSC-NO’s Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. LSUHSC-NO’s accounts are an integral part of the System’s financial statements, upon which the Louisiana Legislative Auditor expresses opinions.