

BOARD OF ELEMENTARY AND  
SECONDARY EDUCATION  
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
PROCEDURAL REPORT  
ISSUED APRIL 12, 2021

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

**TEMPORARY LEGISLATIVE AUDITOR**  
THOMAS H. COLE, CPA, CGMA

**ASSISTANT LEGISLATIVE AUDITOR**  
**FOR STATE AUDIT SERVICES**  
NICOLE B. EDMONSON, CIA, CGAP, MPA

**DIRECTOR OF FINANCIAL AUDIT**  
ERNEST F. SUMMERVILLE, JR., CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at [www.lla.la.gov](http://www.lla.la.gov).

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.15. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's website at [www.lla.la.gov](http://www.lla.la.gov). When contacting the office, you may refer to Agency ID No. 3297 or Report ID No. 80210011 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Elizabeth Coxe, Chief Administrative Officer, at 225-339-3800.

---

# Louisiana Legislative Auditor



## Board of Elementary and Secondary Education

April 2021

*Audit Control # 80210011*

---

### Introduction

The primary purpose of our procedures at the Board of Elementary and Secondary Education (BESE) was to evaluate certain controls BESE uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds.

### Results of Our Procedures

We evaluated BESE'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 BESE'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 Louisiana Education Quality Trust Fund (LEQTF) [8(g) program] fiscal monitoring, professional services contracts, board member travel expenditures, and time sheet certifications and approvals.

---

#### 8(g) Fiscal Monitoring

The BESE 8(g) program is funded by the investment earnings of the LEQTF, a fund established with the proceeds from an offshore oil revenue settlement and certain recurring income from the settlement. BESE receives approximately 50% of the available revenue earned by the fund through an annual appropriation.

Each year BESE approves the allocation of 8(g) program funds for block and statewide grants, and for management and oversight. Student enhancement block grants are awarded to public and nonpublic school systems and public and nonpublic independent schools for projects designed to improve student academic or vocational-technical skills. The statewide programs are administered by state agencies, primarily the Department of Education, to provide goods, services, or flow-through to schools or school systems.

BESE performs fiscal monitoring on a percentage of 8(g)-funded projects each year. Based on our understanding of BESE's controls over 8(g) monitoring, we performed procedures to evaluate the fiscal monitoring of 8(g) programs performed by BESE. Based on the results of our procedures, BESE had adequate controls in place over fiscal monitoring of 8(g) programs to ensure that projects were implemented according to the approved proposals and expenditures were allowable.

## Professional Services Contracts

We obtained an understanding of BESE’s controls over professional services contracts and examined selected contracts for compliance with state law and to ensure that the contracts were properly monitored. Based on the results of our procedures, BESE had adequate controls in place to ensure that professional services contracts were properly approved, contract deliverables were met, and contract payments were properly approved and in accordance with the terms of the contracts.

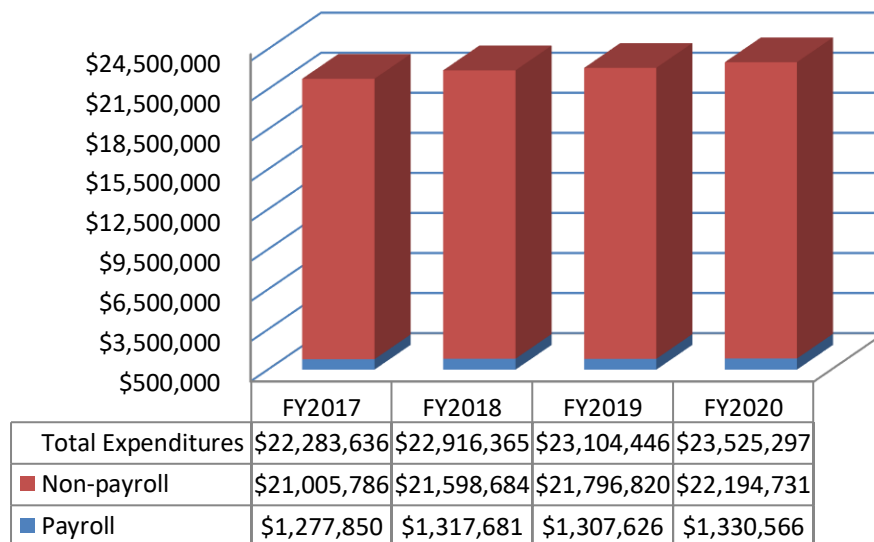
## Board Member Travel

Board members may request travel reimbursements for expenses, such as mileage, meals, lodging, and parking. We obtained an understanding of BESE’s controls over board member travel reimbursements and examined selected transactions. Based on the results of our procedures, BESE had adequate controls in place to ensure board member travel reimbursements were properly approved, adequately supported, accurately recorded, and complied with state travel regulations.

## Time Sheet Certifications and Approvals

BESE salaries and related benefits made up approximately 6% of total expenditures in fiscal years 2017 through 2020, as shown in Exhibit 1.

**Exhibit 1**  
**Expenditures – Fiscal Years 2017 through 2020**



**Source:** Integrated Statewide Information System Reports

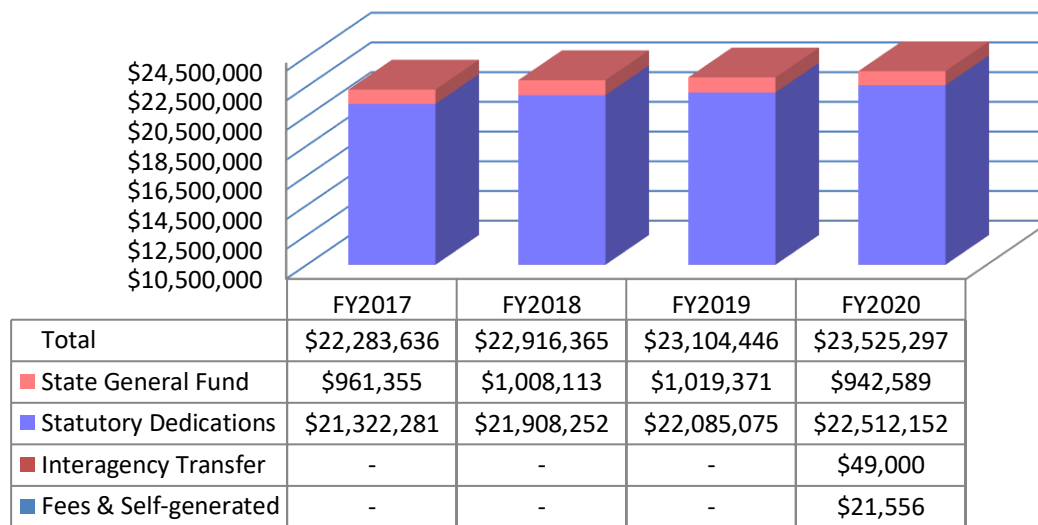
We analyzed system reports for the period July 1, 2019, through January 31, 2021, to determine the timeliness of time sheet certifications and approvals. Based on the results of our procedures, time sheets were timely certified and approved in accordance with established policies.

## Trend Analysis

We compared the most current and prior-year financial activity using BESE's Annual Fiscal Reports and/or system-generated reports and obtained explanations from BESE's management for any significant variances. We also prepared an analysis of BESE's revenue from fiscal years 2017 through fiscal year 2020.

BESE's primary source of revenue is statutory dedications for the 8(g) program. As shown in Exhibit 2, the amount of 8(g) revenue, which is based on actual collections in the LEQTF, varies from year to year.

**Exhibit 2**  
**Revenue – Fiscal Years 2017 through 2020**



**Source:** Integrated Statewide Information System Reports

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

Respectfully submitted,

Thomas H. Cole, CPA, CGMA  
Temporary Legislative Auditor



## APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Board of Elementary and Secondary Education (BESE) for the period from July 1, 2019, through March 24, 2021. Our objective was to evaluate certain controls BESE 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 BESE's Annual Fiscal Report, and accordingly, we do not express an opinion on that report. BESE's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated BESE'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 BESE.
- Based on the documentation of BESE's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures on selected controls and transactions relating to 8(g) program fiscal monitoring, professional services contracts, board member travel expenditures, and time sheet certifications and approvals.
- We compared the most current and prior-year financial activity using BESE's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from BESE'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 BESE and not to provide an opinion on the effectiveness of BESE'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.