



Report Highlights

Evaluation of Operations and Funding Health Education Authority of Louisiana

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Why We Conducted This Audit

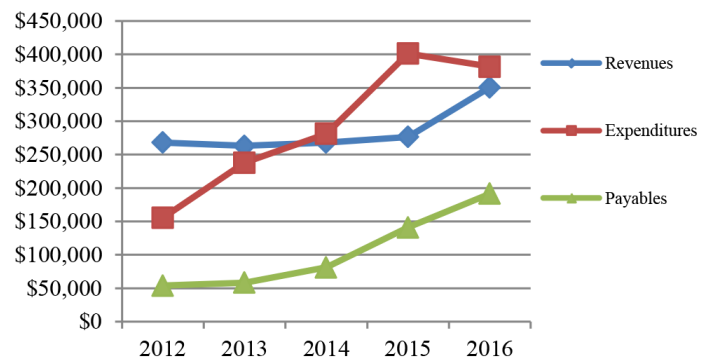
We performed this work to evaluate Health Education Authority of Louisiana (HEAL) operations, including the sources and uses of HEAL funding.

What We Found

HEAL is a quasi-public agency created to promote medical and health education activities in Louisiana. In conducting this evaluation, we identified weaknesses in HEAL operations and provided the Board with recommendations to strengthen its oversight of HEAL staff and activities going forward. Overall, we found:

- HEAL has not funded a construction project since 2004. HEAL financed nine construction projects totaling \$253.4 million over 35 years, from its creation in 1968 through 2004.
- HEAL’s expenses have increased by 153% from fiscal years 2012 through 2016, while HEAL’s revenue remained relatively consistent from fiscal years 2012 through 2015, with a 3% increase. Revenue increased by 27% in fiscal year 2016 due to refinancing of outstanding bonds. HEAL financial activities resulted in deficit spending for fiscal years 2014, 2015, and 2016.
- While HEAL has experienced deficit spending and increasing accounts payable balances, it also reported an unrestricted net position of approximately \$1.6 million for the fiscal year ending June 30, 2016.
- HEAL staff executed contracts that circumvented state purchasing oversight controls and violated state purchasing regulations. The executive director signed contracts and contract extensions without the required approval of the LDH undersecretary and obligated LDH and the state without proper authority.
- The HEAL Board was dormant for seven years, with unfilled positions and no meetings from 2004 to 2011. From 2011 to 2015, the Board held only eight meetings, with other meetings scheduled but canceled due to failure to meet a quorum. By Board rule, certain Board committees were created to facilitate Board business during the absence of full Board meetings.
- HEAL was not compliant with state regulations for travel mileage reimbursements, required ethics training, and required reporting to the Division of Administration.
- HEAL participated in proposed legislation that would expand its service area, double its total bonding authority, and allow autonomy in its operations without a transition plan for effective and efficient ongoing operations. When the Act passed and became effective on August 1, 2016, HEAL had no transition plan in place and found itself with no email services and no way to pay its employees or its bills.

HEAL Revenues and Expenses



Source: HEAL’s Audited Financial Statements