

NEW ORLEANS CENTER FOR CREATIVE ARTS  
SPECIAL SCHOOLS AND COMMISSIONS



FINANCIAL AUDIT SERVICES  
PROCEDURAL REPORT  
ISSUED APRIL 5, 2017

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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

New Orleans Center for Creative Arts  
Special Schools and Commissions

April 2017



Audit Control # 80170090

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## Introduction

The primary purpose of our procedures at the New Orleans Center for Creative Arts (NOCCA) was to evaluate certain internal controls that NOCCA uses to ensure compliance with applicable laws and regulations and to provide accountability over public funds.

NOCCA is a regional, pre-professional arts training high school that offers students intensive instruction in various arts disciplines, such as culinary arts, music, dance, and media arts. NOCCA began operation as a state center beginning July 1, 2000. It is an agency of state government and is independent of the control of the state superintendent and of all local and state education boards, except the NOCCA board of directors. NOCCA's fall enrollment for fiscal year 2017 was 331.

## Results of Our Procedures

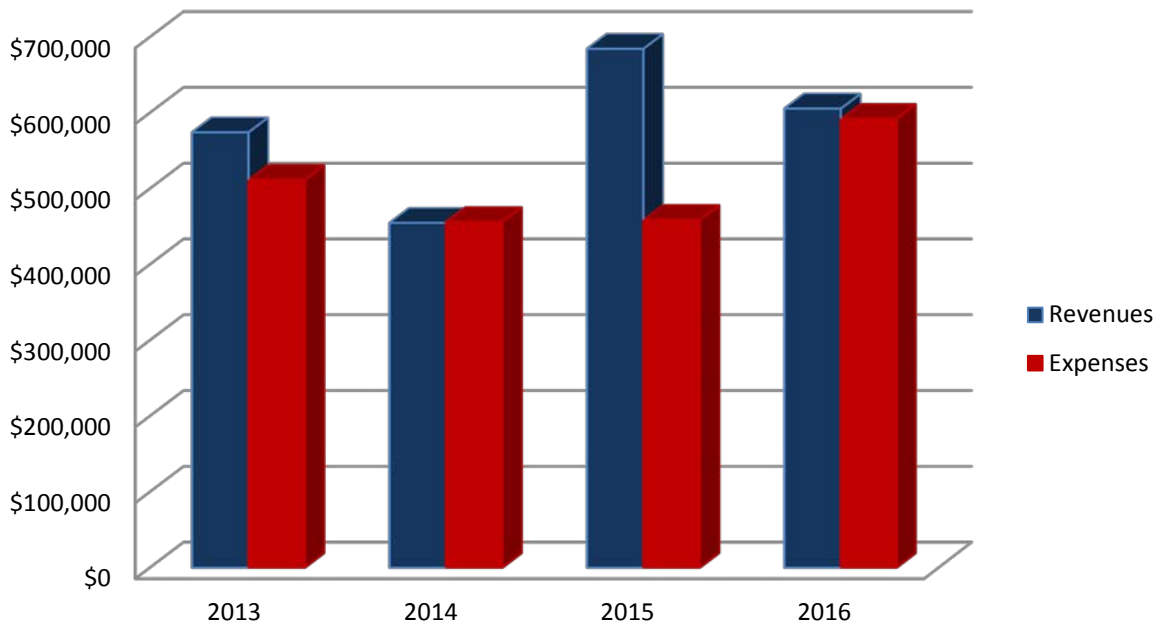
We evaluated NOCCA's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to NOCCA. Based on the documentation of NOCCA's controls, our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions related to the student activity fund, LaCarte Purchasing Card expenditures, and movable property.

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### Student Activity Fund

NOCCA maintains a student activity fund (SAF) that accrues funds, for the benefit of its students, from student fees, fundraisers, vending machine commissions, and library fees. Based upon our understanding of NOCCA's controls over SAF cash receipts and disbursements, we examined support for selected SAF transactions. Based on the results of our procedures, NOCCA had adequate controls in place to ensure that SAF transactions were properly authorized, accurately recorded, adequately supported, and in compliance with applicable laws and regulations. Exhibit 1 shows the SAF revenues and expenses for fiscal years 2013 through 2016.

**Exhibit 1**  
**Student Activity Fund Revenues and Expenses**  
**by Fiscal Year**



Source: NOCCA's Fiscal Year 2013-2016 Annual Fiscal Reports

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### LaCarte Expenditures

NOCCA participates in the state of Louisiana's LaCarte Purchasing Card (P-Card) program and utilizes P-Cards to make small-dollar purchases. We obtained an understanding of controls over the P-Card program and examined selected transactions. Based on the results of our procedures, NOCCA had adequate controls in place to ensure that purchases were properly authorized, made for proper business purposes, accurately recorded, adequately supported, and in compliance with applicable laws and regulations.

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### Movable Property

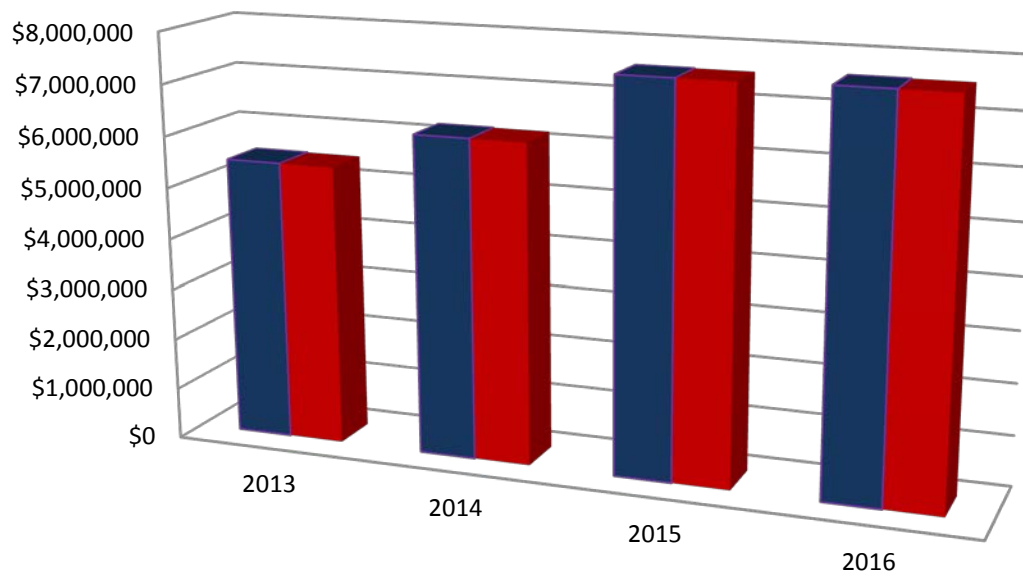
NOCCA has 780 assets with an acquisition cost of \$1,746,581 as disclosed in its annual certification of property inventory, which was submitted to the Louisiana Property Assistance Agency on September 30, 2016. We obtained an understanding of NOCCA's controls over movable property and examined asset management system reports and selected movable property transactions. Based on the results of our procedures, NOCCA had adequate controls in place to ensure that assets were properly safeguarded and accurately recorded in the asset management system.

## Comparison of Activity Between Years

We compared the most current and prior-year financial activity using NOCCA’s annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from management for any significant variances that could potentially indicate areas of risk. Management provided reasonable explanations for all significant variances.

Exhibit 2 shows NOCCA’s revenues and expenditures for fiscal years 2013 through 2016.

**Exhibit 2  
Revenues and Expenditures  
by Fiscal Year**



	2013	2014	2015	2016
■ State Appropriations	\$5,460,861	\$6,211,154	\$7,558,153	\$7,598,219
■ Expenditures - NOCCA Instruction	\$5,460,257	\$6,209,754	\$7,557,994	\$7,598,219

**Source:** NOCCA’s Fiscal Year 2013-2016 Annual Fiscal 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  
First Assistant Legislative Auditor

CV:WDG:EFS:aa



## APPENDIX A: SCOPE AND METHODOLOGY

We conducted certain procedures at the New Orleans Center for Creative Arts (NOCCA) for the period from July 1, 2015, through March 27, 2017. Our objective was to evaluate certain internal controls NOCCA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds. The scope of our procedures, which are 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 NOCCA's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. NOCCA's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated NOCCA'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 NOCCA.
- Based on the documentation of NOCCA's controls and our understanding of related laws and regulations, we performed procedures on selected controls relating to the student activity fund, LaCarte Purchasing Card expenditures, and movable property.
- We compared the most current and prior-year financial activity using NOCCA's annual fiscal reports and/or system-generated reports and obtained explanations from NOCCA's management for any significant variances.

The purpose of this report is solely to describe the scope of our work at NOCCA and not to provide an opinion on the effectiveness of NOCCA'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.