



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 9, 2015

JEFFERSON PARISH SCHOOL BOARD

An estimated \$75,000 was stolen from the student activity funds of the Jefferson Parish School System between the fall of 2012 and December of 2013, according to an audit report of the parish school board released Monday by Legislative Auditor Daryl Purpera. The audit was performed by the Metairie accounting firm of Carr, Riggs and Ingram, LLC, and covered the fiscal year ending June 30, 2014.

The report said that the “net loss to the school system” was approximately \$5,000 because the school system’s insurance covered more than \$71,000 of the loss in May 2014.

The report indicated the theft was an internal misappropriation. Since the discovery of the theft, the school board’s internal auditor and student activity account coordinator have taken steps to improve internal controls.

“The school system did not have adequate controls in place to prevent, detect or deter theft,” the report said. “The school system experienced a weakness in internal control which results in the theft in student activity funds.”

The report also said that auditors noted that students who should have been charged a reduced rate for school meals were recorded as being eligible for free meals. As a result, the report for the state auditor said, students “did not pay the reduced rate for meals during 2013-2014 as calculated” based on national income eligibility requirements.

As a result, the Jefferson Parish school system was “reimbursed a higher rate per meal for each of these students,” according to the report. Auditors said the mistake could result in the school system having to repay the federal granting agency more than \$77,500. “The school system had errors on the manually-calculated free and reduced lunch applications” for the fiscal year that ended on June 30, 2014, auditors said.

In an advisory memorandum included in the report, auditors told school board officials that a formalized information technology risk assessment should be done. “We found that a formalized IT risk assessment has not been completed,” the report said.

The report also said that five individual school board funds had deficits totaling \$7.65 million, as of June 30, 2014, including a \$5.6 million shortfall in a fund for students with disabilities, and almost \$1.6 million in a Temporary Assistance for Needy Families fund.



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In its response, Jefferson school officials said the deficits in the funds have been decreasing during the past two fiscal years, from \$13.35 million as of June 30, 2012, to \$7.65 million as of last June 30. “We will continue to lower the deficits as we have general funds to cover in the future,” the board said.

The auditors pointed out that the board, which oversees 80 schools, should also monitor the administrative costs incurred in managing Federal Emergency Management Administration projects because any overspending in that area “may not be reimbursed by FEMA.”

The audit report also said that in a sample of 25 teachers, there were 24 instances in which the actual salaries reported to the state Department of Education did not agree to the actual salaries earned.

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On Twitter: Audit reveals financial irregularities in Jefferson Parish schools.