THRIVE ACADEMY
SPECIAL SCHOOLS AND COMMISSIONS
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Procedural Report
Issued September 23, 2026

LOUISIANA LEGISLATIVE AUDITOR

LOUISIANA LEGISLATIVE AUDITOR
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Louisiana Legislative Auditor
Michael J. "Mike" Waguespack, CPA

Thrive Academy

September 2026

Audit Control # 80260011

Introduction

The primary purpose of our procedures at Thrive Academy (Thrive) was to evaluate certain controls Thrive uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. In addition, we determined whether management has taken action to correct the findings reported in the prior report.

Results of Our Procedures

We evaluated Thrive'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 Thrive's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to contract expenditures, leave records, movable property, payroll offer letters, LaCarte purchasing card expenditures, and lease expenditures.

Based on the results of these procedures, we reported a finding related to Noncompliance with Contract Regulations, as described in the Current-report Finding section of the report.

Follow-up on Prior-report Findings

We reviewed the status of the prior-report findings in Thrive's procedural report dated March 12, 2025. We determined that management has resolved the prior-report findings related to Inadequate Controls over Leave Records and Inadequate Controls over Movable Property. The prior-report finding related to Noncompliance with Contract Regulations has not been resolved and is addressed again in this report.

Current-report Finding

Noncompliance with Contract Regulations

For the third consecutive engagement, Thrive failed to obtain proper approval for contracts prior to incurring expenditures. Failure to obtain required contract approvals before services are provided or expenditures are incurred increases the risk of procuring unauthorized services.

A review of active contracts and expenditures for the period July 1, 2024, through February 28, 2026, disclosed the following:

- Thrive made two payments totaling $9,900 to one vendor without obtaining contract approval from the Division of Administration, Office of State Procurement (OSP), after a change order increased the total contract amount over Thrive's delegated purchasing authority.
- Thrive incurred expenditures for one consulting services contract prior to obtaining OSP approval. Specifically, services associated with one $3,600 invoice were provided 20 days before OSP approved the contract. Although the invoice was not paid until after OSP approval was received, the services were performed before the required approval was obtained.

Louisiana Revised Statute 39:1595.1 provides that a contract for professional, personal, consulting, or social services is not valid, and the state is not bound by the contract, until the contract has been executed by the appropriate parties and approved as required by law. The Louisiana Administrative Code, Title 34, Part V, Chapter 25, Section 2512 states that all amendments to contracts for professional, personal, consulting, and social services shall become effective only upon approval by OSP. In addition, good internal controls require that an agreement between parties be executed and all necessary approvals are obtained prior to services being provided. Thrive management indicated that the issues were due to agency personnel having an incomplete understanding of how the state's contract processing system operates and miscommunication with a vendor.

Thrive management should ensure state procurement laws and regulations for contracts are followed, ensure that employees responsible for contracting activities are adequately trained, and establish timelines to ensure contracts can go through the required approval process prior to the vendor providing services. Management concurred with the finding and provided a plan of corrective action (see Appendix A).

Trend Analysis

We compared the most current and prior-year financial activity using Thrive's Annual Fiscal Reports and/or system-generated reports and obtained explanations from Thrive's management for any significant variances.

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

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJS:RJD:RR:BQD:aa

THRIVE2026

APPENDIX A: MANAGEMENT'S RESPONSE

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September 3, 2026

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
1600 North 3rd Street
Baton Rouge, LA 70804

RE: Audit Finding - Noncompliance with Contract Regulations

Dear Mr. Waguespack,

This letter serves as our official response to the above referenced audit finding as it relates to the procedural review engagement of Thrive Academy ("Thrive") for the two fiscal years ending June 30, 2026. Thrive concurs with this finding.

As a part of the corrective action plan, Thrive management has completed training with procurement and contract staff emphasizing that any contract amendment that causes the total contract amount to exceed Thrive's delegated purchasing authority (DPA) must receive separate approval from the Office of State Procurement (OSP). Because LaGov SRM does not facilitate the required approval routing for such amendments, Thrive has implemented a manual review of contract amendments to identify when the revised contract amount exceeds Thrive's DPA and ensure the amendment is submitted to OSP for approval before the increased contract amount is incurred.

Thrive staff will also communicate to prospective vendors during the contracting process that contracted services may not begin prior to receipt of all required approvals and a fully approved purchase order, and management will not authorize vendors to begin services until the required approval has been obtained and the purchase order has been issued to the vendor.

The ongoing monitoring of these procedures will be overseen by our Chief Operating Officer.

Please let us know if any additional information or clarification can be provided. We wish to thank you and your office for your courtesy and cooperation during this review.

Sincerely,

Paul Sampson,
Superintendent
Thrive Academy

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at Thrive Academy (Thrive) for the period from July 1, 2024, through June 30, 2026. Our objective was to evaluate certain controls Thrive 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 Thrive's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. Thrive's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated Thrive'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 Thrive.

- Based on the documentation of Thrive's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures relating to contract expenditures, leave records, movable property, payroll offer letters, LaCarte purchasing card expenditures, and lease expenditures.

- We compared the most current and prior-year financial activity using Thrive's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from Thrive'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 Thrive, and not to provide an opinion on the effectiveness of Thrive'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.