

**BOARD OF SUPERVISORS FOR THE  
UNIVERSITY OF LOUISIANA SYSTEM**

**AUDIT COMMITTEE**

**June 13, 2024**

- Item G.1.**     **University of Louisiana System’s** request for approval of the Board Operations and University of Louisiana System institutions’ Annual Internal Audit Plan for Fiscal Year 2024-25.

**EXECUTIVE SUMMARY**

The Fiscal Year 2024-25 Internal Audit Plans for the Board Operations and University of Louisiana System institutions were prepared in accordance with the Internal Audit Charter of the System that was revised by the Board at its April 27, 2023 meeting. The audit plans have been prepared by the University of Louisiana System Chief Audit Executive and the institutions’ Internal Audit Directors with input from the campus presidents and other campus administrative personnel. The plans include reviews of administrative, academic, auxiliary, and service units of the Board and universities; as well as follow-ups to internal and external audit findings and recommendations.

**RECOMMENDATION**

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves the Board Operations and System Universities’ Fiscal Year 2024-25 Internal Audit Plans.*

University of Louisiana System  
Annual Internal Audit Plan FY 2024-25

Grambling State University	1) Quality Assurance and Improvement Program with External Validation
	2) Audit of Cybersecurity
	3) Review of Athletic Ticket Operations
	4) Audit of Purchasing Card
	5) Audit of Travel Card
Louisiana Tech University	1) Quality Assurance and Improvement Program with External Validation
	2) Audit of Cybersecurity
	3) Review of Purchasing Card & Travel Cards
	4) Review of Barnes and Noble Contract
	5) Athletic Ticket Office and Finance Office Procedures
McNeese State University	1) Audit of Cybersecurity
	2) Audit of the Purchase Card Program
	3) Review of Athletic Office Operations
	4) Review of Cash Handling
Nicholls State University/ University of New Orleans	1) Audit of Cybersecurity (Nicholls)
	2) Audit of Athletic Business Operations (Nicholls)
	3) Audit of Cybersecurity (UNO)
	4) Audit of Purchasing Card (UNO)
	5) Audit of Travel Card (UNO)
Northwestern State University	1) Quality Assurance and Improvement Program with External Validation
	2) Audit of Cybersecurity
	3) Audit of Travel Card Program
	4) Review of Cash Collection Sites
	5) Review of Cashier Vault Reconciliation
Southeastern Louisiana University	1) Quality Assurance and Improvement Program with External Validation
	2) Review of Cybersecurity
	3) Audit of Workday
	4) Audit of Inventories
	5) Review of Onboard Process for Athletics
	6) Review of Student Workers' Time
	7) Audit of New Student Admissions
University of Louisiana at Lafayette	1) Quality Assurance and Improvement Program with External Validation
	2) Review of Cybersecurity
	3) Review of Innovation Management: Intellectual Property & Technology Transfer
	4) Audit of University Camps Administration
University of Louisiana Monroe	1) Quality Assurance and Improvement Program with External Validation
	2) Review of Cybersecurity
	3) Review of Internal Control & Compliance over ULM Endowed Chair & Professorship Expenditures
	4) Review of Internal Control over ULM Psychology Program Asset Management
	5) Review of Cash Handling - Cash Collection Centers
Board Office	1) Review of Institutional Quarterly Reports
	2) Review of Ethics Compliance

**BOARD OF SUPERVISORS FOR THE  
UNIVERSITY OF LOUISIANA SYSTEM**

**AUDIT COMMITTEE**

**June 13, 2024**

**Item G.2.**      **University of Louisiana System’s** report on internal and external audit activity for the period of April 13, 2024 to June 3, 2024.

**EXECUTIVE SUMMARY**

Attached is a list of internal and external reports completed by various auditors since the April Board meeting. The internal audit reports are prepared based upon independent review of university departments and functions. The internal audits are designed to ascertain compliance with established policies and procedures, to evaluate operational efficiencies of business and management practices, and to determine adequacy of internal controls. The internal audits are conducted to provide management with recommendations and comments designed to improve the operations of university departments and functions. External audits are conducted in accordance with laws, regulations, or contracts. Also included are internal audits that are currently in progress and a follow-up time table to ensure recommendations made in prior reports are implemented.

In addition, our internal audit charter requires that we make certain assertions to the Board annually. Based on responses from the University of Louisiana System Chief Audit Executive and the institutions’ Directors of Internal Audit, the following is provided:

- The internal audit activity appears to be in conformance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and Code of Ethics.
- Internal Audit has maintained its organizational independence.
- Internal Audit has not experienced any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.
- Internal Audit has not experienced any significant risk exposures and control issues, including fraud risks, governance issues, and other matters that require the attention of or requested by the Board as well as any response to risk by management that may be unacceptable to the System or University.
- Internal Audit has implemented and maintains a quality assurance program that covers all aspects of the Office of Internal Audit and continuously monitors its effectiveness.

This is a report only and no action by the Board is necessary.

Office of Internal Audit

# AUDIT SUMMARY

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June 2024

UNIVERSITY OF  
LOUISIANA  
SYSTEM

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# Grambling State University

## Internal Audit Report

### 1. Vault Reconciliations Report FY2024 (4<sup>th</sup> Follow-up)

#### Audit Initiation:

This audit was conducted to comply with IIA *Standard* 2500 – Monitoring Progress, which requires follow-up reviews to ensure management’s actions have been effectively implemented.

#### Audit Scope and Objective:

To determine if management has taken reasonable steps to implement the recommendations from the report titled *Vault Reconciliations Report FY2023 issued on November 30, 2022*.

#### Observations:

Management substantially implemented eight of the nine prior audit recommendations. There were two additional observations noted during the follow-up procedures.

- **Observation 1:** Management did not review the 208 agency accounts representing over \$270,378 per university policy and did not properly oversee the accounts (4<sup>th</sup> year finding).

**Recommendation:** Management should evaluate all dormant accounts. Current organizations should be notified of the balances. Accounts should be terminated, where possible.

- **Observation 2:** The Athletic Ticket Office did not deposit cash within policy requirements.

**Recommendation:** Management should 1) follow policies and procedures and ensure staff members understand their roles and responsibilities in adhering to these procedures and 2) periodically review the existing policies on deposits and cash handling procedures to ensure these remains relevant and effective.

**Observation 3:** Controller’s Office does not have written procedures for agency accounts.

**Recommendation:** Management should 1) establish written guidelines supporting policy #52003 and document the processes for managing agency accounts and 2) train staff members involved in adhering agency accounts to ensure they are familiar with and adhere to the established procedures.

#### Management Response and Corrective Plan:

Management concurred with findings and provided corrective plans.



## Louisiana Tech University

### Internal Audit Report

#### 1. Audit of Professional Aviation Certified Flight Instructor Hours (1<sup>st</sup> Follow-up)

##### Audit Initiation:

This audit was conducted to comply with IIA *Standard* 2500 – Monitoring Progress, which requires follow-up reviews to ensure management’s actions have been effectively implemented.

##### Audit Scope and Objective:

To determine if management has taken reasonable steps to implement the recommendations from the report titled *Audit of Professional Aviation Certified Flight Instructor Hours* issued on October 26, 2023.

##### Observations:

Management substantially implemented all recommendations. No findings noted.

##### Management’s Response and Corrective Plan:

No response and corrective plan required.



# McNeese State University

## Internal Audit Report

1. Governor's Program for Gifted Children (1<sup>st</sup> Follow-up)

### Audit Initiation:

This audit was conducted to comply with IIA *Standard* 2500 – Monitoring Progress, which requires follow-up reviews to ensure management's actions have been effectively implemented.

### Audit Scope and Objective:

To determine if management has taken reasonable steps to implement the recommendations from the report titled *Governor's Program for Gifted Children* issued on February 17, 2023.

### Observations:

The Office of Internal Audit is unable to determine whether the observations are resolved. They will follow up in one year. Management provided report to a university lobbyist who is working with the Department of Administration.

### Management Response and Corrective Plan:

The corrective plan is still in progress.

## External Audit Report

1. Agreed-Upon Procedure Report on the Federal Perkins Loan Program Assignment and Liquidation

### Audit Initiation:

These external procedures performed by the Louisiana Legislative Auditor (LLA) are required for the Federal Perkins Loan Assignment and Liquidation.

### Audit Scope and Objective:

The agreed-upon procedures ensured compliance outlined in Title 34 CFR Section 668.14, 34 CFR Section 668.26, 34 CFR Section 674 and procedures contained in the Federal Perkins Loan Program Assignment and Liquidation Guide.

### Observations:

- **Observation 1:** LLA was unable to confirm McNeese informed the Department of Education how they provide for the collection of the outstanding loans made under the loan program because all loans had either fully retired or assigned and accepted by the department.



- **Observation 2:** There were two misclassifications that impacted the Fiscal Operations Report and Application to Participate (FISAP). The errors caused an increase in the number of borrowers on row 6 from one to 488 and increase the loan principal assigned to and accepted by the US from \$7,650 to \$1,047,861. The section also required an increase of \$7,650 to row 53 for the cost of loan principal and interest assigned to and accepted by the US bringing the total to \$1,340,273. McNeese corrected and resubmitted the FISAP.

Management Response and Corrective Plan:  
Not applicable for agreed-upon procedures.



# Northwestern State University

## Internal Audit Reports

### 1. Internal Assessment and Ongoing Monitoring of NSU's Internal Audit Activity FY24

#### Audit Initiation:

In accordance with Section 1300 of the *Standards*, NSU conducted an internal self-assessment.

#### Audit Scope and Objective:

To evaluate conformance with the *Standards* and Code of Ethics.

#### Observations:

None noted.

#### Management's Response and Corrective Plan:

Not applicable.

### 2. Review of Purchase Card Program

#### Audit Initiation:

This audit was included on the Board-approved audit plan.

#### Audit Scope and Objective:

To determine whether NSU's internal control structure over the P-card program is properly designed and operating effectively to provide reasonable assurance of compliance with applicable NSU policies and procedures, as well as applicable statutes and regulations.

#### Observations:

- **Observation 1:** There were five transactions totaling \$8,227 that were approved using the credentials of someone who was separated from the university.  
**Recommendation 1:** Management should stress the importance of not sharing credentials with subordinates. If delegate authority must be provided, management should utilize CBA or another method.
- **Observation 2:** There were nine transactions that did not have an approver sign off in Works.  
**Recommendation 2:** Management should implement a more thorough review process to identify transactions that have not been signed off in Works.
- **Observation 3:** There were two purchases made within 7 business days in the amount of \$4,694.36 and \$2,581.99 by one cardholder for promotional items out of the same fund budget in what appears to circumvent the single transaction limit threshold.

**Recommendation 3:** Management should ensure review of transactions by vendor or post-date quarterly to detect any transactions to the same vendor for the same intent and question any overages of the SPL.

Management Response and Corrective Plan:

Management concurred with observation #1 and provided corrective plan. Management partially concurred with observations #2 and #3.

**External Audit Reports**

1. Financial Aid Programs

Audit Initiation:

The Louisiana Office of Student Financial Assistance (LOSFA) performs a review of student financial assistance programs administered by LOSFA for TOPS, TOPS Tech, Louisiana Go Grant Program, and Rockefeller.

Audit Scope and Objective:

To determine NSU's compliance with state and program regulations, as well as LOSFA policies and procedures governing each program, including the examination of student eligible requirements, award disbursements, student data reporting, and file maintenance/documentation.

Findings:

None noted.

Management Response and Corrective Plan:

Not applicable due to no findings.

2. Management Letter FYE June 30, 2023

Audit Initiation:

This external audit was conducted by the LLA as part of the University of Louisiana System audit, the Single Audit of the State of Louisiana, and to evaluate NSU's accountability over public funds.

Audit Scope and Objective:

To determine whether financial information related to various accounts were materially correct, as adjusted, for the FYE June 30, 2023. To perform procedures on federal information submitted to the Division of Administration for the preparation of the state's Schedule of Expenditures of Federal Awards and on the status of the prior-year findings for the preparation of the state's Summary of Schedule of Prior Audit Findings.

Findings:

- **Finding 1:** Noncompliance with Gramm-Leach Bliley Act  
NSU did not perform a formal risk assessment as required by the GLBA regarding student information security requirements. NSU contracted with an outside firm to complete the formal risk assessment; however, it was completed in August 2023. Therefore, NSU was unable to design and implement safeguards to address the risks identified. (3<sup>rd</sup> consecutive year)

**Recommendation 1:** Management should design and implement safeguards to control the risks identified through the risk assessment. Management should regularly monitor the effectiveness of the key controls, systems, and procedures put in place to safeguard student information.

- **Finding 2:** Weakness in Controls over Information Technology  
NSU did not have adequate controls over certain information technology functions and cyber-related response documentation.

**Recommendation 2:** Management should improve its security controls and incident response documentation procedures.

Management's Response and Corrective Plan:

Management concurred with findings and provided corrective plans.



## Southeastern Louisiana University

### Internal Audit Report

#### 1. Audit of Movable Property

Audit Initiation:

This audit was included on the Board-approved audit plan.

Audit Scope and Objective:

To review processes, policies, and internal controls regarding movable property for Senior Management, along with performing a physical review of movable property.

Observations:

None noted.

Management's Response and Corrective Plan:

No response and corrective action plan required.

## Internal Audit Reports Issued in Fiscal Year 2024

Report Title by Institution	Issue Date
<b>Grambling State University</b>	
1) Facilities Management, Inventory, and Key Control Audit: 3rd Follow-up	8/18/2023
2) Eligibility to Hold Position Statute: 4th Follow-up	11/1/2023
3) University Funded Cell Phone Desk Review: 1st Follow-up	3/13/2024
4) Vault Reconciliation Report: 4th Follow-up	5/2/2024
<b>Louisiana Tech University</b>	
1) Year-end Inventory Observation	7/17/2023
2) Investigative Audit of Grant Spending and Activities: 1st Follow-up	10/10/2023
3) Audit of Professional Aviation Certified Flight Instructor Hours	10/26/2023
4) Internal Assessment of Internal Audit Activity FY's 22 & 23	12/15/2023
5) Audit of Professional Aviation Certified Flight Instructor Hours: 1st Follow-up	5/16/2024
<b>McNeese State University</b>	
1) Follow-up LLA's Single Audit Findings for FYE 6/30/22	11/28/2023
2) Quality Assessment with Validation	12/8/2023
3) Governor's Program for Gifted Children (1st Follow-up)	4/23/2024
<b>Northwestern State University</b>	
1) Scheduled Review of the Vault Reconciliation at the Cashier's Office	9/29/2023
2) Procedural Review of Private Athletic Camps	11/30/2023
3) Review of Departmental Cash Collection Sites	1/22/2024
4) Review of Athletic Business Operations	3/4/2024
5) Internal Self-Assessment	5/1/2024
6) Review of Purchasing Card	5/16/2024
<b>Southeastern Louisiana University</b>	
1) Cash Collection Points	7/5/2023
2) Test of Inventory	7/5/2023
3) Audit of Transportation Services	11/16/2023
4) Audit of Recreational Sports and Wellness: 1st Follow-up	11/16/2023
5) Investigation of Milestone Fraud	11/10/2023
6) Audit of Movable Property - School of Nursing: 1st Follow-up	11/28/2023
7) Athletic Ticket Reconciliation: 1st Follow-up	11/28/2023
8) Audit of Purchasing Card Program	4/11/2024
9) Audit of Movable Property - Senior Management	4/26/2024
<b>University of Louisiana at Lafayette</b>	
1) Hiring and Separation Practices Assurance Engagement	3/13/2024
<b>University of Louisiana Monroe</b>	
1) Follow-up on LLA's Single Audit Findings FYE 6/30/22	7/5/2023
2) Internal Self-Assessment of ULM's Internal Audit Activity	10/6/2023
3) Review of College of Health Sciences Dean's Office Operations	11/15/2023
4) Follow-up on LLA's Single Audit Findings FYE June 30, 2019	12/5/2023
5) Consulting Engagement of ULM's Student-Athletic Financial Aid FYE 6/30/24	3/22/2024

External Audit Reports  
Issued in Fiscal Year 2024

Report Title by Institution	Auditor	Issue Date
<b>University of Louisiana System</b>		
1) Management Letter	LLA	12/29/2023
<b>Grambling State University</b>		
1) NCAA Agreed-Upon Procedures	LLA	2/14/2024
2) Management Letter	LLA	3/20/2024
<b>Louisiana Tech University</b>		
1) Management Letter	LLA	12/11/2023
2) Compliance with Student Progression AY 2021	Board of Regents	1/4/2024
3) Compliance with Completers for AY 21	Board of Regents	1/9/2024
4) NCAA Agreed-Upon Procedures	LLA	1/24/2024
<b>McNeese State University</b>		
1) NCAA Agreed-Upon Procedures	LLA	1/24/2024
2) Perkins Loans Program Agreed-Upon Procedures	LLA	3/15/2024
<b>Nicholls State University</b>		
1) Management Letter	LLA	12/11/2023
2) NCAA Agreed-Upon Procedures	LLA	1/24/2024
<b>Northwestern State University</b>		
1) NCAA Agreed-Upon Procedures	LLA	2/7/2024
2) Purchasing Card Compliance	Office of State Travel	2/8/2024
3) Travel Card Compliance	Office of State Travel	3/6/2024
4) Student Financial Aid Progress	LOSFA	5/21/2024
5) Management Letter	LLA	5/22/2024
<b>Southeastern Louisiana University</b>		
1) NCAA Agreed-Upon Procedures	LLA	1/24/2024
2) Management Letter	LLA	4/3/2024
<b>University of Louisiana at Lafayette</b>		
1) NCAA Agreed-Upon Procedures	LLA	1/24/2024
2) Management Letter	LLA	3/20/2024
<b>University of New Orleans</b>		
1) Compliance with Completers for AY 21	Board of Regents	1/9/2024
2) NCAA Agreed-Upon Procedures	LLA	
3) Compliance with Student Progression AY21	Board of Regents	3/21/2024

## Internal Audit Reports in Progress

Report Title by Institution
<b>University of Louisiana System Board Office</b>
1) Audit of Purchasing Card and CBA Programs
<b>Grambling State University</b>
1) Internal Self-Assessment
<b>Louisiana Tech University</b>
1) Review of Aramark Food Service Contract
<b>McNeese State University</b>
1) Review of R.S. 42:31: Eligibility to Hold Office or Position
2) Inventory Audit
<b>Nicholls State University/University of New Orleans*</b>
<i>None.</i>
<b>Northwestern State University</b>
1) Quality Assessment for External Validation
<b>Southeastern Louisiana University</b>
1) Audit of Inventories
2) Quality Assessment for External Validation
<b>University of Louisiana at Lafayette</b>
1) Food Services Agreement Audit (1st Follow-up)
2) Auxiliary Services: Campus Bookings Audit
<b>University of Louisiana Monroe</b>
1) Review of ULM Information Technology Incident Response Plan

\* Nicholls and UNO have combined the internal audit function and are actively recruiting a director of internal audit to serve both institutions.



## Schedule of Internal Audit Follow-ups

Report Title by Institution	Follow-up Number	Date to Begin Follow-up
<b>Grambling State University</b>		
1) Follow-up LLA's Single Audit Findings for FYE 6/30/21	1st	4/27/2024
2) Electronic Payment Systems Desk Review	2nd	6/23/2024
3) Facilities Management, Inventory, and Key Control Audit	4th	8/24/2024
4) University Funded Cell Phone Desk Review	2st	3/13/2025
5) Vault Reconciliations Report	5th	5/2/2024
<b>McNeese State University</b>		
1) Governor's Program for Gifted Children	1st	4/23/2025
<b>Nicholls State University</b>		
1) Investigative Audit of Music Conservatory Program	1st	4/22/2022
2) Investigative Audit of Graduate Assistant Timesheet	2nd	6/24/2022
3) Investigative Audit of Residential Living	1st	6/23/2023
4) Bridge to Independence Fundraising Audit	1st	6/23/2023
<b>Northwestern State University</b>		
1) Procedural Review of Private Athletic Camps	1st	11/30/2024
2) Review of Athletic Business Operations	1st	3/4/2024
6) Review of Purchasing Card	1st	5/16/2024
<b>Southeastern Louisiana University</b>		
1) Audit of Cash Collection Points	1st	8/23/2024
2) Audit of Transportation Services	1st	11/16/2024
<b>University of Louisiana at Lafayette</b>		
1) Food Services Contract Assurance Engagement	1st	8/25/2023
2) Campus Safety Assurance Engagement	1st	2/23/2024
3) Family and Medical Leave Act Assurance Engagement	1st	4/26/2024
4) Hiring and Separation Practices Assurance Engagement	1st	3/13/2025
<b>University of Louisiana Monroe</b>		
1) Review of Internal Control & Compliance over ULM Rental Facilities Usage	1st	4/26/2024
2) Review of College of Health Sciences Dean's Office Operations	1st	11/15/2024
<b>University of New Orleans</b>		
1) Change in Payroll Process	1st	6/23/2023
2) College of Sciences	3rd	6/23/2023
3) Review of Legislative Changes for the 2022 Session	1st	8/23/2024
4) Follow-up LLA's Single Audit Findings for FYE 6/30/22	1st	8/23/2024

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