

GRAMBLING STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED NOVEMBER 7, 2012

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

FIRST ASSISTANT LEGISLATIVE AUDITOR
AND STATE AUDIT SERVICES
PAUL E. PENDAS, CPA

DIRECTOR OF FINANCIAL AUDIT
THOMAS H. COLE, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and at the office of the parish clerk of court.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$7.74. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3394 or Report ID No. 80120060 for additional information.

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EXECUTIVE SUMMARY

We conducted certain audit procedures at Grambling State University to evaluate its accountability over public funds for the period July 1, 2011, through June 30, 2012.

We tested controls, compliance, and financial reporting for the following “significant accounts” in the university’s financial statements: investments, receivables, capital assets, bonds, net assets, operating revenues, nonoperating revenues, and expenses. Our procedures on those accounts disclosed the following:

- The findings identified in our prior management letter relating to unlocated movable property and tax penalties and interest have been substantially resolved by management. We did not identify any new findings of weaknesses in internal controls or noncompliance with laws in the current year.
- Financial information relating to those significant accounts was fairly presented.
- Internal controls related to those significant accounts, based on the sample items we tested, showed that the controls were operating effectively. Good internal controls help to safeguard assets and help ensure that financial transactions are accurately reported.
- The university complied with laws and regulations that could have a significant impact on the financial statements, such as Executive Orders, state bid laws, travel regulations, property regulations, professional service rules, Civil Service rules, and Code of Ethics.
- We examined financial trends in the financial statements to look for unusual changes that did not follow logical patterns. We compared the current and prior year financial information and determined the changes in accounts to be reasonable.



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 1, 2012

GRAMBLING STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Grambling, Louisiana

As required by Louisiana Revised Statute 24:513 and as a part of our audit of the University of Louisiana System's (System) financial statements for the fiscal year ended June 30, 2012, we conducted certain procedures at Grambling State University (university) for the period from July 1, 2011, through June 30, 2012.

- Our auditors obtained and documented an understanding of the university'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 the university.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using the university's annual fiscal reports and/or system-generated reports and obtained explanations from university management for any significant variances.
- Our auditors reviewed the status of the findings identified in the prior management letter, issued January 18, 2012. The prior year findings relating to unlocated movable property and tax penalties and interest have been substantially resolved by management.
- Our auditors considered internal control over financial reporting and examined evidence supporting the university's account balances and classes of transactions as follows:

Statement of Net Assets - Investments, receivables, due from state treasury, capital assets, bonds payable, net assets invested in capital assets net of related debt, restricted net assets, and unrestricted net assets

Statement of Revenues, Expenses, and Changes in Net Assets - Student tuition and fees, grants and contracts revenues, auxiliary enterprise revenues, other operating revenues, state appropriations, federal nonoperating revenues, education and general expenses, and auxiliary enterprise expenses

We also tested the university's compliance with laws and regulations that could have a direct and material effect on the System's financial statements, as part of our audit of the System's Annual Financial Report for the fiscal year ended June 30, 2012, in accordance with *Government Auditing Standards*.

The Annual Fiscal Report of the university was not audited or reviewed by us, and, accordingly, we do not express an opinion on this report. The university's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Based on the application of the procedures referred to previously, we found no significant control deficiencies, noncompliance, or errors relating to our analytical procedures or our other audit procedures that should be communicated to management.

This letter is intended for the information and use of the university and its management, others within the university, the System, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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