

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

**AUDIT COMMITTEE**

**October 24, 2024**

**Item I.1.**      **University of Louisiana System's** report on internal and external audit activity for the period of August 14, 2024 to October 14, 2024.

**EXECUTIVE SUMMARY**

Attached is a list of internal and external reports completed by various auditors since the August Board meeting. The internal audit reports are prepared based on an 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.

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

# AUDIT SUMMARY

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|October 2024

UNIVERSITY OF  
LOUISIANA  
SYSTEM

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# Grambling State University

## **Report Name:**

Investigation of the Former Financial Aid Director

## **Audit Initiation:**

A GSU employee notified the Office of Internal Audit about alleged fraudulent activity in the Financial Aid Department. The employee stated that the former Financial Aid Director instructed some students to bring cash. In return, he would find additional funding to assist the student with their tuition and fees.

## **Audit Scope and Objective:**

To determine whether the former Director of Financial Aid instructed students to bring cash to receive additional funding to assist with their tuition and fees.

## **Observations:**

- Observation 1: Management did not timely deactivate the third-party application upon the employee's resignation allowing him to access student contact information and contact students through his GSU phone number. This permitted the former Director of Financial Aid to allegedly contact and collect \$500 from a student after his termination using a third-party application.

Recommendation 1: Management should implement comprehensive written termination procedures that include third-party applications upon employee termination.

- Observation 2: The former employee allegedly collected \$2,000 from GSU students, promising to find additional funding to assist the students with their tuition and fees. The funds disbursed by the GSU students were not applied to their student account. He allegedly contacted GSU students and attempted to collect \$3,000. These students did not provide cash to the former employee.

Recommendation 2: Management should continue to enforce legal and disciplinary actions for employees who override policies and/or engage in fraudulent activities. Management should continue to encourage employees to escalate concerns about control override or suspicious activity to upper management or the Office of Internal Audit. Management should implement additional ethics and cash handling and deposit training for financial aid staff.

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

Management agreed with the observations and provided a corrective plan.



## Northwestern State University

**Report Name:**

Review of Vault Reconciliation

**Audit Initiation:**

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

**Audit Scope and Objective:**

To determine whether the contents of the vault are reconciled to its related general ledger account balance, reconciling items are complete and approved, and assets are properly safeguarded.

**Observations:**

None noted.

**Management Response and Corrective Plan:**

Not applicable due to no observations.

## Internal Audit Reports Issued in Fiscal Year 2025\*

Report Title by Institution	Issue Date
<b>UL System Board Office</b>	
1) Audit of the P-card and CBA Programs	6/18/2024
<b>Grambling State University</b>	
1) Internal Quality Assessment	6/28/2024
2) Investigation of Former Financial Aid Director	10/4/2024
<b>Louisiana Tech University</b>	
1) Review of Year-End Inventory Observations	7/8/2024
<b>Northwestern State University</b>	
1) Review of Vault Reconciliation	8/21/2024
2) Faculty Salary and Workload Analysis (Advisory)	10/10/2024
<b>Southeastern Louisiana University</b>	
1) Audit of Inventories	7/29/2024
<b>University of Louisiana at Lafayette</b>	
1) Campus Food Service Contract (1st Follow-up)	6/27/2024
<b>University of Louisiana Monroe</b>	
1) Review of ULM Information Security Incident Response Plan	8/5/2024

\*-These are issued reports presented during the FY2025 UL System Board of Supervisor meetings. The issued date is after 6/3/24.

## Internal Audit Reports In Progress

Report Title by Institution
<b>Grambling State University</b>
1) Electronic Payment Systems Desk Review (2nd Follow-up)
2) Facilities Management, Inventory, and Key Control Audit (4th Follow-up)
3) Quality Assessment for External Validation
<b>Louisiana Tech University</b>
1) Review of Aramark Food Service Contract
2) Quality Assessment for External Validation
<b>McNeese State University *</b>
<i>none.</i>
<b>Nicholls State University *</b>
<i>none.</i>
<b>Northwestern State University</b>
1) Procedural Review of Private Athletic Camps (1st Follow-up)
2) Quality Assessment for External Validation
<b>Southeastern Louisiana University</b>
1) Review of Onboarding for the Athletics' Business Office
2) Audit of Cash Collection Points (1st Follow-up)
3) Quality Assessment for External Validation
<b>University of Louisiana at Lafayette</b>
1) Auxiliary Services: Campus Bookings Audit
2) Quality Assessment for External Validation
<b>University of Louisiana Monroe</b>
1) Review of Internal Controls over ULM Psychology Program Testing Kits & Materials
2) Quality Assessment for External Validation
<b>University of New Orleans *</b>
<i>none.</i>

\* - The Director of Internal Audit position is vacant.

## Schedule of Internal Audit Follow-ups

Report Title by Institution	Follow-up Number	Date to Begin Follow-up
<b>Board Office</b>		
1) Audit of the P-card and CBA Programs	1st	6/18/2025
<b>Grambling State University</b>		
1) Electronic Payment Systems Desk Review	2nd	6/23/2024
2) Facilities Management, Inventory, and Key Control Audit	4th	8/24/2024
3) University Funded Cell Phone Desk Review	2st	3/13/2025
4) Vault Reconciliations Report	5th	5/2/2025
5) Investigation of Former Financial Aid Director	1st	10/4/2025
<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	3/4/2025
6) Review of Purchasing Card	1st	5/16/2025
<b>Southeastern Louisiana University</b>		
1) Audit of Cash Collection Points	1st	8/23/2024
2) Audit of Transportation Services	1st	11/16/2024
3) Investigation of Milestone, Inc. Fraud	1st	11/2/2024
<b>University of Louisiana at Lafayette</b>		
1) Campus Safety Assurance Engagement	1st	2/23/2024
2) Family and Medical Leave Act Assurance Engagement	1st	4/26/2024
3) 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
3) Review of ULM Information Security Incident Response Plan	1st	8/5/2025
<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

\* - Follow-up in progress.