

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

AUDIT COMMITTEE

February 27, 2025

Item G.1. Nicholls State University's request for approval of an amended Annual Internal Audit Plan for Fiscal Year 2024-25.

EXECUTIVE SUMMARY

Nicholls State University requests approval to amend their Fiscal Year 2024-25 Annual Internal Audit Plan. At the time the audit plans for the Board Operations and University of Louisiana System institutions were submitted by the Chief Audit Executive and approved by the Board on June 13, 2024, the Internal Auditor position at Nicholls was vacant. Subsequently, this position was filled on January 16, 2025. Therefore, the new Internal Auditor requests that the Audit Plan for Nicholls be amended to include the following audits for the remainder of Fiscal Year 2024-25:

- Cybersecurity/Data Security/Access Management
- Procurement Cards
- Follow-up on Internal and External Audit Reports
- Vault Reconciliation
- Follow-up on Single Audit & LLA Report Findings
- Quality Assurance Improvement Program

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 Nicholls State University's request for approval of an amended Annual Internal Audit Plan for Fiscal Year 2024-25.*

Office of Internal Audit

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NICHOLLS
STATE UNIVERSITY

A MEMBER OF THE UNIVERSITY OF LOUISIANA SYSTEM

G.1.

TO: John Clune, President

FROM: Caitlin Westerman, Internal Auditor

DATE: February 17, 2025

RE: Revised Audit Plan for Fiscal Year Ending June 30, 2025

Attached is the revised audit plan for fiscal year ending 2025. As a result of Nicholls State University filling the Internal Auditor vacancy, a revised audit plan has been created. As a result of the input from executive management of Nicholls State University, the ULS Director of Internal and External Audits, audits required by law and ULS, and available audit hours, the following areas are scheduled for audit in fiscal year 2024-2025:

- Procurement Cards
- Cybersecurity/Data Security
- Follow-up on Internal Audit Findings
- Follow-up on Single Audit & LLA Report Findings
- Management Advisory Services, special requests, unscheduled audits and QAIP
- Vault Reconciliation
- Continuing Professional Education, Website Management, Risk Assessment and Development of Annual Audit Plan

Attached is a detailed version of the above areas. System-wide audit plans will be presented at the February 2025 Board of Supervisors' meeting.

Please note your approval by signing below.

Approved



Jay Clune, PhD
President

Date February 17, 2025

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

AUDIT COMMITTEE

February 27, 2025

Item G.2. **University of Louisiana System's** report on internal and external audit activity for the period of November 15, 2024 to February 16, 2025.

EXECUTIVE SUMMARY

Attached is a list of internal and external reports completed by various auditors since the December 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

February 2025



FOR YOUR FUTURE. FOR OUR FUTURE.

Office of Internal Audit

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External Audit Report

1. Financial Statement Audit for the Year Ended June 30, 2024

Audit Initiation:

Annual Audit Required by the Office of Legislative Auditor.

Audit Scope and Objective:

Annual audit of the System's financial operations. The Legislative Auditor conducts a System-wide financial and compliance audit. This report includes all institutions and component units. The System received a Unqualified (clean) Opinion from the Legislative Auditor and there were no reportable findings relative to internal control or compliance. This is the best opinion an agency can receive.

Observations:

None noted.

Recommendations:

None noted.

Management Response and Corrective Plan:

Not applicable due to no findings/recommendations noted.



Grambling State University

Internal Audit Reports

1. Facilities Review Report (4th 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 3rd Follow-up of Facilities Management, Inventory, and Key Control Audit issued on August 18, 2023.

Observations:

Management substantially implemented all recommendations. No findings noted.

Management Response and Corrective Plan:

No response and corrective plan required.

2. EPS Desk Review (2nd 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 Follow-up of EPS Desk Review issued on June 9, 2023.

Observations:

Management substantially implemented all recommendations. No findings noted.

Management Response and Corrective Plan:

No response and corrective plan required.

External Audit Report

1. Independent External Validation of Internal Audit’s Self-Assessment

Audit Initiation:

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

Audit Scope and Objective:

In accordance with Section 1300 of the Standards, an external assessment was conducted of the internal audit activity at GSU to evaluate conformance with the Standards and the Code of Ethics.

Observations:

The external assessment team concurred with GSU Internal Audit's conclusions and observations that it generally conforms to the IIA Standards.

Recommendation:

The CAE should communicate and interact directly with the Board.

Management Response and Corrective Plan:

GSU's Director of Internal Audit concurs with the recommendation to enhance direct communication and interact with the Board.



Louisiana Tech University

Internal Audit Report

1. Internal Self-Assessment Report of the Louisiana Tech University Internal Audit Activity

Audit Initiation:

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

Audit Scope and Objective:

In accordance with Section 1300 of the *Standards*, a self-assessment was conducted of the internal audit activity at Louisiana Tech University to evaluate conformance with the *Standards* and the Code of Ethics.

Observations:

Louisiana Tech's internal audit activity generally conforms to the IIA *Standards*, which is the highest possible rating and means that practices are in place to ensure independence, objectivity, and proficiency of the internal audit activity.

Opportunities for Continuous Improvement:

1. The Internal Audit Charter and Internal Audit Manual will both be revised to align with the IIA's Global Internal Audit Standards that go into effect in January 2025. The nature of assurances provided outside the organization will be included in this revision.
2. Internal Audit will strive to include more data analytics features of Excel software in our audits.
3. Internal Audit will strive to include more auditable areas as part of the weighted risk assessment in determining which areas should be included in the annual audit plan.
4. Internal Audit will seek more training for auditing information systems and work with the Chief Information Officer in assessing information technology areas.
5. Internal Audit will include positive statements of satisfactory performance in audit reports including follow-up reports.

Internal Audit's Response and Corrective Plan:

The Director of Internal Audit has reviewed the areas of continuous improvement and will address them throughout the year. We will follow up with these areas in the next internal self-assessment.

External Audit Reports

1. Independent Validation of the Louisiana Tech Internal Audit Activity's Self-Assessment

Audit Initiation:

In accordance with Section 1300 of the *Standards*, an external assessment was conducted of the internal audit activity at Louisiana Tech to evaluate conformance with the *Standards* and the Code of Ethics.

Audit Scope and Objective:

To verify the assertions and conclusions made in the self-assessment report concerning adequate fulfillment of basic expectations of Louisiana Tech Internal Audit, its conformity to the IIA *Standards*, and successful internal audit practices and opportunities for continuous improvement noted.

Observations and Recommendations:

The external assessment team concurred with Louisiana Tech Internal Audit's conclusions and observations that it generally conforms to the IIA *Standards*.

Management Response and Corrective Plan:

Not applicable due to no findings or recommendations noted.

2. Louisiana Legislative Auditor (LLA) NCAA Agreed-Upon Procedures

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

To assist the University in determining whether the accompanying Statement of Revenues and Expenses (Statement) of the University's Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024.

Observations:

None noted.

Recommendations:

None noted.

Management Response and Corrective Plan:

No response required for NCAA procedures.



McNeese State University

External Audit Reports

1. Louisiana Legislative Auditor (LLA) NCAA Agreed-Upon Procedures

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

To assist the University in determining whether the accompanying Statement of Revenues and Expenses (Statement) of the University's Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024.

Observations:

- One transaction totaling \$10,000 related to football overstated royalties, licensing, advertisements, and sponsorships in error. Statement A was corrected.
- Certain transactions totaling \$28,584 for football (\$3,686), men's basketball (\$8,055), women's basketball (\$3,253), other sports (\$6,422), and non-program specific (\$7,168) were unrecorded. Statement A was corrected.
- Certain transactions totaling \$4,069 for football (\$966), women's basketball (\$133), and other sports (\$2,970) were erroneously recorded as athletic student aid. Statement A was corrected.
- Certain transactions totaling \$55,994 related to coaching salaries, benefits, and bonuses paid by the University and related entities for men's basketball were misclassified as support staff/administrative compensation, benefits, and bonuses paid by the University and related entities. Statement A was corrected.
- Certain transactions netting to an error of \$3,099 caused an understatement for football (\$3,124) and an overstatement for men's basketball (-\$25). Statement A was corrected.
- Athletics-related capital expenditures were understated by \$4,693,497. This item has been corrected.

Management Response and Corrective Plan:

No response required for NCAA procedures.

2. Louisiana Legislative Auditor (LLA) Management Letter

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

As a part of our audit of the University of Louisiana System and our work related to the Single Audit of the State of Louisiana for the fiscal year ended June 30, 2024, we performed procedures at McNeese State University to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of McNeese's internal controls over financial reporting and compliance; and determine whether McNeese complied with applicable laws and regulations. In addition to the procedures noted previously, we also performed certain other procedures for the period July 1, 2022, through June 30, 2023.

Observations:

None noted.

Management Response and Corrective Plan:

Not applicable due to no findings/recommendations noted.



Nicholls State University

External Audit Report

1. Louisiana Legislative Auditor (LLA) NCAA Agreed-Upon Procedures

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

To assist the University in determining whether the accompanying Statement of Revenues and Expenses (Statement) of the University's Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024.

Observations:

None noted.

Recommendations:

None noted.

Management Response and Corrective Plan:

No response required for NCAA procedures.



Northwestern State University

Internal Audit Reports

1. Athletic Department Vault Reconciliation

Audit Initiation:

In accordance with the annual audit plan for fiscal year 2024-2025, the Department of Internal Audit performed a reconciliation of the Athletic Department vault. Business Affairs Internal Policy, II-11; Departmental Vault/Safe Control requires Internal Audit to inspect vaults randomly.

Audit Scope and Objective:

The scope of audit is a limited review of an assessment of Athletic vault activities and documentation observed on November 13, 2024.

The objectives of the audit:

1. Determine if the contents of the vault reconcile to its related general ledger account balance;
2. Determine the propriety of any reconciling items;
3. Determine if assets are properly safeguarded;
4. Determine if relevant policy, procedures, and statutes are being followed.

Observations and Recommendations:

Observation 1: Vault combination is not changed periodically or when employees separate from the University.

Recommendation 1: To strengthen access controls, it is recommended that a new safe be purchased to safely secure the Athletic department's assets.

Observation 2: No evidence of placement and removal of vault assets.

Recommendation 2: Internal Audit recommends implementing use of a vault register. A sample vault register is referenced in the Departmental Vault/Safe control policy and can be downloaded from the Documents/Forms section of the Business Affairs section of the University website.

Observation 3: Athletics vault is utilized for storing non-university assets.

Recommendation 3: The Demons Unlimited Foundation should procure their own methods of securing assets or Northwestern State University should update its policy to include storing assets for its affiliates.

Observation 4: Unannounced vault reconciliations are not being performed.

Recommendation 4: Internal Audit recommends that the Athletic Director physically count the cash stored in the vault (unannounced) and compare the total to the

amount recorded to the balance in the general ledger. Documentation of these procedures should be kept on file as evidence of compliance.

Observation 5: Vault custodian does not perform daily vault reconciliations.

Recommendation 5: Internal Audit recommends that the vault custodian perform daily reconciliations of the Athletic Departments advances, comparing the amount of physical cash to the amount recorded in the general ledger. On days where there are revenues from ticket sales, a pay-in-voucher should be utilized to reflect the intake of cash and storage before the deposit is made. Once the deposit is made, the deposit slip should be filed with the voucher to document the transfer of revenues to the treasury (cashiers office). In the instance of disbursing cash drawers to ticket booth personnel, documentation indicating the disbursement should be recorded on the vault register.

Management's Response and Corrective Plan:

Management partially concurs with Observations 1, 2, and 4. Management does not concur with Observation 3 and fully concurs with observation 5. Management provided corrective action plans for all observations.

2. Internal Self-Assessment of NSU's Internal Audit Activity

Audit Initiation:

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

Audit Scope and Objective:

In accordance with Section 1300 of the Standards, a self-assessment was conducted of the internal audit activity at NSU to evaluate conformance with the Standards and the Code of Ethics.

Observations:

NSU's internal audit activity generally conforms to the IIA Standards, which is the highest possible rating and means that practices are in place to ensure independence, objectivity, and proficiency of the internal audit activity.

Recommendations:

None noted.

Management's Response and Corrective Plan:

Not applicable due to no findings/recommendations noted.

External Audit Reports

1. Independent Validation of the NSU Internal Audit Activity's Self-Assessment

Audit Initiation:

In accordance with Section 1300 of the Standards, an external assessment was conducted of the internal audit activity at NSU to evaluate conformance with the Standards and the Code of Ethics.

Audit Scope and Objective:

To verify the assertions and conclusions made in the self-assessment report concerning adequate fulfillment of basic expectations of NSU Internal Audit, its conformity to the IIA

Standards, and successful internal audit practices and opportunities for continuous improvement noted.

Observations and Recommendations:

The external assessment team concurred with NSU Internal Audit's conclusions and observations that it generally conforms to the IIA Standards.

Areas of Improvement Noted:

The CAE should communicate and interact directly with the board.

Management Response and Corrective Plan:

NSU's Director of Internal Audit concurs with the opportunity for improvement and will continue attempts to communicate with management and the board.

2. Louisiana Legislative Auditor (LLA) NCAA Agreed-Upon Procedures

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

To assist the University in determining whether the accompanying Statement of Revenues and Expenses (Statement) of the University's athletic department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024.

Observations:

- As a result of these procedures, we noted that athletic student aid was overstated by \$2,345,599 (football \$747,356, men's basketball \$255,528, women's basketball \$216,059, other sports \$946,565, and non-program specific \$180,091); recruiting expenses were understated by \$224,374 (football \$66,170, men's basketball \$102,664, women's basketball \$24,756, other sports \$7,680, and non-program specific \$23,104); non-program specific other operating revenue was understated by \$30,000; and non-program specific other operating expenses was overstated by \$2,237. Statement A was corrected for these errors.
- The University incorrectly included \$30,000 of funds received from a mineral lease as direct institutional support. These funds should have been reported as other operating revenue. Also, the University used incorrect waiver amounts resulting in an understatement in direct institutional support of \$3,540. The net impact of these errors resulted in an overstatement totaling \$26,460 (football \$6,900, men's basketball \$2,700, women's basketball \$1,920, other sports \$5,940, and nonprogram specific \$9,000). Statement A was corrected.
- As a result of these procedures, we noted an overstatement of \$224,374 due to recruiting expenses being misclassified as travel expenses and an understatement of \$2,237 due to team travel expenses from the Demons Unlimited Foundation being misclassified as other operating expenses. These errors resulted in a net error totaling \$222,137 (football \$66,170, men's basketball \$102,664, women's basketball \$24,756, other sports \$7,680, and non-program specific \$20,867). Statement A was corrected.
- As a result of these procedures, we noted that all athletics-related debt is held by the Demons Unlimited Foundation. The University did not include the amount of debt held

by Demons Unlimited Foundation, resulting in an understatement of athletics-related debt and institutional debt of \$100,000. The University corrected the report.

- As a result of these procedures, we noted that all athletics-dedicated endowments are held by the Demons Unlimited Foundation and all other endowments are held by the University. Institutional endowments were understated by \$2,353,364. The University corrected the report.

Recommendations:

None noted.

Management Response and Corrective Plan:

No response required for NCAA procedures.



Southeastern Louisiana University

Internal Audit Reports

1. Internal Self-Assessment of Southeastern's Internal Audit Activity

Audit Initiation:

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

Audit Scope and Objective:

In accordance with Section 1300 of the Standards, a self-assessment was conducted of the internal audit activity at Southeastern to evaluate conformance with the IIA *Standards* and the Code of Ethics.

Observations:

Southeastern's internal audit activity generally conforms to the IIA Standards, which is the highest possible rating and means that practices are in place to ensure independence, objectivity, and proficiency of the internal audit activity.

Areas of Continuous Improvement Noted:

1) Further explore data analytics offered in of software to ensure efficiency when performing analytics, 2) improve self-assessment reporting of our ongoing monitoring, 3) continue to monitor audit universe, 4) ensure we are documenting COSO framework components for engagements, 5) submit an updated record retention schedule upon expiration of our current one, and 6) development of a new review checklist for engagements that aligns with new IIA *Standards*

Internal Audit's Response and Corrective Plan:

The Internal Audit Director has reviewed the areas of continuous improvement and will address them throughout the year; we will follow up with these areas in the next internal self-assessment performed.

2. Follow Up of Cash Collection Points

Audit Initiation:

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

Audit Scope and Objective:

The objective was to determine if the management has taken adequate steps to implement the planned action included in the original report issued on July 19, 2023. The scope of this review was limited to evaluating management's implementation of the responses provided in the previous audit.

Observations:

Management has implemented all of the recommendations. As a result, the prior audit observations are now closed.

Recommendation:

None noted.

Management's Response and Corrective Plan:

Not applicable due to no findings/recommendations noted.

3. Audit of Athletics Onboarding Procedures

Audit Initiation:

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

Audit Scope and Objective:

The objective of the audit was to determine the effectiveness of the controls over Athletics onboarding procedures, as well as determine compliance with University policy. The scope of our audit included reviewing University policy, examining the onboarding procedures of Athletics, and evaluating onboarding supporting documentation for Athletics hires for the period of July 1, 2023 through June 30, 2024.

Observations:

Based on the results of our audit procedures, the Office of Internal Audit determined that the controls over onboarding procedures regarding I-9s for Athletics hires were not designed properly, causing noncompliance with University policy on some occasions due to timeliness.

Recommendation:

1.1 We recommend that management collaborate with Human Resources to implement additional controls surrounding the onboarding process for Athletics new hires.

Management's Response and Corrective Plan:

In response to the audit recommendation, Athletics will collaborate with Human Resources to enhance controls that specifically address the potential for delays with the I-9 process, which will further build upon existing departmental controls that are functioning effectively.

External Audit Reports

1. Louisiana Legislative Auditor (LLA) Management Letter

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

As a part of our audit of the University of Louisiana System (System) and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2024, we performed procedures at Southeastern Louisiana University (Southeastern) to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of Southeastern's internal controls over financial reporting and compliance; and determine whether Southeastern complied with applicable laws and regulations. We also determined whether management has taken actions to correct the finding reported in the prior year.

Observations:

None noted.

Recommendations:

None noted.

Management Response and Corrective Plan:

Not applicable due to no findings/recommendations noted.

2. Louisiana Legislative Auditor (LLA) NCAA Agreed-Upon Procedures

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

To assist the University in determining whether the accompanying Statement of Revenues and Expenses (Statement) of the University's Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024.

Observations:

None noted.

Recommendations:

None noted.

Management Response and Corrective Plan:

No response required for NCAA procedures.

3. Independent Validation of the Southeastern Louisiana University's Internal Audit Activity's Self-Assessment

Audit Initiation:

In accordance with Section 1300 of the Standards, an external assessment was conducted of the internal audit activity at Southeastern to evaluate conformance with the *Standards* and the Code of Ethics.

Audit Scope and Objective:

To verify the assertions and conclusions made in the self-assessment report concerning adequate fulfillment of basic expectations of Southeastern Internal Audit, its conformity to the IIA *Standards*, and successful internal audit practices and opportunities for continuous improvement noted.

Observations:

The external assessment team concurred with Southeastern Internal Audit's conclusions and observations that it generally conforms to the IIA *Standards*.

Management Response and Corrective Plan:

Not applicable due to no findings/recommendations noted.



University of Louisiana at Lafayette

Internal Audit Report

1. Internal Self-Assessment of University of Louisiana at Lafayette Internal Audit Activity

Audit Initiation:

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

Audit Scope and Objective:

In accordance with Section 1300 of the International Standards for the Professional Practice of Internal Auditing, a self-assessment was conducted of the internal audit activity at University of Louisiana at Lafayette to evaluate conformance with the International Standards of the Professional Practice of Internal Auditing and the Code of Ethics.

Observations:

The internal audit activity of the University of Louisiana at Lafayette generally conforms to the International Standards of the Professional Practice of Internal Auditing, which is the highest possible rating and means that practices are in place to ensure independence, objectivity, and proficiency of the internal audit activity.

Opportunities of Continuous Improvement Noted:

Implementation of an annual signed acknowledgement by the CAE and the staff indicating they have read, understood, and agreed to the Code of Ethics may be an opportunity for continuous improvement.

Reporting the results of ongoing monitoring to senior management and the board on an annual basis is an opportunity for continuous improvement.

A procedure to notify the Board when the administration assumes a risk identified in an audit report is an area for continuous improvement.

Internal Audit's Response and Corrective Plan:

The Internal Audit Director has updated the audit manual to require annual written acknowledgement.

The Internal Audit Director will report the results of ongoing monitoring to senior management and the board on an annual basis around the same time the annual audit plan is presented; provided that the reports provided to the Board are designed to address such reporting.

The Internal Audit Director will work with the Chief Audit Executive at the University of Louisiana System to develop a procedure to notify the Board when the administration assumes a risk identified in an audit report.

External Audit Reports

1. Independent Validation of the University of Louisiana at Lafayette Internal Audit Activity's Self-Assessment

Audit Initiation:

In accordance with Section 1300 of the International Standards of the Professional Practice of Internal Auditing, an external assessment was conducted of the internal audit activity at University of Louisiana at Lafayette to evaluate conformance with the International Standards of the Professional Practice of Internal Auditing and the Code of Ethics. This external assessment took the form of independent validation which comports with the International Standards of the Professional Practice of Internal Auditing.

Audit Scope and Objective:

To verify the assertions and conclusions made in the self-assessment report concerning adequate fulfillment of basic expectations of University of Louisiana at Lafayette Internal Audit, its conformity to the International Standards of the Professional Practice of Internal Auditing, and successful internal audit practices and opportunities for continuous improvement noted.

Observations:

The external assessor concurred with the University of Louisiana at Lafayette Internal Audit's conclusion that it generally conforms to the IIA Standards.

Management Response and Corrective Plan:

N/A due to no recommendations noted.

2. Louisiana Legislative Auditor (LLA) NCAA Agreed-Upon Procedures

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

To assist the University in determining whether the accompanying Statement of Revenues and Expenses (Statement) of the University's Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024.

Observations:

- We found that indirect institutional support - athletic facilities debt service, lease, and rental fees was understated by \$487,146. Statement A was corrected.
- During our procedures, we noted one transaction totaling \$7,820 was recorded to non-program specific when it should have been recorded to football. Statement A was corrected.
- During our procedures, we noted capitalized interest related to two athletic related bonds were excluded from the report which resulted in a \$487,146 understatement of athletic facilities debt service, leases, and rental fees. Statement A was corrected.

Recommendations:

None noted.

Management Response and Corrective Plan:

No response required for NCAA procedures.



University of Louisiana Monroe

Internal Audit Reports

1. Internal Self-Assessment of ULM's Internal Audit Activity

Audit Initiation:

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

Audit Scope and Objective:

In accordance with Section 1300 of the Standards, a self-assessment was conducted of the internal audit activity at ULM to evaluate conformance with the Standards and the Code of Ethics.

Observations:

ULM's internal audit activity generally conforms to the IIA Standards, which is the highest possible rating and means that practices are in place to ensure independence, objectivity, and proficiency of the internal audit activity.

Areas of Improvement Noted:

Need to document 1) how the engagements performed by the internal audit activity assist the University of Louisiana Monroe in accomplishing the goals supporting the vision and mission included in the ULM Strategic Plan and 2) the progress made in implementing the ULM Internal Audit Strategic Plan.

Internal Audit's Response and Corrective Plan:

The Director of Internal Audit detailed a corrective action plan to implement the recommendations, which will be performed for engagements as of June 30, 2025, and beyond.

The Director of Internal Audit will follow up in the next internal self-assessment for the fiscal year 2024-2025.

2. Review of Internal Control over ULM Psychology Program Testing Kits and Materials

Audit Initiation:

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

Audit Scope and Objective:

To determine whether the internal control structure over the safeguarding, maintenance, tracking, accounting, and disposal of intelligence testing kits and materials used by the ULM Psychology Program was designed and operating effectively during FY 2023-2024.

Observations and Recommendations:

Observation 1: The ULM Psychology Program did not have formal policies and procedures governing the management of intelligence testing kits and related materials owned by the University.

Recommendation 1: Management should ensure that the ULM School of Behavioral and Social Sciences and Psychology Program develop and implement formal, internal policies and procedures to establish responsibility and accountability for control activities related to intelligence testing kits and materials in the University's possession.

Observation 2: The ULM Psychology Program has not established a system of internal controls to properly safeguard, monitor, and physically secure the testing kits and materials in their possession.

Recommendation 2: Management should ensure that these intelligence testing kits and related materials are adequately safeguarded, secured, and monitored.

Observation 3: ULM Psychology Program has not established a system of internal controls to properly monitor and account for the testing kits and materials in their possession.

Recommendation 3: Management should ensure that the ULM School of Behavioral and Social Sciences and Psychology Program implement a system of internal controls for monitoring and accounting for testing kits and materials, which should include conducting periodic physical inventory counts.

Observation 4: ULM Psychology faculty did not report missing or unlocated intelligence testing kits and materials on various occasions to the appropriate personnel so that action could be taken to account for the disappearance of these assets.

Recommendation 4: Management should ensure that ULM School of Behavioral and Social Sciences and Psychology Program faculty and staff are adequately trained on how to properly report lost, missing, or stolen assets in accordance with University policies and procedures and ensure that they do so.

Observation 5: Responsible personnel and faculty within the ULM Psychology Program have not conducted a thorough review to determine which materials and equipment should be considered obsolete or surplus, so that such materials and equipment can be properly disposed of as needed.

Recommendation 5: Management should ensure faculty and staff are adequately trained on how to properly classify and dispose of obsolete inventory. Additionally, management should ensure responsible personnel and asset custodians conduct a review of current inventory on hand to determine which testing kits and materials should be classified as obsolete and take steps to properly dispose of such inventory.

Management's Response and Corrective Plan:

Management agreed with the observations and provided a corrective plan.

External Audit Reports

1. Independent Validation of the ULM Internal Audit Activity's Self-Assessment

Audit Initiation:

In accordance with Section 1300 of the Standards, an external assessment was conducted of the internal audit activity at ULM to evaluate conformance with the Standards and the Code of Ethics.

Audit Scope and Objective:

To verify the assertions and conclusions made in the self-assessment report concerning adequate fulfillment of basic expectations of ULM Internal Audit, its conformity to the IIA Standards, and successful internal audit practices and opportunities for continuous improvement noted.

Observations and Recommendations:

The external assessment team concurred with ULM Internal Audit's conclusions and observations that it generally conforms to the IIA Standards.

Areas of Improvement Noted:

ULM Internal Audit should consider developing a master listing of auditable areas (audit universe) within the organization. To ensure full coverage, the audit universe should be reviewed by ULM management periodically.

Management Response and Corrective Plan:

The Director of Internal Audit detailed a corrective action plan to implement the recommendations with the preparation of the FY 2025-2026 internal audit plan, to be finalized by June 30, 2025.

2. Louisiana Legislative Auditor (LLA) NCAA Agreed-Upon Procedures

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

To assist the University in determining whether the accompanying Statement of Revenues and Expenses (Statement) of the University's athletic department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024.

Observations:

- We found that the selected cash receipt batch sheet of ticket sales deposit slip had no evidence of review as prescribed by the University's established policies and procedures.
- We found that \$13,806 of ticket sales revenue earned in fiscal year 2023 was inappropriately included in the amount of current-year ticket sales revenue reported on the Statement. The University made the necessary adjustment to correct its Statement for the error.
- We found that the University uses a combination of actual and average amount to report student aid detail in the NCAA's Compliance Assistant (CA) software, as per NCAA Bylaws. We found that the costs of attendance and/or housing for four students were not included in the total aid reported in NCAA's CA software. In addition, the full grant amount for one out-of-state student was incorrectly reported in NCAA's CA software.

Recommendations:

None noted.

Management Response and Corrective Plan:

No response required for NCAA procedures.



University of New Orleans

Internal Audit Report

1. College Of Sciences Third Follow-up Review

Audit Initiation:

The audit was initiated at the request of Dr. Kathy Johnson, President, as listed in the UL System Scheduled of Internal Audit Review Follow-ups.

Audit Scope and Objective:

To verify the resolution of wages owed recoupment concerning a Dual Employment employee of the University of New Orleans College of Sciences.

Observations:

The auditor found the employee did fulfill the employment obligations to the University of New Orleans and no recoupment of wages was warranted

Recommendation:

The matter is resolved, and no further action is required. The University of New Orleans Human Resources department participates in the approval of Dual Employment request ensuring compliance with state and University of New Orleans policy.

Management's Response and Corrective Plan:

Management concurs with the findings and has incorporated the Disclosure of Outside Employment request into Workday with a final review step by HR.

External Audit Report

1. Louisiana Legislative Auditor (LLA) Management Letter

Audit Initiation:

These external procedures were conducted by the LLA.

Audit Scope and Objective:

As a part of our audit of the University of Louisiana System (System) and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2024, we performed procedures at the University of New Orleans (UNO) to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of UNO's internal controls over financial reporting and compliance; and determine whether UNO complied with applicable laws and regulations. In addition to the procedures noted above, we also performed certain other procedures for the period July 1, 2023, through June 30, 2024.

Observations and Recommendations:

Observation 1: UNO did not have an effective internal audit function and did not fully adhere to the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

Recommendation 1: Management should ensure that internal audit activities are performed in accordance with the approved annual audit plan, fully adhere to the IIA Standards, and contribute to the effectiveness and efficiency of UNO operations, including internal control processes.

Observation 2: UNO did not comply with the System's Students with Debt policy, including calculating the allowance for doubtful accounts for student receivables. UNO also failed to provide adequate support that delinquent student accounts and delinquent accounts related to separated employees who were overpaid in fiscal year 2019 as a result of the execution of a change in payment structure for its non-academic, unclassified employees were timely reported to the Louisiana Attorney General for collection in accordance with System and UNO policies, as well as with state law.

Recommendation 2: Management should establish a written policy for determining an allowance for doubtful accounts relating to student receivables that complies with System policy and should provide supervisory oversight to ensure that all delinquent accounts are timely transferred to the AG for collection to ensure compliance with System and UNO policies as well as with state law.

Management Response and Corrective Plan:

Management concurred with Observation 1 and partially concurred with Observation 2. Management provided corrective action plans for all observations.

Internal Audit Reports Issued in Fiscal Year 2025

Report Title by Institution	Issue Date
UL System Board Office	
1) Audit of the P-card and CBA Programs	6/18/2024
Grambling State University	
1) Investigation of Former Financial Aid Director	10/4/2024
2) Internal Quality Assessment	10/25/2024
3) Facilities Review Report (4th Follow-up)	12/12/2024
4) EPS Desk Review (2nd Follow-up)	1/30/2025
Louisiana Tech University	
1) Review of Year-End Inventory Observations	7/8/2024
2) Quality Assurance and Improvement Program Internal Self-Assessment Report of the Louisiana Tech University Internal Audit Activity	12/16/2024
Northwestern State University	
1) Review of Vault Reconciliation	8/21/2024
2) Faculty Salary and Workload Analysis (Advisory)	10/10/2024
3) Review of Private Athletic Camps (1st Follow-up)	11/7/2024
4) Athletic Department Vault Reconciliation	12/11/2024
5) Internal Self-Assessment of NSU's Internal Audit Activity	1/24/2025
Southeastern Louisiana University	
1) Audit of Inventories	7/29/2024
2) Quality Assurance and Improvement Program Internal Self-Assessment Report of the Southeastern Louisiana University Internal Audit Activity	1/6/2025
3) Follow Up of Cash Collection Points	2/5/2025
4) Audit of Athletics Onboarding Procedures	2/14/2025
University of Louisiana at Lafayette	
1) Campus Food Service Contract (1st Follow-up)	6/27/2024
2) Audit of Auxiliary Services: Campus Bookings	10/21/2024
3) University of Louisiana Lafayette OAR Self-Assessment Report	11/14/2024
University of Louisiana at Monroe	
1) Review of ULM Information Security Incident Response Plan	8/5/2024
2) Internal Self-Assessment of ULM's Internal Audit Activity	8/30/2024
3) Review of Internal Control over ULM Psychology Program Testing Kits and Materials	2/4/2025
University of New Orleans	
1) College Of Sciences Third Follow-up Review	2/15/2025

External Audit Reports Issued in Fiscal Year 2025

Report Title by Institution	Auditor	Issue Date
University of Louisiana System		
1) Financial Statement Audit	LLA	12/31/2024
Grambling State University		
1) Independent External Validation of IA's Self-Assessment	Independent Validator	2/12/2025
Louisiana Tech University		
1) Independent Validation of the Louisiana Tech Internal Audit Activity's Self-Assessment	Independent Validator	12/26/2025
2) NCAA Agreed-Upon Procedures	LLA	2/6/2025
McNeese State University		
1) Management Letter	LLA	12/11/2024
2) NCAA Agreed-Upon Procedures	LLA	1/29/2025
Nicholls State University		
1) NCAA Agreed-Upon Procedures	LLA	1/29/2025
Northwestern State University		
1) Independent Validation of the NSU Internal Audit Activity's Self-Assessment	Independent Validator	12/20/2024
2) NCAA Agreed-Upon Procedures	LLA	1/29/2025
Southeastern Louisiana University		
1) Independent Validation of the Southeastern Internal Audit Activity's Self-Assessment	Independent Validator	1/6/2025
2) Management Letter	LLA	1/9/2025
3) NCAA Agreed-Upon Procedures	LLA	2/12/2025
University of Louisiana at Lafayette		
1) NCAA Agreed-Upon Procedures	LLA	1/24/2025
2) ULL QAR Independent Validation Report	Independent Validator	2/11/2025
University of Louisiana at Monroe		
1) Independent Validation of the ULM Internal Audit Activity's Self-Assessment	Independent Validator	12/6/2024
2) NCAA Agreed-Upon Procedures	LLA	1/29/2025
University of New Orleans		
1) Management Letter	LLA	1/29/2025

Internal Audit Reports in Progress

Report Title by Institution
Grambling State University
1) University Funded Cell Phone Desk Review (2 nd Follow-up)
Louisiana Tech University
1) Review of Aramark Food Service Contract
McNeese State University
<i>None (Internal Auditor Started February 17, 2025)</i>
Nicholls State University
<i>None (Internal Auditor Started January 16, 2025)</i>
Northwestern State University
1) Cybersecurity Control Evaluation
2) Investigation of Time and Attendance Fraud
Southeastern Louisiana University
1) Audit of Transportation Services (1st Follow-up)
2) Investigation of Milestone Inc. Fraud Investigation (1st Follow-up)
University of Louisiana at Lafayette
1) Campus Safety Assurance Engagement (1st Follow-up)
2) Office of Intellectual Property and Technology Transfer
University of Louisiana Monroe
1) Review of Internal Control & Compliance over ULM Rental Facilities Usage (1 st Follow-up)
University of New Orleans
1) Change in Payroll Process
2) Single Audit Findings by Office of Legislative Auditor

Schedule of Internal Audit Follow-ups

Report Title by Institution	Follow- up Number	Date to Begin Follow-up
Board Office		
1) Audit of the P-card and CBA Programs	1st	6/18/2025
Grambling State University		
1) University Funded Cell Phone Desk Review *	2nd	2/6/2025
2) Vault Reconciliations Report	5th	5/2/2025
3) Investigation of Former Financial Aid Director	1st	10/4/2025
McNeese State University		
1) Governor's Program for Gifted Children	1st	4/23/2025
Nicholls State University		
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
Northwestern State University		
1) Review of Athletic Business Operations	1st	3/4/2025
2) Review of Purchasing Card	1st	5/16/2025
3) Athletic Department Vault Reconciliation	1st	12/11/2025
Southeastern Louisiana University		
1) Audit of Transportation Services *	1st	11/16/2024
2) Investigation of Milestone, Inc. Fraud *	1st	11/2/2024
University of Louisiana at Lafayette		
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
University of Louisiana Monroe		
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
4) Review of Internal Control over ULM Psychology Program	1st	2/6/2026
University of New Orleans		
1) Change in Payroll Process *	1st	6/23/2023
2) Review of Legislative Changes for the 2022 Session	1st	8/23/2024

* - Follow-up in progress.