

UNIVERSITY OF NEW ORLEANS
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED FEBRUARY 15, 2012

**LOUISIANA LEGISLATIVE AUDITOR
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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 \$3.71. 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. 3610 or Report ID No. 80110065 for additional information.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

January 17, 2012

UNIVERSITY OF NEW ORLEANS
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
New Orleans, Louisiana

As required by Louisiana Revised Statute 24:513 and as a part of our audit of the Louisiana State University System's (LSU System) financial statements for the fiscal year ended June 30, 2011, we conducted certain procedures at the University of New Orleans (UNO) for the period from July 1, 2010, through June 30, 2011.

Act 419 of the 2011 Regular Legislative Session provided for the transfer of UNO from the LSU System to the University of Louisiana System (ULS). The Southern Association for Colleges and Schools, Commission on Colleges approved the change in governance in December 2011 and the LSU System was directed to immediately transfer all assets, funds, facilities, property, obligations, liabilities, programs, and functions of UNO to ULS. Therefore, ULS will begin reporting UNO's financial position, activities, and related disclosures in its system financial report for the fiscal year ending June 30, 2012.

- Our auditors obtained and documented an understanding of UNO's operations and system of internal controls, including internal controls over major federal award programs administered by UNO, through inquiry, observation, and review of its policies and procedures documentation, including a review of the laws and regulations related to UNO.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using UNO'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 finding identified in the prior year engagement. In our prior management letter on UNO, dated January 20, 2011, we reported a finding relating to energy efficiency contract contrary to state law. The finding has been resolved by management.

- Our auditors considered internal control over financial reporting and examined evidence supporting UNO's account balances and classes of transactions material to the LSU System's financial statements as follows: due from state treasury, capital assets, other postemployment benefits payable, capital lease obligations, and educational and general expenses.

We also tested UNO's compliance with laws and regulations that could have a direct and material effect on the LSU System's financial statements. These procedures were performed in accordance with *Government Auditing Standards* as part of our audit of the LSU System's financial statements for the fiscal year ended June 30, 2011.

- Our auditors performed internal control and compliance testing in accordance with Office of Management and Budget Circular A-133 and the following federal programs for the fiscal year ended June 30, 2011, as part of the Single Audit for the State of Louisiana:
 - Student Financial Aid Cluster
 - State Fiscal Stabilization Fund - Education State Grants, Recovery Act (CFDA 84.394)
 - School Improvement Grants, Recovery Act (CFDA 84.388)

The financial information provided to the LSU System by UNO was not audited or reviewed by us, and, accordingly, we do not express an opinion on that financial information. The UNO's accounts are an integral part of the LSU System's financial statements for the fiscal year ended June 30, 2011, upon which the Louisiana Legislative Auditor expresses opinions.

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 procedures, including our procedures on federal programs, which should be communicated to management.

This letter is intended for the information and use of UNO and its management, others within the university, the LSU System, LSU Board of Supervisors, 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

JMJ:JR:EFS:THC:ch