FY2015-16 FISCAL RISK ASSESSMENT
Action Required: Monitor
June 2016

This category represents districts the Department will monitor regarding specific items either through an already established procedure such as the Audit Resolution Process, or via written inquiries as either a precautionary measure, or to assure continued progress in areas that have been problematic in the past. New charter schools (first year of operation is FY2015-16) are provided a Financial Practices Self-Assessment for completion.

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Avoyelles

I – Audit Opinion on Internal Controls

- Material Weakness – Inaccurate student counts as of October 1 – four discrepancies were noted in student count

Concordia

I – Audit Opinion on Internal Controls

- Material Weakness – Capital Asset Recordkeeping – detailed capital asset listing and depreciation schedule is not being reconciled to the general ledger or reviewed timely by appropriate personnel.
- Material Weakness – Insufficient payroll recordkeeping – various employees were overpaid or underpaid, reconciliations of quarterly Form 941s to the general ledger not being conducted in a timely manner

Franklin

G – Submittal of General Fund Budget Form

- Submitted General Budget Forms 19 days late.

I – Audit Opinion Internal Controls

- Material Weakness – Accounts Receivable – accounts receivable for school lunch fund is not being reconciled to the general ledger resulting in amounts owed to the school system

Iberia

P – Expenditures of Federal Programs

- Adverse Opinion – payroll certifications were prepared annually rather than semiannually for the Special Education Cluster

Q – Compliance with Laws and Regulations on Federal Programs

- Adverse Opinion – payroll certifications were prepared annually rather than semiannually for the Special Education Cluster

Jackson

J – Consecutive Audit Findings

- Third consecutive finding: **Title I –**Jonesboro Hodge High School listed as a Title I although it is not.

Jefferson

I – Audit Opinion Internal Controls

- Material Weakness – Student Fund Activity Misappropriation – the school system failed to establish and maintain effective internal controls over financial reporting.

Lafayette

I – Audit Opinion on Internal Controls

- Material Weakness – School activity fund – Policies and procedures regarding the proper accounting and safeguarding of assets in school activity funds are not being enforced.
- Material Weakness – School board did not have proper controls regarding the collection and remittance of sales taxes

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Lafourche

G – Submittal of General Fund Budget Forms

- General Fund Budget Forms submitted 34 days late.

H – Submittal of Annual Financial Report (AFR)

- AFR submitted 73 days late.

I – Audit Opinion on Internal Controls

- Material Weakness – Bank Statement Reconciliation – bank account reconciliations for master bank account was not performed in a timely manner

Ouachita

I – Audit Opinion on Internal Controls

- Material Weakness – Master Bank Account Reconciliation - Failure to reconcile cash accounts in a timely manner; bank balances did not reconcile to general ledger balance, and outstanding checks over one year old remained on books.

Pointe Coupee

I – Audit Opinion on Internal Controls

- Material Weakness – Late Filing of Audited Financial Statements – The School Board did not submit its audited annual financial statements to the Legislative Auditor by December 31, 2015; the end of the 6-month period.

St. Landry

I – Audit Opinion on Internal Controls

- Material Weakness – School board not proving proper oversight of school activity accounts
- Material Weakness – School board failed to comply with Title I comparability requirements relative to the funds it received
- Material Weakness – Failure to monitor recover or restitute funds, and take any action after theft of funds raised during a school activity
- Material Weakness – School board failed to comply with the maintenance of effort requirements relative to IDEA funding

J – Consecutive Audit Findings

- Sixth year finding: **School Activity Funds –** Due to lack of proper internal control procedures in place. one or more individual schools did not properly document or account for transactions in that school's activity fund(s)

St. Mary

I – Audit Opinion on Internal Controls

- Material weakness – Noncompliance with Louisiana Public Bid Law – failure to properly monitor the bidding process for public works

J – Consecutive Audit Findings

- Fourth year finding: **Highly Qualified Teachers –** St. Mary failed to ensure individuals working in NCLB programs met specific requirements

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Union

H – Submittal of Annual Financial Report (AFR)

- AFR submitted 31 days late.

I – Audit Opinion on Internal Controls

- Material Weakness – Internal Controls Over Financial Reporting – account records not kept up-to-date, accurate, and complete

West Carroll

J – Consecutive Audit Findings

- Fourth consecutive finding: **School Activity Funds** - one or more individual schools did not properly document or account for transactions in that school's activity fund(s) caused by a lack of proper internal control procedures in place.

City of Monroe

I – Audit Opinion on Internal Controls

- Material Weakness – Segregation of Duties – security profiles and system access to financial applications are not properly restricted
- Material Weakness – Account Balance Reconciliation – Financial reports provided to auditors did not reconcile to supporting documents.

339001, Milestone Sabis Academy

I – Audit Opinion on Internal Controls

- Material Weakness – Credit cards – lack of proper policies and procedures governing the acquisition and use of credit cards by the school.

341001, D'Arbonne Woods Charter School

I – Audit Opinion on Internal Controls

- Material Weakness – Internal control over retainage payable – 5% retainage payable was not recorded as a payable or included in the construction in progress account causing an account understatement of $388,846.

343001, Madison Preparatory Academy (CSAL)

I – Audit Opinion on Internal Controls

- Material Weakness – Financial Statement Audit – the capitalization policy was not followed when recording capital expenditures

J – Consecutive Audit Findings

- Third year finding: CSAL did not submit the audit report in a timely manner.

337001, Belle Chasse Academy

R – General Fund Deficit Spending

- Deficit spending occurred in FY2014-15

S – General Fund Balance as a Percentage of General Fund Revenues

- Over the past year, the General Fund Balance decreased from 44.48% to 2.86% of General Fund Revenues.

($9 million asset incorrectly posted as a miscellaneous transfer; when correctly posted the fund balance equals 56% of General Fund Revenues)

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3A5001, Mary D Coghill Accelerated Academy

I – Audit Opinion on Internal Controls

- Material Weakness – material misstatement in financial statements at June 30, 2015 that was not initially identified resulting in unadjusted accrued liabilities being understated by approximately $172,000

L – Questioned Costs: Single Audit Report (A-133)

- Questioned costs are 32.33% ($181K) of NCLB Funds.

W6A001, Northshore Charter School

I – Audit Opinion on Internal Controls

- Material Weakness – Segregation of Duties – lack of segregation of duties among school personnel. Chief Financial Officer has access to general ledger, cash receipts, cash disbursements, and blank check stock, and has authority to sign checks.
- Material Weakness – Accounting Close Process – inconsistencies with account balances, errors in school accounts, limited internal control procedures
- Material Weakness – Bank Reconciliations – monthly bank reconciliations did not agree with the general ledger cash account balance

W7A001, Louisiana Key Academy

I – Audit Opinion on Internal Controls

- Material Weakness – Preparation of Financial Statements and Financial Oversight - Design of internal control structure does not include procedures to prepare external financial statements and related disclosures

WAG001, Louisiana Virtual Charter Academy (CSAL)

I – Audit Opinion on Internal Controls

- Material Weakness – Financial Statement Audit – the capitalization policy was not followed when recording capital expenditures

J – Consecutive Audit Findings

- Third year finding: CSAL did not submit the audit report in a timely manner.

WAK001, Southwest Louisiana Charter School

N – Questioned Costs: Fiscal Monitoring (A-133)

- Questioned costs are 15.68% ($4,725) of NCLB funds.

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The following charter schools ended the first year of operation with a low fund balance. LDOE will continue to monitor these schools closely through the quarterly financial review process.

3AQ001, Baton Rouge University Prep Elementary (Opened FY2014-15)
S – General Fund Balance as a Percentage of General Fund Revenue
- In FY2014-15 the General Fund balance was 2.14% of General Fund Revenues.

3B9001, Capitol High School (Opened FY2014-15)
S – General Fund Balance as a Percentage of General Fund Revenue
- In FY2014-15 the General Fund balance was 3.59% of General Fund Revenues.

W1B001, Advantage Charter Academy (Opened FY 2014-15)
S – General Fund Balance as a Percentage of General Fund Revenue
- In FY2014-15 the General Fund balance was .01% of General Fund Revenues.

W2B001, Willow Charter Academy (Opened FY 2014-15)
S – General Fund Balance as a Percentage of General Fund Revenue
- In FY2014-15 the General Fund balance was .21% of General Fund Revenues.

W3B001, Iberville Charter Academy (Opened FY 2014-15)
S – General Fund Balance as a Percentage of General Fund Revenue
- In FY2014-15 the General Fund balance was .69% of General Fund Revenues.

W7B001, Lafayette Renaissance Charter Academy (Opened FY 2014-15)
S – General Fund Balance as a Percentage of General Fund Revenue
- In FY2014-15 the General Fund balance was 4.73% of General Fund Revenues.

The following charter schools have a fund balance that increased from the prior year but remains low. LDOE will continue to monitor these schools closely through the quarterly financial review process.

WAL001, JS Clark Leadership Academy
R – General Fund Deficit Spending
- Deficit spending occurred in FY2012-13 (First Year of Operation) Over the last two years, the General Fund Balance increased from .50% to 4.07% of General Fund Revenues.

S – General Fund Balance as a Percentage of General Fund Revenues
- General Fund Balance in FY2014-15 is 4.07% of General Fund Revenues.

W1A001, Jefferson Chamber Foundation – East
R – General Fund Deficit Spending
- Deficit spending occurred in FY2013-14.

S – General Fund Balance as a Percentage of General Fund Revenues
- Over the past two years, the General Fund Balance has increased from -2.61% to 4.87% of General Fund Revenues.

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The following LEA's have a fund balance that needs improvement, but is not unacceptable. LDOE will continue to monitor these LEA's through the Fiscal Risk Assessment process.

Caddo

I – Audit Opinion on Internal Controls

- Material Weakness – Insufficient internal controls over payroll – security profiles and systems access to the human resources and payroll modules are not periodically reviewed

R – General Fund Deficit Spending

- Deficit Spending occurred in FY2010-11, FY2011-12, FY2012-13, FY2013-14 and FY2014-15

S – General Fund Balance as a Percentage of General Fund Revenues

- Over the last five years, the General Fund Balance decreased from 10.05% to 5.94% of General Fund Revenues.

363002, Paul Habans Elementary School

R – General Fund Deficit Spending

- Deficit Spending occurred in FY2014-15.

S – General Fund Balance as a Percentage of General Fund Revenue

- Over the last two years, the General Fund Balance decreased from 13.63% to 6.27% of General Fund Revenues.

369002, ReNew SciTech Academy at Laurel Elementary School

R – General Fund Deficit Spending

- Deficit Spending occurred in FY2014-15.

S – General Fund Balance as a Percentage of General Fund Revenues

- Over the last two years, the General Fund Balance decreased from 17.63% to 6.44% of General Fund Revenues.

393003, McDonogh #42 (CHOICE)

S – General Fund Balance as a Percentage of General Fund Revenues

- Over the past two years the General Fund Balance decreased from 16.62% to 5.37% of General Fund Revenues.

The following charter schools opened in FY2015-16 therefore no fund balance information is available. LDOE will monitor these schools closely through the quarterly financial review process.

WAU001, GEO Prep Academy of Greater Baton Rouge (Opened FY15-16)
WAV001, Democracy Prep Baton Rouge (Opened FY15-16)
WAW001, Baton Rouge Bridge Academy (Opened FY15-16)
WAX001, Baton Rouge College Preparatory (Opened FY15-16)
369007, ReNew McDonogh City Park Academy (Opened FY15-16)