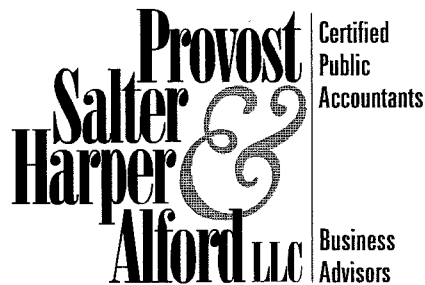


**STATE OF LOUISIANA,
DEPARTMENT OF EDUCATION**

AGREED-UPON PROCEDURES

June 12, 2013



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STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Division of Education Finance
State of Louisiana, Department of Education

We have performed the procedures enumerated below, which were agreed to by State of Louisiana, Department of Education Division of Education Finance, solely to assist you in monitoring the schools listed in the table of contents compliance with the "Student Scholarships for Excellence Program" as of June 12, 2013. State of Louisiana, Department of Education Division of Education Finance's management is responsible for the "Student Scholarships for Excellence Program" in accordance with Louisiana Revised Statutes 17:4011 through 17:4025. This agreed-upon-procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures are as follows; and our findings and observations are noted in the attached schedule of findings and observations.

I. Use of Funds

A. Verify that scholarship program funds were managed using adequate accounting controls

1. From the schedule of scholarship expenditures, select a sample of at least 25% of the total scholarship expenditures to verify that the transaction occurred, that there is supporting documentation on file to substantiate the expenditure, and that the expenditure ties back to the support.

We selected a sample of at least 25% of the total scholarship expenditures to verify that the transaction occurred, that there is supporting documentation on file to substantiate the expenditure, and that the expenditure ties back to the support.

B. Verify that expenditures are for educational purposes

1. Determine if each expenditure was for an educational purpose.

For the sample selected we determined whether the expenditures were for educational purposes.

2. Obtain the schedule of expenditures to date for scholarship funds

We obtained a schedule of expenditures to date for scholarship funds.

3. If there were any scholarship payments for salaries or benefits, obtain a complete list of employees, their title, salary and benefits paid (W2s), and job description for the current school year.

If there were any scholarship payments for salaries or benefits, we obtained a complete list of employees, their title, salary and benefits paid (W2s), and job description for the current school year.

4. If any expenditures or job descriptions that are not for educational purposes, as defined in the most recently approved MFP formula (Booster Employee Salaries and Benefits, etc.), come to our attention while performing the procedures in this engagement, the findings will be documented appropriately.

We noted in our findings any expenditures or job descriptions that were not for educational purposes as defined in the most recently approved MFP formula (Booster Employee Salaries and Benefits, etc.), that came to our attention in the performance of this engagement.

C. Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

1. Complete the internal control questionnaire and note any observations.

We obtained a completed internal control questionnaire and noted our observations in the schedule of finding.

- 2a. After the third payment, obtain the budget and actual expenditures to date (scholarship only)

We obtained the budget and actual expenditures to date for the scholarship program.

- 2b. Review the budget and note if expenditures to date are less than 70%. Note any variances.

We reviewed the budget and noted if expenditures to date are less than 70%. Variances, if any, are noted on the schedule of findings.

- 2c. Review the Reserved budget category and note the percent of reserved in comparison to the total scholarship budget. Note any explanations for the reserved balance.

We reviewed the Reserved budget category and noted the percent of reserved in comparison to the total scholarship budget and noted explanations for the reserved balance.

3. If test I(B)(3) is applicable, review if salaries for key personnel have increased at a rate greater than double the rate of scholarship student growth. If so, document that percentage of growth and explanations for salary growth.

We reviewed if salaries for key personnel have increased at a rate greater than double the rate of scholarship student growth. If any were noted they are documented in the schedule of findings.

II. Tuition and Fees for Scholarship Students

Verify that tuition and fees received through the scholarship program do not exceed tuition and fees charged to enrolled students not participating in the program.

1. Obtain a copy of the tuition and fee schedule provided to all parents of students enrolled in the school.

We obtained copy of the tuition and fee schedule provided to all parents of students enrolled in the school.

2. After the third payment, compare the tuition and fees charged to the program for each participating student to the tuition and fees charged to enrolled students not participating in the program and verify the scholarship tuition and fees do not exceed the tuition and fees charged to enrolled students not participating in the program. If the number of scholarship eligible students in a participating school, as identified on the 3rd Quarter roster, is 10 or less, examine 5 students or all students if less than 5; if there are more than ten, select a random sample of 10% of the students or a minimum of 5 students, whichever is greater.

After the third payment, we compared the tuition and fees charged to the program for each participating student in our sample to the tuition and fees

charged to enrolled students not participating in the program and verified that the scholarship tuition and fees did not exceed the tuition and fees charged to enrolled students not participating in the program and noted findings; if any, in the schedule of findings.

III. Payment Verification

Verify that the payments the school has received are accurate.

1. Using the same sample as in procedure II, verify that each student was enrolled in (including residence verification to enrollment documents and parish code) and actively attending the school on or before each of the first three count dates for which tuition and fees are claimed. Count dates are September 5, 2012, December 3, 2012, and February 1, 2013, with the final count date on May 3, 2013.

We used the same sample as in procedure II, to verify that each student was enrolled in (including residence verification to enrollment documents and parish code) and actively attending the school on or before each of the first three count dates of September 5, 2012, December 3, 2012, and February 1, 2013, for which tuition and fees are claimed and noted findings, if any, in the schedule of findings.

IV. Income Eligibility

Verify that the school did examine and maintain income eligibility documentation to support a student's qualification for the program and therefore may receive payments for tuition and fees on behalf of a student.

1. After the second payment, verify that each student met the income eligibility requirements. Review the income eligibility supporting documentation to ensure that the family income is not greater than 250% of the current federal poverty guidelines. If the number of scholarship eligible students in a participating school, as identified on the 2nd Quarter roster, is 10 or less, examine 5 students or all if less than 5; if there are more than ten, select a random sample of 10% of the students or a minimum of 5 students, whichever is greater.

After the second payment, we verified that each student met the income eligibility requirements. We reviewed the income eligibility supporting documentation to ensure that the family income is not greater than 250% of the current federal poverty guidelines. If the number of scholarship eligible students in a participating school, as identified on the 2nd Quarter roster, was 10 or less, we examined 5 students or all if less than 5; if there were more than ten, we selected a random sample of 10% of the students or a minimum of 5 students, whichever is greater. Findings, if any, are noted in the schedule of findings.

V. **Special Education Tuition**

Verify the school is actually providing the services for which tuition was charged.

1. Obtain the list of students for which special education tuition is being paid.

We obtained the list of students for which special education tuition is being paid.

2. After the third payment, verify that the participating school is providing special education services to each eligible student for which special education tuition is paid. This is verified by reviewing the log of services that identifies the student receiving the services, the date services are rendered, the services rendered, and the name of the provider. If the number of scholarship-eligible students identified as receiving special education services from the participating school in which they are enrolled is only 1, select that one student as a sample item. Otherwise, test a minimum of 2 students or 10% of the special education population receiving scholarship funding, whichever is greater. Document any variances or observations.

After the third payment, we verified that the participating school is providing special education services to each eligible student for which special education tuition is paid. We reviewed the log of services that identifies the student receiving the services, the date services were rendered, the services rendered, and the name of the provider. We selected a sample of scholarship-eligible students identified as receiving special education services from the participating school as outlined above. We documented any variances or observations in the schedule of findings.

We are not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion, on compliance with the “Student Scholarships for Educational Excellence Program”. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the State of Louisiana, Department of Education Division of Education Finance, and the Louisiana Legislature, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PROVOST, SALTER, HARPER & ALFORD, LLC

Provost, Salter, Harper & Alford, LLC

June 12, 2013

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations

June 12, 2013

Bishop McManus Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 67.4% of the budgeted amount. The administration informed us that the expenditures were calculated by taking the expenditures to date and multiplying them by the number of students enrolled in the program as a percentage of all students.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 19% of the budget. The administration's response to use of reserve was that the reserved amount will be used for basic expenditures (salary, utilities, and repairs) during the summer months.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 13 out of 109 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Cathedral Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - The school stated that they receive training, however we did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 80.4% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Conquering Word Christian Academy Eastbank

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 52.8% of the budgeted amount. The administration informed us that this is due to expenses for salaries, utilities, etc. that will occur during the summer months.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 5 out of 17 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

Note: One student withdrew on February 20, 2013; therefore his tuition should not be reimbursed in the fourth quarter.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Ecole Bilingue de la Nouvelle-Orleans

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain up-to-date policies and procedures pertaining to procedures 2, 3, 5, 13, 14, 15, 18, 21, 22, and 24. Report those that either do not exist or were not updated in the previous 12 months.
 - We did not receive any policies in regards to questions 2, 5, 13, 14, 15, 21, 22, and 24.
- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 68.2% of the budgeted amount. The administration informed us that expenditures were calculated by taking the expenditures to date and multiplying them by the number of students enrolled in the program as a percentage of all students.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 5 out of 7 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Good Shepherd Nativity Mission

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?
- Are responsibilities for disbursement preparation and disbursement approval functions segregated from those for recording or entering cash disbursements information on the general ledger? If not, are there other mitigating controls in place?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 106.4% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- Students at this school pay a \$125 registration fee only. Other than registration fee, it is 100% supported by donation and scholarship funds. In our sample of 5 out of 7 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the amount calculated by the school as the cost per child to operate. This was done by comparing the actual scholarship tuition received to the cost per child to operate provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Holy Ghost Elementary School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are all reconciliations and investigations of unusual reconciling items reviewed and approved by an official who is not responsible for receipts and disbursements, including recording evidence of the review and approval by signing the reconciliation? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following questions:

- Are purchases of goods and services initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions?
- Does the school have a record retention policy?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter equal 44.7% of the budget.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Holy Rosary Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter equal 65.4% of the budget. The administration has notified us that the expenditures reported are through January 31, 2013.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 5 out of 40 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Life of Christ Christian Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because, although the school has a separate checking account, it only uses it to show that the revenue is received. The funds are then transferred into the main operating account and expenses for the entire school are processed through the main account. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?
- Are bank reconciliations performed by someone independent of receiving cash or processing and recording of transactions? If not, are there other mitigating controls in place?
- Does the school have a written policy for recording and processing expenditures and payables?
- Are responsibilities for disbursement preparation and disbursement approval functions segregated from those for recording or entering cash disbursements information on the general ledger? If not, are there other mitigating controls in place?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?
- Does the school have a record retention policy?
- Are timekeeping and attendance records maintained?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

-The school answered “N/A” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Are procedures provided for immediate notification to banks when check signers leave the unit or are otherwise no longer authorized to sign?
- Are all reconciliations and investigations of unusual reconciling items reviewed and approved by an official who is not responsible for receipts and disbursements, including recording evidence of the review and approval by signing the reconciliation? If not, are there other mitigating controls in place?
- Are purchases of goods and services initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions?
- Are timekeeping documents supporting payroll approved by supervisors?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?
- Is access to the master payroll file limited to employees who are authorized to make changes (Presumably HR)?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain up-to-date policies and procedures pertaining to procedures 2, 3, 5, 13, 14, 15, 18, 21, 22, and 24. Report those that either do not exist or were not updated in the previous 12 months.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to having a separate checking account that only identifies the revenue when it is received, the expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
 - Answer is the same as the response provided in the question above.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter equal 75% of the budget.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 7 out of 65 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

Note: Administration stated that they have two students on scholarship that transferred to Life of Christ Christian Academy on September 11, 2012 for which no reimbursement has been received. Administration also stated that two students withdrew on February 6, 2013; therefore their tuition should not be reimbursed in the fourth quarter.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Light City Christian Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because, although the school has a separate checking account, it only uses it to record reimbursements received. The funds are then transferred into the main operating account and expenditures for the entire school are processed through the main account. The school derived the expenditures to date by taking the average of monthly expenditures multiplied by seven months. The salaries expenditures are for the seven teachers with scholarship students in their class. The school does not have a bookkeeping system, thus approximated these costs from their checkbook.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school have a record retention policy?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
 - Due to having a separate checking account that only identifies the revenue when it is received, the expenditures are made with both scholarship and non-scholarship funds and

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter equal 67.4% of the budget. The administration informed us that this is due to having budgeted maintenance and utilities expenditures for the months of June and July.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 7 out of 58 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

Observation

- In our sample of 7 out of 58 scholarship students we noted that the school did not receive a reimbursement from the state for one student who was actively attending the school as of September 5, 2012 according to attendance reports.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

New Orleans Adventist Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. We were unable to gather a clear understanding of the administration's method for allocating expenditures to the scholarship program.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered "No" to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?

-The school answered "N/A" to the following questions:

- Determine if accounting policies and procedures establish a budget process that is compliant with the requirements to submit the budget to the Louisiana Department of Education.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

-The school answered “Yes” to the following question, but we have noted the following:

- Obtain up-to-date policies and procedures pertaining to procedures 2, 3, 5, 13, 14, 15, 18, 21, 22, and 24. Report those that either do not exist or were not updated in the previous 12 months.
 - We did not receive any policies in regards to this question.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The reported expenditures equal 100% of the scholarship budget, however the budget appears to represent approximately three-fourths of the total that the school is projected to be reimbursed for the year.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 5% of the budget. Administration’s response to use of reserve was that the reserved amount will be used for unexpected expenditures.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

Finding

- In our sample of 5 of the 21 students in the scholarship program we did not receive residency documentation for two students.

Procedure IV – Income Eligibility

Finding

- In our sample of 5 of the 21 students in the scholarship program we did not receive income documentation for two students.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Resurrection of Our Lord School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform procedures because the school has failed to provide information relative to how their budget was prepared, and how expenditures of program funds are segregated from other expenditures.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has failed to provide answers to the internal controls questionnaire and any policies and procedures for internal controls.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter equal 50.3% of the budget.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$4,615 annually per student. The amount per the tuition and fees schedule is \$4,315 annually per student.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Alphonsus School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Does the school have a record retention policy?

- The school answered “N/A” to following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

-The school answered “Yes/No” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and

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Summary of Findings and Observations, continued

June 12, 2013

non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter equal 53.8% of the budget. The administration has informed us that this is due to expenditures that will occur between February 15, 2013 and June 31, 2013.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

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Summary of Findings and Observations, continued

June 12, 2013

St. Andrew the Apostle School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?

- The school answered “N/A” to following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter equal 50% of the budget. The administration has informed us that the budget was based on salaries for which only six of twelve months have been expensed through February 15, 2013. The school's fiscal year-end is August 15, 2013.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 5 out of 21 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Augustine High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Determine if accounting policies and procedures establish a budget process that is compliant with the requirements to submit the budget to the Louisiana Department of Education.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain up-to-date policies and procedures pertaining to procedures 2, 3, 5, 13, 14, 15, 18, 21, 22, and 24. Report those that either do not exist or were not updated in the previous 12 months.
 - We did not receive any policies in regards to this question.
- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expense report.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expense report.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expense report.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Benedict the Moor School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “N/A” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures are 46.9% of the budgeted amount. The administration has informed us that this is due to timing and the expenditures will occur through school year-end on July 31, 2013.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 11% of the budget. The administration has informed us that the reserve is for teachers' salaries, utilities, maintenance, etc. for the months of June and July.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- No students at this school pay for anything. It is 100% supported by donation and scholarship funds. In our sample of 6 out of 53 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the amount calculated by the school as the cost per child to operate. This was done by comparing the actual scholarship tuition received to the cost per child to operate provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Dominic School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and

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Summary of Findings and Observations, continued

June 12, 2013

non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures are 70.2% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Joan of Arc School-Cambronne Street

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures are 74.2% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

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Summary of Findings and Observations, continued

June 12, 2013

St. John Lutheran School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

- No findings or observations noted.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

- No findings or observations noted.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

- No findings or observations noted.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

- No findings or observations noted.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

- No findings or observations noted.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures are 87.3% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Leo the Great School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “N/A” to the following questions:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “Yes” to the following question, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 62.8% of the budgeted amount. The administration informed us that expenditures were calculated by taking the expenditures to date and multiplying them by the number of students enrolled in the program as a percentage of all students. Management indicated that expenditures are under budget due to timing and planned use of reserve in the summer months.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 10% of the budget. The administration indicated that the reserved amount will be used for basic expenditures (salary, utilities, repairs, upkeep) during the summer months.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

Finding

- In our sample of 21 out of 165 students in the scholarship program we did not receive income documentation for one student that attended the school for the first quarter only.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Mary's Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 69.2% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 35 out of 320 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Paul Lutheran School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 71% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

Observation

- In our sample of 7 out of 61 we noted that the attendance records indicated that one student was not present past October 11, 2012 but the school was reimbursed for the second quarter. Administration stated that he was present through early December but the documentation was accidentally deleted from the computer system. The school was unable to retrieve any data that showed him present after October 11, 2012.

Finding

- In our sample of 7 out of 61 students in the scholarship program we did not receive residency documentation for one student.

Procedure IV – Income Eligibility

Finding

- In our sample of 7 out of 61 students in the scholarship program we did not receive income verification for one student. The school was reimbursed for this student in the first and second quarters.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Peter Claver School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 78.2% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 1% of the budget. The administration indicated that the reserve would be used for any unexpected expenditures that occurred in the school year.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

Note: Although not in our sample, the school informed us that they have been reimbursed for all three quarters for one student, however she did not enroll.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Rita School-Fountainbleau Drive

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question. The school indicated that they receive annual in-service training from the Archdiocese.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 75% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 2% of the budget. The administration indicated that the reserve would be used for any unexpected expenses that occurred in the school year.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Stephen School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and

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Summary of Findings and Observations, continued

June 12, 2013

non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 50% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$4,580 annually per student. The amount per the tuition and fees schedule is \$4,565 annually per student.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

Note: One student withdrew on February 18, 2013; therefore tuition should not be reimbursed in the fourth quarter.

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Summary of Findings and Observations, continued

June 12, 2013

Upperroom Bible Church Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because, although the school has a separate checking account, it only uses it to show that the revenue is received. The funds are then transferred into the main operating account and expenses for the entire school are processed through the main account. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Are two signatures required on checks?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Scholarship revenues can be identified in a separate checking account, but scholarship and non-scholarship expenditures are paid from the same checking account and can only be separated by using the percentage of scholarship students to the total student population.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

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June 12, 2013

- Answer is the same as the response provided in the question above.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 87.8% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 2% of the budget. Administration indicated that the reserve is to be used for any unexpected expenditures that occurred in the school year.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$7,510.23 annually per student. The amount per the tuition and fees schedule is \$6,650 annually per student.

Procedure III – Payment Verification

Observation

- In our sample of 9 out of 81 students we noted that attendance records indicate that one student was present in the second quarter but the school was not reimbursed.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

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Summary of Findings and Observations, continued

June 12, 2013

Ascension Christian High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain up-to-date policies and procedures pertaining to procedures 2, 3, 5, 13, 14, 15, 18, 21, 22, and 24. Report those that either do not exist or were not updated in the previous 12 months.
- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Does the school have a written policy for recording and processing expenditures and payables?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$5,480 annually per student for eighth and ninth grade. The amount per the tuition and fees schedule is \$5,000 annually per student for eighth grade and \$5,450 annually per student for ninth grade.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

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Summary of Findings and Observations, continued

June 12, 2013

Ascension Diocesan Regional High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and

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Summary of Findings and Observations, continued

June 12, 2013

non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 71.2% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

Note: One student withdrew on February 21, 2013; therefore tuition should not be reimbursed in the fourth quarter.

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Summary of Findings and Observations, continued

June 12, 2013

Faith Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain up-to-date policies and procedures pertaining to procedures 2, 3, 5, 13, 14, 15, 18, 21, 22, and 24. Report those that either do not exist or were not updated in the previous 12 months.
- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Does the school have a written policy for recording and processing expenditures and payables?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$4,827 annually per student for kindergarten through second grade and \$4,770 annually per student for fourth grade through seventh grade. The amount per the tuition and fees schedule is \$4,720 annually per student for kindergarten through seventh grade.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

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Summary of Findings and Observations, continued

June 12, 2013

Angles Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 70.7% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

Observation

- We received a list of seven students in the scholarship program that were to receive special education services. The administration has not provided us with a log of services that are being provided to these students.

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Summary of Findings and Observations, continued

June 12, 2013

Gardere Community Christian

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “Yes/No” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 56.7% of the budgeted amount. Administration stated that this is due in part to expenditures for salaries, utilities, etc. that will occur during the summer months.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

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Summary of Findings and Observations, continued

June 12, 2013

Greater Baton Rouge Hope Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are bank reconciliations performed by someone independent of receiving cash or processing and recording of transactions? If not, are there other mitigating controls in place?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

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Summary of Findings and Observations, continued

June 12, 2013

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 75% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

Observation

- The school has five students with special education needs; we verified that the scholarship tuition received for each of the special education students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

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Summary of Findings and Observations, continued

June 12, 2013

Greater Mt. Olive Christian Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. The school indicated that they use the reimbursements to pay for operating cost because of the high percentage of scholarship students (75%). The non-scholarship funds are used as a reserve. However, we cannot differentiate scholarship and non-scholarship money because they are both held in the same checking account.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are responsibilities for disbursement preparation and disbursement approval functions segregated from those for recording or entering cash disbursements information on the general ledger? If not, are there other mitigating controls in place?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?
- Are purchases of goods and services initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions?
- Are payments made only on the basis of original invoices?

-The school answered “Yes” to the following questions, but we have noted the following:

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Summary of Findings and Observations, continued

June 12, 2013

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. Administration indicated that they use scholarship money for expenditures first and that non-scholarship is used to cover any operating expenses not covered by scholarship funds.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 68.4% of the budgeted amount. Administration stated that this is due in part to expenditures for salaries, utilities, etc. that will occur during the summer months.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$3,975 annually per student for kindergarten and \$4,055 annually per student for first grade. The amount per the tuition and fees schedule is \$3,950 annually per student for kindergarten and \$4,080 annually per student for first grade.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

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Summary of Findings and Observations, continued

June 12, 2013

Hosanna Christian Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?
- Are payments made only on the basis of original invoices?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?

-The school answered “Yes/No” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 50% of the budgeted amount. The administration informed us that this is due in part to expenditures for salaries, utilities, etc. that will occur during the summer months. The school's year-end is June 30, 2013 and they pay salaries on a twelve month basis.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

Observation

- In our sample of 33 out of 293 students in the scholarship program:
 - We noted that one student is listed as an East Baton Rouge Parish resident on the payment report but should be listed as a City of Baker resident according to residency data received.
 - We noted that one student is listed as an Iberville Parish resident on the payment report but should be listed as an East Baton Rouge Parish resident according to residency data received.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

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Summary of Findings and Observations, continued

June 12, 2013

Jehovah-Jireh Christian Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are procedures provided for immediate notification to banks when check signers leave the unit or are otherwise no longer authorized to sign?
- Are all reconciliations and investigations of unusual reconciling items reviewed and approved by an official who is not responsible for receipts and disbursements, including recording evidence of the review and approval by signing the reconciliation? If not, are there other mitigating controls in place?
- Are responsibilities for disbursement preparation and disbursement approval functions segregated from those for recording or entering cash disbursements information on the general ledger? If not, are there other mitigating controls in place?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?

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Summary of Findings and Observations, continued

June 12, 2013

- Does the school have a record retention policy?
- The school answered “Yes” to the following questions, but we have noted the following:
 - Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
 - Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 69.3% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 6% of the budget.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$5,393.70 annually per student for kindergarten, \$5,488.70 annually per student for first grade through second grade, \$5,473.70 annually per student for third grade through fifth grade, and \$5,903.70 annually per student for seventh grade through eighth grade. The amount per the tuition and fees schedule is \$5,075 annually per student for kindergarten, \$5,170 annually per student for first grade through fifth grade, and \$5,620 annually per student for seventh grade through eighth grade.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Louisiana New School Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are procedures provided for immediate notification to banks when check signers leave the unit or are otherwise no longer authorized to sign?
- Does the school have a record retention policy?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 64.9% of the budgeted amount. The school changed the reserved line to transportation. Transportation equaled \$15,000 or 10% of the budget and had \$8,240 in expenditures to date.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

Finding

- In our sample of 6 out of the 40 students in the scholarship program:
 - We did not receive residency documentation for one student.
 - We noted that one student was not present on the first quarter count date on the attendance reports; however the school was reimbursed for that student.

Procedure IV – Income Eligibility

Finding

- In our sample of 6 out of the 40 students in the scholarship program we did not receive income documentation for one student.

Procedure V – Special Education Tuition

Observation

- We received a list of students in the scholarship program that receive special education services, as well as the name of the special education teacher. We have not received the log of services that are being provided to these students. We noted three of these students are being reimbursed at \$8,736 annually and three students are being reimbursed at \$4,800 annually. The school did not provide any documentation for special education tuition and fees.

Note: One student was dismissed from the scholarship program on March 5, 2013 for excessive absences; therefore his tuition should not be reimbursed in the fourth quarter.

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Summary of Findings and Observations, continued

June 12, 2013

Our Lady of Mercy School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- The school has failed to submit the internal controls questionnaire and policies and procedures for internal controls.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has failed to submit the internal controls questionnaire.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 75% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

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Summary of Findings and Observations, continued

June 12, 2013

- The school is being reimbursed \$5,020 annually per student for kindergarten through eighth grade. The amount per the tuition and fees schedule is \$5,165 annually per student for kindergarten through first grade and \$4,915 annually per student for second grade through eighth grade.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- No findings or observations noted.

Note: One student withdrew on February 13, 2013; therefore her tuition should not be reimbursed in the fourth quarter.

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Summary of Findings and Observations, continued

June 12, 2013

Redemptorist Diocesan Regional High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are all reconciliations and investigations of unusual reconciling items reviewed and approved by an official who is not responsible for receipts and disbursements, including recording evidence of the review and approval by signing the reconciliation? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - The school indicated that training is provided but they do not have any policies and procedures in regards to training.

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

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Summary of Findings and Observations, continued

June 12, 2013

- Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The budget that was submitted appears to be the budget to actual report for the entire high school. It has not been broken down to show the scholarship programs budget to actual. Expenditures through the third quarter are 57.9% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

Observation

- We viewed the special education student's IEP and noted that he was to receive speech therapy once a month. Although the login sheets do not identify the students that visited, we noted that the therapists are at the school multiple days per week, and therefore we assume the student was counseled. The student is enrolled in the special education program through the school.

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Summary of Findings and Observations, continued

June 12, 2013

Redemptorist Diocesan Regional Junior High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are all reconciliations and investigations of unusual reconciling items reviewed and approved by an official who is not responsible for receipts and disbursements, including recording evidence of the review and approval by signing the reconciliation? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - The school indicated that training is provided but they do not have any policies and procedures in regards to training.

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The budget that was submitted appears to be the budget to actual report for the entire junior high school. It has not been broken down to show the scholarship programs budget to actual. Expenditures through the third quarter are 56.8% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

Observation

- We viewed the special education student's IEP and noted that he was to be enrolled in the special education program. Although the login sheets do not identify the students that visited, we noted that the therapists are at the school multiple days per week, and therefore we assume the student was counseled. The student is enrolled in the special education program through the school.
- The school is being reimbursed the normal tuition rate for one student from East Baton Rouge Parish, who is a special education student. The school should be receiving the special education rate.

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Summary of Findings and Observations, continued

June 12, 2013

Redemptorist Elementary School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are all reconciliations and investigations of unusual reconciling items reviewed and approved by an official who is not responsible for receipts and disbursements, including recording evidence of the review and approval by signing the reconciliation? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - The school indicated that training is provided but they do not have any policies and procedures in regards to training.

-The school answered “Yes” to the following question, but we have noted the following:

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Summary of Findings and Observations, continued

June 12, 2013

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The budget to actual expenditures shows budget expenditures for the scholarship program but appears to show actual expenditures for the entire elementary school. Expenditures through the third quarter are 162.8% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 11 out of 83 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

Observation

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Summary of Findings and Observations, continued

June 12, 2013

- We viewed two special education students' IEP and noted that they were to receive speech therapy twice a week. Although the login sheets do not identify the students that visited, we noted that the therapists are at the school multiple days per week, and therefore we assume the students were counseled. The students are enrolled in the special education program through the school.
- The school is being reimbursed \$8,693 annually (the special education rate) for one student from West Baton Rouge Parish, who is not a special education student. The school should be receiving \$4,430.
- We also noted the school is being reimbursed \$8,736 annually for three students from East Baton Rouge Parish, who are not special education students and should be receiving \$4,430 annually.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Riverdale Christian Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “N/A” to the following questions:

- Obtain up-to-date policies and procedures pertaining to procedures 2, 3, 5, 13, 14, 15, 18, 21, 22, and 24. Report those that either do not exist or were not updated in the previous 12 months.
- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 75% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Francis Xavier School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

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Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 75% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$4,130 annually per student for kindergarten through fourth grade and \$4,330 annually per student for fifth grade through eighth grade. The amount per the tuition and fees schedule is \$3,705 annually per student for kindergarten through fourth grade and \$3,905 annually per student for fifth grade through eighth grade.

Procedure III – Payment Verification

Observation

- In our sample of 13 out of 80 students in the scholarship program we noted that one student was listed as a West Baton Rouge Parish resident on the payment report but the residency documents we received show the student as a City of Baker resident.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

Note: When reviewing the three additional attendance records requested by the LDOE, we found that one student withdrew on October 1, 2012 but the school was reimbursed in the second quarter.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Louis King of France School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “Yes” to the following question, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question. However, the school indicated that the bookkeeper attends continuing education classes provided by the diocese.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 55.7% of the budgeted amount. Administration has notified us that this is due in part to expenditures for salaries, utilities, etc. that will occur during the summer months.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

Finding

- In our sample of 5 out of 30 students in the scholarship program we noted that one student's family income exceeded 250% of the poverty guideline in 2011.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Michael the Archangel Diocesan Regional High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “N/A” to the following question:

- Are timekeeping documents supporting payroll approved by supervisors?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 66.9% of the budgeted amount. Administration has notified us that this is due in part to expenditures for salaries, utilities, etc. that will occur during the summer months.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

The Dunham School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- The school has not submitted a third quarter budget to actual expenditures report.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 4 out of 4 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. John Elementary School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “Yes” to the following question, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 65.7% of the budgeted amount. Administration has notified us that this is due in part to expenditures for salaries, utilities, etc. that will occur during the summer months.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 5 out of 18 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. John High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “Yes” to the following question, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 56.7% of the budgeted amount. Administration has notified us that this is due in part to expenditures for salaries, utilities, etc. that will occur during the summer months.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- The school is being reimbursed \$6,870 annually per student. The amount per the tuition and fees schedule is \$5,908 annually per student for seventh grade and \$6,890 annually per student for ninth grade.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Peter Chanel Interparochial School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared or recorded them?
- Are responsibilities for disbursement preparation and disbursement approval functions segregated from those for recording or entering cash disbursements information on the general ledger? If not, are there other mitigating controls in place?
- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 76.7% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 1 out of 1 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

Finding

- There is one student in the scholarship program; we noted that student's family income exceeded 250% of the poverty guideline for 2011.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Ascension of Our Lord School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are responsibilities for disbursement preparation and disbursement approval functions segregated from those for recording or entering cash disbursements information on the general ledger? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following question:

- Are all reconciliations and investigations of unusual reconciling items reviewed and approved by an official who is not responsible for receipts and disbursements, including recording evidence of the review and approval by signing the reconciliation? If not, are there other mitigating controls in place?

-The school answered “Yes/No” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 73.3% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 5 out of 17 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Our Lady of Grace School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 62.8% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$4,069 annually per student. The amount per the tuition and fees schedule is \$3,799 annually per student.

Procedure III – Payment Verification

Finding

- In our sample of 14 out of 120 students in the scholarship program:
 - We noted the school was reimbursed for one student in the first quarter and the attendance report indicates that the student did not start school until September 20, 2012.
 - We did not receive residency verification for two students.
 - We did not receive attendance records for two students.

Procedure IV – Income Eligibility

Finding

- In our sample of 14 out of 120 students in the scholarship program we did not receive income documentation for two students.
- In our sample of 14 out of 120 students in the scholarship program we noted that one student's family income exceeded 250% of the poverty guideline in 2011.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Charles Catholic High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “N/A” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school have a record retention policy?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Expenditures through the third quarter are 75% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 5 out of 8 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Joan of Arc School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?
- Are bank reconciliations performed by someone independent of receiving cash or processing and recording of transactions? If not, are there other mitigating controls in place?
- Are responsibilities for disbursement preparation and disbursement approval functions segregated from those for recording or entering cash disbursements information on the general ledger? If not, are there other mitigating controls in place?
- Are purchases of goods and services initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions?
- Are payments made only on the basis of original invoices?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following question:

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- The school answered “Yes” to the following question, but we have noted the following:
 - Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 56.6% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$5,484 annually per student for kindergarten and \$5,434 annually per student for first grade through second grade. The amount per the tuition and fees schedule is \$5,473 annually per student for kindergarten, \$5,419 annually per student for first grade, and \$5,412.50 annually per student for second grade.

Procedure III – Payment Verification

Observation

- In our sample of 5 out of 45 students in the scholarship report, one student is a Terrebonne Parish resident per the payment report but the residency verification shows that student lives in St. John Parish.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Peter School – Reserve

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Expenditures through the third quarter are 66% of the budgeted amount. The administration indicated that this is due in part to a June 30th year-end.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Steps to Success Learning Center

We were unable to perform any procedures. According to LDOE staff, the school was closed in October, 2012 after hurricane Isaac damaged the facilities.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Northlake Christian High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “N/A” to the following question:

- Are signed checks inaccessible to persons who requested, prepared, or recorded them?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 60.7% of the budgeted amount. The budget for Northlake Christian High School includes the Northlake Christian Academy amounts.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 5% of the budget.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$9,143 annually per student. The amount per the tuition and fees report is \$8,580 annually per student for seventh grade through eighth grade and \$8,800 annually per student for ninth grade through twelfth grade.

Procedure III – Payment Verification

Observation

- In our sample of 5 out of 17 students in the scholarship program we noted one student is listed as a resident of St. Tammany Parish but the residency verification shows the student lives in Washington Parish.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Margaret Mary School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 100% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 1 out of 1 student participating in the scholarship program, we verified that the scholarship tuition received for the sampled student, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Upperroom Bible Church Preschool & Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school has a separate checking account but only uses it to show that the revenue is received. The funds are then transferred into the main operating account and expenses for the entire school are processed through the main account. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following question:

- Are two signatures required on checks?

-The school answered “Yes” to the following questions, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Scholarship revenues can be identified in a separate checking account, but scholarship and non-scholarship expenditures are paid from the same checking account and can only be separated by using the percentage of scholarship students to the total student population.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
 - Answer is the same as the response provided in the question above.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 87% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$6,900 annually per student. The amount per the tuition and fees schedule is \$6,650 annually per student.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Northlake Christian Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?

-The school answered “N/A” to the following question:

- Are signed checks inaccessible to persons who requested, prepared, or recorded them?

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 60.7% of the budgeted amount. The budget for Northlake Christian Academy includes Northlake Christian High School amounts.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 5% of the budget. The administration has informed us that the reserve amount is used for the purchase of additional textbooks, capital items for technology and furnishings. These items are usually purchased in the summer months prior to the June 30th fiscal year-end.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$8,745 annually per student. The amount per the tuition and fees schedule is \$8,160 annually per student.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Peter School – Covington

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- School has refused to provide answers to the internal controls questionnaire.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- School has refused to provide answers to the internal controls questionnaire.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 75% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$5,130 annually per student. The amount per the tuition and fees schedule is \$5,075.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure III – Payment Verification

Observation

- In our sample of 1 out of 1 student we noted that attendance records indicate that the student was present in the third quarter but the school was not reimbursed.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Holy Ghost School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?
- Are responsibilities for the payroll processing function segregated from the general ledger function and the HR functions? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following question:

- Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions? If not, are there other mitigating controls in place?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 70% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Reserve amount is equal to 1% of the budget.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$5,975 annually per student for kindergarten. The amount per the tuition and fees schedule is \$4,840 annually per student for kindergarten.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Mater Delorosa School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- School has failed to submit the internal controls questionnaire.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- School has failed to submit the internal controls questionnaire.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 100% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Joseph School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 50% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

- No findings or observations noted.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Thomas Aquinas Diocesan Regional High School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?
- Are bank reconciliations performed by someone independent of receiving cash or processing and recording of transactions? If not, are there other mitigating controls in place?

-The school answered “N/A” to the following question:

- Are timekeeping documents supporting payroll approved by supervisors?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain up-to-date policies and procedures pertaining to procedures 2, 3, 5, 13, 14, 15, 18, 21, 22, and 24. Report those that either do not exist or were not updated in the previous 12 months.
 - We did not receive any policies in regards to this question.
- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 49% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- The school is being reimbursed \$7,403 annually per student for ninth grade in Tangipahoa Parish, which is above the Minimum Foundation Allocation maximum of \$7,359. Reimbursements are 7,630 annually per student for ninth grade and eleventh grade in St. Helena Parish. The amount per the tuition and fees schedule is \$7,495 annually per student for ninth grade and eleventh grade.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Holy Family School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- School has failed to submit the internal controls questionnaire and policies and procedures for internal controls.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- School has failed to submit the internal controls questionnaire.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 50% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- The school is being reimbursed \$4,465 annually per student. The amount per the tuition and fees schedule is \$4,365 annually per student.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

St. Alphonsus – Baton Rouge

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

-The school answered “Yes” to the following question, but we have noted the following:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
 - Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- We have not received a third quarter budget to actual expenditures report.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- We have not received a third quarter budget to actual expenditures report.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- We have not received a third quarter budget to actual expenditures report.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$4,997 annually per student. The amount per the tuition and fees schedule is \$4,730 annually per student.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Annunciation School

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?
- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?

-The school answered “N/A” to the following question:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Expenditures through the third quarter are 67.6% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Finding

- The school is being reimbursed \$4,509.50 annually per student. The amount per the tuition and fees schedule is \$4,498 annually per student.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

Trinity Christian Academy

Procedure I A – Use of Funds – Verify that scholarship program funds were managed using adequate accounting controls

Observation

- We were unable to perform the procedures because the school did not have a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures. Administration indicated that the budget cost is based on the number of scholarship students to the total student population.

Procedure I B1– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B2– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B3– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I B4– Use of Funds – Verify that expenditures are for educational purposes

Observation

- Unable to perform procedure. See explanation provided in Procedure I A.

Procedure I C1– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

-The school answered “No” to the following questions:

- Does the school maintain a separate checking account exclusively for scholarship program revenues and expenditures?
- Are two signatures required on checks?
- Are signed checks inaccessible to persons who requested, prepared, or recorded them?

-The school answered “N/A” to the following question:

- Are procedures provided for immediate notification to banks when check signers leave the unit or are otherwise no longer authorized to sign?

-The school answered “Yes” to the following questions, but we have noted the following:

- Obtain the policy regarding training and continuing education and, for a selection of accounting staff, determine if training provided to that employee was compliant with the policy.
 - We did not receive any policies in regards to this question.
- Does the accounting system in place adequately record fiscal transactions and identify revenues and expenditures by source or category, specifically identifying scholarship revenues and expenditures?

STATE OF LOUISIANA, DEPARTMENT OF EDUCATION

Summary of Findings and Observations, continued

June 12, 2013

- Due to not having a separate checking account or other procedures to account for scholarship expenditures separate from other expenditures, the school can only identify the revenue when it is received. The expenditures are made with both scholarship and non-scholarship funds and can only be separated by using a percentage of scholarship students to the total student population.

Procedure I C2a– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- No findings or observations noted.

Procedure I C2b– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- Expenditures through the third quarter are 65.6% of the budgeted amount.

Procedure I C2c– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

Observation

- No reserve amount budgeted.

Procedure I C3– Use of Funds – Verify that expenditures do not constitute gross irresponsibility and are not individually enriching

- Procedure not applicable.

Procedure II – Tuition and Fees for Scholarship Students

Observation

- In our sample of 5 out of 12 students participating in the scholarship program, we verified that the scholarship tuition received for each of the sampled students, through the third payment, did not exceed the tuition charged to students not participating in the scholarship program. This was done by comparing the actual scholarship tuition received to the tuition and rate sheet provided by the school.

Procedure III – Payment Verification

- No findings or observations noted.

Procedure IV – Income Eligibility

- No findings or observations noted.

Procedure V – Special Education Tuition

- Procedure not applicable.