

ELAINE P. NUNEZ COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED MARCH 31, 2010

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA

February 25, 2010

**ELAINE P. NUNEZ COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Chalmette, Louisiana**

As part of our audit of the Louisiana Community and Technical College System's (System) financial statements for the year ended June 30, 2009, we considered Elaine P. Nunez Community College's (college) internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the college's compliance with laws and regulations that could have a direct and material effect on the System's financial statements as required by *Government Auditing Standards*.

The annual financial information of Elaine P. Nunez Community College provided to the System was not audited or reviewed by us, and, accordingly, we do not express an opinion on that information. The college's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's consideration.

Inadequate Controls Over Accounts Payable

Nunez Community College did not perform timely review and reconciliation of accounts payable transactions during the fiscal year ended June 30, 2009. The college's Business Office Policies and Procedures state in part, "The timely review of transactions and reconciliation of accounts is critical to maintaining the integrity of the College's accounting records. Timely review and reconciliation and adjustments should occur at least once a month (by the 10th working day of the month) for the previous month's activity or in an alternate schedule approved by the Controller." In addition, good business practices require that accurate and complete financial records be maintained to ensure the balances recorded in the financial statements are correct.

Nunez Community College did not reconcile its accounts payable balance of \$399,320 at June 30, 2009, and could not provide evidence to substantiate compliance with its policy during the year. Listings of accounts payable transactions were provided by Nunez

Community College in support of the accounts payable balance recorded in the college's annual financial statements at June 30, 2009; however, the listings included items that were determined not to be valid payables. As of December 15, 2009, the college is still researching accounts payable transactions to perform reconciliation and to determine the accurate accounts payable balance at June 30, 2009.

Failure to timely review and reconcile accounts payable transactions resulted in incorrect balances reported in the college's annual financial statements at June 30, 2009, and increases the risk that errors and fraud will not be detected in a timely manner.

Management should reconcile accounts payable transactions timely and ensure compliance with the college's Business Policies and Procedures. Management concurred with the finding and provided a corrective action plan (see Appendix A).

The recommendation in this letter represents, in our judgment, that which is most likely to bring about beneficial improvements to the operations of the college. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the college should be considered in reaching decisions on courses of action.

This letter is intended for the information and use of the college and its management, others within the college, the Louisiana Community and Technical College System, the System's Board of Supervisors, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA
Temporary Legislative Auditor

KML:JR:EFS:PEP:dl

EPNCC09

Management's Corrective Action
Plan and Response to the
Finding and Recommendation



NUNEZ COMMUNITY COLLEGE

3710 PARIS ROAD • CHALMETTE, LA 70043 • (504) 278-6468 • FAX: (504) 278-6480

CHANCELLOR'S OFFICE

January 14, 2010

Daryl G. Purpera, CPA
Temporary Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804

Dear Mr. Purpera:

In response to your letter dated January 4, 2010 about the inadequate controls over accounts payable at Nunez Community College, please find this agency's response to the findings as well as the corrective action plan to resolve the issue.

Management of Nunez Community College concurs with the finding related to the controls over accounts payable.

The auditors performed analytical testing and brought to management's attention accounts that required further analysis by our staff. We have completed our analysis and have made appropriate adjustment to accounts payable. We found no instance of unrecorded payables.

We agree that more detailed and timely reconciliations are necessary. We have therefore changed our policy to require the individuals responsible for reconciling accounts payable to provide evidence of such on a monthly basis to their immediate supervisor. Procedures were already in place; however their execution was not performed timely. General ledger balances will be reconciled monthly and necessary adjustments will occur timely in the future.

Sheree Green, Controller, is the contact person responsible for the implementation and monitoring of this corrective action plan monthly. Our Chief Financial Officer and others will hold a meeting in April to ensure that our corrective action plan is working as expected.

If you have any additional concerns or questions, please feel free to contact me.

Sincerely,

Thomas R. Warner
Chancellor
Nunez Community College

Cc Dr. Joe D. May, System President, LCTCS
Allen Brown, CPA, Director of Internal Auditor, LCTCS
Ms. Jacqueline M. Sylvest, CPA, Chief Financial Officer