

ACADIANA TECHNICAL COLLEGE
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED NOVEMBER 24, 2010

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

LEGISLATIVE AUDIT ADVISORY COUNCIL

SENATOR EDWIN R. MURRAY, CHAIRMAN
REPRESENTATIVE NOBLE E. ELLINGTON, VICE CHAIRMAN

SENATOR NICHOLAS "NICK" GAUTREAUX
SENATOR WILLIE L. MOUNT
SENATOR BEN W. NEVERS, SR.
SENATOR JOHN R. SMITH
REPRESENTATIVE CAMERON HENRY
REPRESENTATIVE CHARLES E. "CHUCK" KLECKLEY
REPRESENTATIVE ANTHONY V. LIGI, JR.
REPRESENTATIVE CEDRIC RICHMOND

LEGISLATIVE AUDITOR

DARYL G. PURPERA, CPA, CFE

DIRECTOR OF FINANCIAL AUDIT

THOMAS H. COLE, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of \$18.12. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3437 or Report ID No. 80100005 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Administration Manager, at 225-339-3800.

	Page
Executive Summary	3
Management Letter	5

Appendix

Management’s Corrective Action Plans and Responses to the Findings and Recommendations.....	A
--	---

Our procedures at the Acadiana Technical College (college) for the period July 1, 2009, through June 30, 2010, disclosed:

- For the third consecutive audit, the college did not maintain sufficient controls over the Federal Pell Grant Program (CFDA 84.063) to ensure funds are returned timely when a student withdraws. For two of 13 (15%) students tested, the college did not initiate the return of funds within 45 days of the determination date. The college failed to perform the return of funds calculations timely and, as a result, the college did not timely return \$435 to the U.S. Department of Education (via the Louisiana Technical and Community College System) as required by federal program regulations.
- For the second consecutive audit, the college did not maintain sufficient controls over the Federal Pell Grant Program (CFDA 84.063) to ensure that verification compliance requirements were met. Two of 13 (15%) students tested had Institutional Student Information Records (ISIR) that contained information which was in conflict with the documents provided for verification. The student financial aid file contained sufficient documentation to verify this information although the ISIR was not corrected. Failure to adequately perform verification results in noncompliance with federal regulations and may cause the college to return Pell Grant funds.
- For fiscal year 2010, two of the seven campuses of the college did not determine, as of March 23, 2010, which students were eligible to receive Academic Competitiveness Grant funds. As a result, no funds were disbursed by the end of the payment period for the fall 2009 semester. Failure to determine eligibility and disburse funds in a timely manner results in noncompliance with federal regulations. In addition, eligible students were not provided funds that should have been available to them.
- No significant control deficiencies or errors that would require adjustment to the annual fiscal report for cash and cash equivalents, accounts payable and accruals, federal grants and contracts revenues, federal nonoperating revenues, and education and general expenditures accounts and balances were identified.
- No significant control deficiencies or errors that would require adjustments to the annual fiscal report for the schedule of prior year federal audit findings were identified.

We did not audit the Annual Fiscal Report of the college; however, we did perform certain procedures in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States as part of our audit of the Louisiana Community and Technical College System's financial statements and in accordance with Office of Management and Budget Circular A-133 as part of the Single Audit of the State of Louisiana. This report is a public report and has been distributed to state officials. We appreciate the college's assistance in the successful completion of our work.

This page is intentionally blank.



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 4, 2010

**ACADIANA TECHNICAL COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Lafayette, Louisiana

As required by Louisiana Revised Statute 24:513 and as part of our audit of the Louisiana Community and Technical College System's (System) financial statements and the Single Audit of the State of Louisiana for the year ended June 30, 2010, we conducted certain procedures at the Acadiana Technical College (college) for the period from July 1, 2009, through June 30, 2010.

- Our auditors obtained and documented an understanding of the college's operations and system of internal controls, including internal controls over major federal award programs administered by the college, through inquiry, observation, and review of the college's policies and procedures documentation including a review of the related laws and regulations related to the college.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using the college's annual fiscal reports and/or system-generated reports and obtained explanations from college management of any significant variances.
- Our auditors considered internal control over financial reporting; examined evidence supporting the college's cash and cash equivalents, accounts payable and accruals, federal grants and contracts revenues, federal nonoperating revenues, and education and general expenditures accounts and balances that were material to the System's financial statements; and tested the college's compliance with laws and regulations that could have a direct and material effect on the System's financial statements for the fiscal year ended June 30, 2010, in accordance with *Government Auditing Standards*.
- Our auditors performed internal control and compliance testing with requirements that could have a direct material effect on a major program in accordance with Office of Management and Budget (OMB) Circular A-133. Procedures were performed on the Student Financial Aid Cluster for the fiscal year ended June 30, 2010, as a part of the Single Audit of the State of Louisiana.

- Our auditors reviewed the schedule of prior year federal audit findings as part of the Single Audit of the State of Louisiana.

The Annual Fiscal Report of the college is not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The college's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

In our prior management letter on the college for the year ended June 30, 2009, we reported findings relating to weakness over return of Federal Pell Grant Program funds and weakness over eligibility and verification of the Federal Pell Grant Program. The finding relating to the weakness over eligibility and verification of the Federal Pell Grant Program has been partially resolved but the verification portion is addressed again in this management letter. The finding relating to weakness over return of Federal Pell Grant Program funds is addressed again in this management letter.

Based on the application of these procedures, all significant findings are included in this letter for management's consideration. All findings included in this management letter that are required to be reported by *Government Auditing Standards* will also be included in the State of Louisiana's Single Audit Report for the year ended June 30, 2010. We found no other significant control deficiencies or noncompliance that would require reporting on the college's cash and cash equivalents, accounts payable and accruals, federal grants and contracts revenues, federal nonoperating revenues, education and general expenditures, or the schedule of prior year federal audit findings.

Weakness Over Return of Federal Pell Grant Program Funds

For the third consecutive audit, the college did not maintain sufficient controls over the Federal Pell Grant Program (CFDA 84.063) to ensure funds are returned timely when a student withdraws. The U.S. Code of Federal Regulations (CFR) Title 34, Chapter VI, Part 668.22(j) states that when a recipient of Title IV grant withdraws from the institution during a payment period or period of enrollment, the institution must return the amount of Title IV grant that the student had not earned as of the student's withdrawal data as soon as possible but no later than 45 days after the determination.

In a test of withdrawals, the following deficiency was noted:

- For two of 13 (15%) students tested, the college did not initiate the return of funds within 45 days of the determination date, defined by the regulations as the date the school determines the student withdraws, whether official or unofficial.

The college failed to perform the return of funds calculations timely and, as a result, the college did not timely return \$435 to the U.S. Department of Education (via the System) as required by federal program regulations.

Management of the college should follow established procedures so the appropriate funds are returned within the time required by federal program regulations. Management concurred in part with the finding indication that the college had returned funds within 45 days after the financial aid office became aware of the student's withdrawal as instructed by the System's Director of Financial Assistance. However, the determination date should have been the date the school is notified that the student withdraws and management has implemented a corrective action plan (see Appendix A, pages 1-2).

Weakness Over Verification of Federal Pell Grant Program

For the second consecutive year, the college did not maintain sufficient controls over the Federal Pell Grant Program (CFDA 84.063) to ensure that verification compliance requirements were met. CFR Title 34, Chapter VI, Part 668.59 states that if the information on an application changes as a result of the verification process, the institution shall require the applicant to resubmit the application for all errors of nondollar items and dollar errors in excess of \$400.

Test procedures performed at the college disclosed the following exceptions:

- Two of 13 (15%) students tested had Institutional Student Information Records (ISIR) that contained information which was in conflict with the documents provided for verification. The student financial aid file contained sufficient documentation to verify this information although the ISIR was not corrected. One exception was a nonmonetary error while the other exception was an error in the amount of \$7,565.

The college did not adequately monitor verification requirements relating to Federal Pell Grant Program funds. Failure to adequately perform verification results in noncompliance with federal regulations and may cause the college to return Pell Grant funds.

Management should ensure adherence to established procedures so Pell funds are accurately disbursed to eligible students and verification procedures are sufficiently performed according to program regulations. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 3).

Weakness Over Federal Academic Competitiveness Grant

The college did not maintain sufficient controls over the Academic Competitiveness Grant (ACG) (CFDA 84.375) to determine eligibility and disburse grant funds in a timely manner. ACG is available for first and second year college students who qualify for Pell Grant funds and have completed a required high school curriculum. ACG will provide up to \$750 for the first year of undergraduate study and up to \$1,300 for the second year of undergraduate study to eligible full-time students. Beginning in fiscal year 2010, a part-time student may be eligible to receive ACG with the grant being prorated proportionally to the student's enrollment. CFR Title 34, Chapter VI, Part 668.164(b) states that an institution must disburse funds on a payment period basis. The payment

period as defined by CFR Title 34, Chapter VI, Part 668.4 is an academic term or semester.

For fiscal year 2010, two of the seven campuses of the college did not determine, as of March 23, 2010, which students were eligible to receive ACG funds. As a result, no funds were disbursed by the end of the payment period for the fall 2009 semester. Failure to determine eligibility and disburse funds in a timely manner results in noncompliance with federal regulations. In addition, eligible students were not provided funds that should have been available to them.

Management should strengthen its control procedures to ensure that ACG funds are timely disbursed to or on behalf of eligible students in compliance with program regulations. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 4).

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the college. The varying nature of the recommendations, their implementation costs, and their potential impact on the operations of the college should be considered in reaching decisions on courses of action. The findings relating to the college's compliance with applicable laws and regulations should be addressed immediately by management. The findings related to federal compliance testing are included in this management letter and will be included in the Single Audit Report for the State of Louisiana.

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

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

KDD:BH:EFS:THC:dl

Management's Corrective Action
Plans and Responses to the
Findings and Recommendations



Phyllis A. Dupuis
Regional Director

July 23, 2010

Mr. Daryl G. Purpera, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: ATC Official Response "Weakness over Return of Federal Pell Grant Program Funds"

Dear Mr. Purpera:

Management of Acadiana Technical College concurs in part with the finding related to weakness over Federal Pell Grant Program Funds.

We recognize our responsibility to manage financial aid funds in accordance with the applicable Federal laws and guidelines. Our college has reviewed the finding and spoken to the campus personnel directly involved with the weakness to determine what actions should be taken to overcome this deficiency.

Audit Detail: Acadiana Technical College did not initiate the return of funds within 45 days of the determination date, defined by the regulations as the date the school determines the student withdraws, whether official or unofficial.

ATC Campuses have returned the unearned portion of the student's award within 45 days after the determination. However, we have been instructed by the LCTCS Director of Financial Assistance to use the date that the *financial aid office* became aware of the student's withdrawal as the date of determination. Recently, the auditor directed us that the date of determination should be the date that the *school* determines the student's withdrawal.

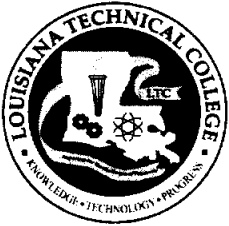
To make certain that unearned Pell funds are managed and returned to the U.S. Department of Education timely, the following actions will be implemented:

1. Financial Aid Officers will receive additional in-service on the regulations concerning Return of Title IV Funds with a focus on the requirement to return funds to the US DOE within 45 days of the **school's** determination that the student withdrew.

ACCREDITED BY THE COUNCIL ON OCCUPATIONAL EDUCATION

MEMBER OF THE LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM ♦ AN EQUAL OPPORTUNITY EMPLOYER

LAFAYETTE CAMPUS – LAFAYETTE
ACADIAN CAMPUS – CROWLEY
C.B. COREIL CAMPUS – VILLE PLATTE
EVANGELINE CAMPUS – ST. MARTINVILLE
GULF AREA CAMPUS – ABBEVILLE
MORGAN SMITH CAMPUS – JENNINGS
TECHE AREA CAMPUS – NEW IBERIA
T.H. HARRIS CAMPUS – OPELOUSAS



Louisiana Technical College ♦ Region 4 ♦ "World Class Technology in Your Own Backyard"

LAFAYETTE CAMPUS ♦ 1101 BERTRAND DRIVE, LAFAYETTE, LA 70506 ♦ PHONE: (337) 262-5962 ♦ FAX: (337) 262-5122

www.greateracadianaregion.net

Phyllis A. Dupuis
Regional Director

2. Faculty and staff will be informed of the revised procedure and the importance of submitting student withdrawal forms to the Student Affairs Office in a timely manner.
3. Kelly Caruso, Chief Financial Aid Officer, will be responsible for implementing these actions with supervision from the Associate Dean of Academic & Student Affairs, Christina Dooley.

Corrective actions should be in place for the students enrolling in the Fall 2010 semester. Should you need additional information, do not hesitate to contact me.

Sincerely,

Debbie Burkeheiser
Acting Regional Director

ACCREDITED BY THE COUNCIL ON OCCUPATIONAL EDUCATION

MEMBER OF THE LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM ♦ AN EQUAL OPPORTUNITY EMPLOYER

LAFAYETTE CAMPUS – LAFAYETTE
ACADIAN CAMPUS – CROWLEY
C.B. COREIL CAMPUS – VILLE PLATTE
EVANGELINE CAMPUS – ST. MARTINVILLE
GULF AREA CAMPUS – ABBEVILLE
MORGAN SMITH CAMPUS – JENNINGS
TECHE AREA CAMPUS – NEW IBERIA
T.H. HARRIS CAMPUS – OPELOUSAS



Phyllis A. Dupuis
Regional Director

July 23, 2010

Mr. Daryl G. Purpera, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: ATC Official Response "Weakness over Verification of Federal Pell Grant Program"

Dear Mr. Purpera:

Management of Acadiana Technical College concurs with the finding related to weakness over verification of Federal Pell Grant Program.

We recognize our responsibility to manage financial aid funds in accordance with the applicable Federal laws and guidelines. Our college has reviewed the finding and spoken to the campus personnel directly involved with the weakness to determine what actions should be taken to overcome this deficiency.

Audit Detail: Acadiana Technical College did not maintain sufficient controls over the Federal Pell Grant Program to ensure that verification compliance requirements were met.

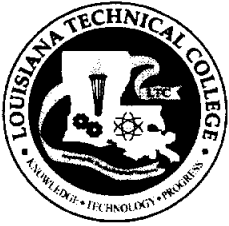
To make certain that ATC personnel are accurately performing verification procedures according to Federal program regulations, the following action will be implemented:

In-service activities will be conducted with financial aid staff members on verification regulations, processes, and specific forms to be utilized for documentation requirements. Kelly Caruso, Chief Financial Aid Officer, will be responsible for conducting this activity with supervision from the Associate Dean of Academic & Student Affairs, Christina Dooley .

Corrective actions should be in place for the students enrolling in the Fall 2010 semester. Should you need additional information, do not hesitate to contact me.

Sincerely,

Debbie Burkeheiser
Acting Regional Director



Phyllis A. Dupuis
Regional Director

July 23, 2010

Mr. Daryl G. Purpera, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: ATC Official Response "Weakness over Federal Academic Competitiveness Grant"

Dear Mr. Purpera:

Management of Acadiana Technical College concurs with the finding related to weakness over Federal Academic Competitiveness Grant.

We recognize our responsibility to manage financial aid funds in accordance with the applicable Federal laws and guidelines. Our college has reviewed the finding and spoken to the campus personnel directly involved with the weakness to determine what actions should be taken to overcome this deficiency.

Audit Detail: Acadiana Technical College did not maintain sufficient controls over the Academic Competitiveness Grant to determine eligibility and disburse grant funds in a timely manner.

To make certain that ACG funds are managed and disbursed timely, the following action will be implemented:

Financial Aid Officers within the seven campuses of Acadiana Technical College will work together to ensure that Academic Competitiveness Grant funds are disbursed to all eligible students prior to the end of the payment period. This will involve setting a deadline for our college to disburse ACG funds and assigning extra assistance to the campuses with larger populations. Kelly Caruso, Chief Financial Aid Officer, will be responsible for implementing this plan with supervision from the Associate Dean of Academic & Student Affairs, Christina Dooley.

Corrective actions should be in place for the students enrolling in the Fall 2010 semester. Should you need additional information, do not hesitate to contact me.

Sincerely,

Debbie Burkheiser
Acting Regional Director

ACCREDITED BY THE COUNCIL ON OCCUPATIONAL EDUCATION

MEMBER OF THE LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM ♦ AN EQUAL OPPORTUNITY EMPLOYER

LAFAYETTE CAMPUS – LAFAYETTE
ACADIAN CAMPUS – CROWLEY
C.B. COREIL CAMPUS – VILLE PLATTE
EVANGELINE CAMPUS – ST. MARTINVILLE
GULF AREA CAMPUS – ABBEVILLE
MORGAN SMITH CAMPUS – JENNINGS
TECHE AREA CAMPUS – NEW IBERIA
T.H. HARRIS CAMPUS – OPELOUSAS