

CENTRAL LOUISIANA TECHNICAL COLLEGE  
STATE OF LOUISIANA



MANAGEMENT LETTER  
ISSUED DECEMBER 8, 2010

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

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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 \$17.22. 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](http://www.la.la.gov). When contacting the office, you may refer to Agency ID No. 3283 or Report ID No. 80100058 for additional information.

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	Page
Executive Summary .....	3
Management Letter .....	5

**Appendix**

Management’s Corrective Action Plan and Response to Finding and Recommendation.....	A
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Our procedures at the Central Louisiana Technical College (CLTC) for the period July 1, 2008, through June 30, 2010, disclosed:

- CLTC paid three contractors \$253,614 before contract approval by the Office of Contractual Review.
- No significant control deficiencies or errors that would require adjustment to the annual fiscal report for capital assets, accounts payable and accrued liabilities, net assets, federal grants and contracts revenues, federal nonoperating revenues, and education and general expenses were identified.
- No significant control deficiencies or noncompliance issues for the Student Financial Aid Cluster for the fiscal year ended June 30, 2010, were identified.

We did not audit the Annual Fiscal Reports of CLTC; 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 OMB 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 appropriate state officials. We appreciate CLTC's assistance in the successful completion of our work.

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

November 17, 2010

**CENTRAL LOUISIANA TECHNICAL COLLEGE  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA**  
Alexandria, Louisiana

As required by Louisiana Revised Statute 24:513 and as a 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 fiscal year ended June 30, 2010, we conducted certain procedures at Central Louisiana Technical College (CLTC) for the period from July 1, 2008, through June 30, 2010.

- Our auditors obtained and documented an understanding of CLTC's operations and system of internal controls through inquiry, observation, and review of CLTC's policies and procedures documentation including a review of the related laws and regulations applicable to CLTC.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using CLTC's annual fiscal reports and/or system-generated reports and obtained explanations from CLTC management of any significant variances.
- Our auditors considered internal control over financial reporting, examined evidence supporting certain accounts and balances material to the System's financial statements, and tested CLTC's compliance with laws and regulations that could have a direct and material effect on the System's financial statements for the year ended June 30, 2010, in accordance with *Government Auditing Standards*.
- Our auditors considered CLTC's internal control over compliance with requirements that could have a direct and material effect on a major federal program, as defined in the Single Audit of the State of Louisiana, and we tested CLTC's compliance with laws and regulations that could have a direct and material effect on Student Financial Aid Cluster programs as required by U.S. Office of Management and Budget Circular A-133 for the fiscal year ended June 30, 2010.

- Based on the documentation of CLTC's controls and our understanding of related laws and regulations, procedures were performed on CLTC's recorded capital assets, accounts payable and accrued liabilities, net assets, federal grants and contracts revenues, federal nonoperating revenues, and education and general expenses.

The Annual Fiscal Reports of CLTC were not audited or reviewed by us, and, accordingly, we do not express an opinion on those reports. CLTC'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, one significant finding is included in this letter for management's consideration. We found no significant control deficiencies, noncompliance, or errors relating to our analytical procedures or our procedures on CLTC's capital assets, accounts payable and accruals, net assets, and revenues that should be communicated to management.

### **Payments to Contractors for Unapproved Contracts**

CLTC paid three contractors \$253,614 before contract approval by the Office of Contractual Review (OCR). Louisiana Revised Statute 39:1502 (A) states that no professional, personal, consulting, or social service contract shall be valid, nor shall the state be bound by the contract, until it has first been executed by the head of the using agency, or his designee, which is a party to the contract and the contractor, and has been approved in writing by the director of OCR.

CLTC initiated three professional service contracts, totaling \$285,484, for vendor training under the Louisiana Workforce Commission Incumbent Worker Training Program. Although CLTC obtained the signatures of the contractors and the approval of the System, it did not obtain the approval of OCR before authorizing the contractors to begin work or making associated payments. OCR subsequently approved two of the three contracts on March 11, 2010, and June 30, 2010, but did not approve the third contract totaling \$58,500 before the full amount of the contract was paid. While none of the contractors have disputed the terms of the affected contracts, CLTC's actions increased the likelihood of contract disputes and litigation.

Management should implement controls to ensure OCR contract approval before initiating contract services or incurring expenses. Management concurred with the finding and recommendation and outlined a corrective action plan (see Appendix A).

The recommendation in this letter represents, in our judgment, that most likely to bring about beneficial improvements to the operations of CLTC. The nature of the recommendation, its implementation costs, and potential impact on the operations of CLTC should be considered in reaching decisions on courses of action. Since this finding relates to CLTC's compliance with applicable laws and regulations, it should be addressed immediately by management.

This letter is intended for the information and use of CLTC and its management, others within the entity, 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,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is fluid and cursive, with the first name being the most prominent.

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

BAC:WJR:BDC:THC:dl

CENTRAL LOUISIANA TECHNICAL COLLEGE 2010

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





**Mervin Birdwell**  
Regional Director

**Central Louisiana Technical College** "World Class Technology in Your Own Backyard"

4311 South MacArthur Drive P. O. Box 5698 Alexandria, LA 71307-5698 (318) 487-5443 Fax (318) 487-5970

November 11, 2010

Mr. Daryl G. Purpera, CPA  
Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Dear Mr. Purpera:

Please accept this letter in response to the Legislative Auditor's recent audit of the Central Louisiana Technical College and in reference to the finding of Payments to Contractors for Unapproved Contracts.

The management of Central Louisiana Technical College does concur with the auditor's report and have implemented a corrective action plan that includes controls to ensure OCR contract approval prior to initiating contract services or incurring expenses.

A corrective action plan was implemented on July 22, 2010 that provides for all contracts requiring OCR approval must be routed through the College Controller's office for review and forwarding to the proper agencies for approval. Ms. Elizabeth Bynog, CLTC Controller, will be the contact for this action.

The administration of Central Louisiana Technical College wishes to thank the auditor's team for their continued guidance and assistance in improving the services of our college. If you have any questions or need additional information, please let me know.

Sincerely,

Mervin Birdwell  
Regional Director  
Central Louisiana Technical College

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