

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,
Slidell Campus
Louisiana Community and
Technical College System
State of Louisiana
Slidell, Louisiana

May 21, 2003



Financial and Compliance Audit Division

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**LOUISIANA TECHNICAL COLLEGE,
SLIDELL CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Slidell, Louisiana

Management Letter
Dated April 10, 2003

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 and New Orleans offices of the Legislative Auditor and at the office of the parish clerk of court.

May 21, 2003



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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April 10, 2003

**LOUISIANA TECHNICAL COLLEGE,
SLIDELL CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Slidell, Louisiana

As part of our audit of the Louisiana Community and Technical College System's financial statements for the year ended June 30, 2003, we considered Louisiana Technical College, Slidell Campus' internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the campus' 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 provided to the Louisiana Community and Technical College System by the Louisiana Technical College, Slidell Campus is not audited or reviewed by us, and, accordingly, we do not express an opinion on that financial information. The campus' accounts are an integral part of the Louisiana Community and Technical College System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

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

**Insufficient Monitoring Procedures
Over Financial Transactions**

The Louisiana Technical College, Slidell Campus did not have adequate monitoring procedures over financial transactions entered into the automated accounting system (PeopleSoft system). The campus also did not have timely and appropriate access to the automated accounting system. Good internal control includes appropriate access and adequate monitoring procedures over financial transactions to ensure that financial data are accurately and completely recorded, processed, and summarized and that errors and/or fraud are detected in a timely manner.

The campus accountant, who began employment at the Slidell Campus in mid-November 2002, did not receive a user ID until February 17, 2003. In addition, management and accounting staff at the campus did not have appropriate access and training in using the automated accounting system. Reports necessary for reviewing and reconciling financial transactions with supporting documentation were either not available or were not reviewed timely. Failure to establish appropriate access and adequate monitoring procedures over financial transactions may result in incomplete financial data, inaccurate financial statements, and errors and/or fraud may not be detected timely.

LEGISLATIVE AUDITOR

**LOUISIANA TECHNICAL COLLEGE,
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Management Letter, Dated April 10, 2003

Page 2

Management should establish procedures to ensure that access to the automated accounting system and procedures to monitor financial transactions for accuracy and completeness are timely and appropriate. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 1).

**Failure to Submit A Document Retention
Schedule to State Archives**

The Louisiana Technical College, Slidell Campus failed to submit a document retention schedule to State Archives as required by state law. Louisiana Revised Statute 44:411(A)(1) requires the head of every agency to submit to the state archivist record retention schedules proposing the length of time each state record series warrants retention for administrative, legal, or fiscal purposes after it has been created or received by the agency.

Management of the Slidell Campus was not aware of the document retention schedule requirement. Failure to submit and receive an approved retention schedule increases the risk of destroying vital information that could be needed in the future or incurring excessive storage costs for documents that will never be needed.

The Louisiana Technical College, Slidell Campus should obtain the necessary information to prepare and submit a suitable retention schedule to State Archives. Once the retention schedule is approved, it should be implemented immediately. Management concurred in part with the finding because it does not believe that campus deans are responsible for preparing or submitting a record retention schedule to State Archives. On March 12, 2003, the Louisiana Community and Technical College System (LCTCS) Board of Supervisors adopted a policy requiring each LCTCS chancellor, including the Louisiana Technical College chancellor, to establish a formal record retention policy. The policy will require approval of the LCTCS Board of Supervisors and the state archivist (see Appendix A, page 2).

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the campus. The varying nature of the recommendations, their implementation costs, and their potential impact on the operations of the campus should be considered in reaching decisions on courses of action. The finding relating to the campus' compliance with applicable laws and regulations should be addressed immediately by management.

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Management Letter, Dated April 10, 2003

Page 3

This letter is intended for the information and use of the campus and its management 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 black ink, appearing to read "Grover C. Austin". The signature is written in a cursive style with a large, prominent initial "G".

Grover C. Austin, CPA
First Assistant Legislative Auditor

LG:ES:THC:ss

[LTCSLD03]

Appendix A

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



LOUISIANA TECHNICAL COLLEGE

Office of the Chancellor

150 Third Street – Suite 200
Baton Rouge, Louisiana 70801
Telephone: 225/219-9532
Facsimile: 225/219-9497

James S. Clarke, Ph.D.
Acting Chancellor

CAMPUSES:

Acadian Campus
Alexandria Campus
Ascension Campus
Avoyelles Campus
Bastrop Campus
Baton Rouge Campus
Charles B. Coreil Campus
Delta Ouachita Campus
Evangeline Campus
Florida Parishes Campus
Folkes Campus
Gulf Area Campus
Hammond Area Campus
Huey P. Long Campus
Jefferson Campus
Jumonville Memorial Campus
L. E. Fletcher Campus
Lafayette Campus
Lafourche Campus
Lamar Salter Campus
Mansfield Campus
Morgan Smith Campus
Natchitoches Campus
North Central Campus
Northeast LA Campus
Northwest LA Campus
Oakdale Campus
River Parishes Campus
Ruston Campus
Sabine Valley Campus
Shelby M. Jackson Campus
Shreveport Bossier Campus
Sidney N. Collier Campus
Slidell Campus
Sowela Campus
Sullivan Campus
T. H. Harris Campus
Tallulah Campus
Teche Area Campus
West Jefferson Campus
Westside Campus
Young Memorial Campus

March 4, 2003

Grover C. Austin, CPA
First Assistant to the Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Insufficient Monitoring Procedures Over Financial Transactions

Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above relating to the Slidell campus. Management concurs with the findings and recommendations related to "Insufficient Monitoring Procedures Over Financial Transactions." Every effort will be made to provide additional training to personnel and to provide access to appropriate accounting financial reports. Upon completion of the training process, Slidell accounting staff will have a better understanding of the PeopleSoft system and the financial reports that can be requested to accurately evaluate and monitor financial transactions.

The contact person responsible for corrective action is Ms. Beth Sigler.

Sincerely,

James S. Clarke, Ph.D.
Acting Chancellor

JSC/pgj

- C: Dr. Walter G. Bumphus (LCTCS President)
Ms. Toya Barnes-Teamer (Assistant Chancellor)
Ms. Betty Antoine (Slidell Campus Administrator)
Mr. Allen Brown (LCTCS Internal Audit Director)
Ms. Jan Jackson (LCTCS Senior Vice President for Finance/Administration)
File



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Lafourche Campus
Lamar Salter Campus
Mansfield Campus
Morgan Smith Campus
Natchitoches Campus
North Central Campus
Northeast LA Campus
Northwest LA Campus
Oakdale Campus
River Parishes Campus
Ruston Campus
Sabine Valley Campus
Shelby M. Jackson Campus
Shreveport Bossier Campus
Sidney N. Collier Campus
Slidell Campus
Sowela Campus
Sullivan Campus
T. H. Harris Campus
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Teche Area Campus
West Jefferson Campus
Westside Campus
Young Memorial Campus

An Equal Opportunity
College

April 4, 2003

Grover C. Austin, CPA
First Assistant to the Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Noncompliance with Record Retention Law

Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above relating to the Slidell campus.

Management concurs in part with the finding and recommendations related to "Noncompliance with Record Retention Law." The Louisiana Community and Technical College System (LCTCS) Board of Supervisors adopted a policy on March 12, 2003, requiring each LCTCS Chancellor to establish a formal records retention policy. Accordingly, the Louisiana Technical College will prepare a formal records retention schedule for approval by the LCTCS Board of Supervisors and the State Archivist. Campus administrators have not been nor will be responsible for preparing or submitting a schedule to State Archives.

The contact person responsible for corrective action is Beth Sigler.

Sincerely,

James S. Clarke, Ph.D.
Acting Chancellor

JSC/pgj

C: Dr. Walter G. Bumphus (LCTCS President)
Ms. Toya-Barnes Teamer (Assistant Chancellor)
Ms. Betty Antoiner (Slidell Campus Administrator)
Mr. Allen Brown (LCTCS Internal Audit Director)
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