

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,
Evangeline Campus
Louisiana Community and
Technical College System
State of Louisiana
St. Martinville, Louisiana

June 4, 2003



Financial and Compliance Audit Division

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**LOUISIANA TECHNICAL COLLEGE,
EVANGELINE CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
St Martinville, Louisiana

Management Letter
Dated May 16, 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 office of the Legislative Auditor and at the office of the parish clerk of court.

June 4, 2003



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
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May 16, 2003

**LOUISIANA TECHNICAL COLLEGE,
EVANGELINE CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
St. Martinville, 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 the Louisiana Technical College, Evangeline 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 Evangeline 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.

Noncompliance With Record Retention Law

The Louisiana Technical College, Evangeline Campus failed to submit a document retention schedule to State Archives as required by state law. Louisiana Revised Statute 44:411(A)(1) requires agency heads to submit schedules to the state archivist 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 Evangeline 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, Evangeline 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 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

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**LOUISIANA TECHNICAL COLLEGE,
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Management Letter, Dated May 16, 2003

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(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 1).

**Insufficient Monitoring Procedures
Over Non-payroll Transactions**

The Louisiana Technical College, Evangeline Campus did not have adequate monitoring procedures over non-payroll expense transactions entered into the PeopleSoft accounting system, which is the primary accounting system used by the Louisiana Community and Technical College System and the individual technical college campuses. Adequate monitoring procedures are necessary to ensure that financial data are accurately and completely recorded, processed, and summarized and that errors and/or fraud are detected timely. Our review of campus procedures during April 2003, disclosed that PeopleSoft reports had not been obtained and reviewed to ensure that non-payroll expense transactions were entered accurately and completely into the accounting system.

These conditions exist because management did not have appropriate access to and/or training for the PeopleSoft System. Therefore, reports necessary for reviewing and reconciling non-payroll expense transactions with supporting documentation were either not available or were not reviewed timely. Failure to establish adequate monitoring procedures over financial transactions may result in incomplete financial data and inaccurate financial statements, and errors and/or fraud may not be detected timely.

Management should establish adequate monitoring procedures for non-payroll expense transactions entered into the PeopleSoft System. Management concurred with the finding and recommendation and outlined a corrective action plan (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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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 fluid and cursive, with a large initial "G" and "A".

Grover C. Austin, CPA
First Assistant Legislative Auditor

BG:BMC:THC:ss

[LTCEVG03]

Appendix A

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



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

LOUISIANA TECHNICAL COLLEGE

Office of the Chancellor

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

April 11, 2003

Grover C. Austin, CPA
First Assistant Legislative Auditor
Office of 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 Evangeline campus. Management concurs in part with this finding.

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 management has not been nor will be responsible for preparing or submitting a schedule to State Archives.

The person responsible for corrective action is Beth Sigler.

Sincerely,

James S. Clarke, Ph.D.
Acting Chancellor

C: Dr. Walter G. Bumphus (LCTCS President)
Mr. Christopher Williams (Assistant Chancellor)
Ms. Nicole Lopez (Student Personnel Service Officer)
Mr. Allen Brown (LCTCS Internal Audit Director)
Ms. Jan Jackson (LCTCS Senior Vice President for Finance/Administration)
File



LOUISIANA TECHNICAL COLLEGE

Office of the Chancellor

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James S. Clarke, Ph.D.
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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

April 11, 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 Non-payroll Expense Transactions

Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above relating to the Evangeline campus. Management concurs with the findings and recommendations related to "Insufficient Monitoring Procedures Over Non-payroll Expense Transaction." 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, Evangeline 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 Beth Sigler.

Sincerely,

James S. Clarke, Ph.D.
Acting Chancellor

C: Dr. Walter G. Bumphus (LCTCS President)
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