

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

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

April 30, 2003



***Financial and Compliance Audit Division***

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

Management Letter  
Dated April 8, 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.

April 30, 2003



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
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April 8, 2003

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

As part of our audit of the Louisiana Community and Technical College System's financial statements for the year ending June 30, 2003, we considered the Louisiana Technical College, Lafayette 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 Lafayette Campus is not audited or reviewed by us, and, accordingly, we do not express an opinion on that financial information. The Louisiana Technical College, Lafayette 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.

In our prior management letter on the Louisiana Technical College, Lafayette Campus for the two years ended June 30, 2001, we reported a finding relating to lack of controls over cash receipts. That finding has been resolved by management.

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, Lafayette Campus did not have adequate monitoring procedures over revenue and 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.

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Management Letter, Dated April 8, 2003

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Our review of campus procedures during January 2003, disclosed the following:

Revenue

PeopleSoft reports had not been obtained and reviewed to ensure that transactions were entered accurately and completely into the accounting system. A comparison of deposits per the bank and entries made into the PeopleSoft accounting system revealed errors that had not been detected resulting in cash and revenue both being overstated by \$4,283.

Expenses

PeopleSoft reports had not been obtained and reviewed to ensure that non-payroll 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 financial transactions with supporting documentation were not available. Failure to establish adequate monitoring procedures over financial data may result in incomplete financial data and inaccurate financial statements, and errors and/or fraud may not be detected timely.

Management should establish adequate procedures to monitor financial transactions timely for accuracy and completeness. Management concurred with the finding and recommendation and outlined a corrective action plan (see Appendix A, page 1).

**Noncompliance With Record Retention Law**

The Louisiana Technical College, Lafayette Campus did not establish or submit a written record retention schedule to the Secretary of State (State Archives) in accordance with state law. Louisiana Revised Statute 44:411(A)(1) requires agency heads to submit schedules to the state archivist that state the length of time each state record or series of records should be retained for administrative, legal, or fiscal purposes after the records have been created or received by the agency.

The campus did not have a record retention schedule and therefore did not submit the schedule to the Secretary of State. These conditions exist because campus management was not aware of the requirement. Failure to establish a written record retention schedule could result in the destruction or deterioration of critical records while

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failure to submit the schedule to the Secretary of State results in noncompliance with state law. In addition, the lack of a written retention schedule could result in the agency keeping records beyond the legally required retention date, which would be an inefficient use of office or warehouse space.

Management should establish and submit a written record retention schedule to the Secretary of State as required by state law. 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, which relates to the campus' compliance with applicable laws and regulations, should be addressed immediately by management.

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,



Grover C. Austin, CPA  
First Assistant Legislative Auditor

DLC:BMcC:THC:ss

## 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 31, 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 Lafayette 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, Lafayette 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,

Dr. James S. Clarke, Ph.D.  
Acting Chancellor

JSC/pgj

C: Dr. Walter G. Bumphus (LCTCS President)  
Mr. Christopher Williams (Assistant Chancellor)  
Mr. Shelton Cobb (Lafayette Campus Dean)  
Mr. Allen Brown (LCTCS Internal Audit Director)  
Ms. Jan Jackson (LCTCS Senior Vice President for Finance/Administration)  
File



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## Office of the Chancellor

150 Third Street – Suite 200  
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Telephone: 225/219-9532  
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**James S. Clarke, Ph.D.**  
**Acting Chancellor**

### CAMPUSES:

March 31, 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 Lafayette 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 Ms. Beth Sigler.

Sincerely,

Dr. James S. Clarke, Ph.D.  
Acting Chancellor

JSC/pgj

- C: Dr. Walter G. Bumphus (LCTCS President)  
Mr. Christopher Williams (Assistant Chancellor)  
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