

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,  
Northeast Louisiana Campus  
Louisiana Community and  
Technical College System  
State of Louisiana  
Winnsboro, Louisiana

May 28, 2003



***Financial and Compliance Audit Division***

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**LOUISIANA TECHNICAL COLLEGE,  
NORTHEAST LOUISIANA CAMPUS  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA  
Winnsboro, Louisiana**

**Management Letter  
Dated May 2, 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.**

**May 28, 2003**



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
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May 2, 2003

**LOUISIANA TECHNICAL COLLEGE,  
NORTHEAST LOUISIANA CAMPUS  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA  
Winnsboro, 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, Northeast Louisiana 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 Northeast Louisiana 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.

In our prior procedural report on the Northeast Louisiana Campus dated June 15, 2001, we reported a finding relating to payroll security control weakness. 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, Northeast Louisiana 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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STATE OF LOUISIANA**  
Management Letter, Dated May 2, 2003  
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Our review of campus procedures during January 2003, disclosed the following:

Revenue

- Revenue data in the PeopleSoft accounting system had not been reconciled to supporting data from the QuickBooks accounting system. QuickBooks is used at the campus level to issue receipts to students for tuition fees and book sales and to prepare quarterly reports for accounts receivable.

Expenses

- Payroll reports for the period July 1, 2002, to December 8, 2002, had not been obtained and reviewed to ensure that time and attendance data entered into the PeopleSoft system were accurate and complete.
- PeopleSoft's leave reports had not been obtained and reviewed to ensure that annual and sick leave were accrued in accordance with Louisiana Community and Technical College System rules and regulations.
- PeopleSoft reports had not been obtained and reviewed to ensure that transactions were entered accurately and completely into the accounting system.

These conditions exist because management did not obtain appropriate training for the PeopleSoft system; therefore, reports necessary for reviewing and reconciling financial 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 reporting, and errors and/or fraud may not be detected timely.

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

**LEGISLATIVE AUDITOR**

**LOUISIANA TECHNICAL COLLEGE,  
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LOUISIANA COMMUNITY AND  
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STATE OF LOUISIANA**

Management Letter, Dated May 2, 2003

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**Noncompliance With Record Retention Law**

Louisiana Technical College, Northeast 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.

Failure to establish a written record retention schedule could result in the destruction or deterioration of critical records while 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. These conditions occurred because campus management was not aware of the requirement.

Management should establish and submit a written record retention schedule to the Secretary of State as required by state law. 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 May 2, 2003

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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,



Grover C. Austin, CPA  
First Assistant Legislative Auditor

LBL:STD:THC:ss

[LTCNLC03]

## **Appendix A**

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



James S. Clarke, Ph.D.  
Acting Chancellor

# LOUISIANA TECHNICAL COLLEGE

## Office of the Chancellor

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

March 14, 2003

### CAMPUSES:

Acadian Campus  
Alexandria Campus  
Ascension Campus  
Avoyelles Campus  
Bastrop Campus  
Baton Rouge Campus  
Charles B. Corcil 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

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

### Revenue

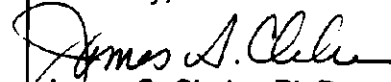
Campus management will implement procedures to reconcile the receipts recorded in QuickBooks to deposits recorded in the PeopleSoft accounting system. This will ensure that all receipts have been properly deposited and recorded in the official accounting records.

### Expenditures

On February 20, 2003, campus accountants were provided with policies and procedures for obtaining and reviewing payroll-related data. In addition, accountants will be given increased on-line access to personnel and payroll data in PeopleSoft. Similar policies and procedures for verifying the accuracy of non-payroll transactions will be implemented in the near future.

Devery Pierce and Debbie Price have been delegated the responsibility for ensuring that the policies and procedures are implemented.

Sincerely,

  
James S. Clarke, Ph.D.  
Acting Chancellor

JSC/dp

C: Dr. Walter G. Bumphus (LCTCS President)  
Ms. Norene Smith (Assistant Chancellor)  
Ms. Debbie M. Price (Campus Dean)  
Mr. Allen Brown (LCTCS Internal Audit Director)  
Ms. Jan Jackson (LCTCS Senior Vice President for Finance/Administration)  
File

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James S. Clarke, Ph.D.  
Acting Chancellor

# LOUISIANA TECHNICAL COLLEGE

## Office of the Chancellor

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

March 13, 2003

### CAMPUSES:

Acadian Campus  
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Charles B. Corcil Campus  
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Florida Parishes Campus  
Folkes Campus  
Gulf Area Campus  
Hammond Area Campus  
Huey P. Long Campus  
Jefferson Campus  
Junionville 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

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 Northeast 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.

Dr. Florent Hardy, Jr., State Archivist, has agreed to provide assistance and training to the Louisiana Technical College. Responsibility for ensuring that the record retention policy is fully implemented has been delegated to Devery Pierce.

Sincerely,

James S. Clarke, Ph.D.  
Acting Chancellor

JSC/dp

C: Dr. Walter G. Bumphus (LCTCS President)  
Ms. Norene Smith (Assistant Chancellor)  
Ms. Debbie M. Price (Campus Dean)  
Mr. Allen Brown (LCTCS Internal Audit Director)  
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