

BOSSIER PARISH COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER

ISSUED NOVEMBER 30, 2005

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

LEGISLATIVE AUDIT ADVISORY COUNCIL

REPRESENTATIVE CEDRIC RICHMOND, CHAIRMAN
SENATOR J. "TOM" SCHEDLER, VICE CHAIRMAN

SENATOR ROBERT J. BARHAM
SENATOR WILLIE L. MOUNT
SENATOR EDWIN R. MURRAY
SENATOR BEN W. NEVERS, SR.
REPRESENTATIVE RICK FARRAR
REPRESENTATIVE HENRY W. "TANK" POWELL
REPRESENTATIVE T. TAYLOR TOWNSEND
REPRESENTATIVE WARREN J. TRICHE, JR.

LEGISLATIVE AUDITOR

STEVE J. THERIOT, CPA

DIRECTOR OF FINANCIAL AUDIT

THOMAS H. COLE, CPA

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 \$14.10. 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.state.la.us. When contacting the office, you may refer to Agency ID No. 5953 or Report ID No. 05101962 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.



STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

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

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

November 15, 2005

**BOSSIER PARISH COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Bossier City, Louisiana

As part of our audit of the Louisiana Community and Technical College System's financial statements for the year ended June 30, 2005, we considered the Bossier Parish Community College's internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the college's 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*. In addition, we considered the Bossier Parish Community College'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 the college's compliance with laws and regulations that could have a direct and material effect on the major federal programs as required by U.S. Office of Management and Budget Circular A-133.

The Annual Fiscal Report of Bossier Parish Community College was not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The college's 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. The finding included in this management letter that is required to be reported by *Government Auditing Standards* will also be included in the State of Louisiana's Single Audit Report for the year ended June 30, 2005.

Over-award of Financial Aid to Transfer Students

Bossier Parish Community College awarded Pell Grants (CFDA 84.063) and Federal Family Education Loans (FFEL) (CFDA 84.032) to transfer students who did not meet the satisfactory academic progress requirements of the college and awarded one student a Pell Grant in excess of the student's Scheduled Federal Pell Grant for the award year. The Code of Federal Regulations, 34 CFR Part 668.32 (f) states that a student is eligible to receive Title IV, Higher Education Act program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards for satisfactory progress. Satisfactory academic progress is addressed in the Financial Aid section of the college catalog and is based on hours attempted and earned per semester and academic year as well as overall grade point average. In addition,

CFR 690.65 (c) states that for a transfer student attending more than one institution during an award year, the second institution must adjust the grant amount, if necessary, to ensure that the grant does not exceed the student's Scheduled Federal Pell Grant for that award year.

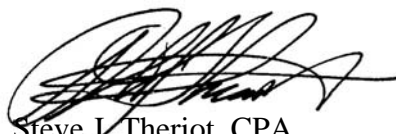
During fiscal year 2005, the college's Student Financial Aid staff failed to review the information in the Institutional Student Information Record (ISIR) received electronically for each transfer student before awarding aid. The ISIR includes National Student Loan Data System information relating to a transfer student's academic progress at other eligible institutions and any Title IV aid received. As a result, the college awarded \$12,785 of Pell Grants and \$7,275 of FFEL to seven transfer students who had not made satisfactory academic progress. In addition, the college awarded \$2,025 of Pell Grants to one other transfer student in excess of the Scheduled Federal Pell Grant for the award year. The awards for the eight students totaled \$22,085 and are considered to be questioned costs.

Management of Bossier Parish Community College should develop and implement policies and procedures to ensure Title IV aid is only awarded to students who meet the college's satisfactory academic progress requirements and do not exceed program maximums. The procedures should include a responsible individual obtaining and carefully reviewing all information available when considering a student's application for financial aid. Furthermore, the appropriate federal authorities should be contacted to determine the corrective action that should be taken by the college relating to the questioned costs. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A).

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

This letter is intended for the information and use of the college 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,



Steve J. Theriot, CPA
Legislative Auditor

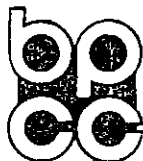
RLA:WJR:PEP:dl

BPCC05

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

BOSSIER PARISH COMMUNITY COLLEGE

6220 East Texas St.
Bossier City, Louisiana 71111



(318) 678-6000
www.bpcc.edu

October 31, 2005

Steve J. Theriot, CPA
Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Theriot:

Management of Bossier Parish Community College concurs with the finding and recommendation related to Over-award of Financial Aid to Transfer Students.

Management of Bossier Parish Community College has implemented procedures to obtain and carefully review all information available when considering a student's application for financial aid. The automated system currently reviews the National Student Loan Data System (NSLDS) history information provided on the Institutional Student Information Record (ISIR) to determine if the student 1) has loans in default, 2) has a Title IV overpayment, or (3) has reached his/her loan aggregate limit. In addition to the system checks currently in place, Management has implemented a computer program that places a NSLDS "flag" on the system as soon as a new ISIR is loaded into the system. A list of students with the NSLDS "flag" is printed for review by Financial Aid staff members. The staff member will access the NSLDS website for each student listed and print all available information for review. If the staff member determines that the student has financial aid history at other colleges/universities and also determines that the student did not provide this information to the Admissions office, the staff member will place a hold on the student's account to prevent financial aid from being awarded until Admissions has all appropriate transcripts posted to the SIS system. Once all transcripts have been posted to the SIS system, a review of the student's grades/hours will determine if the student meets Satisfactory Academic Progress (SAP) requirements.

Management has also implemented an additional procedure to further ensure that all available information is reviewed before applying aid to the student's account. Financial Aid staff members will access the NSLDS website again when a student returns his/her signed award letter and print the NSLDS history as of the date the award letter is returned, ensuring that the most up-to-date history is reviewed.

Management of Bossier Parish Community College will also access the Common Origination and Disbursement (COD) website (when award letter is signed and returned) to determine if a student is receiving a Pell Grant at another institution for the current award year to avoid a possible overpayment of Pell.

Management will contact appropriate authorities to determine the corrective action that should be taken by the college relating to the questioned costs.

The responsible persons for corrective action are Vicki Temple, Financial Aid Director, Regina Terry, Financial Aid Associate Director, and appropriate Financial Aid staff members.

Sincerely,



Tom Carleton, Chancellor