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November 22, 2006

Myrtle E.B. Dorsey, Ph.D., Chancellor
Baton Rouge Community College
5310 Florida Boulevard
Baton Rouge, Louisiana 70806

Dear Dr. Dorsey:

In May 2006, during an audit of Baton Rouge Community College (BRCC), my Financial Audit Division, as part of the audit process, requested from BRCC Enrollment Services certain student records for review. My auditors later discovered that student records had not been properly filed in an organized system but rather haphazardly stored in multiple boxes making it difficult to comply with the audit request. Thereafter, I received allegations of improper grade changes and Pell grant awards.

On May 23, 2006, I instructed members of my Compliance Audit Division to review these issues. This limited review consisted of (1) interviewing selected employees and students of BRCC; (2) interviewing other persons as appropriate; (3) examining selected records of BRCC; and (4) reviewing applicable rules, regulations, and Louisiana laws. The scope of this work was significantly less than that required by *Government Auditing Standards*; therefore, through these efforts, we are not offering an opinion on BRCC's financial statements or system of internal control nor assurance as to compliance with laws and regulations.

During this review, my compliance auditors inquired of Ms. Michelle Hill, director of Enrollment Services, as to why student records were not filed in an organized manner. According to Ms. Hill, because of an increase in student enrollment during the past semesters and the lack of staff in Enrollment Services, documents that were supposed to be filed were placed in boxes. The intent was to catch up on the filing after additional personnel had been hired. She further stated that as a result of the audit request for student records, she was provided additional staff dedicated to compiling and organizing student files.

Our examination of the college's Pell grant records indicate that from the fall 2004 semester to the fall 2005 semester, at least 290 Pell and Supplemental Educational Opportunity Grant (SEOG) recipients received all Fs for grades. Of this amount, we sampled 35 students who received grant awards totaling \$32,861. We determined that each of these students was enrolled in the proper number of course hours to receive the grant. We also determined that BRCC failed to detect and document unofficial withdrawals that resulted in these students receiving "F" grades.

We attempted to contact each of the 35 students but were able to contact only 16. These students explained that they withdrew for various personal reasons such as pregnancy, family illness, and financial hardship. Many of these students informed us that they did not realize they would receive "F" grades if they did not officially withdraw.

In addition, to receive full benefit of the grant, a student is required to attend 60% of the term. We determined that none of the 35 students attended classes for more than 60% of the term; therefore, the students should have refunded a portion of their grant award. BRCC employs the services of a collection agency to collect refunds from students. However, as of August 31, 2006, only four of these students had been submitted to the collection agency.

We also examined a random sample of grade changes for 68 students who attended BRCC during the fall, summer, and spring semesters of 2004-2005. Although BRCC failed to maintain proper documentation such as grade change forms, course drop slips, and professor grade books in all cases, we were able to obtain sufficient documentation or statements from the professors to support grade changes for 56 of the students. For the remaining 12 (18%) students, we determined that BRCC failed to maintain adequate records to support the grade changes.

As a result of our review of Pell grant awards and student grade changes recorded by BRCC, we recommend the following with regard to Pell grant awards:

- Ensure that Enrollment Services, the Department of Finance, and the Financial Aid Department coordinate their efforts before awarding grant funds to eligible students
- Enforce the policy requiring professors to accurately document and report student attendance to the Financial Aid Department so that federal financial aid awards may be recalculated based on the students' attendance
- Develop a system that will promptly recognize unofficial student withdrawals and send the appropriate documentation to collection to minimize the school's liability for ineligible grant payments
- Inform students that poor class attendance and unofficial withdrawals may result in a failing grade on the student's transcript
- Ensure that students who owe funds to BRCC are submitted to the collection agency in a timely manner

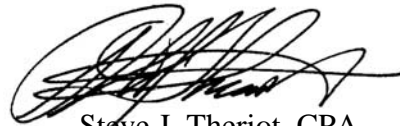
Myrtle E.B. Dorsey, Ph.D.
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In addition, we recommend the following with regard to grade changes:

- Require “multi-part grade change forms” to be prepared for all grade changes and that a copy is provided to the student, professor (to be filed with grade books), department dean, student affairs, and Enrollment Services
- Require Enrollment Services to document all grade changes and reference them in the Banner System “note screen section” with detailed information provided by the professor or person authorizing the change

If you have any questions, please call me at (225) 339-3839.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve J. Theriot", written over a horizontal line.

Steve J. Theriot, CPA
Legislative Auditor

CGM:JLM:DGP:dl

BRCC06



5310 Florida Boulevard • Baton Rouge, Louisiana 70806

November 1, 2006

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

Dear Mr. Theriot:

This letter is in response to the draft of the compliance audit letter report, dated October 24, 2006. I extend a special thank you to the legislative auditors who conducted the compliance review for their professionalism and their thoroughness. Prior to this report the college engaged in a workflow analysis that included the staff members involved in the various aspects of the enrollment process. The analysis was very instrumental in identifying concerns and we have taken immediate steps to remediate. Our mission is to serve students in an environment that is amicable, efficient, and productive.

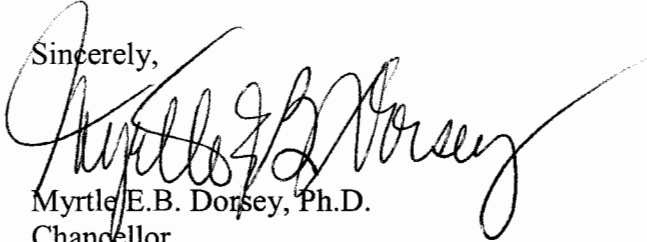
The administration at Baton Rouge Community College (BRCC) offers the following response:

- BRCC administration will insure that the departments of financial aid, finance and enrollment services coordinate their efforts in the awarding of funds to students eligible for Pell grants.
- BRCC administration has reviewed the attendance process. The process requires electronic reporting as of the 14th class day (adjusted for summer and part of term semesters) and 60% attendance in the semester is reported and utilized by financial aid as awards are finalized. This process also assists in the identification of students who unofficially withdraw. BRCC makes every effort to inform the student of their responsibility and liability as it relates to financial aid and withdrawal from classes. The aforementioned workflow analysis included an intensive review of all student forms. Revisions have been made to improve the process. Students will receive a copy of requested actions.
- BRCC enrollment services staff members have been instructed to use the "note screen section" to input detailed information regarding any approved changes to the student's record. Information will include the instructor's name, approval by the Dean, and/or Vice Chancellor, and the person processing the change. The Vice Chancellor of Academic Affairs will be responsible to insure that this occurs.
- The student files at BRCC are now in order. With the full implementation of document imaging, files will be processed in a timely manner by the full-time document imaging/file clerk.

BRCC strives to provide optimum services for our students in their quest for an education. The administration views this letter of report as an opportunity to continue to improve the services provided, while adhering to the established guidelines and procedures governing the institution.

If you have any questions, please contact me at 225-216-8402.

Sincerely,

A handwritten signature in cursive script, appearing to read "Myrtle E.B. Dorsey". The signature is written in black ink and is positioned above the printed name and title.

Myrtle E.B. Dorsey, Ph.D.
Chancellor

cc: Dr. Walter G. Bumphus, President, LCTCS
Mr. Allen Brown, Director of LCTCS Internal Audit
Ms. Maxine Rogers, Vice Chancellors for Administration and Finance