

LOUISIANA TECHNICAL COLLEGE REGION 7
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED JANUARY 13, 2010

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

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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.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA

December 7, 2009

**LOUISIANA TECHNICAL COLLEGE REGION 7
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Shreveport, Louisiana

As part of our audit of the Louisiana Community and Technical College System's (System) financial statements for the year ended June 30, 2009, we considered the Louisiana Technical College Region 7's (region) internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the region'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 region'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 region'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 the Louisiana Technical College Region 7 is not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The region's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, a significant finding is included in this letter for management's consideration. This finding is required to be reported by *Government Auditing Standards* and will also be included in the State of Louisiana's Single Audit Report for the year ended June 30, 2009.

Inadequate Controls Over Pell Grant Program

Three campuses within Louisiana Technical College Region 7 did not maintain sufficient controls over their Federal Pell Grant Program (CFDA 84.063) to ensure the timely return of refunds to the U.S. Department of Education (USDOE). The Code of Federal Regulations [34 CFR 668.22(j)] requires that a refund of any unearned grant funds be made to the grantor agency as soon as possible but no later than 45 days after the date of the institution's determination of the student's withdrawal.

Each campus in the region is responsible for identifying unearned grant funds and remitting the funds to the Louisiana Technical College transition office so the refunds can be returned to the USDOE. Tests of Pell transactions at the various campuses and transition office

revealed 18 instances of Pell refunds totaling \$10,920 at the Mansfield, Sabine Valley, and Shreveport - Bossier campuses that were not remitted timely to the transition office so the funds could be remitted to the USDOE within the 45-day period. The following was noted at the three campuses:

- Tests at the three campuses disclosed that six (46%) of 13 students tested withdrew from college owing refunds totaling \$4,104 that were remitted to the USDOE from six to 123 days after the authorized 45-day period.
- Tests performed at the transition office identified 12 additional student refunds totaling \$6,816 that were remitted to the USDOE from four to 137 days after the authorized 45-day period.

Management's lack of emphasis and lack of proper training and oversight of its staff caused these untimely remittances to occur. As a result, the region is in noncompliance with federal program regulations.

Management should immediately develop and implement controls to ensure that all Pell refunds are remitted to the USDOE within the prescribed 45-day period. In addition, campus personnel responsible for the Pell program should receive the appropriate training. Finally, management should monitor and review the work performed by campus personnel relating to the program to ensure compliance with federal regulations. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix A).

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

This letter is intended for the information and use of the region and its management, others within the region, the Louisiana Community and Technical College System, and the Louisiana Legislature 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,



Daryl G. Purpera, CPA
Temporary Legislative Auditor

BAC:WJR:BQD:dl

LTCR709

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

LOUISIANA TECHNICAL COLLEGE

Greater Northwest Louisiana Region Seven
Charles Strong, Regional Director

P. O. Box 78527
2010 North Market Street
Shreveport, Louisiana 71137-8527
Phone: 318.676.7811 Fax: 318.676.7805

September 25, 2009

Mr. Steve J. Theriot, CPA
Louisiana Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Re: LTC Region Seven inadequate controls over Pell Grant Program Draft Finding

Dear Mr. Theriot:

This letter serves as our official response to the above referenced audit finding for LTC Region Seven. We concur with the finding, and will implement the corrective action plan you have suggested.

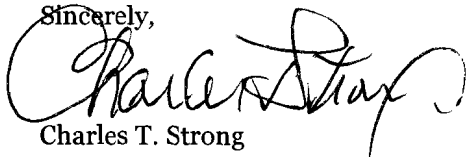
The plan consists of:

- Review of each of the untimely refunds to determine their cause and the individual(s) responsible
- Regional inservice of all financial aid and accounting staff involved in the Pell process reemphasizing the process, timelines and responsibility for timely Pell refunds to USDOE. We request assistance from legislative auditor's office staff in conducting this inservice to ensure that accurate information is presented and properly emphasized.
- Identification of the contact persons responsible for corrective action
 - Regional level
 - LTC Regional Director Charles Strong
 - LTC Region Seven Chief Fiscal Officer Patti Lann
 - LTC Region Seven lead financial aid officer (uncompensated position) Annette Chanler
 - Campus levels
 - Mansfield campus
 - Campus dean Jill Heard
 - Campus director of student services Haley Holder
 - Campus accountant technician Karen Nash
 - Natchitoches campus
 - Campus dean Carol Hebert
 - Campus director of student services Moses Baines
 - Campus administrative assistant 2 Ann McPhearson
 - Campus accountant 2 Sherri Reeves

- Northwest campus
 - LTC Regional Director Charles Strong
 - Campus financial aid officer Annette Chanler
 - Campus director of student services Helen Ginger Deville
 - Campus accountant 2 Rene' Tate
- Sabine Valley campus
 - Campus dean Laurie Morrow
 - Campus director of student services Christie McCandless
 - Campus accountant 2 Sherri Reeves
- Shreveport campus
 - Campus dean Angie Rymer
 - Campus financial aid officers Chris Moree and Melissa Airhart
 - Campus director of student services Cindy Maggio
 - Campus accountant 2/LTC Region Seven chief fiscal officer Patti Lann
- Submission of all Pell refund requests to the LCTCS System office within 28 days of date of determination of withdrawal.
 - Financial aid/student services departments will forward Return of Title 4 (RT4) form to campus accounting offices for processing within 14 days of date of determination of withdrawal
 - Campus accounting will forward refund check(s) and supporting documentation to the LCTCS system office within 14 days of receipt of date(s) of determination from financial aid/student services
- Implementation of a monthly Pell Refund Status Report, submitted by the fifth calendar day of each month to the regional director and lead financial aid officer, containing the following information:
 - Campus
 - Student Name
 - Award Year
 - Date of Determination
 - Date check(s) forwarded to LCTCS system office

Thank you for the opportunity to respond to this matter.

Sincerely,



Charles T. Strong

Mansfield Campus ♦ Natchitoches Campus ♦ Northwest Campus ♦ Sabine Valley Campus ♦ Shreveport Campus
 Mansfield Natchitoches Minden, Home Many Shreveport
 Wade Corr. Ctr.

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