

MINUTES

Louisiana Community and Technical College System
Board of Supervisors – Audit Committee Meeting

Wednesday, August 13, 2003 – 8:00 a.m.
The Louisiana Building – Room 126
Baton Rouge Community College
5310 Florida Blvd., Baton Rouge, LA 70806

The Audit Committee of the Board of Supervisors of the Louisiana Community and Technical College system convened, with other members present at 8:06 a.m., on Wednesday, August, 13, 2003, in Room 126 of The Louisiana Building at the Baton Rouge Community College.

Roll was called by Ms. Bonni Benton, Coordinator of Board Services, and a quorum was established.

Committee Members Present

Stevie Smith, Chair
Ava Dejoie
Mike Stone, Vice Chair

Members Absent

Gibson Chigbu
Nicholas Trist, Vice Chair

Other Board Members Present

Ann Knapp

Staff Present

Allen Brown, LCTCS
Michael LaCour, LCTCS

Guests

Alanna Davis, Legislative Auditor
Janet Hoffpaur, Legislative Auditor

Committee Chair Smith called the Audit Committee meeting to order at 8:06 a.m. Mr. Smith expressed his appreciation to everyone for attending the first meeting of the Audit Committee. He encouraged everyone to ask questions to receive a full understanding of the duties and responsibilities of Committee members. Chair Smith turned the floor over to Mr. Allen Brown.

Mr. Brown reviewed the duties and responsibilities of the Audit Subcommittee:

- Receive information
- Provide guidance
- Receive and approve a yearly plan
- Discuss issues independent of the management
- Present reports to the Board

Mr. Brown stated that the purpose of an Audit Committee made up of Board members is to give the internal audit staff an independent group to report to, separate from management. He indicated that when external auditors are looking at the internal auditors' work, one of the first things they look at is who they report to. He reported that the LCTC System has set this up exactly within the standards as it should be, in that the Internal Audit Division reports to the Internal Audit Committee. He added that this is a standing committee, even though it is called a sub-committee.

Mr. Brown reviewed the duties and responsibilities of the Audit Committee. These being: 1) discuss and present issues to an independent body; 2) to receive recommendations (calls, requests, etc.); and 3) prioritize certain work requests. Mr. Brown stated that due to the small staff of the Internal Audit Division, it will be necessary, at times, to come to the Committee to prioritize work requests that are received. He introduced Mr. Michael LaCour, Manager, Internal Audit Division, and added that there are three (3) other Division staff members that serve 49 campuses within the LCTCS.

Mr. Brown stated that part of the Internal Audit Plan is to send out a questionnaire to the Board Chair, Audit Committee members, all Chancellors and Assistant Chancellors to receive input on any issues that they would like the Internal Audit Division to review. He explained that this presents a possibility for three years of work if all the campuses respond with requests and they would then ask the Audit Committee for help in prioritizing the work requests.

Mr. Brown added that another duty of the Audit Committee is to approve the Internal Audit Plan. He distributed a copy of the plan for 2003-2004 fiscal year. He stated that this plan states what they would like to accomplish in the next year. He explained that there will be "wiggle room" for issues that may come up.

Mr. Brown discussed how internal audit reports are distributed. He stated that once a report has been completed, a copy of the report will be provided to the LCTCS Board Chair, all members of the Audit Committee, the LCTCS President and the Campus Head.

Chair Smith clarified the functions of the Internal Audit Division versus the functions of the Legislative Auditors. He stated that the internal audit function is internal and they primarily report to the Audit Committee. He further stated that the function of the Legislative Auditors is external, but the procedures are basically the same. Mr. Brown explained that in the past, Legislative Auditors' reports were sent to all Board members. The Board has since requested that they not receive a copy of these reports. The reports are sent to Mr. Brown who compiles a monthly Audit Report that is distributed to the Board members. Mr. Brown added that his office maintains good communication with the external auditors in that if they have a finding, they will make him aware of the issue prior to writing a finding.

Ms. Knapp asked for a point of clarification on whether an internal audit, once issued, becomes public record under the State Public Record Law and is accessible to the public and/or media. Mr. Brown responded that it does and added that even their working papers are public record.

Mr. Brown distributed and reviewed the LCTCS Internal Audit Plan for January 1, 2003 through June 30, 2003, and provided the current status of each issue listed.

On motion of Supervisor Dejoie, seconded by Supervisor Knapp, the Audit Committee voted to accept the Update (as of August 2003) of the LCTCS Internal Audit Plan – January 1, 2003 through June 30, 2003. The motion carried.

Chair Smith questioned how the Committee was to remain updated on the ongoing projects listed in the Audit Plan Update. It was determined that Mr. Brown will provide a monthly e-mail on pending items.

Mr. Brown submitted the Internal Audit Plan for the coming year, fiscal year ending June 30, 2004, and reviewed each item with Committee members.

In response to item #2. of the Internal Audit Plan, July 2003-2004, regarding the Student Data Audit and R.S. 17:2005, Chair Smith suggested meeting with a representative of the legislature to share with them the proposed schedule for compliance of this requirement to determine if they are in agreement. Mr. Brown stated that Dr. Bumphus planned to schedule a meeting with Jay Dardenne to discuss this issue. Mr. Brown did not know the status of this meeting. He added that there were some items in the statute the he did not think the LCTCS would be able to provide because the data has not been collected. Ms. Knapp stated that follow-up with Dr. Bumphus was needed to make sure there is good correspondence with Senator Theunissen and Senator Crane.

Supervisor Knapp recommended the Incumbent Worker Training Program as an item of review to be included in the long range audit plan.

On motion of Supervisor Knapp, seconded by Supervisor Dejoie, the Audit Committee voted to adopt the Internal Audit Plan for July 2003 – June 2004, with the adoption of the monthly e-mail provided on the pending projects. The motion carried.

The next meeting of the Audit Committee will be held on Wednesday, December 10, 2003, at 8:00 a.m.

On motion of Supervisor Dejoie, seconded by Supervisor Knapp, the Audit Committee adjourned at 8:56 a.m.