

**Louisiana Community and Technical College System
Audit Committee Meeting**

February 14, 2007

8:00 a.m.

Board Ante-Room

MINUTES

1. Call to Order by Committee Chair – John DeLaney

Committee Chair John DeLaney was unable to attend the meeting. Board Supervisor Kathy Sellers Johnson served as Acting Committee Chair and called the meeting to order at 8:05 a.m.

Bonni Blouin, Coordinator of Board Services, called roll. The following Committee members were present: Kathy Sellers Johnson and Cleo Norris. A quorum was not established. Acting Chair Johnson appointed Board members Joan McHenry and Mickey Murphy to serve on the Committee in order to reach a quorum. (Committee members Brett Mellington, and Stevie Smith arrived to the meeting late). Also in attendance for the meeting were Board Supervisor Vinney St. Blanc; Dr. Joe May; Jan Jackson; Jim Henderson; Howard Karlton; Greg Speyrer; Michael Redmond; Alana Davis, Legislative Auditor; Chancellor Jan Brobst; and, Jordan Blum, reporter for The Advocate.

2. Update on Current Work – Allen Brown

Mr. Allen Brown, Director of Internal Audit, provided an update on the work that is currently being conducted by the Internal Audit Division of the LCTCS.

a. LTC Region 4

- i. As result of HR issues (see below) Jim Henderson has asked if we would look at some other areas in Region 4.
- ii. We have completed the internal control survey of the district and are setting up meeting with each campus. No report.

Mr. Brown reported that human resource related issues exist in Region 4. As a result, Mr. Jim Henderson requested Internal Audit Office to conduct testing in various areas of the region. He stated that an internal control survey had been completed on every campus in the district and exit conferences will be scheduled with each campus to discuss possible ways to improve.

b. Completed Perkins Monitoring at Delgado

Mr. Brown reported that the Perkins monitoring at Delgado Community College has been completed. He stated that no major findings occurred.

3. LTC - Title 3 Grant

- a. Field work completed. Project currently in review

Mr. Brown stated that the field work has been completed for the LTC-Title 3 Grant. He noted that the grant was originally monitored by the Louisiana Technical College central office, but has been taken over by the Dr. Angel Royal at the LCTCS Office. Dr. Royal requested that the Internal Audit Office conduct a review of the first two years of the grant. He indicated that the review has been completed and the exit meeting with Dr. Royal will take place next week to discuss any findings.

4. Recently Issued Reports by Internal Audit

- a. BRCC – Perkins Monitoring

- i. Report issued 2/1/07 with findings

Mr. Brown reported that a report had just been submitted on the monitoring of the Perkins program at Baton Rouge Community College. He stated that there were findings and Dr. Myrtle Dorsey, Chancellor, Baton Rouge Community College and Dr. Toya Barnes-Teamer, Senior Vice President of Academic and Student Affairs, LCTCS, have both responded on how the findings would be addressed. He concluded that Chancellor Dorsey will work with the Perkins staff at LCTCS to resolve the issue.

5. Other Matters

- a. HR issues in Region 4 are being worked on by a team put together by Lura Kamiya.

Mr. Brown stated that there is a team of Human Resources staff in Region 4 that is working on the problem that exists. He noted that Lura Kamiya put the team together and will be overseeing the project.

Ms. Kamiya noted that with the change in management and the movement of personnel in HR a Civil Service audit finding occurred which spurred the System Office to review the situation more closely. She reported that a huge backlog of filing exists and in some cases retirement and benefits were effected. She stated that she pulled together a team of “seasoned” personnel employees to work with the group to clean up the backlog.

Committee members discussed this issue at length.

Ms. Kamiya reported that corrective actions have been taken and the retirement system and group benefits have been very cooperative in working with the System to make exceptions for any employees that were negatively affected. She added that a complete review is being conducted to make sure that all employees affected are addressed.

Mr. Brown stated that he would continue to provide updates on this issue.

- b. LTC requested to repay \$1,200,000 to the Pell program. This is for the 2001-2002 and 2002-2003 award years.
 - i. Issue was lack of proper documentation and the question of eligibility. The LTC was required to perform their own review. The \$1.2 million is the LTC's number. Over \$600,000 of this was attributed to the LTC Shreveport- Bossier Campus.
 - ii. Status report

Mr. Brown reported that in December 2006 the System Office learned that the Louisiana Technical College had been requested to repay \$1.2 million dollars to the Federal Pell program. He indicated that this was a result of a federal audit by the Department of Education at the central office 1-2 years prior where a sampling occurred. He stated that Mr. Henderson assembled a team to begin a review of documentation to determine if there were any amounts that may be appealed and to request an extension for payment to the Federal government. He noted that an extension was granted to allow the LCTCS the opportunity to review the records. He stated that approximately \$200,000 has been identified as an amount that may be appealed.

Mr. Jim Henderson, Senior Vice President of Workforce Development, added that in August 2004, the Louisiana Technical College employed a central level financial aide officer who came in and implemented some controls. He stated that the lack of documentation in question occurred in 2001-2003.

This issue was discussed at length.

Mr. Brown reported that it is a document issue in that the required documentation for some of the Pell recipients is not complete.

- c. Imaging – System Office
 - i. Imaging software is installed; however, nothing has been imaged as of yet. Per Jan Jackson and Greg Speyrer some scanners have been ordered and plans are to meet with HR and Internal Audit regarding implementation. The risk is that paper (in some cases the only copy) documentation could be destroyed. This includes board minutes, HR records...etc.

Mr. Brown stated that an imaging system has been purchased for the System Office. He reported that all files in the System Office will be imaged.

- d. Civil Service “Drop-in Reviews”
 - i. These reviews were performed at Delgado Community College and the LTC Region 4. The schools were cited for rule violations,

documentation violations and input errors. Civil Service did not include management's response in the report.

- ii. Email from Carmen Walters, Delgado's Interim Director of Human Resources, indicates that she is working with a Civil Service consultant to address issues. The issues occurred prior to Ms. Walters became the Interim Director.
- iii. LTC Region 4 HR issues are discussed above.

Mr. Brown reviewed the results of Civil Service "Drop-in Reviews" for LCTCS campuses.

- e. During January 2007, Board of Regents auditors performed specific Student Credit Hour audits on colleges for the fall of 2006 classes as follows:
 - i. Bossier Parish Community College – no findings
 - ii. Baton Rouge Community College – 20% error rate (4 out of 20 tested)
 - iii. Delgado Community College – 10% error rate (2 out of 20 tested)
 - iv. L.E. Fletcher Technical Community College – no findings
 - v. Louisiana Delta Community College – no findings
 - vi. Elaine P. Nunez Community College – no findings
 - vii. River Parishes Community College – no findings
 - viii. South Louisiana Community College – third consecutive year with findings. 40% error rate (8 out of 20 tested)
 - ix. SOWELA Technical Community College – no findings

Management's responses were not included in the reports and each college with findings has been requested to provide Regents with a corrective action plan by February 15, 2007.

Mr. Brown reported on the Board of Regents audit that was conducted on student credit hours for the fall of 2006 on the LCTCS community and technical community colleges. He noted that this was the first time that he has received a copy of the report from the Board of Regents.

Further discussion of the Pell grant findings occurred. Mr. Henderson reported that all the parties that were involved during the period in question are no longer employed with the LTC.

AUDIT COMMITTEE FEBRUARY 2007

APPROVED MINUTES

Approved 3/14/07

There being no further business to come before the Audit Committee, on motion of Supervisor Norris, seconded by Supervisor McHenry, the Audit Committee adjourned at 8:40 a.m.