

Louisiana Community and Technical College System Audit Committee Meeting

June 11, 2008
8:00 a.m.
Board Ante-Room

MINUTES

1. Call to Order – Carl Franklin, Chair

Supervisor Carl Franklin, Chair, Audit Committee, called the meeting to order at 8:05 a.m.

2. Roll Call

Bonni Blouin, Coordinator of Board Services, called roll and a quorum was established. The following Audit Committee members were present:

Carl Franklin, Chair; Keith Gamble; Kathy Sellers Johnson; Stevie Smith; Mickey Murphy; Vinney St. Blanc, III; Deni Taylor; and Brett Mellington, Ex-Officio. Board Supervisor Stevie Toups was also present for the meeting.

Also present for the meeting were LCTCS staff members:

Dr. Joe May, President, LCTCS; Allen Brown, Director of Internal Audit, LCTCS; Jan Jackson, Senior Vice President of Finance and Administration; John Paul Domiano, Internal Audit; Shannon Sedberry, Finance; Lura Kamiya, Director of Human Resources; Bill Obier, Director of Facilities; Jim Henderson, Senior Vice President for Workforce Development; Greg Speyrer, Director, Internal Technology; and, Joe Marin, Director, Finance.

C. Parker with the Legislative Auditor's Office was also present.

3. Status of 2008 Audit Plan – Allen Brown

Allen Brown, Director of Internal Audit, provided a status report on the 2008 Audit Plan and discussed the following topics with committee members:

a. Student Data

Mr. Brown stated that the field work for the student data report, which is required by law, has been completed for the Louisiana Technical College. The report will be submitted in approximately 4 weeks.

b. Elected Officials

Mr. Brown stated that audits have been completed on seven (7) of the seventeen (17) elected officials employed with the LCTCS. No findings have resulted.

c. Perkins Monitoring

Mr. Brown reported that the financial monitoring of the Perkins program has been completed and a report has been submitted. He noted that a new approach will begin with the Perkins Division conducting the financial monitoring. They are also required to conduct programmatic monitoring. He stated that the Internal Audit Division will continue to conduct a performance review of the Perkins Program.

Supervisor Johnson questioned whether there would be any type of spot checking conducted to ensure that nothing gets out of order.

Mr. Brown answered that the Internal Audit Office would continue to meet with the person responsible for conducting the financial monitoring of the Perkins Program to ensure that budgets are being complied with.

d. Follow-ups on Prior Year Audits

Mr. Brown noted that follow-ups of prior year audits had been conducted and no major issues resulted.

Supervisor Murphy asked for an update on a previous deficiency related to student financial aid and Pell grants.

Mr. Brown responded that this issue had been resolved.

e. LTC Internal Control Reviews

Mr. Brown stated that the LTC began their operating centers last year. He reported that Region 6 campuses were reviewed last year. He added that this year, 3 campuses in Region 4 have been reviewed. He noted that this process is very time consuming and the decision was made to create a training program to address the issues that are occurring, instead of going out to each campus. The training program will be conducted regionally.

Committee members discussed this issue at length. It was noted that the predominant finding at the campuses involved movable property.

Mr. Henderson stated that this is the first year that this issue is included in the management review of the regional directors. He stated that the regional directors are required to critique their property certification to determine and identify if there are elements that are out of their control and take steps to correct the problem, if needed.

f. LTC Bank Reconciliations

Mr. Brown stated that the Internal Audit Office began looking at the LTC bank reconciliations in July 2007. He noted that the bank reconciliations have been completed through January 2008 and spot checks will be conducted

going forward. Mr. Brown stated that he had received approval and funding from Jim Henderson to hire a senior student in accounting to work as an intern with Internal Audit to conduct the reconciliations.

g. Information Technology

i. Employee Matches to Vendors

Mr. Brown reported that the initial Audit plan included work to determine whether any employees are doing business with the LCTCS, but due to the work involved with the LTC bank reconciliations, this issue has not been addressed. He noted that work on this item will begin next fiscal year.

ii. Disaster Recovery

Mr. Brown reported that the System Office, Nunez Community College, SOWELA Technical Community College and Delgado Community College have been reviewed to determine whether a Disaster Recovery Business Continuity Plan exists. He stated that all campuses have good plans on what to do if a hurricane is coming. He added that areas that remain weak include procedures on how to re-open and get productive again. He noted that the System has an advantage by having individuals at the various campuses that have experienced a major disaster and have had to go through the recovery process. He stated that he has asked these individuals to share their experiences and put in writing the process that they followed to get their campus back up and running.

h. Encryption of Data

Mr. Brown stated that an Encryption Policy exists that states that if an employee leaves his office with a thumb drive, laptop, etc., that contains confidential information, it must be encrypted. He reported that he requested certification from each college stating that the policy has been communicated to all staff. He stated that he has received this certification from all System colleges.

i. Grants

i. Regents Hurricane Grant to Region 1 – issued – regents issues

Mr. Brown stated that the Regents Hurricane Grant under Region 1 had been reviewed and resulted in a report with a finding stating that the initial invoice submitted did not contain any significant support, which could possibly result in a request from Regents to return the money. Mr. Brown recommended that documentation be located to show support for expenditures. He noted that Regents did conduct an audit and issued a report with a finding stating that approximately \$60,000 in funds remains

undocumented, instead of the initial amount of \$700,000. Region 1 has until December 31st to provide additional information for the remaining funds.

ii. Pathways

Mr. Brown reported that a review of the Pathways to Construction grant is being conducted. He stated that the review of the River Parishes Community College has been completed and resulted in 2 minor findings. He added that reviews are currently being performed at Baton Rouge Community College and SOWELA Technical Community College.

j. Cash Cards (BRCC and Delgado)

Mr. Brown reported that the review conducted regarding cash cards determined that Baton Rouge Community College and Delgado Community College currently offer this service to their students. He stated that the amount involved is small (approx. \$5,000), and does not warrant further review.

k. Moveable Property Procedures

Mr. Brown reiterated that training programs have been created and training at LCTCS campuses will begin this fall.

l. Exceptions to Employee Job Descriptions

Mr. Brown reported that no work was done on this item. He added that work was conducted at the LTC-Avoyelles Campus on a special project.

4. LTC Pell Distribution Update

Mr. Brown distributed a handout to Committee members providing information on the distribution of Pell grant funds to students. He noted that an issue had existed at the LTC campuses where a large number of students were not receiving their Pell checks until the semester was almost over. He stated that Mr. Jim Henderson had met with representatives from the LTC and instituted a plan for distribution of the Pell funds. The document distributed showed a comparison of the Fall 2007 semester and the Spring 2008 semester as it related to the percentage of Pell grant dollars dispersed at the campus. The figures showed a marked improvement in the distribution of the Pell funds.

Mr. Brown commented that the campuses were under the misconception that required the checks be held until after the 14th class day.

Board member congratulated Jim Henderson and Allen Brown on this impressive accomplishment.

Supervisor Murphy asked if it would be possible to include information on the number of student affected by the Pell grant funds.

Mr. Brown responded that this information could easily be added to the chart.

5. 2008-2009 Audit Plan Recommendations

Mr. Brown distributed the Internal Audit Plan-Internal Audit Suggestions for 2008-2009, and reviewed the items with the Audit Committee members.

For 2008-2009:

1. Elected Officials – mandated by Board – time and attendance records are reviewed on elected officials. Currently, the LCTCS has 17 elected officials employed with the LCTCS. Supervisor Murphy asked to receive a list of the elected officials. Mr. Brown stated that he will forward the list to Bonni Blouin for distribution to the committee members.
2. LTC Student Data – mandated by Board – LTC Student Data report is required by law.
3. Performance audit on Perkins – performance audit on Perkins procedures will continue.
4. Who can set up a vendor in PeopleSoft, BPCC, BRCC, and Delgado (IT)? Mr. Brown stated that one of the areas to be reviewed in the IT area relates to who is authorized to set up a vendor in PeopleSoft/Banner. He explained that a person who is authorized to set up a vendor should not be able to process a payment to ensure that there is no conflict of duties.
5. Fees and waivers – Mr. Brown has a listing of all fees and waivers from the LCTCS colleges. Each fee and waiver will be reviewed to determine that they have been approved by the Board and/or if they are in compliance with the law.
6. Pell monitoring – Monitoring of Pell funds will continue. Mr. Brown expressed thanks to Gerald Mayeaux and Shannon Sedberry for their assistance in this area.
7. Follow-up on prior year reports – Follow-up on prior year audit reports will be conducted to ensure that campuses are following through with corrective procedures.
8. Review of purchasing at various campuses – Reviews will be conducted to determine who is doing the purchasing at the System colleges, purchasing agents, bidding and quotes, etc.
9. Training initiative for remaining LTC Regions – plan to conduct training in the late fall.
10. Information on prospective students – What schools maintain related to inquiries about enrolment (follow-up calls) contacts...etc. – A review will be

conducted to determine what campuses do to collect data from prospective students that contact the school for information and determine best practices.

Supervisor Smith stated that he felt you should be able to register at any campus to attend any campus and registration should be available on-line.

Dr. May responded that the new student data information system would allow this opportunity to students.

11. Special projects as they may arise.

12. LTC bank reconciliations – bank reconciliations for the LTC will continue.

6. Other Business

There being no further business to come before the Audit Committee, the Committee adjourned at 8:50 a.m.