

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

**November 8, 2011  
4:00 p.m.**

**Country Inn and Suites  
130 Holiday Blvd.  
Covington, LA 70433**

### **MINUTES**

#### 1. Call to Order by Committee Chair

LCTCS Board Supervisor Keith Gamble, Chair, Audit Committee, called the meeting to order at 4:00 p.m.

#### 2. Roll Call

Bonni Blouin, Coordinator of Board Services, called the roll to establish a quorum. The following Audit Committee members were in attendance: Keith Gamble, Chair; Helen Bridges Carter; Deni Grissette, Vice Chair; Michael Murphy; Woody Ogé; Paul Price; Stevie Smith; and, Vincent St. Blanc, Ex Officio. Additional Board members present for the meeting were: Edwards Barham. LCTCS staff present for the meeting included: Dr. Joe May, LCTCS President; John Paul Domiano, Director, Internal Audit; Jan Jackson, Senior Vice President; Crystal Curtis, Internal Audit and Dr. Monty Sullivan, Executive Vice President. Guests at the meeting included: Dr. Jim Horton, Interim Chancellor, Baton Rouge Community College; Dr. Phyllis Dupuis, Interim Chancellor, South Louisiana Community College and Regional Director, Region 4; Ms. Debbie Lea, Interim Chancellor, Delgado Community College; Harold Gaspard, Delgado Community College; and, Pam Diez, Baton Rouge Community College.

Mr. Domiano introduced Crystal Curtis and stated that she is an employee with the LCTCS and works in the Office of Internal Audit.

#### 3. SOWELA – Legislative Auditor Report

Mr. Domiano stated that the SOWELA report has not been made public by the Legislative Auditor's Office and therefore cannot be discussed in a public meeting. He stated that he spoke with the Legislative Auditor's Office a couple of weeks ago and was told that the report would be made public by today's meeting, but that did not occur.

Dr. May noted that the report is likely to be released tomorrow. He stated that this issue is time sensitive because SOWELA needs the report for their SACS accreditation. He added that this topic will be discussed at the next meeting.

Mr. Domiano added that the report released tomorrow will be an internal first draft and will not be made for public release but the report will be submitted to SACS for SOWELA's accreditation purposes. He stated that the report will be released to the general public on Monday, November 14<sup>th</sup>.

#### 4. Delgado – Inspector General Report

Mr. Domiano stated that the Inspector General Report on Delgado Community College was issued in July 2011. He stated that the report indicated that an instructor received teaching contracts and accepted compensation from Delgado in the amount of \$6,000 to teach classes that she did not teach between the summer semester of 2009 and fall semester of 2010. He added that the employee admitted to only teaching two students in all of the classes for which she had contracts. Mr. Domiano noted that the employee and her supervisor claimed she was paid the \$6,000 because she had performed extra work in previous semesters for which she had not been paid.

Mr. Domiano stated that additional issues resulted from the report and he discussed them with the Committee: 1) at the beginning of the investigation the Office of the Inspector General found that employees of the Delgado Fitness Center were paid an hourly wage while simultaneously performing work that they were being paid for through teaching contracts. He stated that Delgado has stopped this practice and has implemented a new policy to prevent this from reoccurring; 2) employees at the City Park Campus had regularly signed timesheets for other employees with no direct knowledge of the hours actually worked. Additionally, Delgado employees signed employment contracts for other employees. Mr. Domiano stated that Delgado has since issued a directive to remind office staff that all contracts and timesheets must be signed directly by the responsible employee.

Supervisor Ogé questioned whether the overpayment was repaid or wages garnished.

Interim Chancellor Debbie Lea responded that the findings in the Inspector General's report related to the fitness center regarding contracts has been clarified. She stated that an internal committee was formed to review each of the findings. The internal committee provided a recommendation that the \$6,000 be repaid and she noted that an arrangement has been made with the individual to collect the money. She added that the committee looked at the hours worked and whether or not the college owed the individual compensation. She stated that an audit was performed by the Finance Office and it was determined that the contract used to pay the individual was incorrect – it should not have been a teaching contract, it should have been a part-time contract. She stated that the individual will be credited the amount for the hours she did work. She further stated that the committee recommended action against the supervisor. The supervisor has been removed from her position and she will no longer be allowed to write any contracts. In addition, the college has initiated training across the

board/college at all campuses for anyone involved in the contract writing process. She shared that through the Inspector General's and the internal investigation, no findings indicated that there was any intent to defraud on behalf of the supervisor or the employee. The wrong contract was used to compensate the individual.

Dr. May commented that he appreciated the way Delgado handled this situation. He noted that any time there is a failure in a process, it is expected that the college will take action and respond appropriately. He added that one of the challenges in this situation was that the System Office found out about the issue at the same time that it was reported in the newspaper which meant that the response to the media was not what it should have been. Dr. May stated that he asked Mr. Domiano to contact the Inspector General's Office to have a conversation regarding this issue.

Mr. Domiano stated that he spoke to the Inspector General's Office and has worked out a process that will notify the System Office prior to a report being submitted on a LCTCS college.

Ms. Lea stated that the Delgado staff was informed by the Inspector General's Office that they could not speak to anyone about the report, under penalty of law. She stated that she received approval to share the information with the System Office and to speak to an attorney about this issue.

#### 5. Acadiana Technical College – Nursing Program

Mr. Domiano stated that the Office of Internal Audit issued a report in September 2011 on findings related to the nursing program at the Acadiana Technical College. He reviewed the findings of the report. He stated that the Louisiana State Board of Practical Nursing Examiners (LSBPNE) is responsible for issuing licenses to all practical nurses in Louisiana. Beginning January 1, 2011, the LSBPNE implemented a new requirement that all practical graduates had to have a FBI background check on file with their board before the student was eligible to sit for their Practical Nursing Licensing exam. The college had a responsibility to inform the students of this new requirement. The finding indicated that the college did not inform the May 2011 graduates of this requirement and as a result, the graduates were delayed in sitting for their licensing exams. Twenty-one students of the May 2011 class were delayed in taking their exam. Two students have not received their licenses, through no fault of the college, and the other nineteen (19) students have received their licenses. Mr. Domiano stated that follow-up was conducted to ensure that the December 2011 graduates have been notified of this requirement.

Mr. Domiano stated that the instructor who failed to notify the students of this requirement has retired. The college has put controls in place to ensure that this does not happen again. Additionally, the college was fined \$500 by the LSBPNE.

6. SLCC – Care and Development of Young Children Program

Mr. Domiano stated that the Office of Internal Audit issued a report on the Care and Development of Young Children Program (CDYCP) at the South Louisiana Community College in September 2011. He reported that the report states that an instructor gave two students grades that they did not earn. He noted that the students were interviewed and both students indicated that they had never taken any tests or completed any assignments for the classes. The instructor was interviewed and could not provide an adequate explanation for her actions and has since resigned.

Mr. Domiano stated that they became aware of the issue because the students worked for a regional child care agency and SLCC sent the agency a tuition invoice for the classes the students had supposedly taken. The agency disputed the invoice and the problem was identified and audited.

Dr. Dupuis stated that as soon as they were notified by the child care agency that there was a dispute, Internal Audit was contacted to investigate the issue. She added that the college has instituted a policy to ensure that this does not reoccur.

7. BRCC – Athletics

Mr. Domiano stated that the Office of Internal Audit issued a report on the Athletics Program at Baton Rouge Community College (BRCC) in October 2011. He reported that BRCC competes in four sports – baseball, softball and men’s and women’s basketball. The National Junior College Athletics Association (NJCAA) governs the athletics program for junior colleges and BRCC is a member of this organization and must follow the rules set forth by NJCAA. During the 2010-2011 academic year, BRCC self-reported to NJCAA three rule violations related to the men’s basketball team. Two violations were for eligibility issues and one violation was for student athletes receiving meals that were not included in their scholarships. As a result, BRCC had to forfeit seventeen (17) games and BRCC asked the Office of Internal Audit to investigate the sports program to determine if there were any additional issues. Mr. Domiano reported that the investigation resulted in four reportable issues – three issues are with the men’s basketball team and one with the BRCC baseball coach. He reviewed each of the issues with the Audit Committee and discussed each issue at length.

Dr. Jim Horton, Interim Chancellor, BRCC, provided background on these issues and stated that fundamentally the problem resulted from a structural issue with the athletics program at BRCC and he feels that it has been resolved. He stated that the structural issue is that the program was not financially supported to the level that it needed to be and he did not find any malfeasance within the program. Dr. Horton reported that he brought in an individual to create a plan to address the issue and they are working to get the athletic program back on track. He added that a new Athletic Director and basketball coach have been hired. He further stated that he is working to determine a reasonable level of institutional support so this information can be accurately included in the Letter of Intent.

A discussion was held on whether or not the athletic program at BRCC was viable and whether it should continue.

Dr. Horton stated that no tax dollars have been spent on the athletic program. He noted that the students voted themselves a 3-time increase in athletic fees to cover the cost of the program. He noted that they are allowed by law to use tax payer money to help underwrite the program. He added that they will either have to support the program or not have Division I athletics. He stated that once a Division I program is started and the community becomes involved, it is hard to end it. He further stated that he felt once the program gets back on track they would receive significant support from the community.

#### 8. Perkins

Mr. Domiano reported that the fiscal review for the Perkins program has been completed. He stated that new work on three colleges within the LCTCS and follow-up work on 5 colleges was performed. He reported that no major issues were found.

#### 9. Elected Officials

Mr. Domiano reported that the work on elected officials is close to completion. He stated that two current elected officials did not have their outside employment forms approved before they were sworn in as required, but have since gotten their forms approved and there were no other problems found. He noted that the LCTCS currently has about fifteen (15) elected officials.

#### 10. Current Work

Mr. Domiano reported on the current work of the Office of Internal Audit.

Banner Implementation Testing – Mr. Domiano stated that the Office of Internal Audit is coordinating with the legislative auditor's office and performing controls testing on the new Banner system. He noted that the purpose is to obtain assurances for internal purposes and to reduce the amount of work the Legislative Auditors will perform and hopefully reduce their bill.

Perkins 2010-2011 – Mr. Domiano stated that the colleges to be reviewed for 2010-2011 have been selected and the work has begun for the new year.

#### 11. Adjournment

**There being no further business to come before the Audit Committee, on motion of Supervisor Smith, seconded by Supervisor Ogé, the Audit Committee adjourned at 5:00 p.m.**