

Louisiana Community and Technical College System Audit Committee Meeting

**March 12, 2008
8:00 a.m.**

(Board Ante-Room)

MINUTES

1. Call to Order by Committee Chair – Carl Franklin

Board Supervisor Kathy Sellers Johnson served as Acting Committee Chair in Carl Franklin absence, and called the Audit Committee meeting to order at 8:08 a.m. (Mr. Franklin arrived to the meeting at 8:10 a.m. and assumed the duties of Chair).

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, Keith Gamble, Kathy Sellers Johnson, Mickey Murphy, Vinney St. Blanc and Brett Mellington, Ex-Officio member. Board member Tommy Clark was also in attendance. Other LCTCS staff present for the meeting: Dr. Joe May, President; Allen Brown, Director of Internal Audit; John Paul Domiano, Internal Audit; Jan Jackson, Senior Vice President of Finance and Administration; Jim Henderson, Senior Vice President for Career and Technical Education; Shannon Sedberry, Finance; Reba Poulson; Perkins Program; Greg Speyrer, Director of IT; Leo Hamilton, General Counsel for LCTCS; and, Adam Rainey, Legislative Auditor.

3. Current Work Update – Allen Brown

Mr. Allen Brown provided an update on work that is currently being conducted by the LCTCS Internal Audit Office.

a. Completed Perkins Monitoring

Mr. Brown reported that financial monitoring of the Perkins Program is currently being conducted at the Louisiana Technical College (LTC) campuses. He noted that a few small findings (approx. \$3,000 mainly related to travel), have resulted from the monitoring. He voiced a concern related to Perkins and the purchase of equipment. He stated that campuses are required to submit a yearly Local Application Plan (LAP), which is the campus plan for the next year. A big portion of that LAP will be equipment. He noted that many times, a campus will not purchase the equipment until late in the fiscal year. The concern is that equipment is supposed to be purchased to accomplish a program and it is not purchased until late in the year, which may result in an audit finding. This issue will be reviewed further.

Mr. Henderson noted that a new LAP process has been instituted and a committee has been established to look at the entire process of developing the LAP and the contents of the LAP and focus is being concentrated on the strategic intent of Perkins funds. He added that one of the outcomes of the committee is to ensure that the process to develop the LAP is efficient and is focused as much on strategy as the process, and that a 2nd and 3rd year component are added to the LAP.

Mr. Brown added that future Perkins monitoring will be conducted by LCTCS Perkins Division in the System Office.

b. LTC Bank Reconciliations

Mr. Brown reported that on July 1, 2007, the LTC regions established their own bank accounts. At that time, discrepancies existed in bank balances and book balances. At the instruction of the Audit Committee, the Internal Audit Office requested regions submit their bank statements and reconciliations to the System Office to be reviewed. A Bank Reconciliation Status of the LTC, as of March 12, 2008, was distributed to Audit Committee members. Mr. Brown stated that the campuses are working hard and are doing well and have progressed to a large degree on their knowledge of the reconciliation process. Training has been provided to campuses where it is needed and spot checks will be conducted through May 2009.

c. Transfer of Monitoring Responsibility to Perkins Division in System Office

This issue was discussed earlier in the meeting (under item 3.a.).

d. LTC Pell Observations

Mr. Brown stated that observations were made in Fall '07 that students registered at the LTC for the fall semester had not received their PELL checks by December '07. He stated that it was determined that vouchers were not being submitted by the campuses until October/November. He noted that some campuses were under the incorrect belief that students could not be paid until 60% of the semester had been completed. He stated that Jim Henderson met with Regional Financial Officers and notified them of requirements to provide checks in a timely manner. As a result, students registered for the Spring semester should have received checks by March 1st. Mr. Brown reported that John Paul Domiano ran daily queries to monitor the submission of check vouchers from each campus. He noted that improvements have been realized and monitoring will continue.

Mr. Henderson clarified that the campuses were following the process/system that had been established at their schools. He stated that the new timeline will include a deadline for submitting Pell checks within 10 working days of the 14th class day.

Mr. Brown stated that a finding from the legislative auditor has resulted from delinquent returns of Title 4 funds. He added that this year's finding has a substantial increase resulting from a more inclusive survey.

Mr. Brown added that work has begun on the review of the Pathways grant. He stated that work has been completed at River Parishes Community College and Baton Rouge Community College. A report will be issued by college.

e. Disaster Recovery Plan Reviews

Mr. Brown reported that Internal Audit is in the process of looking a Disaster Recovery Plans for the System Office (LCTCS), Delgado Community College (DCC) and SOWELA Technical Community College (SOWELA), and Nunez Community College (Nunez), to determine that a disaster recovery plan is in effect and whether it has been tested. He noted that the LCTCS Human Resources documents are recorded in DocuShare, which is located off-site. 80% of Board packets/minutes have been completed.

f. Discussion of LTC Student Data Report

Mr. Brown reported that Student Data work has begun and work at two campuses has been completed.

4. Elected Officials - Work to start in May

Mr. Brown stated that work will begin in May, 2008, to assess elected officials to determine that they are following the proper reporting procedures. Currently, twenty-one (21) elected officials are employed with the LCTCS.

A brief discussion followed regarding Senate Bill 1 from the 2008 Special Session. Mr. Brown stated that all Board members will receive a copy of the bill for review.

5. Two Vacant Positions

Mr. Brown reported that the Internal Audit Office has two vacant positions. He noted that an exception to the current State hiring freeze has been acquired and applications for the vacant positions have been received. Interviews will be conducted next week.

6. Other Business

No other business was presented for consideration by the Audit Committee.

There being no further business to come before the Audit Committee, the meeting adjourned at 8:41 a.m.