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Darell Richardson

Louisiana
Community
& Technical
College System

265 South Foster Drive
Baton Rouge, LA 70806

Phone: 225-922-2800
Fax: 225-922-1185

www.lctcs.edu

LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

LCTCS BOARD OF SUPERVISORS AUDIT COMMITTEE MEETING

DRAFT MINUTES

Wednesday, December 13, 2017
9:00 a.m.

The Louisiana Building
Baton Rouge Community College
201 Community College Drive, Baton Rouge, Louisiana 70806

*** The Board of Supervisors of the Louisiana Community and Technical College System reserves the right to enter into Executive Session in accordance with R.S. 42.16-17.*

A. Call to Order by Committee Chair

Chair Potts called the December 13, 2017, LCTCS Board of Supervisors Audit Committee meeting to order at 9:01 a.m.

B. Pledge of Allegiance

Supervisor Ogé led the group in the Pledge of Allegiance.

C. Roll Call

Board Coordinator, Sara Kleinpeter conducted the roll call with the following results:

Members Present

Audit Cmt:
Joe Potts Willie Mount
Helen Carter Chip Jackson
Craig Spohn

Absent

Paul Price, Jr.

Staff Present

Monty Sullivan Joe Marin
Sara Kleinpeter Emily Campbell
Michael Redmond Jeff Fleming
Brian Straus Jeremy Tanksley
Leo Hamilton
Chancellor Jimmy Sawtelle
Chancellor Christine Strickland
Chancellor Tommy Warner

Other Members:

Woody Ogé Stephen Smith
Darrell Richardson Vinney St. Blanc

D. Approval of Minutes of September 20, 2017 Meeting

On motion by Supervisor Mount, seconded by Supervisor Carter, the Audit Committee of the LCTCS Board of Supervisors voted to approve the September 20, 2017, meeting minutes. The motion carried.

E. Report

a. Issued Reports

Michael Redmond introduced the Internal Audit staff members – Jeff Fleming, Internal Audit Manager, and new staff auditors, Brian Straus and Jeremy Tanksley.

Jeff Fleming, provided an update on current projects. LCTCS Internal Audit Department conducted an audit, per a complaint received, on the BRCC Technology Fee. There were a number of issues found

with the fee, but none related to the salary of LCTCS Board Members, per the complaint. BRCC has put a corrective action in place to fix the issues uncovered by the review.

LCTCS Internal Audit conducted Carl D. Perkins Fiscal Assurance reviews with Southern University in Shreveport (SUS) and South Louisiana Community College (SLCC). Southern University In the future, the Perkins Staff will conduct these reviews. SUS had corrected issues from 2016 and had no issues found in 2017. SLCC was found to have insufficient controls over time and effort certifications. SLCC has put an action plan in place to correct the issue.

The Louisiana Legislative Auditor issued seven reports for LCTCS Colleges: SOWELA Technical Community College, River Parishes Community College (RPCC), Northwest Technical Community College (NWTCC), Central Louisiana Technical Community College (CLTCC), Fletcher Technical Community College (FTCC), Nunez Community College (NCC), and Northshore Technical Community College (NTCC). Mr. Fleming noted that CLTCC was found, for the third time, to have inappropriate access to the Banner system and for the second time, an issue was found with the segregation of duties over cash controls. Chancellor Sawtelle shared with the committee that CLTCC is actively working to remedy the problems that are highlighted in the audit.

Nunez Community college was found by the LLA that two unclassified employees were paid retroactively. The college did not concur with the finding, stating that the payment was related to a federal grant. Chancellor Warner stated that the federal grant operators informed NCC that the two employees were not being paid the prevailing wage. Mr. Fleming noted that the LLA also found that NCC had a lack of controls in payroll and that a former employee had access to systems up to four months after separation.

Mr. Redmond noted that a lack of control finding does not indicate evidence of improper transactions taking place. There was a lengthy discussion of how the lack of resources at campuses have implicated the audit finding. The lack of funding coupled by the merger of campuses, and the rate at which those two things are happening, have not allowed the system to be able to keep up technologically. Dr. Sullivan asked Mr. Marin to provide a copy of the IT Security Plan to the next Audit Committee meeting.

FTCC was cited for a lack of control in the file sharing system at FTCC. The file server at FTCC was hit with cyber threat. Chancellor Strickland noted that corrective action was immediately taken and the threat was neutralized. Additionally, FTCC has provided education to staff on safety processes

Mr. Redmond noted that reports were issued and issues were found at SOWELA, RPCC and NTCC with only minor findings.

b. Current Projects

Mr. Redmond noted that there are three projects that being conducted by the internal audit department.

- Aiding in the claims process and investigation for the Flying Tigers Aviation Program at Louisiana Delta Community College.
- Investigation the accumulation and use of overtime and compensatory time at the colleges. Three major issues were found and are related to eligibility policy, prior approval, and reason/justification.
- Our Louisiana 2020 Data submitted on goals #1, #4, #5

F. Fiscal Health Report

Mr. Marin provided the committee with the most recent fiscal health index, conducted twice yearly. He noted that Bossier Parish Community College, Central Louisiana Technical Community College, and Louisiana Delta Community College are still being watched carefully, but appear to be healthier and in better standing than in the past. He noted that Baton Rouge Community College (BRCC) has been healthy in the past but has recently had to tap into reserve funding for operational costs.

G. Institutional Review of Nunez Community College

Dr. Sullivan noted that an administrative review of Nunez Community College is being conducted by Mr. Marin and his team. The review will include a thorough review of the finances, human resources, IT systems, facilities, financial aid, and all aspects of operations. Mr. Marin stated that the college is financially stable and operating extremely well. The review will be a written document that will be shared with Dr. Sullivan and the incoming chancellor. The SWOT (strengths, weaknesses, opportunities and threats) analysis will be completed in the next week or two. Dr. Sullivan thanked Chancellor Warner for requesting this review, and noted that it may be a good practice for future leadership changes at LCTCS colleges.

H. Questions and other Business

Mr. Redmond noted that there are many who have not completed the ethics review for 2017; they must complete the training by December 31, 2017.

I. Adjournment

On motion by Supervisor Ogé, seconded by Supervisor Mount, the Audit Committee of the LCTCS Board of Supervisors adjourned at 9:57 a.m.