

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,  
Westside Campus  
Department of Education  
Board of Elementary and  
Secondary Education  
State of Louisiana  
Plaquemine, Louisiana

June 4, 1997



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***Financial and Compliance Audit Division***

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***Daniel G. Kyle, Ph.D., CPA, CFE***  
***Legislative Auditor***

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WESTSIDE CAMPUS  
DEPARTMENT OF EDUCATION  
BOARD OF ELEMENTARY AND  
SECONDARY EDUCATION  
STATE OF LOUISIANA  
Plaquemine, Louisiana**

**Management Letter  
Dated April 25, 1997**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

June 4, 1997



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
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April 25, 1997

**LOUISIANA TECHNICAL COLLEGE,  
WESTSIDE CAMPUS  
DEPARTMENT OF EDUCATION  
BOARD OF ELEMENTARY AND  
SECONDARY EDUCATION  
STATE OF LOUISIANA  
Plaquemine, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ending June 30, 1997, we conducted certain procedures at the Louisiana Technical College, Westside Campus. Our procedures included (1) a review of the technical college's internal control structure; (2) tests of financial transactions for the years ending June 30, 1997, and June 30, 1996; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ending June 30, 1997, and June 30, 1996.

The Annual Fiscal Reports of the Louisiana Technical College, Westside Campus were not within the scope of our procedures, and, accordingly, we offer no form of assurance on those reports. The technical college's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Our procedures included interviews with management personnel and selected technical college personnel. We also evaluated selected documents, files, reports, systems, procedures, and policies as we considered necessary. After analyzing the data, we developed recommendations for improvement. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

Based upon the application of the procedures referred to previously, all significant findings are included in this report for management's consideration.

**Noncompliance With Movable Property Regulations**

The Louisiana Technical College, Westside Campus has not implemented the appropriate internal control procedures to ensure that all movable property regulations as prescribed by the Commissioner of Administration and Louisiana Law are followed. Louisiana Revised Statute 39:321 and Louisiana Administrative Code 34:VII.307 require that acquisitions be tagged, and information forwarded to Louisiana Property Assistance Agency (LPAA) within 45 days of receipt of the movable property item. In

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addition, an adequate system of internal control requires that control procedures be in place to ensure that movable property is properly safeguarded against loss arising from unauthorized use, that movement of items from one location to another is recorded, and that errors in processing transactions are recognized and corrected in a timely manner. Our tests of movable property disclosed the following:

1. Of 139 movable property items tested, 76 items (costing \$75,071) were not tagged and reported to LPAA within 45 days as required by state regulations. After receiving an item, an average of 79 days lapsed before an item was tagged.
2. The technical college's Annual Certification of Property Inventory dated February 14, 1997, stated that the technical college could not locate 37 items costing \$27,238 out of 527 items totaling \$651,296. There was no documentation to indicate the location or disposition of these items.

These instances of noncompliance occurred because the movable property manager performs several accounting tasks for the technical college. Weak controls over movable property increases the risk that movable property items may be lost, removed, or misused without timely detection and results in inaccurate reporting of financial information.

The Louisiana Technical College, Westside Campus should ensure that all property is tagged and the required information is transmitted to LPAA timely. In addition, the technical college should establish procedures to properly safeguard its movable property against loss or misuse. In a letter dated April 28, 1997, Mr. Alfred S. Bell, Director of the Louisiana Technical College, Westside Campus, concurred with the finding and recommendation and stated that memorandums have been addressed to the staff outlining movable property procedures and instructing the staff to follow state guidelines in tagging and reporting movable property to LPAA. Personnel violating these policies will be subject to disciplinary action.

The recommendations in this report represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the technical college. The varying nature of the recommendations, the implementation costs, and the potential impact on operations of the technical college should be considered in reaching decisions on courses of action. Findings relating to the technical college's compliance with applicable laws and regulations should be addressed immediately by management.

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This report is intended for the information and use of the technical college and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is written in a cursive style with a large initial "D".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

YYD:WMB:dl

[LTC-WEST]