

BOSSIER PARISH COMMUNITY COLLEGE

LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
MANAGEMENT LETTER
ISSUED DECEMBER 22, 2021

**LOUISIANA LEGISLATIVE AUDITOR
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Louisiana Legislative Auditor

Michael J. “Mike” Waguespack, CPA

Bossier Parish Community College



December 2021

Audit Control # 80210073

Introduction

As a part of our audit of the Louisiana Community and Technical College System (System) and our work related to the Single Audit of the State of Louisiana for the fiscal year ended June 30, 2021, we performed procedures at Bossier Parish Community College (BPCC) to provide assurances on financial information that is significant to the System’s financial statements; evaluate the effectiveness of BPCC’s internal controls over financial reporting and compliance; and determine whether BPCC complied with applicable laws and regulations.

Results of Our Procedures

Current-year Finding

Noncompliance with Gramm-Leach-Bliley Act Regarding Student Information Security

BPCC did not have a formal documented risk assessment or related safeguards that address the following minimum requirements of the Gramm-Leach-Bliley Act standards for safeguarding student information:

- Employee training and management; and
- Information systems including network and software design, as well as information processing, storage, transmission, and disposal.

BPCC has information technology policies and practices that require employee training, information technology security policies and procedures, a documented disaster recovery plan, and password policy, but has not performed a formal documented risk assessment including safeguards to address identified risk as required by federal regulations. As a result, there is an increased risk for unauthorized disclosure, misuse, alteration, destruction or other compromise of student information and results in noncompliance.

Management should develop, implement, and maintain information security programs that include a formal documented risk assessment specific to the Gramm-Leach-Bliley Act and implement safeguards to control the risks identified in regards to student information. Management did not concur with the finding (see Appendix A).

Additional Comments: Management’s response describes a tool used to address employee training and management, as well as regular cybersecurity scans, which are risk measurement tools; however, it is not a risk assessment. Management’s risk assessment needs to be documented and specific to the Gramm-Leach-Bliley Act.

Financial Statements – Louisiana Community and Technical College System

As a part of our audit of the System’s financial statements for the year ended June 30, 2021, we considered BPCC’s internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

Statement of Net Position

Assets – Cash and Cash Equivalents, Receivables, and Due from Federal Government

Liabilities – Accounts Payable and Accruals, and Unearned Revenues

Net Position – Investment in Capital Assets, Restricted-Nonexpendable, Restricted-Expendable, and Unrestricted

Statement of Revenues, Expenses, and Changes in Net Position

Revenues – Student Tuition and Fees net of Scholarship Allowances, Federal Nonoperating Revenues, and Coronavirus Aid, Relief, and Economic Security (CARES) Act Revenues

Expenses – Education and General

The account balances and classes of transactions tested are materially correct, as adjusted.

Other Procedures

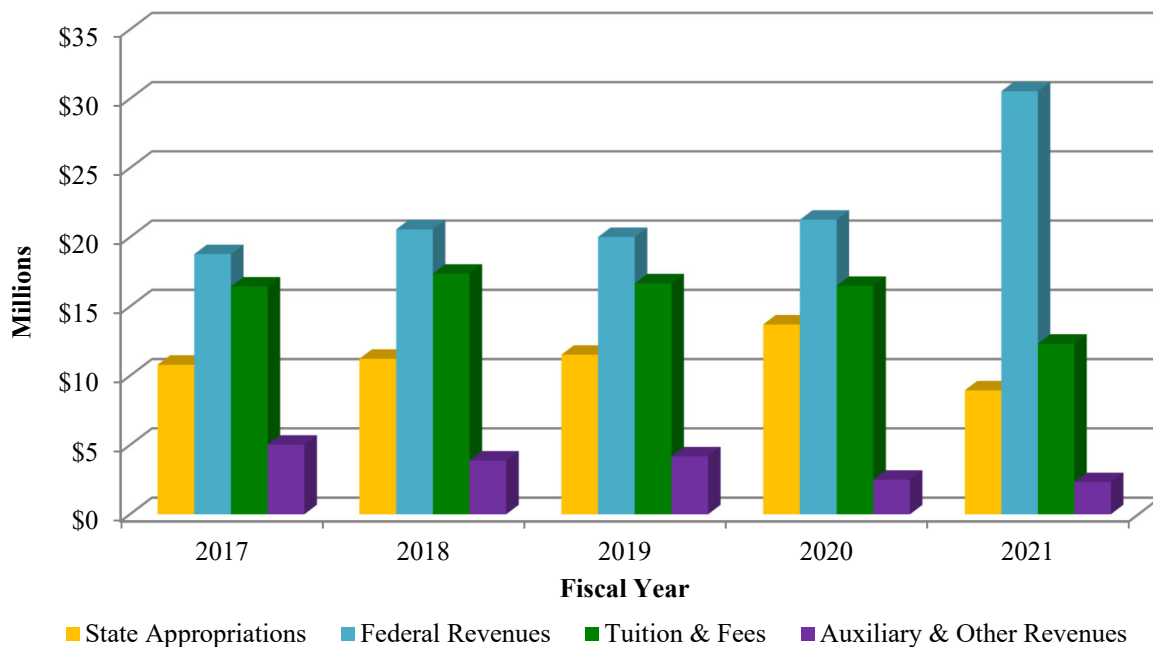
In addition to the System procedures noted above, we performed limited procedures on the Student Financial Assistance Cluster. Based on the results of these procedures, we reported a finding related to Noncompliance with Gramm-Leach-Bliley Act Regarding Student Information Security, as described previously.

Trend Analysis

We compared the most current and prior-year financial activity using BPCC’s Annual Fiscal Reports and/or system-generated reports and obtained explanations from BPCC’s management for any significant variances. We also prepared an analysis of revenues, expenses, and enrollment over the past five fiscal years, as shown in Exhibits 1 and 2.

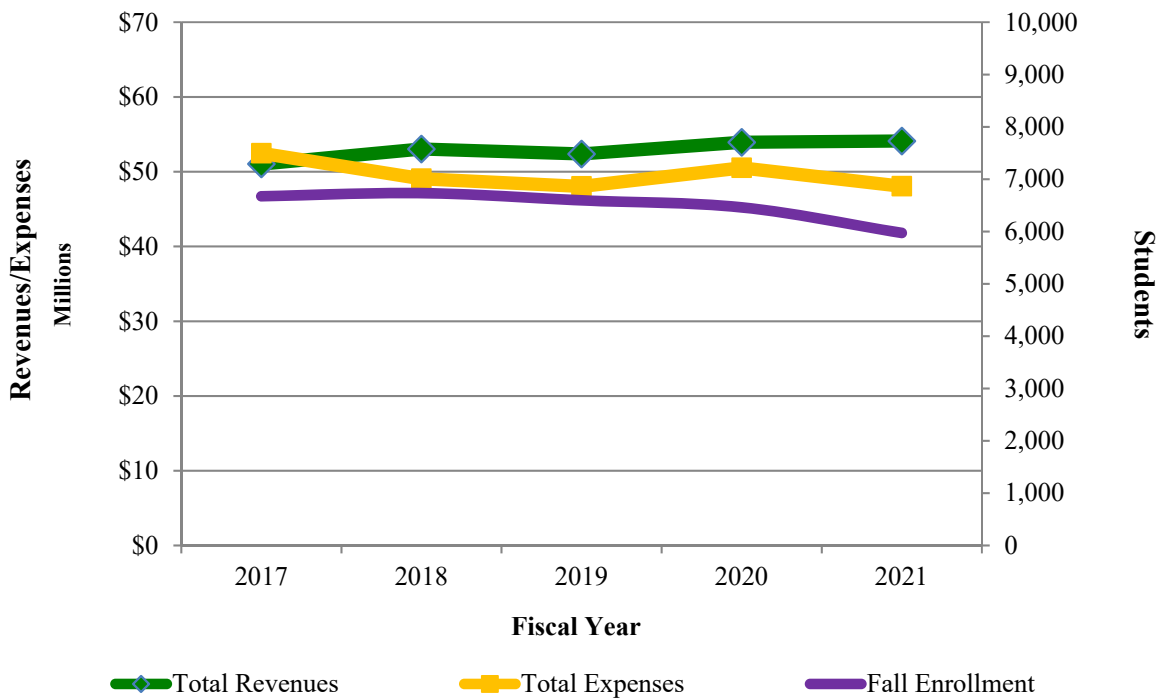
In analyzing financial trends of BPCCC over the past five fiscal years, total revenues have exceeded total expenses, while enrollment has declined in the past two fiscal years. Revenues increased in fiscal year (FY) 2018 due to increases in tuition and fees and federal Pell revenues resulting from increased enrollment. Revenues continued to increase in FY 2020 and FY 2021 due to federal CARES Act funds received, totaling \$4.3 million and \$14.4 million, respectively, as a result of the novel coronavirus disease 2019 (COVID 19) pandemic. However, enrollment and tuition and fees revenues declined, as students had difficulty changing to predominately online courses. Total expenses declined in FY 2021 due in part to decreases in student scholarships, instructional staff, maintenance, and student services costs which exceeded the increase in communication and other equipment costs associated with COVID -19 conditions. State appropriations decreased in FY 2021 due in part to swapped CARES Act funds, which reduced state funding for FY 2021. The decrease in other revenues in FY 2020 was due to several state grants ending.

**Exhibit 1
Five-Year Revenue Trend**



Source: Fiscal Years 2017-2021 BPCCC Annual Fiscal Reports, as adjusted

**Exhibit 2
Fiscal/Enrollment Trends**



Source: Fiscal Years 2017-2021 BPCCC Annual Fiscal Reports, as adjusted, and Board of Regents website

The recommendation in this letter represents, in our judgment, that which will most likely bring about beneficial improvements to the operations of BPCCC. The nature of the recommendation, its implementation costs, and its potential impact on the operations of BPCCC should be considered in reaching decisions on courses of action. The finding relates to BPCCC’s compliance with applicable laws and regulations, and should be addressed immediately by management.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

WMS:BAC:BH:EFS:aa

APPENDIX A: MANAGEMENT'S RESPONSE



RICK BATEMAN, JR., PH.D.
CHANCELLOR
BOSSIER PARISH COMMUNITY COLLEGE

December 16, 2021

Michael J Waguespack, CPA
Louisiana Legislative Auditor
Po Box, 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack,

I write to provide a response to the finding of noncompliance with the Gramm-Leach-Bliley Act (GLBA) as stated below:

Noncompliance with Gramm-Leach-Bliley Act Regarding Student Information Security

Bossier Parish Community College (BPCC) did not have a formal documented risk assessment or related safeguards that address the following minimum requirements of the Gramm-Leach-Bliley Act standards for safeguarding student information:

- *Employee training and management*
- *Information systems including network and software design, as well as information processing, storage, transmission, and disposal*

BPCC has information technology policies and practices that require employee training, information technology security policies and procedures, a documented disaster recovery plan, and password policy, but has not performed a formal documented risk assessment including safeguards to address identified risk as required by federal regulations. As a result, there is an increased risk for unauthorized disclosure, misuse, alteration, destruction or other compromise of student information and results in noncompliance.

Management should develop, implement, and maintain information security programs that include a formal documented risk assessment specific to the Gramm-Leach-Bliley Act and implement safeguards to control the risks identified regarding student information.

In reference to the “employee training and management” element of the finding, BPCC does not agree. As previously shared with the auditor, BPCC utilizes a training tool called KnowBe4 for cybersecurity awareness training as well as simulated attacks for phishing, vishing,

etc. BPCC has provided the auditor with a PDF of the current KnowBe4 dashboard showing our phishing rate compliance, percent of training completed for this quarter, etc. BPCC (along with the rest of the LCTCS) has been utilizing this training/testing platform since 2018. Consequently, we believe that BPCC does, in fact, provide the employee training required by the GLBA.

In reference to “information systems...” element of the finding BPCC does not agree. It is our contention that this element of the finding is rooted in a misunderstanding of the terminology. BPCC would argue that “Risk Assessment” and “Cybersecurity Scan” are essentially synonymous and BPCC conducts regular cybersecurity scans. BPCC’s Chief Information Technology Officer provided the auditor with a summary of the multiple tools, metrics, and assessments utilized by BPCC. Our CITO also reached out to the IT lead at our System Office who was able to provide information specific to our Student Information System of record maintained centrally and is hosted by Ellucian. Consequently, we believe that BPCC does, in fact, safeguard its student information systems as required by the GLBA.

BPCC’s Chief Information Technology Officer and Executive Director of Enrollment Management (responsible for Financial Aid) are the designated monitors for compliance with the Gramm-Leach-Bliley Act and will ensure compliance with this law.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Bateman, Jr.", with a stylized flourish at the end.

Rick Bateman, Jr.

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at Bossier Parish Community College (BPCC) for the period from July 1, 2020, through June 30, 2021, to provide assurances on financial information significant to the Louisiana Community and Technical College System (System), and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the System's financial statements and our work related to the Single Audit of the State of Louisiana for the year ended June 30, 2021.

- We evaluated BPCC's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to BPCC.
- Based on the documentation of BPCC's controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinion on the System's financial statements.
- We compared the most current and prior-year financial activity using BPCC's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from BPCC's management for significant variances.

In addition, we performed limited procedures on the Student Financial Assistance Cluster. The scope of these procedures was significantly less than an audit conducted in accordance *Government Auditing Standards* issued by the Comptroller General of the United States.

The purpose of this report is solely to describe the scope of our work at BPCC, and not to provide an opinion on the effectiveness of BPCC's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review BPCC's Annual Fiscal Report, and accordingly, we do not express an opinion on that report. BPCC's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.