

SOUTH LOUISIANA COMMUNITY COLLEGE

**LOUISIANA COMMUNITY AND TECHNICAL
COLLEGE SYSTEM**

FINANCIAL AUDIT SERVICES

**Management Letter
Issued March 13, 2023**

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
ERNEST F. SUMMERVILLE, JR., CPA

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

South Louisiana Community College



March 2023

Audit Control # 80220086

Introduction

As a part of our audit of the Louisiana Community and Technical College (System) and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2022, we performed procedures at the South Louisiana Community College (College) to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of the College's internal controls over financial reporting and compliance; and determine whether the College complied with applicable laws and regulations. In addition, we determined whether management has taken actions to correct the findings reported in the prior year.

Results of Our Procedures

Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the College management letter dated May 18, 2022. We determined that management has resolved the prior-year findings related to Failure to Return Title IV Funds in Required Time Frames and Noncompliance with Gramm-Leach-Bliley Act Regarding Student Information Security. The prior-year finding related to Untimely Termination of System Access has not been resolved and is addressed again in this letter.

Current-year Finding

Untimely Termination of System Access

For the second consecutive engagement, the College did not timely terminate employee access to the Banner system. Untimely termination of system access increases the risk of errors or fraud.

In a review of employees terminated in fiscal year 2022 as of April 19, 2022, 17 (54.8%) of 31 terminated employees did not have Banner access timely removed. Delays in removal of access ranged from one to 42 days after the employee's last date of employment, with an average of seven days delay.

Good internal control requires removal of access on the same day or before a user's job termination is effective. In addition, SLCC policy requires access be terminated by the end of the day on date of termination. Management represented that SLCC supervisors were not timely submitting requests to terminate access in Banner and only secondary controls were detecting and correcting instances of inappropriate access; thus, user accounts were not timely locked when the employee separated from employment. Additionally, management represented that its corrective action to the prior year finding was implemented as of March 14, 2022. All of our exceptions had separation dates before the implementation date.

Management should ensure the timely removal of employee access to the Banner system immediately upon separation. Management concurred with the finding and outlined a plan of corrective action (see Appendix A).

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, 2022, we considered the College's internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

Statement of Net Position

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

Statement of Revenues, Expenses, and Changes in Net Position

Revenues - Student Tuition and Fees net of Scholarship Allowances, Federal Nonoperating, and CARES Act Revenues

Expenses - Educational and General

Based on the results of these procedures on the financial statements, we reported a finding related to Untimely Termination of System Access, as described previously. In addition, the account balances and classes of transactions tested are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2022, we performed procedures as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal*

Awards (Uniform Guidance) on information submitted by the College to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's status of the prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings.

The College's information submitted for the preparation of the state's Summary Schedule of Prior Audit Findings, as adjusted, is materially correct.

Other Procedures

In addition to the System and Single Audit procedures noted above, we performed certain procedures that included obtaining, documenting, and reviewing the College's compliance with related laws and regulations over movable property.

Based on the results of these procedures, we did not report any findings.

Trend Analysis

We compared the most current and prior-year financial activity using the College's Annual Fiscal Reports and/or system-generated reports and obtained explanations from the College's management for any significant variances.

The recommendation in this letter represents, in our judgment, that which will most likely bring about beneficial improvements to the operations of the College. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the College should be considered in reaching decisions on courses of action.

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

APPENDIX A: MANAGEMENT'S RESPONSE

February 22, 2023

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
1600 North 3rd Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

RE: Untimely Termination of System Access

Dear Mr. Waguespack,

South Louisiana Community College (SLCC) concurs with the finding titled "Untimely Termination of System Access." To assure that access termination is performed timely, SLCC has transitioned the responsibility from the employee's supervisor to the Human Resources Department as part of the exit process.

At the time Human Resources receives a separation notification, the employment record is terminated, and an automatic termination workflow occurs. The workflow will automatically lock the Banner account and/or remove all security classes from the user's account and remove self-service access. Additionally, several check and balance processes have been implemented to assure timely termination of security access.

The campus personnel responsible for implementing and ensuring compliance for the corrective action is Pamela Miller, Payroll & Benefits Manager. The process has been implemented effective immediately.

Sincerely,



Bryan Glatter, CPA, CGMA
Vice Chancellor of Administration and Finance

cc: Dr. Vincent June
Carla Ortego, Director of Accounting
Alicia Hulin, Executive Director of Human Resources
& Strategic Engagement

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the South Louisiana Community College (College) for the period from July 1, 2021, through June 30, 2022, 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 (Single Audit) for the year ended June 30, 2022.

- We evaluated the College'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 the College.
- Based on the documentation of the College'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 performed procedures on information for the preparation of the state's status of prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings for the year ended June 30, 2022, as a part of the 2022 Single Audit.
- We compared the most current and prior-year financial activity using the College's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from the College's management for significant variances that could potentially indicate areas of risk.

In addition, we performed procedures on movable property. The scope of these procedures was significantly less than an audit conducted in accordance with *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 the College, and not to provide an opinion on the effectiveness of the College'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 the College's Annual Fiscal Report, and accordingly, we do not express an opinion on that report. The College's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.