

STATE OF LOUISIANA LEGISLATIVE AUDITOR

OFFICIAL
GIVE COPY
AND NOT FOR SALE
PLEASE RETURN
COPIES TO THE
OFFICE AND PLACE
IN THE RECYCLE

Louisiana Technical College,
North Central Campus
Department of Education
Board of Elementary and
Secondary Education
State of Louisiana
Farmerville, Louisiana

April 15, 1993



Financial and Compliance Audit Division

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

LEGISLATIVE AUDIT ADVISORY COUNCIL

MEMBERS

Senator Ronald C. Bean, Chairman
Representative Francis C. Thompson, Vice Chairman

Senator Robert J. Barham
Senator Wilson E. Fields
Senator Thomas A. Greene
Senator Craig F. Romero
Representative F. Charles McMalin, Jr.
Representative Edwin R. Murray
Representative Warren J. Triche, Jr.
Representative David Ytter

LEGISLATIVE AUDITOR

Daniel G. Kyla, Ph.D., CPA, CFE

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

**LOUISIANA TECHNICAL COLLEGE,
NORTH CENTRAL CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA
Farmville, Louisiana**

**Management Letter
Dated March 10, 1968**

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 State Storage office of the Legislative Auditor and at the office of the parish clerk of court.

April 15, 1968



BARBARA A. WILKINSON, CPA, CFE
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BAYOU BOULEVARD, LOUISIANA 70804-9100

1-504-389-7111 (TDD) (VOICE)
FAX: 1-504-389-7111
TELEPHONE: 1-504-389-7111
TELEFAX: 1-504-389-7111

March 30, 1998

**LOUISIANA TECHNICAL COLLEGE,
NORTH CENTRAL CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA
Farmerville, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ended June 30, 1998, we conducted certain procedures at Louisiana Technical College, North Central Campus. Our procedures included (1) a review of the technical college's internal controls; (2) tests of financial transactions for the years ending June 30, 1998, and June 30, 1997; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ending June 30, 1998, and June 30, 1997.

The Annual Fiscal Reports of Louisiana Technical College, North Central Campus were not audited or reviewed by us, and, accordingly, we offer no opinion or any other form of assurance on these 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 other selected technical college personnel. We also evaluated selected documents, files, reports, systems, procedures, and policies as we considered necessary. After analyzing the data and based on the application of the procedures referred to previously, we noted that the size of the technical college's operation and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial. In addition, we developed a recommendation for improvement. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

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

**Inadequate Controls Over Electronic
Data Processing Systems**

Louisiana Technical College, North Central Campus did not have proper controls over access to its electronic data processing (EDP) systems. Adequate internal controls would limit access to authorized employees only and would include a proper segregation of duties.

LEGISLATIVE AUDITOR

LOUISIANA TECHNICAL COLLEGE,
NORTH CENTRAL CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA
Management Letter, Dated March 10, 1998
Page 2

The security administrator for the technical college's Advanced Government Purchasing System (AGPS) and Government Financial System (GFS) overrode existing access controls, which resulted in an improper segregation of duties. The same employee was allowed to both enter and approve the same transactions using two different user identification codes (USERIDs). The USERID with approval authority belonged to the security administrator who is also the director of the school. Improper segregation of duties places the employee in a position to both initiate and conceal errors and/or fraud.

Management should ensure that input and approval of transactions are properly segregated and that USERIDs assigned to individuals are used only by those individuals. In a letter dated March 10, 1998, Mr. Kenneth Bridges, Director, concurred with the finding and recommendation and described corrective action that already has occurred.

The recommendation in this report represents, in our judgment, that most likely to bring about beneficial improvement to the operations of the technical college. The nature of the recommendation, its implementation cost, and its potential impact on operations of the technical college should be considered in reaching decisions on courses of action.

By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

JR:BJL:aa