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September 4, 1996

**REGIONAL MANAGEMENT CENTER 3, HOUMA
LOUISIANA TECHNICAL COLLEGE SYSTEM
DEPARTMENT OF EDUCATION
STATE OF LOUISIANA
Houma, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ended June 30, 1996, we conducted certain procedures at Regional Management Center 3, Houma, Louisiana Technical College System, Department of Education. Our procedures included (1) a review of the management center's internal control structure; (2) tests of financial transactions for the years ended June 30, 1996, and June 30, 1995; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities transactions for the years ended June 30, 1996, and June 30, 1995.

The June 30, 1996, and June 30, 1995, Annual Fiscal Reports of Regional Management Center 3, Houma were not audited or reviewed by us, and, accordingly, we do not express an opinion or any other form of assurance on these reports. The management center'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 selected management personnel. We also evaluated selected documents, files, reports, systems, procedures, and policies as we considered necessary. After analyzing the data, we developed recommendations for improvements. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

In our prior report on Regional Management Center 3, Houma, for the year ended June 30, 1994, we reported findings relating to federal cash balances, Cash Management Review Board authorization, movable property, and on-line data entry. All of these prior year findings have been resolved by management.

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

Untimely Deposits Into State Treasury

Two technical college campuses of Regional Management Center 3, Houma, did not deposit state funds timely into the state treasury. Louisiana Revised Statute (LSA-R.S.)

LEGISLATIVE AUDITOR

REGIONAL MANAGEMENT CENTER 3, HOUMA
LOUISIANA TECHNICAL COLLEGE SYSTEM
DEPARTMENT OF EDUCATION
STATE OF LOUISIANA

Management Letter, Dated September 4, 1996

Page 3

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 cursive script that reads "Daniel G. Kyle". The signature is written in black ink and is positioned above the printed name of the signatory.

Daniel G. Kyle, CPA, CFE
Legislative Auditor

EPM:MLD:dl

[REGMAN3]

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**REGIONAL MANAGEMENT CENTER 3, HOUMA
LOUISIANA TECHNICAL COLLEGE SYSTEM
DEPARTMENT OF EDUCATION
STATE OF LOUISIANA
Houma, Louisiana**

**Management Letter
Dated September 4, 1996**

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.

October 23, 1996

LEGISLATIVE AUDITOR

REGIONAL MANAGEMENT CENTER 3, HOUMA
 LOUISIANA TECHNICAL COLLEGE SYSTEM
 DEPARTMENT OF EDUCATION
 STATE OF LOUISIANA
 Management Letter, Dated September 4, 1996
 Page 2

49:308(A) requires that all money received by state agencies be transferred immediately upon receipt into the state treasury. The following represents a sample of self-generated fee deposits into local bank accounts and the time taken to transfer them into the state treasury:

<u>Deposit Amount</u>	<u>Deposit Date</u>	<u>Transfer Date</u>	<u>Workdays Elapsed</u>
South Louisiana Campus			
\$4,998	12/06/95	12/14/95	6
2,586	01/10/96	01/18/96	6
18,349	02/05/96	02/15/96	8
Lafourche Campus			
\$3,945	07/11/95	07/31/95	14
1,585	10/20/95	11/10/95	15
2,906	11/29/95	12/20/95	14

The technical college campuses under the control of Regional Management Center 3, Houma, should deposit state funds into the state treasury in a timely manner as required by LSA-R.S. 49:308(A). Management concurred with the finding and has established procedures to be followed by the individual campus directors.

The recommendation in this report represents, in our judgment, that most likely to bring about beneficial improvements to the operations of the management center. The nature of the recommendation, its implementation cost, and its potential impact on operations of the management center should be considered in reaching decisions on courses of action. The finding related to the management center's compliance with applicable laws and regulations and should be addressed immediately by management.

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STATE OF LOUISIANA LEGISLATIVE AUDITOR

Regional Management Center 3, Houma
Louisiana Technical College System
Department of Education
State of Louisiana
Houma, Louisiana

October 23, 1996



Financial and Compliance Audit Division

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