

STATE OF LOUISIANA LEGISLATIVE AUDITOR

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

April 9, 1998



Financial and Compliance Audit Division

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

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**LOUISIANA TECHNICAL COLLEGE,
NATCHITOCHEE CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA
Natchitoches, Louisiana**

**Management Letter
Dated March 6, 1988**

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 and Shreveport offices of the Legislative Auditor and at the office of the parish clerk of court.

April 5, 1988



DAVID C. COLLIER, CPA, CMA
LEGISLATIVE AUDITOR

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March 5, 1998

**LOUISIANA TECHNICAL COLLEGE,
NATCHITOCHES CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA**
Natchitoches, 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, Natchitoches Campus, Department of Education. Our procedures included (1) a review of the technical college's internal controls; (2) tests of financial transactions for the years ended 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 ended June 30, 1998, and June 30, 1997.

The Annual Fiscal Reports of Louisiana Technical College, Natchitoches Campus were not audited or reviewed by us, and, accordingly, we express 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 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 improvement. We then discussed our finding and recommendation 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.

Movable Property Noncompliance

Louisiana Technical College, Natchitoches Campus did not comply with state movable property regulations. OMB Circular A-133 Compliance Supplement, Part 3 - Compliance Requirements, Section F - Equipment and Real Property Management requires states to use, manage, and dispose of equipment acquired under a federal grant in accordance with state laws and procedures. Louisiana Administrative Code 24:111.307 requires compliance with Louisiana Property Assistance Agency procedures

LEGISLATIVE AUDITOR

LOUISIANA TECHNICAL COLLEGE,
NATCHITOCHEES CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA
Management Letter, Dated March 5, 1993
Page 2

which, in part, requires that items of equipment be tagged, and reported, within 45 days of acquisition. During our testing of equipment purchases, we detected the following:

- Eleven computer systems were purchased through the Vocational Education - Basic Grants to States (Carl Perkins) program (CFDA 84.048) and were not tagged or reported within the 45-day requirement. These systems were valued at \$23,887.
- Eleven computer systems and eight other pieces of equipment were purchased through state funds and were not tagged or reported within the 45-day requirement. This equipment was valued at \$24,712.

Management stated that this condition resulted from oversight by the responsible employee, which was affected by an increased workload because of the absence of other personnel and increased activity in other areas of responsibility.

Failure to update the movable property records and tag the items on a timely basis increases the risk of loss arising from unauthorized use and subjects the school to noncompliance with state laws and regulations.

Management of Louisiana Technical College, Natchitoches Campus should ensure that all movable property is tagged and recorded within 45 days of receipt, as required by LPAA regulations. In a letter dated February 26, 1993, Mr. Henshel Horton, Director, concurred with the finding and indicated that procedures are now in place to preclude this kind of occurrence in the future.

The recommendation in this report represents, in our judgment, that most likely to bring about beneficial improvements 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. The finding relating to the technical college's compliance with laws and regulations should be addressed immediately by management.

LEGISLATIVE AUDITOR

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NATCHITOCHEES CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA
Management Letter, Dated March 8, 1998
Page 3

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

Respectfully submitted,



Daniel D. Kyle, CPA, CFE
Legislative Auditor

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UCW:m