

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

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

June 23, 1999



***Financial and Compliance Audit Division***

---

---

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

**LEGISLATIVE AUDIT ADVISORY COUNCIL**

**MEMBERS**

**Representative Francis C. Thompson,  
Acting Chairman and Vice Chairman**

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

**LEGISLATIVE AUDITOR**

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

**DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT**

**Albert J. Robinson, Jr., CPA**

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Thirty-two copies of this public document were produced at an approximate cost of \$37.12. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. A copy of this document is available on the Legislative Auditor's Web site at [www.la.state.la.us](http://www.la.state.la.us).

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.

**LOUISIANA TECHNICAL COLLEGE,  
SULLIVAN CAMPUS  
DEPARTMENT OF EDUCATION  
BOARD OF ELEMENTARY AND  
SECONDARY EDUCATION  
STATE OF LOUISIANA  
Bogalusa, Louisiana**

**Management Letter  
Dated May 27, 1999**

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

**June 23, 1999**



DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (225) 339-3800  
FACSIMILE: (225) 339-3870

May 27, 1999

**LOUISIANA TECHNICAL COLLEGE,  
SULLIVAN CAMPUS  
DEPARTMENT OF EDUCATION  
BOARD OF ELEMENTARY AND  
SECONDARY EDUCATION  
STATE OF LOUISIANA  
Bogalusa, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ending June 30, 1999, we conducted certain procedures at the Louisiana Technical College, Sullivan 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, 1999, and June 30, 1998; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ending June 30, 1999, and June 30, 1998.

The Annual Fiscal Reports of the Louisiana Technical College, Sullivan Campus are not within the scope of our work, and, accordingly, we offer no form of assurance on those 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 selected technical college 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 discussed our finding and recommendation with appropriate management personnel before submitting this written report.

Based on the application of the procedures referred to previously, one significant finding is included in this report for management's consideration.

**Improper Administration of the Ability-to-Benefit Test**

The Louisiana Technical College, Sullivan Campus did not properly administer the Federal Pell Grant Program's (CFDA 84.063) Ability-to-Benefit Test as required by federal regulations. Title 34 CFR, Subpart J, Section 668.151 and the *Student Financial Aid Handbook*, Chapter 2, Section 1 state that a Student Financial Assistance (SFA) applicant without a high school diploma or its recognized equivalent can be eligible for SFA funds if he or she passes an independently administered test used for determining the student's ability to benefit from postsecondary education. Federal regulations further require that the test administrator be certified by the test publisher, the test not be given by a current or former employee, and the test be submitted to the test publisher for

LEGISLATIVE AUDITOR

LOUISIANA TECHNICAL COLLEGE,  
SULLIVAN CAMPUS  
DEPARTMENT OF EDUCATION  
BOARD OF ELEMENTARY AND  
SECONDARY EDUCATION  
STATE OF LOUISIANA  
Management Letter, Dated May 27, 1999  
Page 2

scoring. In addition, Title 34 CFR, Section 668.154 states that an institution shall be liable for the Title IV, HEA program funds disbursed to a student whose eligibility is determined from the Ability-to-Benefit Test, if the institution used a test administrator who was not independent of the institution at the time the test was given.

In a test of controls of the Federal Pell Grant Program, we determined that the technical college selected a test administrator who was not certified by the test publisher, who is a former employee (employed from September 23, 1991 - August 2, 1995) and who scored the test himself. The test administrator administered the Ability-to-Benefit Test on October 7, 1998, to 15 students, 2 of whom (13.3%) received a total of \$5,000 in Federal Pell Grant awards.

Failure to comply with the federal regulations could result in the disbursement of federal funds to an ineligible student and could result in the repayment and/or loss of future Federal Pell Grant funds.

The Louisiana Technical College, Sullivan Campus should comply with federal regulations by selecting an independent test administrator certified by the test publisher and should submit the tests to the test publisher for scoring. Management concurred with the finding and recommendation and outlined a plan of corrective action. (See Appendix A, page 1).

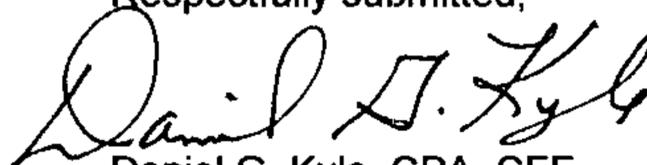
The recommendation in this report represents, in our judgment, the one most likely to bring about beneficial improvements to the operations of the technical college. The nature of the recommendation, its implementation cost, and its potential impact on operations of the technical college should be considered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

LEGISLATIVE AUDITOR

LOUISIANA TECHNICAL COLLEGE,  
SULLIVAN CAMPUS  
DEPARTMENT OF EDUCATION  
BOARD OF ELEMENTARY AND  
SECONDARY EDUCATION  
STATE OF LOUISIANA  
Management Letter, Dated May 27, 1999  
Page 3

This report is intended for the information and use of the technical college and its management. 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 black ink, appearing to read "Daniel G. Kyle". The signature is written in a cursive style with a large initial "D".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

LBL:LWM:RCL:dl

(LTC-SUL)

## Appendix A

### Management's Corrective Action Plan and Responses to the Finding and Recommendation



M. J. MURPHY  
Director

**LOUISIANA TECHNICAL COLLEGE  
SULLIVAN CAMPUS**

1710 Sullivan Drive, Bogalusa, Louisiana 70427  
Phone (504) 732-6645  
[FAX - (504) 732-6603]  
Established 1930

RECEIVED  
LEGISLATIVE AUDITOR

99 MAY 17 PM 1:55



DEBRA L. TAYLOR  
DAN HARDY  
Assistant Directors

May 11, 1999

Dr. Daniel C. Kyle, CPA, CFE  
Legislative Auditor  
Office of Legislative Auditor  
State of Louisiana  
Kenner, LA 70062

Dear Dr. Kyle:

This letter is in response to the auditors finding of "Improper Administration of the Ability-to-Benefit Test". We concur with the finding that our test administrator was not certified by the test publisher, was a former employee and did score the test himself.

It was never our intent to disregard federal regulations as this former employee resigned several years ago to return to the Tangipahoa Parish school system. He then later obtained his present employment with the Washington Correctional Institute. Our sole purpose for administering the Ability to Benefit test was to assist those students most in need of technical training, those without the basic minimum qualifications of a high school diploma.

The federal student financial aid handbook 1998-1999 (chapter 2, page 11) states: A test is also considered to be independently administered if it is given at an assessment center. An assessment center is located at an eligible degree-granting school or public vocational institution, and is responsible for evaluating students for multiple purposes, such as course placement. It must not have administering ability to benefit tests as its primary purpose. The assessment center must be staffed by professionally trained personnel and be independent of the admissions and financial aid process. An assessment center may score students test, unless its agreement with the test publisher prohibits it. We felt that we met this criteria. Our tester has over 30 years as an educator and has administered numerous test through out his career. He has not been in our employment for over 4 years and has no vested financial interest or otherwise in Louisiana Technical College-Sullivan Campus. We did not feel that we were in violation of federal regulations.

Page 2

Dr. Daniel C. Kyle

Office of Legislative Auditor

Since the auditors finding, we have temporarily suspended ability to benefit testing. We have contacted the test publisher and are in the process of having personnel certified by the test publisher. These personnel will not be former employee's or relatives of employees. The test will be mailed directly to the test publisher for scoring.

We feel these measures meet both the spirit and the letter of the federal regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "M. J. Murphy". The signature is written in a cursive style with a large initial "M".

M. J. Murphy

Director

MJM:kbs

cc: Mr. Wayne Meaux