

STATE OF LOUISIANA LEGISLATIVE AUDITOR

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

April 8, 1999



Financial and Compliance Audit Division

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

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**LOUISIANA TECHNICAL COLLEGE,
BASTROP CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
Bastrop, Louisiana**

**Management Letter
Dated March 12, 1998**

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 8, 1998



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March 12, 1998

**LOUISIANA TECHNICAL COLLEGE,
BASTROP CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
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STATE OF LOUISIANA
Bastrop, 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, Bastrop 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, 1996, and June 30, 1997; (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ended June 30, 1995, and June 30, 1997; and (4) a review of compliance with prior report recommendations.

The Annual Fiscal Reports of Louisiana Technical College, Bastrop 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 improvements. We discussed our findings and recommendations with appropriate management personnel before submitting this written report.

In our prior management letter of Regional Management Center 5, Monroe, dated August 2, 1995, we reported findings specific to the Bastrop Campus relating to payroll controls, controls over federal expenditures, and Pell grant. Those findings have been resolved by management.

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 Access to ISIS

Louisiana Technical College, Bastrop Campus does not have adequate internal control procedures over access to the Integrated Statewide Information System (ISIS), including the Advanced Government Purchasing System (AGPS). Good internal

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Page 2

controls should provide for adequate segregation of duties so that no one employee would be in a position to both initiate and conceal errors or fraud. Also, good internal controls should restrict access to only those functions necessary to complete the employee's assigned tasks without creating incompatible duties.

In our test of access controls, we identified three employees with incompatible access. Two of these employees could enter new vendors, enter requisitions/purchase orders, enter invoices, enter receiving reports and approve payments. The other employee could enter new vendors, enter requisitions/purchase orders, enter invoices, and enter receiving reports. The assignment of incompatible user access creates inadequate segregation of duties and increases the risk that errors or fraud could occur and not be detected timely.

Louisiana Technical College, Gastrop Campus should carefully monitor AOPB access to ensure that access is restricted only to those functions necessary to complete the employee's assigned tasks without creating an inadequate segregation of duties. In a letter dated March 5, 1999, Ms. Norene R. Smith, Director, stated that she concurred with the finding and a review will be made of all employees with incompatible functions and assignments of job functions to ISIS will be made to eliminate the incompatible functions.

The recommendations in this report represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the technical college. The varying nature of the recommendations, their implementation costs, and their 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. Hyle, CPA, CFE
Legislative Auditor