

BOSSIER PARISH COMMUNITY COLLEGE

LOUISIANA COMMUNITY AND TECHNICAL
COLLEGE SYSTEM

FINANCIAL AUDIT SERVICES

Management Letter
Issued March 19, 2025

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Bossier Parish Community College



March 2025

Audit Control # 80240055

Introduction

As a part of our audit of the Louisiana Community and Technical College System (System) and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2024, we performed procedures at Bossier Parish Community College (BPCC) to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of BPCC's internal controls over financial reporting and compliance; and determine whether BPCC complied with applicable laws and regulations.

Results of Our Procedures

Current-year Finding

Control Weakness over Bank Reconciliations

BPCC did not ensure that bank reconciliations were timely and properly prepared. In addition, as a result of preparing corrected bank reconciliations for fiscal year 2024 after audit inquiry, it was learned that BPCC did not accurately and timely record transactions in its accounting system. Failure to properly prepare bank reconciliations and failure to timely and accurately post transactions in the accounting system increases the risk that errors and/or fraud could occur and not be detected in a timely manner as well as increases the risk of inaccurate financial reporting.

The following was noted as a part of audit procedures related to the June 2024 bank reconciliation:

- BPCC's cash per book balance on the bank reconciliation did not agree to the cash balance, per the accounting system.
- No outstanding deposits were included on the bank reconciliation; however, bank deposits not recorded in the accounting system were later identified by BPCC.
- The list of outstanding checks provided did not agree to the bank reconciliation outstanding checks amount.

- There were no explanations on the bank reconciliation for unreconciled differences between the cash balance, per the accounting system, and the adjusted bank balance, although BPCC subsequently provided detail on unrecorded reconciling items and a revised unreconciled amount.
- Payments to a vendor during the fiscal year, which reduced the cash balance per bank, were not recorded in the accounting system.
- There was no date of preparation or indication of who prepared or approved the bank reconciliation.

Good internal controls require the proper posting of transactions to the accounting system as well as timely and accurate reconciliations of bank balances to the accounting system. Bank reconciliations provide management with a basis to ensure that all transactions that affect both the bank accounts and the accounting system agree. Reconciliations are also helpful in identifying misappropriations.

Management represented that due to staff turnover BPCC did not have a designated person to perform bank reconciliations.

Management should ensure its bank account is properly reconciled and transactions are accurately and timely posted to its accounting system. Management should also follow its existing bank reconciliation procedures to ensure that reconciling items or errors identified during the bank reconciliation process are accurately and timely investigated and corrected. Management concurred with the finding and provided a corrective action plan (see Appendix A).

Financial Statements – Louisiana Community and Technical College System

As a part of our audit of the System's financial statements for the year ended June 30, 2024, we considered BPCC's internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

Statement of Net Position

Assets – Cash and Cash Equivalents

Net Position - Net Investment in Capital Assets, Restricted - Nonexpendable, Restricted - Expendable, and Unrestricted

Statement of Revenues, Expenses, and Changes in Net Position

Revenues - Student Tuition and Fees Net of Scholarship Allowances and Federal Nonoperating Revenues

Expenses - Educational and General

Based on the results of these procedures on the financial statements, we reported a finding related to Control Weakness over Bank Reconciliations, as described previously. In addition, the account balances and classes of transactions tested, as adjusted, are materially correct.

Trend Analysis

We compared the most current and prior-year financial activity using BPCC's Annual Fiscal Reports and/or system-generated reports and obtained explanations from BPCC's management for any significant variances.

The recommendation in this letter represents, in our judgment, that which will most likely bring about beneficial improvements to the operations of BPCC. The nature of the recommendation, its implementation costs, and its potential impact on the operations of BPCC should be considered in reaching decisions on courses of action.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

WMS:AD:RR:BQD:aa

BPCC2024

APPENDIX A: MANAGEMENT'S RESPONSE



RICK BATEMAN, JR., PH.D.
CHANCELLOR
BOSSIER PARISH COMMUNITY COLLEGE

January 23, 2025

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
1600 North 3rd Street
Baton Rouge, LA 70804

RE: Response to Audit Control Weakness over Bank Reconciliations

Dear Mr. Waguespack,

Bossier Parish Community College (BPCC) acknowledges the audit control weakness regarding bank reconciliations and concurs with the observations noted. We have initiated corrective actions to ensure that the bank reconciliation process is conducted on a recurring and timely basis moving forward. We anticipate having all new processes in place by the end of the 2025 fiscal period if not sooner.

During the prior year, the college experienced turnover of three key personnel in the finance department, which led to several issues with reconciling accounts and gaps in knowledge regarding the flow of information between various subledgers. While bank reconciliations procedures were performed during this time, they were not complete or accurate in all aspects. To address these issues, the college has taken the following steps:

- **Hiring of New Comptroller:** A new Comptroller was hired in late September 2024, who successfully prepared and identified reconciling items for the fiscal year under audit.
- **New Accountants:** The college has two new accountants to replace the vacant positions. One of the accountants, also hired in September 2024, will be the primary person responsible for monthly bank reconciliations.
- **Training and Knowledge Transfer:** The finance team is working towards cleaning up existing reconciling items and streamlining the bank reconciliation process. We are implementing both a primary and alternate person to ensure they are knowledgeable and capable of performing the bank reconciliation process. Once the corrections for the

prior year are recorded, the accountant and comptroller will continue to work together to finalize fiscal year 2025 reconciliations.

- **Enhanced Review Process:** The bank reconciliation will now undergo a higher level of review to ensure accuracy and completeness on a regular basis.
- **Daily Transaction Review:** The Finance department has instituted a process to review transactions in the operating bank account daily. This review is communicated to the entire finance team via email to help reduce delays in transaction posting and ensure timely and accurate recording.
- **Documentation and Implementation:** The accountant and comptroller will update documentation of processes for recurring reconciliation which will be presented to the Vice Chancellor over finance for review and final implementation.

The persons responsible for implementing this action plan are Valerie Perez, Comptroller, and Jennifer Lawrence, Vice Chancellor for External Affairs & Chief of Staff.

Management is committed to the continuous improvement of processes that enhance efficiency and maintain strong internal controls. These measures will help ensure that bank reconciliations are properly prepared, and transactions are accurately and timely posted to our accounting system. Our goal is to promptly identify and investigate any reconciliation items or errors during the reconciliation process, addressing issues to ensure complete and accurate financial statements.

If you have questions regarding the corrective actions, please contact Jennifer Lawrence via email at jelawrence@bpcc.edu.

Sincerely,



Rick Bateman (Jan 23, 2025 16:25 EST)

Rick Bateman, Jr. Ph.D.
Chancellor

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at Bossier Parish Community College (BPCC) for the period from July 1, 2023, through June 30, 2024, to provide assurances on financial information significant to the Louisiana Community and Technical College System (System), and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the System's financial statements and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2024.

- We evaluated BPCC's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to BPCC.
- Based on the documentation of BPCC's controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinion on the System's financial statements.
- We compared the most current and prior-year financial activity using BPCC's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from BPCC's management for significant variances.

The purpose of this report is solely to describe the scope of our work at BPCC, and not to provide an opinion on the effectiveness of BPCC's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review BPCC's Annual Fiscal Report, and accordingly, we do not express an opinion on that report. BPCC's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.