

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,
Sidney N. Collier Campus
Department of Education
Board of Elementary and
Secondary Education
State of Louisiana
New Orleans, Louisiana

May 21, 1997

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

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SIDNEY N. COLLIER CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA
New Orleans, Louisiana**

**Management Letter
Dated March 18, 1997**

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.

May 21, 1997



OFFICE OF
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March 18, 1997

**LOUISIANA TECHNICAL COLLEGE,
SIDNEY N. COLLIER CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
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New Orleans, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ending June 30, 1997, we conducted certain procedures at the Louisiana Technical College, Sidney N. Collier Campus. Our procedures included (1) a review of the technical college's internal control structure; (2) tests of financial transactions; (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities; and (4) a review of compliance with prior report recommendations.

The June 30, 1997, Annual Fiscal Report of the Louisiana Technical College, Sidney N. Collier Campus was not within the scope of our work, and, accordingly, we offer no form of assurance on that report upon its issuance. 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 then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

In our prior audit of the Louisiana Technical College, Sidney N. Collier Campus for the year ended June 30, 1996, we reported findings relating to federal Pell Grant calculations, tuition revenue and receivables, and movable property records. The finding relating to federal Pell Grant calculations has been resolved by management. The findings relating to movable property and tuition revenue and receivables have not been resolved and are addressed again in this report.

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

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Inadequate Tuition Revenue and Receivables Records

For the second consecutive year, the Louisiana Technical College, Sidney N. Collier Campus has not maintained adequate records over tuition revenue and receivables. A good internal control structure requires that adequate procedures be in place to ensure that revenue and receivable accounts are supported by accurate and complete records. The tuition receivable subsidiary ledger has not been adequately maintained in that the tuition receivable subsidiary ledger includes amounts that have been paid. Payments are not posted on a timely basis, and the tuition receivable subsidiary ledger includes data from several different years. Lack of adequate internal controls over tuition revenue and the tuition receivable subsidiary ledger does not provide management assurance that assets are safeguarded, and there is increased risk that errors and/or irregularities will occur and not be detected timely.

The Louisiana Technical College, Sidney N. Collier Campus should take the necessary measures to ensure that adequate internal accounting controls are maintained over tuition revenue and the tuition receivable subsidiary ledger. In a letter dated March 27, 1997, Mr. Levi Lewis, Sr., Director, concurred in part with the finding and recommendation and stated that the technical college will improve accounting for tuition payments and tuition receivables by listing them on separate documents. This will enable management to determine the amount of tuition collected and outstanding receivables by viewing each document.

Movable Property Records Not Updated Timely

For the second consecutive year, the Louisiana Technical College, Sidney N. Collier Campus did not comply with Louisiana Revised Statutes 39:323-325, which require that acquisitions be tagged and information be forwarded to the Louisiana Property Assistance Agency (LPAA) within 45 days after receipt of movable property items. In our test of 68 items of movable property at Sidney N. Collier Campus, 63 items (93 percent) were not submitted to LPAA within 45 days of receipt of the property. The number of days between receipt and submission to LPAA ranged from 51 to 867 days. The large number of days between receipt and submission to LPAA was due to a concerted inventory effort by the technical college, which uncovered items purchased in previous years that did not get reported. Delay in tagging and submitting required information to LPAA exposes the Sidney N. Collier Campus to possible loss or misuse of its movable property.

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The Louisiana Technical College, Sidney N. Collier Campus should take the necessary measures to ensure that movable property is tagged and acquisition information is forwarded to LPAA within the prescribed time period. In a letter dated March 27, 1997, Mr. Levi Lewis, Sr., Director, concurred with the finding and recommendation and stated that new procedures have been implemented to ensure that the tagging and reporting of property to LPAA is done timely.

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 the operations of technical college should be considered in reaching decisions on courses of action. Findings relating to the technical college's compliance with applicable laws and regulations should be addressed immediately by management.

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,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

JGD:JR:dl

[LTC-SID]