L.E. FLETCHER TECHNICAL COMMUNITY COLLEGE

LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Procedural Report
Issued September 24, 2025

LOUISIANA LEGISLATIVE AUDITOR

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

L.E. Fletcher Technical Community College

September 2025

Audit Control # 80250044

Introduction

The primary purpose of our procedures at L.E. Fletcher Technical Community College (FTCC) was to evaluate certain controls FTCC uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. In addition, we determined whether management has taken action to correct the findings reported in the prior report.

Results of Our Procedures

We evaluated FTCC's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of FTCC's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to cash; accounts receivable and payable; movable property; Taylor Opportunity Program for Students (TOPS), TOPS Tech, and Louisiana GO Grants; payroll and personnel expenses; and non-payroll expenses.

Follow-up on Prior-report Findings

We reviewed the status of the prior-report findings in FTCC's procedural report dated August 23, 2023. We determined that management has resolved the prior-report finding related to Inadequate Controls over Bank Reconciliations. The prior-report finding related to Weakness in Controls over Accounts Receivable and Payable has not been fully resolved and is addressed again in this report.

Current-report Finding

Weakness in Controls over Accounts Payable

For the second consecutive engagement, and despite noted improvements, FTCC did not maintain adequate internal controls over accounts payable, which increases the risk of inaccurate financial reporting in the financial statements and related disclosures.

Subsequent to audit inquiries, FTCC identified various errors within accounts payable, resulting in accounting entries to correct prior-year general ledger errors of $1,337,488 to accrued liabilities and $10,463 to pay past-due accounts payable balances.

Good internal controls would ensure the timely payment and proper reporting of accounts payable, the routine examination of outstanding accounts payable per the general ledger for past-due balances and/or potential errors, and the correction of those general ledger account balances, as needed.

FTCC management did not adequately monitor general ledger accounts for the timely payment and proper reporting of accounts payable balances prior to the preparation of previous financial reports.

Management should continue efforts to monitor accounts payable for timely payment and proper reporting, consider the creation of an internal policy that documents necessary procedures to accomplish adequate monitoring, and provide training to staff as needed. Management concurred with the finding and provided a corrective action plan (see Appendix A).

Cash

FTCC maintains an operating account and two other bank accounts. The cash balance at June 30, 2024 per FTCC's Annual Financial Report was $11,639,100. We obtained an understanding of FTCC's controls over the bank accounts, evaluated the segregation of duties, and reviewed certain bank statements and bank reconciliations prepared from July 2023 through February 2025. Based on the results of our procedures, FTCC had adequate controls in place to ensure timely preparation, review, and approval of bank reconciliations.

Accounts Receivable and Payable

We reviewed select FTCC accounts receivable and payable balances for prior and current fiscal years through June 30, 2025, as well as the accounts receivable allowance account, to evaluate FTCC's controls over monitoring outstanding receivable and payable balances for evidence of stagnant and/or erroneous balances. Based on the results of our procedures, we determined that FTCC had adequate controls in place over the monitoring of accounts receivable balances, but did not have adequate controls over accounts payable (see Current-report Finding section).

Movable Property

FTCC reported approximately $11.2 million of movable property to the Louisiana Property Assistance Agency in its March 2025 annual certification. We obtained an understanding of FTCC's controls over movable property and performed procedures to ensure that controls over movable property were adequate for FTCC's multiple locations, that assets were properly safeguarded and recorded, and that FTCC complied with state property regulations. Based on the results of our procedures, FTCC had adequate controls in place to ensure that assets were properly safeguarded, accurately recorded in the asset management system, and complied with applicable regulations.

TOPS, TOPS Tech, and Louisiana GO Grants

FTCC recorded approximately $89,053 in TOPS, $191,102 in TOPS Tech, and $89,000 in Louisiana GO Grant scholarships in fiscal year 2025 as of April 16, 2025. We obtained an understanding of FTCC's controls over these scholarship programs, performed analytics, and reviewed selected students' scholarship eligibility and amounts applied to student accounts. Based on the results of our procedures, FTCC had adequate controls in place to ensure that TOPS, TOPS Tech, and Louisiana GO Grants were properly distributed to eligible students.

Payroll and Personnel Expenses

Salaries and related benefits comprised approximately 54% of FTCC's expenses in fiscal year 2024 and 42% for fiscal year 2025 as of March 20, 2025. We obtained an understanding of FTCC's controls over the time and attendance function and reviewed selected employee time statements, leave records, and pay rate authorizations. Based on the results of our procedures, FTCC had adequate controls in place to ensure timely review and approval of employee time statements and leave requests, employees were paid the amounts authorized, and leave taken was accounted for properly.

Non-Payroll Expenses

Non-payroll expenses comprised approximately 46% of FTCC's expenses in fiscal year 2024 and 58% for fiscal year 2025 as of March 20, 2025. We obtained an understanding of FTCC's controls over non-payroll expenses and reviewed selected transactions and related supporting documentation for the period of July 1, 2023, through March 20, 2025. Based on the results of our procedures FTCC had adequate controls to ensure that non-payroll expenses were adequately recorded and supported, properly approved, and made for proper business purpose.

Trend Analysis

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

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

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

ALR:CJH:RR:BQD:aa

FTCC2025

APPENDIX A: MANAGEMENT'S RESPONSE

Fletcher
TECHNICAL COMMUNITY
COLLEGE™

1407 Highway 311 | Schriever, LA 70395
Phone: 985.448.7900 | Fax: 985.446.3308 | www.fletcher.edu

September 9, 2025

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor

Mr. Waguespack,

Fletcher Technical Community College acknowledges and concurs with the finding "Weakness in Controls over Accounts Payable". There was an error in the accrual process and unresolved payable balances. The accrual process error occurred during a transition in supervisory responsibilities within the Finance Department. The change in supervision led to inconsistencies in the application and review of accrual procedures. More precisely, there was an incomplete accrual template. This resulted in the failure to reverse previous accrual entries. The unresolved accounts payable balances represent stagnant payables to related organizations. The liabilities were recorded but not subsequently discharged in a timely manner.

Since the finding, the accrued liabilities balance has been corrected as of 06/30/2025 with a prior period adjustment. Outstanding balances identified during the audit have been settled and payment has been made. To address this issue and prevent recurrence, management intends to:

- Review and update all year end accrual templates to ensure continuity of responsibilities during supervisory changes.
- Develop a quarterly AP reconciliation and review checklist for finance personnel.
- Perform periodic internal spot checks to ensure adherence to procedures and identify any gaps proactively.

Tracy Carmichael, Associate Vice Chancellor for Finance and Administration, will be responsible for these corrective actions and is expected to have these actions fully implemented by September 30, 2025.

Fletcher Technical Community College is committed to addressing the identified weaknesses in a timely and effective manner. We remain committed to ensuring that changes in supervision do not disrupt the accuracy or reliability of financial reporting and to ensuring liabilities are accurately recorded, properly discharged, and reconciled on a timely basis. These corrective measures will not only enhance compliance but also strengthen the integrity of the financial statements**.** Should you have any additional questions, please feel free to contact Mrs. Carmichael at (985)448-7991.

Sincerely,

Kristine Strickland (Sep 9, 2025 19:26:25 CDT)

Kristine H. Strickland, Ph.D.

Chancellor

Member of the Louisiana Community & Technical College System
AN EQUAL OPPORTUNITY EMPLOYER

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at L.E. Fletcher Technical Community College (FTCC) for the period from July 1, 2023, through June 30, 2025. Our objective was to evaluate certain controls FTCC uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review FTCC's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. FTCC's accounts are an integral part of the Louisiana Community and Technical College System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated FTCC'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 FTCC.

- Based on the documentation of FTCC's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures relating to cash; accounts receivable and payable; movable property; Taylor Opportunity Program for Students (TOPS), TOPS Tech, and Louisiana GO Grants; payroll and personnel expenses; and non-payroll expenses.

- We compared the most current and prior-year financial activity using FTCC's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from FTCC's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at FTCC, and not to provide an opinion on the effectiveness of FTCC'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 purpose.