

**Louisiana Community and Technical College System
Audit Committee Meeting**

**Wednesday, November 10, 2010
8:00 a.m.**

**The Louisiana Building
Baton Rouge Community College**

MINUTES

1. Call to Order by Committee Chair

Board Supervisor Deni Grissette served as Committee Chair in Keith Gamble's absence. She called the meeting to order at 8:00 a.m.

2. Roll Call

Bonni Blouin, Coordinator of Board Services, called roll and a quorum was established. The following Audit Committee members were present for the meeting: Helen Carter, Deni Grissette, Michael Murphy, Paul Price, Stevie Smith and Vincent St. Blanc, Ex-Officio.

Also present for the meeting were Board Supervisors: Brett Mellington and Norwood Ogé.

The following LCTCS staff were present for the meeting: Dr. Joe May, Jan Jackson, Allen Brown, John Paul Domiano, Shannon Sedberry, Dr. Andrea Miller, Phyllis Dupuis and Rick Bateman.

Guests present for the meeting were: Christina Parker, Leo Hamilton and Jeanine Newman.

3. Student Data Report for the Technical Colleges

Allen Brown, Director of Internal Audit, LCTCS, reported that the Student Data Report for the technical colleges is no longer required by the State. He stated that a bill was passed during the legislative session stating that the LCTCS is no longer required to conduct this report. He added that the report is already conducted for the Board of Regents.

4. Special Meals Report

Mr. Brown distributed the FY 2010 Special Meals Report to committee members. He noted that special meals are those meals that are provided to people that in the ordinary course of business, would not be entitled to one, or the cost may exceed the regulations stipulated in PM49. He noted that “Special Meals” are approved by Jan Jackson, Senior Vice President of Finance and Administration. He stated that the Division of Administration requires that a report of all special meals be provided to the Board of Supervisors periodically.

5. Update: Technical College Bank Reconciliations

Mr. Brown noted that the Audit Committee requested Internal Audit to monitor bank reconciliations at the technical colleges because of past discrepancies. He stated that the monitoring continues to determine that the bank reconciliations are conducted timely. He reported that all reconciliations through September have taken place with the exception of Central Louisiana Technical College. He noted that the person responsible for conducting the reconciliation had been out ill.

6. Update: South Central Louisiana Technical College – River Parishes Campus

Mr. Brown provided an update on the audit finding which occurred at South Central Louisiana Technical College-River Parishes Campus involving an Instrumentation instructor. He stated that the instructor was taking money from students participating in a PTEC program. Mr. Brown noted that he has been following the progress of the case which was turned over to the District Attorney’s Office. The District Attorney’s Office is working with the individual’s attorney in an attempt to resolve the issue.

7. Update: SOWELA 6/30/10 AFR

Mr. Brown reported that he visited the SOWELA Technical Community College in June 2010 to follow up on a problem from the prior fiscal year regarding a problem securing information for the annual financial report data and providing it to the Legislative Auditor’s Office. They were informed that the Vice Chancellor for Finance was out on extended leave and the second in command had resigned. Mr. Allen stated that he assigned John Paul Domiano, Internal Audit, to provide assistance to SOWELA 2-3 times a week, and oversee the Finance Department. He stated that during this time, it was discovered that one of the accounts receivable clerks was allowing a student to attend the college free of charge. He noted that the student had attended the college for several semesters without paying tuition and only required one semester to complete the degree. Mr. Brown reported that the accounts receivable clerk was terminated and a meeting was conducted with the student to make arrangements to retrieve the tuition fees. He stated that the full amount owed was paid and the student will be required to pay cash for tuition for the remaining semester. Mr. Brown concluded that Dr. Andrea Miller, Chancellor, SOWELA

Technical Community College, has hired a Controller/Finance Director, a former legislative auditor who has been working with the campus since July 1. He added that the data was provided to the legislative auditor's office with no issues this year. He stated that there will be a finding in the Audit report because it takes one cycle for any findings to be reported.

Dr. Miller addressed the members of the Audit Committee and thanked Dr. May and LCTCS staff for their support. She expressed a special thank you to John Paul Domiano for his guidance and leadership. She stated that changes have been made with the hiring of five (5) new employees in the Finance Office and she introduced the candidate for the Vice Chancellor of Finance, Ms. Jeanine Newman, who was present at the meeting.

Supervisor Smith asked for an update on the AFR process.

Dr. Miller stated that the inability to provide accurate data caused the campus not to be prepared for the auditors when the auditors came in to conduct the 2009 audit to submit with the accreditation application. She stated that the auditors are currently on the campus and they expect to conduct the audit in January and the application for SACS accreditation is due in February so they are back on track in the accreditation process.

8. Report on Pell Disbursements for Fall 2010 – Technical Colleges

Mr. Brown stated that a report is provided to the Audit Committee each semester on the Pell Grant disbursement process. (A handout was distributed). He noted that the report resulted from problems that occurred a couple of years ago when Pell disbursements were not made until November or December. Mr. Domiano reviewed the information provided in the report. He noted that the figure provided on the chart is the amount provided to the students – tuition and fees have already been deducted. The report provided information, by campus, on the number of Pell grant disbursements made within a certain time frame and provided a comparison of 2009/2010 disbursements. Mr. Domiano noted the large discrepancy between the amount of disbursements made at the Acadiana Technical College-Lafayette Campus for 2009 and 2010. He stated that they contacted Dr. Phyllis Dupuis, Regional Director, Acadiana Technical College, to make her aware of the situation.

Ms. Dupuis addressed the Audit Committee and stated that they have addressed this issue and she provided some insight on the problems that had occurred. She noted that another person has been hired to assist in the Financial Aid Office and she has met with all Financial Aid employees to discuss this issue and the ramifications of this continuing. She stated that she will continue to monitor the situation to ensure that this issue is resolved.

Supervisor Smith asked for a comparison between LCTCS compares and other campuses nationwide on the disbursement of Pell grant funds.

Dr. May commented that it is in the best interest of the campus to get the funds to the students as quickly as possible because the grant includes tuition and fees.

Ms. Shannon Sedberry stated that the Louisiana Technical College campuses cannot issue Pell grants until after the fourteenth (14th) class day.

Supervisor Murphy requested a white paper addressing tuition issues.

Mr. Brown reported on an issue related to Pell grant awards at the Northeast Louisiana Technical College - Delta Ouachita campus. There were instances where students were over awarded and/or under awarded funds through the Pell grant program. Mr. Brown stated that he appointed several Internal Audit employees to visit the campus to review the records and determine what corrective action needs to be taken. He stated that the total amount of funds involved was approximately \$50,000. He added that \$38,000 of that amount involves students that are in a position to appeal. He stated that the Internal Auditor's Office will continue to monitor this issue until it is satisfactorily resolved. Mr. Brown concluded that the Internal Auditor's Office will work with Ms. Smith to resolve the issue and a report will not be issued.

9. Instructors at Prisons – Time and Attendance

Mr. Brown reported that Mervin Birdwell, Regional Director, Central Louisiana Technical College, contacted him to discuss an issue with two contract instructors working in Dabadee (sp?) prison. The individuals were submitting inaccurate timesheets. Mr. Brown stated that the Internal Auditor's Office is looking into this matter and added that additional auditing may be conducted with employees working with the Department of Corrections.

Mr. Birdwell stated that the procedure for submitting time and attendance had been changed and going forward it will be the responsibility of the prison employer.

10. Current work in process

a. Rapid Response Fund

Mr. Brown noted that the Internal Auditor's Office is currently working on an audit of the Rapid Response Fund program and reported that very few issues have resulted from the audit.

b. Review of Contracts

Mr. Brown reported that the Internal Auditor's Office will begin a review of current contracts.

11. Adjournment

Supervisor Mellington commented that Allen Brown and the staff of the Office of Internal Audit are doing a terrific job.

There being no further business to come before the Audit Committee, on motion of Supervisor Carter, seconded by Supervisor Price, the Audit Committee adjourned at 8:50 a.m.