

Louisiana Community and Technical College System Audit Committee Meeting

Wednesday, March 10, 2010
8:00 a.m.

LTC - Baton Rouge Campus
3250 N. Acadian Thruway East
Baton Rouge, LA 70805-6631
(Room 218)

MINUTES

1. Call to Order by Committee Chair – Keith Gamble

Audit Committee Vice Chair, Deni Grissette, served as Chair of the Audit Committee meeting in Keith Gamble's absence. The Audit Committee was called to order by Audit Committee Vice Chair, Deni Grissette, at 8:05 a.m.

2. Roll Call

Bonni Blouin, Coordinator of Board Services, called roll. The following Audit Committee members were present: Deni Grissette, Paul Price and Stevie Smith (Ex Officio). Ms. Blouin stated that a quorum was not established and therefore, the meeting could proceed but no actions could be taken by the Committee. (NOTE: Audit Committee member, Vinney St. Blanc, arrived to the meeting at 8:32 a.m. Supervisor Brett Mellington also attended the meeting.)

LCTCS staff present for the meeting were: Dr. Joe May, LCTCS President; Allen Brown, Director of Internal Audit; John Paul Domiano, Internal Audit; Jan Jackson, Senior Vice President of Finance and Administration; Dr. Monty Sullivan, Executive Vice President; Bonni Blouin, Coordinator of Board Services; Dr. Andrea Miller, Chancellor, SOWELA Technical Community College (SOWELA), Angele Ozoemelum, Vice Chancellor for Finance and Administrative Services, SOWELA. Mr. Leo Hamilton, LCTCS General Counsel, was also present for the meeting.

3. SOWELA – Financial Reporting issues related to delaying the Legislative Auditor's audit and delaying SACS accreditation review

Mr. Allen Brown, Director of Internal Audit, presented the agenda items for review.

Mr. Brown stated that SOWELA Technical Community College had experienced some financial reporting issues. The Legislative Auditor conducted some audit work in preparation for an audit required for the Southern Association of Colleges and Schools (SACS) application for candidacy. The Legislative Auditor had to back out a couple of times because they could not obtain certain records due to discrepancies between the accounting records and the financial report. Mr. Brown stated that he

had received a letter from the Legislative Auditor on March 2nd providing a chronology of events related to the audit and concluding that the all documents/records requested had been received and a few minor issues remained to be resolved.

Dr. Andrea Miller, Chancellor, and Ms. Ozoemelan, SOWELA Technical Community College, addressed the Audit Committee and answered questions posed by members of the Audit Committee.

Chancellor Miller stated that the college had experienced some staffing issues and the new Vice Chancellor had been there approximately 1 ½ years before the staffing issues occurred. She added that there were also some communication issues with the LCTC System Office. She stated that these issues have been corrected and she does not expect to experience this issue again. She noted that the application for SACS candidacy has been delayed as a result of not having the audit conducted. She stated that the application is complete and they are waiting to get the audit complete.

Vice Chair Grissette asked for a timeline on when the audit would be complete.

Ms. Angelle Ozoemelan, Vice Chancellor of Finance, SOWELA Technical Community College, commented that a consultant had been hired to assist in compiling the AFR. She noted that the field work by the consultant is being completed.

Dr. Miller stated that a deadline has been requested but the auditors have not been able to provide one.

Supervisor Smith stressed the importance of staying on top of this issue to make sure that the issue is resolved so the college can move forward with their SACS candidacy.

Mr. Brown suggested that Ms. Ozoemelan contact his office if they run into any auditor issues and he would work with them to resolve the issues.

4. LTC – River Parishes Campus; Instrumentation Instructor Report

Mr. Brown stated that a report was issued regarding an instrumentation instructor at the Louisiana Technical College River Parishes Campus. He noted that Greg Garrett, Regional Director, and Cindy Poskey, Campus Dean, notified Mr. Brown that they had allegations regarding an instructor who may be accepting and/or soliciting money from students in the Instrumentation Department. He noted that the first issues dealt with the International Society of Automation (ISA), a certifying body which assists students to get jobs after receiving training. Mr. Brown stated that Ms. Poskey had been informed by another employee that this Instrumentation instructor had told students that she would make sure they received their ISA certification for a payment of \$400. Mr. Brown, through the Internal Auditors office, contacted the students in question and stated the results of that questioning.

Mr. Brown stated that the second issue dealt with the National Center for Construction and Education Research (NCCER), another certifying body. Mr. Brown

stated that a student's parent had contacted the campus and informed them that their son had received an e-mail with an attachment that included the exam for NCCER certification, and the student had paid the instructor for this information. Mr. Brown, through the Internal Auditor's office, pulled the Sent e-mail files from the instructor in question and found approximately 105 different addresses that contained the materials that were distributed. He stated that they contacted NCCER and sent the materials to them for identification. NCCER stated that the documents looked like the "end of module" exams and should not have been given to a student. He stated that forty (40) former and/or current students were interviewed and stated the results of those interviews.

Mr. Brown stated that they (Internal Audit) met with the instructor who denied ever accepting any money from any student, except for tutoring. Mr. Brown emphasized that no student interviewed ever mentioned being tutored by the instructor. Mr. Brown stated that subsequent to the meeting with the instructor, some parents met with Ms. Poskey and stated that they had personally paid the instructor \$450 in cash for this instructor to shadow their son as part of the ISA certification and they provided a receipt signed by the instructor. The parents are requesting a refund for the \$450.

Mr. Brown concluded that, based on the information provided by the students interviewed, approximately \$2400 was given to the instructor. He stated that the instructor had been terminated and is no longer an employee of the LCTCS.

Dr. May asked if any of this information had been turned over to the District Attorney's Office.

Mr. Brown stated that his office would be meeting with the District Attorney's Office to determine what action may be taken.

Regional Director Garrett expressed his appreciation for having Allen Brown available to call upon when he is faced with a situation like this because it is a very sensitive situation and needs to be handled accurately and can be substantiated. He noted his pleasure in the professionalism experienced from the Internal Auditor's Office of the LCTCS.

5. LTC Student Organization

Mr. Brown stated that his office met with the Regional Directors of the Louisiana Technical College in the 2009 to discuss student organizations and their bank accounts and accounting of student organization funds. He stated that they discussed an Attorney General's opinion that states that even though a student organization may have its own bank account and tax ID, if a faculty member is assigned as an advisor (which is a requirement under LCTCS Board policy), and any funds go missing, there is a likelihood that the school will be held liable. The meeting resulted in the campuses agreeing that all student organizations be accountable for their funds through the school's accounting and the school would have control. Mr. Brown noted that all the Regional Directors have reported that this action has been completed.

6. Pell - LTC

a. Update on disbursements for Spring 2010

John Paul Domiano, Internal Audit Manager, Internal Audit, distributed a report providing distribution numbers for the Pell grant awards. He noted that in December 2007 the Internal Audit Office discovered that some of the LTC campuses had still not issued Pell checks to students. He noted that the Internal Office worked with LTC management and they worked with the campuses to try to improve the process of disbursement. The report reflected disbursements for the spring semester and indicates a significant improvement in the disbursement process. Mr. Domiano concluded that volume of student receiving Pell funds has doubled and the campuses are doing a much better job in distributing the funds to the students in a timely manner.

Supervisor Smith congratulated everyone involved with the work that was needed to improve the process for disbursing the Pell grant funds.

b. Update on current work

John Paul Domiano provided an update on the current work being performed on Pell. He noted that the Federal auditors had reviewed the Pell program at the LTC campuses and had issued reports on some schools for not maintaining adequate documentation to support eligibility. He stated that this was a concern to the Internal Auditor's Office and it resulted in costing the LCTCS approximately \$850,000 and one campus had to pay back approximately \$500,000. He stated that the Internal Auditor's Office conducted an audit which included reviewing the Pell program at every community college and every technical college region that the Legislative Auditor did not review this year. He added that two campuses from each region were reviewed. He reported that no issues similar to the ones documented by the Federal Auditors were found. He noted that 20 students were reviewed at each location to determine if they had the required documentation to meet Pell requirements, and no findings occurred. He added that a few problems were identified, but they were not substantial and the regions are working to address these issues.

7. LTC Enrollment Process Survey

Mr. Brown stated that an enrollment survey of community college was conducted last year. He noted that this year the survey was conducted on the technical colleges. He stated that an electronic version of the report was distributed to members of the Audit Committee last week. He noted that the students rated their enrollment process at the LCTCS technical schools as either good or excellent 80% of the time. He reviewed some of the information in the report with the committee.

Dr. May thanked Allen Brown and the Internal Auditors Office for the work done on this project.

8. LTC Student Data Report

Mr. Brown stated that the Legislature passed a bill in 1999 that states that the LCTCS Board must prepare a report related to student data to be provided to the House and Senate Education and must be audited every year. He noted that this report takes a lot of time to prepare. He added that for three years, prior to his employment at LCTCS, the report was never done and it was never missed. He stated that the Board of Regents began auditing enrollment data resulting in a duplication of effort.

Mr. Brown stated that he would like to propose to Dr. May to get someone to introduce legislation to repeal the mandate to allow the discontinuation of this process. He stated that if there is no objection, they will move forward with this project.

9. Other matters

Supervisor Smith commented that the new ERP proposal should greatly assist with data for the LCTCS.

Bonni Blouin reminded the group that a tour of the LTC-Baton Rouge Campus would take place immediately following the meeting.

10. Adjourn

The meeting adjourned at 8:50 a.m.