

DELGADO COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED DECEMBER 11, 2013

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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THOMAS H. COLE, CPA

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 22, 2013

**DELGADO COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
New Orleans, Louisiana

As required by Louisiana Revised Statute 24:513 and as a part of our audit of the Louisiana Community and Technical College System's (System) financial statements and the Single Audit of the State of Louisiana for the fiscal year ended June 30, 2013, we conducted certain procedures at Delgado Community College (College) for the period from July 1, 2012, through June 30, 2013.

- Our auditors obtained and documented an understanding of the College's operations and system of internal control, including controls over a major federal award program administered by the College, through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the College.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using the College's annual fiscal reports and/or system-generated reports and obtained explanations from management for any significant variances. We also performed an analysis of the College's revenue sources, operating expenses, enrollment, and total degrees/certificates awarded for fiscal years 2010 through 2013 for informational purposes.
- Our auditors reviewed the status of the findings identified in the prior management letter, dated April 10, 2013. The prior year findings relating to misappropriation of federal Work-Study program funds and misappropriation of Dolphin Card funds have been resolved by management.
- Our auditors considered internal control over financial reporting and examined evidence supporting the College's account balances and classes of transactions as follows:

Statement of Net Position - Cash and cash equivalents, receivables, capital assets, accounts payable, unearned revenues, and net position

Statement of Revenues, Expenses, and Changes in Net Position - Student tuition and fee revenues, scholarship allowances, federal grants and contracts, federal nonoperating revenues, and education and general expenses

We also tested the College's compliance with laws and regulations that could have a direct and material effect on the System's financial statements for the fiscal year ended June 30, 2013, in accordance with *Government Auditing Standards*.

- Our auditors performed internal control and compliance testing in accordance with *Government Auditing Standards* and Office of Management and Budget Circular A-133 on the Student Financial Aid Cluster for the fiscal year ended June 30, 2013, as part of the Single Audit of the State of Louisiana.

The Annual Fiscal Report of the College was not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The College's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, we have included one significant finding that will be included in the State of Louisiana's Single Audit Report for the fiscal year ended June 30, 2013.

Title IV Refunds Not Returned

The College did not return \$4,403 of federal Title IV funds to the U.S. Department of Education. As a result, the College did not comply with federal regulations and may be subject to sanctions, up to and including termination of program participation.

A test of 16 students who withdrew from the College revealed that the College did not return the related federal funds for six of these students. Federal regulations require the funds to be returned within 45 days of determining the students' withdrawal dates. These exceptions occurred because of a lack of monitoring current policies caused by turnover with key management personnel in the Office of Financial Aid, resulting in a temporary disruption of operational continuity.

Management should ensure that current policies are effectively monitored and return these funds to the U.S. Department of Education. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix A).

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the College. The nature of the recommendations, their implementation costs, and their potential impact on the operations of the College should be considered in reaching decisions on courses of action. The finding above relates to the College's compliance with applicable laws and regulations and should be addressed immediately by management.

The purpose of this letter is solely to describe the scope of our work at the College and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. Accordingly, this letter is not intended to be and should not be used for any other purpose. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style with a large, prominent initial "D".

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DF:DG:BDC:THC:ch

DCC 2013

APPENDIX A

Management's Corrective Action Plan and Response to the Finding and Recommendations

CITY PARK CAMPUS
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Building 37
615 City Park Avenue
New Orleans, LA 70119
(504) 762-3005 FAX: (504) 762-3088
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November 21, 2013

Daryl G. Purpera, CPA,CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Response to Audit Finding - R2T4

This correspondence is in response to Delgado Community College's Audit Finding - R2T4 were Title IV Refunds were not returned.

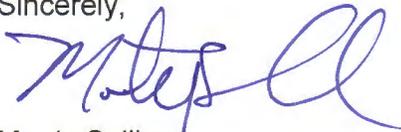
Delgado Community College concurs that funds for six students was not returned as required by regulations guiding the Return of Title IV Funds. The College has taken a number of steps to rectify this situation to ensure that no such errors occur in the future.

Action Taken:

- The College has recently undergone a significant reorganization of the Office of Financial Aid to ensure alignment with compliance of federal regulations and providing the best service to our students, faculty and staff. The reorganization also included the creation and hiring of an individual in the position of Return to Title IV.
- The College is also in the process of completing the Return to Title IV for the six students identified during the audit. The funds will be returned no later than December 1, 2013.
- Finally, the College will consistently review its policies and procedures to ensure they are aligned with federal regulations

Should you need further information, please feel free to contact Ronald Rodriguez, Vice Chancellor for Business and Administrative Affairs at 504/762-3005.

Sincerely,



Monty Sullivan
Chancellor

c: Ronald Rodriguez, Vice Chancellor for Business and Administrative Affairs
Darlene Fisher, Legislative Auditor