

CAPITAL AREA TECHNICAL COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED APRIL 10, 2013

**LOUISIANA LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

March 7, 2013

**CAPITAL AREA TECHNICAL COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Baton Rouge, 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 for the fiscal year ended June 30, 2012, we conducted certain procedures at Capital Area Technical College (College) for the period from July 1, 2010, through June 30, 2012.

- Our auditors obtained and documented an understanding of the College'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 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 the College's management for any significant variances. We also analyzed the College's revenues, expenses, tuition, fees, enrollment, and completers over the last four years.
- 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 Assets - Due from federal government, accounts payable and accruals, and net assets

Statement of Revenues, Expenses, and Changes in Net Assets - Federal nonoperating revenues and educational 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, as part of our audit of the System's Annual Financial Report for the fiscal year ended June 30, 2012, in accordance with *Government Auditing Standards*.

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

Based on the application of the procedures referred to previously, we have included one significant finding that is required to be reported by *Government Auditing Standards*.

Noncompliance with Hardship Waivers' Requirement

During fiscal years 2011 and 2012, 693 students attending the College did not receive academic excellence and operational fee waivers totaling \$58,635, although they were later identified as being eligible. The College did not have a policy in place during the two fiscal years to provide for these waivers, as required by Louisiana Community and Technical College System (System) policy and state law. The System policy was revised during fiscal year 2011 to specifically include waivers for the operational and academic excellence fees, but the College policy was not revised until October 1, 2012, to reflect that change.

College management should ensure policies on waivers are adequately communicated to the students and should ensure that hardship waivers of the academic excellence and operational fees are granted to eligible students to ensure compliance with System policy and state law. Management concurred with the finding and provided a corrective action plan (see Appendix A).

The recommendation in this letter represents, in our judgment, that most likely to bring about beneficial improvements to the operations of the College. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the College should be considered in reaching a decision on the course of action. This finding relating to the College's compliance with applicable laws and regulations should be addressed immediately by management.

This letter is intended for the information and use of the College and its management, others within the College, the System, the Board of Supervisors of the System, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

APD:CLP:BQD:THC:dl

APPENDIX A

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



CAPITAL AREA TECHNICAL COLLEGE

Baton Rouge Campus

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Telephone: 225/359-9201
Facsimile: 225/359-9296

**Kay McDaniel,
Ph.D.
Regional Director**

March 4, 2013

Louisiana Legislative Auditor
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CAPITAL AREA
TECHNICAL COLLEGE

**Baton Rouge Campus
Baton Rouge**

**Folkes Campus
Jackson**

**Jumonville Memorial
Campus
New Roads**

**Port Allen Extension
Port Allen**

**Westside Campus
Plaquemine**

Noncompliance with Hardship Waivers' Requirement

After discussing the revised state statues CATC concurs with the finding. CATC updated our Hardship waiver policy to include all fees. Michael Hubbs, Chief Business Officer wrote the updated policy. If any additional questions arise form CATC's updated policy, please contact Michael Hubbs at 225-359-9291. CATC is now compliant with current state laws and LCTCS policies. CATC also moved our hardship policy on our website to be easier assessable to students.

In the Fall 2013 semester one student applied for a hardship and was approved by CATC.

Thank you,

Michael Hubbs
Chief Business Officer.

CATC is an Equal
Opportunity
College

*Governed
By
Board of Supervisors of the Louisiana Community and Technical College System
And
Louisiana Board of Regents*