

LOUISIANA TECHNICAL COLLEGE - REGION 3  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA



MANAGEMENT LETTER  
ISSUED MARCH 4, 2009

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

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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor and at the office of the parish clerk of court.

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

January 22, 2009

**LOUISIANA TECHNICAL COLLEGE - REGION 3  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA  
Morgan City, Louisiana**

As part of our audit of the Louisiana Community and Technical College System's financial statements for the year ended June 30, 2008, we considered Louisiana Technical College - Region 3's (LTC - Region 3) internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested LTC - Region 3's compliance with laws and regulations that could have a direct and material effect on the System's financial statements as required by *Government Auditing Standards*. In addition, we considered LTC - Region 3's internal control over compliance with requirements that could have a direct and material effect on a major federal program, as defined in the Single Audit of the State of Louisiana, and we tested LTC - Region 3's compliance with laws and regulations that could have a direct and material effect on the major federal programs as required by U.S. Office of Management and Budget Circular A-133.

The annual financial information that LTC - Region 3 provides to the Louisiana Community and Technical College System was not audited or reviewed by us, and, accordingly, we do not express an opinion on that information. LTC - Region 3'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.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's consideration.

**Inadequate Controls Over Accounts Payable**

LTC - Region 3 did not accurately record accounts payable transactions related to the state's Incumbent Worker Training Program. Good internal control includes monitoring, identifying, and recording payable transactions related to the current fiscal year that remain unpaid at year-end. Audit procedures disclosed that accounts payable and related

expenses were understated by \$164,631 because unpaid invoices relating to fiscal year 2008 activities were not included in the accounts payable amount at year-end. Since these expenses were reimbursable costs incurred under the state's Incumbent Worker Training Program, the related accounts receivable and revenue associated with these costs were also understated by the same amount.

LTC - Region 3 did not have control procedures in place to ensure that all accounts payable transactions were recorded in the proper reporting period. Failure to record all accounts payable amounts could result in misreported financial data and undetected errors and fraud.

Management of LTC - Region 3 should strengthen its policies and procedures over recording accounts payable transactions relating to the state's Incumbent Worker Training Program to ensure that all transactions are accurately recorded. Management concurred with the finding and outlined a plan of corrective action (see Appendix A).

The recommendation in this letter represents, in our judgment, that which is most likely to bring about beneficial improvements to the operations of LTC - Region 3. The nature of the recommendation, its implementation costs, and its potential impact on the operations of LTC - Region 3 should be considered in reaching decisions on courses of action.

This letter is intended for the information and use of LTC - Region 3 and its management, others within the college, the Louisiana Community and Technical College 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,



Steve J. Theriot, CPA  
Legislative Auditor

MH:ES:EFS:PEP:sr

LTCR308

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





# Louisiana Technical College

Greater Bayou Area Region 3

**Gregory L. Garrett, Regional Director**

900 Youngs Road  
P.O. Drawer 2148  
Morgan City, LA 70381  
Phone 985.380.2436  
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November 17, 2008

Mr. Steve J. Theriot, CPA, Legislative Auditor  
Office of the Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

RE: Finding: Inadequate Controls Over Accounts Payable

Mr. Steve J. Theriot:

In response to the audit finding that LTC Region 3 had failed to properly record and liquidate \$164,631 of prior year payables the management of LTC Region 3 does concur with the finding.

## **Corrective Action Plan for Inadequate Controls Over Accounts Payable**

1. Effective immediately, all invoices of the state's Incumbent Worker Training Program will be processed for payment within a 45 day cycle from receipt of invoice. The IWTP Grant Coordinator at Lafourche Campus will process invoices with the campus Accountant II. Invoices will be monitored by Campus Administrator of Lafourche Campus on a ten day cycle to determine status of invoices/payables.
2. On May 1, 2009, Lafourche campus Accountant II will issue written request to IWTP Grant Coordinator, Administrative Coordinator III, and Administrative Coordinator IV for all payable expenses to be recorded by June 1, 2009. Lafourche Campus Administrator will monitor the receipt and payment of all invoices.

The person responsible for implementation of the corrective action at Lafourche Campus, the site of the finding, will be the Lafourche Campus Administrator. The anticipated completion date is June 1, 2009.

Region 3's management will have meetings with all Region 3 personnel involved with invoice processing to discuss this matter and administration will disseminate written procedures detailing that invoices have to be paid in the accounting system in the year they are occurred. Campus personnel will have to sign and return an acknowledgement sheet attesting they have been given a copy of the procedures and they fully understand that fiscal year invoices had to be paid in the fiscal year the bill is incurred. Region 3's Chief Business Officer will be the person responsible for the corrective action on a regional level. The anticipated completion date of the correction action will be December 15, 2008 with follow-up monitoring as needed throughout the fiscal year.

Richard D. Cox, River Parishes Campus Administrator – *Reserve*  
Laurie D. Morrow, Young Memorial Campus Administrator – *Morgan City*  
Dale Nash, Young Memorial Campus Coordinator - *Franklin*  
Donna Pitre, Lafourche Campus Coordinator – *Galliano*  
Cindy M. Poskey, Lafourche Campus Administrator – *Thibodaux*

Should you have any questions on management's response to this finding please feel free to contact me.

Thank you,

A handwritten signature in black ink that reads "Gregory L. Garrett". The signature is written in a cursive style with a large initial 'G'.

Gregory L. Garrett  
Regional Director

CC: Dr. Joe D. May, LCTCS System President  
Mr. Allen Brown, Internal Audit