

LOUISIANA TECHNICAL COLLEGE REGION 8
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED JUNE 9, 2010

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

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DARYL G. PURPERA, CPA, CFE

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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 office of the Legislative Auditor and at the office of the parish clerk of court.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of \$18.72. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3484 or Report ID No. 80090069 for additional information.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

April 26, 2010

**LOUISIANA TECHNICAL COLLEGE REGION 8
LOUISIANA COMMUNITY AND TECHNICAL
COLLEGE SYSTEM
STATE OF LOUISIANA
West Monroe, Louisiana**

As part of our audit of the Louisiana Community and Technical College System's (System) financial statements for the year ended June 30, 2009, we considered the Louisiana Technical College Region 8's (LTC Region 8) internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the region'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*.

The Annual Fiscal Report of LTC Region 8 is not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The LTC Region 8 accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

In our prior management letter on LTC Region 8 for the year ended June 30, 2007, we reported findings related to inadequate internal control over financial accounting operations, unlocated and stolen movable property, and inadequate control over Pell Grant. These findings have been resolved by management.

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

Failure to Comply With Property Control Regulations

LTC Region 8 did not have adequate internal controls to ensure compliance with the state's movable property regulations related to proper valuation and tagging of property purchases. In addition, LTC Region 8 did not have adequate internal controls to ensure that the records were reflective of the actual locations of their property. The Louisiana Administrative Code (LAC) Title 34 Part VII "Property Control" Sections 307 and 309 require that all movable property having an original acquisition cost of \$1,000 or more be tagged with a uniform State of Louisiana identification tag and all pertinent inventory information be forwarded to the Louisiana Property Assistance Agency (LPAA) within

60 calendar days after receipt of the items. In addition, good internal control over movable property should include adequate supervisory review to ensure that records are accurate and reliable so that errors and/or fraud are detected in a timely manner and proper documentation of cost and location is maintained for all applicable property. Tests of movable property transactions from fiscal years ending June 30, 2008 and 2009, disclosed the following:

- A test of 60 movable property item purchases disclosed that five (8%) of the items were not recorded at their proper cost. We also noted that three (5%) of these same purchases were not properly tagged.
- A test to trace movable property items from their physical locations to the property records disclosed that two of 27 (7%) were not in their recorded locations.
- While examining the Late Additions reports from LPAA, we noted that 43 items totaling \$149,644 were not reported to LPAA within the required 60 days. The number of days late ranged from 61 to 581 days.

Management has not provided adequate training to its property control staff to ensure compliance with the State Property Control regulations. In addition, management has not adequately monitored its movable property activity to determine if it is complying with state laws and regulations. Failure to comply with State Property Control regulations subjects the LTC Region 8 movable property to errors as noted above as well as possible fraud and abuse.

Management should immediately review its policies and procedures to determine what changes need to be made. It should request LPAA to provide training and require its staff to attend this training. Management should monitor its movable property activity and periodically perform tests to determine if its staff is complying with its policies and procedures. Finally, the internal audit staff for the System should perform internal audits of LTC Region 8 as an additional measure to ensure compliance with applicable policies and regulations. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix A, pages 1-10).

Failure to Follow Payroll Policies and Regulations

LTC Region 8 failed to comply with the Louisiana Department of State Civil Service, Louisiana Community and Technical College System (LCTCS), and Louisiana Technical College (LTC) policies and regulations relating to time and attendance. Louisiana Department of State Civil Service rules 15.2 and 11.7, LCTCS Policy Number 6.003, and LTC Policy Number HR1930.542 all require that (1) employee attendance and leave records be maintained, (2) time sheets be signed by both the employee and the employee's supervisor, and (3) requested leave be approved by the employee's supervisor. LCTCS Policy Number 6.003 (G.1) states, "Prior approval must be obtained from the supervisor in order to be granted compensatory leave for overtime." In addition, good internal control over payroll expenses should ensure that payroll expenses are

properly authorized, recorded, and reported. Furthermore, the controls should ensure that supporting documentation is maintained. Tests of payroll transactions from fiscal years ending June 30, 2008 and 2009, disclosed the following:

- A test of 106 employee time sheets disclosed that eight (7.5%) of the time sheets were not signed by the employee and that 11 (10.4%) of the time sheets were not approved by the employee's supervisor.
- A test of 70 employee leave requests revealed that seven (10%) leave requests were not approved by the employee's supervisor.
- While examining the documentation supporting the selected test items above, we noted that six additional time sheets were not signed by the employee, and five additional leave requests were not approved by the employee's supervisor.
- We also noted that LTC Region 8 did not maintain documentation that an employee received prior approval from her supervisor before earning 30.75 hours of compensatory leave time.

Management has not placed sufficient emphasis on the need to comply with the Civil Service, LCTCS, and LTC policies and regulations. Failure to comply with established policies and regulations subjects payroll transactions at LTC Region 8 to possible errors and/or fraud and abuse.

Management should review existing policies and regulations and, if necessary, strengthen existing controls to ensure compliance. Payroll activity should be monitored and disciplinary action should be taken against any employee that fails to adhere to applicable policies and regulations. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix A, pages 11-13).

Failure to Follow State Purchasing Regulations

LTC Region 8 failed to comply with the Louisiana Office of State Purchasing (OSP) policies and regulations relating to procurement. OSP regulations, supported by R.S. 38:2211-2296 (Louisiana Public Bid Law), R.S. 39:1551-1755 (Louisiana Procurement Code), and Executive Order BJ 08-67 (Small Purchase Procedures), identify the requirements for competitive bidding, as well as the requirements to follow when items are not required to be competitively bid (such as a sole source purchase). The OSP Procurement Handbook, Section 27 provides specific guidance for sole source purchases, to include a Sole Source Checklist to be used to ensure compliance. A test of 120 nonpayroll transactions for fiscal years ending June 30, 2008 and 2009, disclosed that 17 (14%) sole source purchases were made without obtaining all the required documentation necessary to qualify as a sole source purchase.

Management has not provided adequate training to its procurement staff to ensure compliance with applicable state purchasing laws and regulations. As a result, LTC Region 8 is in noncompliance with state purchasing laws and regulations. In addition, failure to follow required procedures and obtain the necessary documentation subjects public funds to fraud and abuse.

Management should immediately review its policies and procedures to ensure that staff is complying with all applicable state purchasing laws and regulations. It should request the OSP to provide training and mandate that its staff attend the training. Management should monitor its procurement activity and periodically perform tests to determine if its staff is complying with its policies and procedures. Finally, the internal audit staff for the System should perform internal audits of LTC Region 8 as an additional measure to ensure compliance with applicable policies and regulations. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix A, pages 14-15).

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of LTC Region 8. The varying nature of the recommendations, their implementation costs, and their potential impact on the operations of LTC Region 8 should be considered in reaching decisions on courses of action. The findings relating to its compliance with applicable laws and regulations should be addressed immediately by management.

This letter is intended for the information and use of LTC Region 8 and its management, others within LTC Region 8, 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,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

KJV:WJR:BQD:THC:dl

LTC8-09

Management's Corrective Action
Plans and Responses to the
Findings and Recommendations



LOUISIANA TECHNICAL COLLEGE

REGION 8 TECHNICAL EDUCATION CENTER
DELTA OUACHITA CAMPUS

609 Vocational Parkway
West Monroe, Louisiana 71292



Phone 318-397-6100
Fax 318-397-6106

Norene R. Smith
Regional Director/Dean

Assistant Deans
Margie Mixon
Greg Groves

LTC REGION 8 CAMPUSES

Bastrop Campus
Bastrop Airport Extension
Bastrop

Delta Ouachita Campus
West Monroe

North Central Campus
Farmerville

Northeast Louisiana Campus
Winnsboro

Ruston Campus
Ruston

Tallulah Campus
Tallulah
Margaret Surles Instructional
Service Center
Lake Providence

February 3, 2010

Daryl G. Purpera, CPA
Temporary Legislative Auditor
1600 North Third Street
P O Box 94397
Baton Rouge, LA 70804-9397

RE Single Audit Findings for LTC Region 8
"Failure to Comply with Property Control Regulations"

Dear Mr. Purpera

Regarding the Single Audit Finding "Failure to Comply with Property Control Regulations" for Louisiana Technical College Region 8, after reviewing the elements of the finding and meeting with the individual LTC Region 8 campus Property Managers and the Chief Property Officer, we do concur with the finding.

Provided below is the Corrective Action Plan including contact information.

Corrective Action Plan

Contact Person: Gregory Groves, LTC Region 8 Chief Facilities Officer, is responsible for the development and implementation of the Corrective Action Plan. You may reach Mr. Groves at:

LTC Region 8 / Delta Ouachita
609 Vocational Parkway
West Monroe, LA 71292
318-397-6167 (Office)
318-397-6106 (Fax)

Corrective Action: LTC Region 8 will take a multi-directional approach to correcting the property related deficiencies identified in the audit. We will do the following:

1. Campus Administrators and Property Managers will review the LTC Region 8 *Property and Fleet Internal Procedures* to determine if the procedures are adequate to ensure Louisiana Property Assistance Agency (LPAA) regulations will be followed. If the procedures are deemed inadequate, appropriate modifications will be made. (This action has been completed and the updated Procedures are attached. Changes are in red.)

2. As reflected in the updated procedures, each campus Property Manager will consult with their campus accountant to determine the proper cost basis for each asset to be tagged taking shipping, training and other relevant additional costs into consideration. The Property Manager will make all decisions as to which assets are to be tagged. The instructor or staff member ordering the equipment will have no say in the matter.
3. As reflected in the updated procedures, campus Purchasing/Receiving agents will not issue new equipment until the Property Manager has physically tagged the equipment and specifically released it for issue. Equipment which does not require tagging will be immediately released by the Property Manager.
4. As reflected in the updated procedures, each Campus Administrator, or a subordinate specifically designated by the Administrator, will review the monthly *Additions, Deletions, and Transfer Reports* produced by the Protégé Property Management System. The Administrator will ensure that all eligible assets have been entered into the system within the 60 days allowed. In addition, copies of each report will be provided to the Chief Facilities Officer for further review.
5. As outlined in the procedures, each Property Manager will conduct regular internal inventories to ensure the accuracy of the data in Protégé. This shall include a reconciliation of asset locations. It has to be understood, however, that in an educational environment equipment like projectors and laptops will move from classroom to classroom on a daily, or even hourly, basis. This equipment will have a "home" location, but may not be in that exact room at all times.
6. We have forwarded a request for one day of customized training for the region's Property Managers to LPAA. (We are currently negotiating for a date in February.) This training will specifically cover those areas mentioned in the finding.
7. As reflected in the updated procedures, the Chief Facilities Officer will conduct routine internal audits of individual campus programs. As part of the audit process, the Chief Facilities Officer has requested access to the Protégé database on each campus. He will also make periodic on-site visits to check on the integrity of the program on each campus.

Anticipated Completion Date: We expect to have all of these corrective actions implemented and active by 1 March, 2010.

Should you have any questions concerning the response and Corrective Action Plan for Property Control, please let me know.

Sincerely,



Norene R. Smith
Regional Director

jks

C William J. Ryder, CPA, Audit Manager
Greg Groves, Chief Facilities Officer
Margie Brown, Chief Financial Officer

Louisiana Technical College – Region 8



Property and Fleet Internal Procedures

Norene R. Smith
Regional Director

LTC Bastrop Branch
Campus
LTC North Central
Branch Campus
LTC Northeast Louisiana
Branch Campus
LTC Ruston Branch
Campus
LTC Tallulah Branch
Campus
LTC Bastrop Airport
Extension Campus
LTC Margret Surles
Instructional Service
Center

LTC Delta Ouachita Campus
Regional Technical Education Center
609 Vocational Parkway
West Monroe, LA 71292
Ph. 318-397-6100
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Louisiana Technical College Region 8

Property and Fleet Internal Procedures

November 2009

A. Accountability

Fleet and property accountability on LTC Region 8 campuses encompasses, at a minimum, the following:

1. Provisions for processing new equipment and other movable property into the Protégé inventory system;
2. Provisions for validating the inventory on a systematic basis;
3. Certification of the inventory on an annual basis;
4. Provisions for the internal transfer of movable property, or for transferring externally within the LCTCS;
5. Provisions for the temporary off-campus use of state owned equipment;
6. Provisions for disposing of unwanted and/or unusable movable property through Protégé by submitting the items for transfer, surplus, scrap, or disassembly;
7. Provisions for the proper use and care of all vehicles in inventory.

B. Purchase of New Movable Property

The term “movable property” distinguishes this type of equipment from equipment that is attached as a permanent part of a building or structure. Movable property is distinguished from supplies in that supplies are consumable through normal use within one year’s time.

The Accounting Department is responsible for the purchase of all new movable property, and for its subsequent receipt within the facility. The Accounting Department will provide the Property Manager copies of all requisitions, purchase orders, invoices, and other relevant documentation for movable property immediately upon receipt, and before release to the requesting department. **The Purchasing/Releasing agents will not release and equipment for use until specifically authorized to do so by the Property Manager.** In Region 8, movable property will fit into one of two categories as follows:

1. Items whose original acquisition cost is less than \$1000. Items in the first category do not have to be tagged into the inventory system, but at the Property Manager’s discretion, they **may** be assigned a **white tag** inventory number and entered into Protégé to ensure control of highly pilferable items.

2. Items whose original acquisition cost is \$1000 or greater. Movable property in this category **will** be assigned a **white tag** inventory number and entered into the Protégé system within sixty days of receipt. Regardless of the cost, the Property Manager **will** assign a **white tag** inventory number to all desktop and laptop computers, printers, cameras, video recorders, televisions and projectors. Inventories of white tagged items will be performed on a regular basis, and a certified inventory will be conducted each year.

C. Tagging Process

In Region 8 a color coded tag system is used to identify classes and categories of movable property as shown below:

1. White tag - sequentially numbered for movable property with an original acquisition cost of \$1000 or greater.
2. Blue tag – unnumbered for movable property purchased through the Incumbent Worker Training Program regardless of cost.
3. Yellow tag – unnumbered for movable property purchased with Carl Perkins funding regardless of cost.

Depending on the acquisition cost, a piece of movable equipment may have more than one tag assigned. To illustrate, a computer whose acquisition cost was \$1250 and which was purchased with Carl Perkins funds would be given both a white and yellow tag.

Only the Property Manager, in consultation with the campus accountant, will determine if an item is to be tagged. Upon receiving notification from the Accounting Department that new movable property meeting the requirements for formal tracking has been received, the Property Manager and accountant shall agree on the appropriate purchase price to assign to the asset considering any additional costs associated with shipping, training, etc. The Property Manager shall then assign the next sequential white tag inventory number to the item. Pertinent data will be entered into the current fiscal year inventory acquisition log and the Protégé system. At a minimum, the date, tag number, type of item, and location will be entered into the log. Movable property other than vehicles will be entered into Protégé as “assets.” Vehicles will be entered as such into a separate form.

Property is assigned to a responsible party at a specific location on each of the campuses. The location is identified by a building code, and a room number. For example, a welding machine might be located in B103 - room 103 of the Trades/Industrial building on the Delta-Ouachita campus. Each Region 8 campus has unique building identifiers, such as those shown for the Delta-Ouachita campus below.

1. Administration Building – S08958 (A)
2. Trades/Industrial Building – S08959 (B)
3. Automotive/CVO Building – S08960 (C)

4. Barber/Diesel Building – S08961 (D)

See the attached Building Code and Property Location Index Lists for functional locations on the various Region 8 Campuses.

After the inventory log and Protégé entries have been completed, the Property Manager will physically tag the new property with the appropriate tags in a conspicuous and easy to read location. The property will then be delivered to the proper department for installation and use.

D. Updating the Asset Management System

Property may only be moved from one location to another on campus with the approval of the Property Manager. If property needs to be relocated on the campus the sending responsible party must obtain an ***Equipment Movement Form*** from the Property Manager. Once the form has been properly filled out and signed by the sending and receiving responsible parties, the Property Manager will approve or disapprove the move. If the move is approved, the Property Manager will update Protégé accordingly.

The Property Manager must approve the transfer of movable property from Region 8 campuses to other LCTCS organizations, any transfer to surplus, or any other method of disposal. The ***Equipment Disposal Form*** should be used to request transfer or disposal. If approved internally, the Property Manager will seek approval from LPAA. Movable property cannot be sent to surplus, otherwise transferred, dismantled, or scrapped without the express approval of LPAA.

Staff and faculty members who have movable property that is no longer needed or is unusable will initiate action to dispose of the property within the week it becomes known. The ***Equipment Disposal Form*** will be used for that purpose. The equipment will not be relocated or disposed of until permission is received from LPAA as described above.

Movable property in need of repair by an off campus organization will be processed through the Property Manager using the ***Equipment Repair Form***. The transfer request should indicate the repairing entity and expected duration of the repair. The responsible party may send the property for repair only after approval is received from the Property Manager. When repairs are complete and the equipment back in place and in service, the responsible party will notify the Property Manager and the ***Equipment Repair Form*** will be closed out.

The Property Manager on each Region 8 campus will review the Location Index and Responsible Persons lists at least annually and update the list when necessary. Copies of the updated Location Index lists will be forwarded to LPAA and the Regional Facilities Manager for their records.

E. Temporary Off Campus Use of Movable Equipment

Faculty and staff who have a need to use Region 8 property off campus, either on a long-term, routine basis, or for a single occasion, must fill out a *Equipment Check-Out Form* and submit it to the Property Manager. Upon approval, the property may be taken from the campus as required.

In the same way, an *Equipment Repair Form* must be filled out and approved by the Property Manager before any property is removed from the campus for repair or replacement under warranty.

Approval on a long-term or routine basis must be requested every calendar year and approval will be granted according to need. Approval for a single occasion must be requested, and granted, each time the need arises. When property is returned to campus after a single occasion use, the Property Manager must be notified so that the return can be logged on the form.

Faculty and staff who remove property from the campus are accountable for the reasonable safety of such equipment while it is in their possession. They should take all reasonable steps to protect the equipment. For example, laptop computers, projectors, cameras, and other like items should not be left in a vehicle overnight. Faculty and staff members who suffer the loss of state owned equipment as a result of their negligence may be required to make restitution for that equipment.

F. Conducting the Annual Physical Inventory

At least thirty days prior to the annual inventory, a *Notification of Inventory* form must be completed and submitted to the Compliance Section of LPAA. Notice will also be given to each department head within the Region 8 campus conducting the inventory, and a preliminary copy of the department's assets, listed by location, will be provided for review. It is the responsibility of the department head, individual faculty member, or staff member to always know the location of the assets for which they are accountable.

The certifiable physical inventory will be conducted by department heads and/or responsible parties. A working copy of the Certification Asset List will be provided. It should be used to record discrepancies of any kind. Situations where a location or responsible party needs to be changed, a tag is missing, or where the property needs to be disposed of should be recorded. The Property Manager will make all pertinent entries in Protégé and initiate any other action necessary based on the discrepancies noted.

The Property Manager will then prepare a *Certification of Annual Property Inventory* form using the results of the physical inventory. The original form will be submitted to LPAA for approval and a copy sent to the Legislative Auditor. An additional copy will be maintained in the Property Manager's files for the current year and for three additional

years at a minimum. When approval of the certification is received, it will be filed with and maintained in the same manner as the certification itself.

If the Annual Property Inventory reveals that one or more items are unlocated, the Property Manager will report their status to LPAA via the Protégé system. These assets will be placed in a suspense location for a period of three years. During that time, the Property Manager will oversee an effort to locate the items as half of all missing items are eventually located within the three year period. If missing items are found, the Property manager will enter their new location into Protégé and the assets will be removed from the suspense location. If, at the end of three years, the missing items have not been found, the Property Manager will request that they be removed from inventory.

G. Region 8 Review of Campus Monthly Reports

The Property Manager for each campus will run the following reports from Protégé within five working days of the end of each month.

1. Additions Report (By Creation Date)
2. Deletions Report
3. Monthly Transfer Report – From Me and Transfer Details
4. Late Additions Report

These reports will be maintained as part of the Property Manager's official records and will be reviewed by LPAA during their audits. Each Campus Administrator, or a subordinate specifically designated by the Administrator, will review the monthly reports to ensure that property is being tagged in accordance with LPAA regulations and these procedures. The Property Manager will also fax or email copies of these reports to the Region 8 Chief Facilities Officer for further review.

H. Internal Audits

In addition to the regular inventories conducted on each campus, the Chief Facilities Officer will make periodic spot-check audits on the individual campuses. He will select an adequate number of items from the campuses' property records and audit them as to location, cost, proper and timely tagging, etc. The Chief Facilities Officer will report his findings to the Regional Director, LTC Region 8.

I. Fleet Vehicles

The Fleet Manager is charged with ensuring that state owned vehicles are tagged as movable property. He will also ensure that routine vehicle inspections are conducted, that suggested maintenance is carried out, and that the vehicles are kept clean. In addition, the Fleet Manager will make sure that all required and appropriate documents are in the vehicle, and all required decals and stickers are on the exterior of the vehicle.

The Fleet Manager, or his designated representative, will place copies of the *Daily Vehicle Log (MV-3)* into the vehicle on the first day of each calendar month and monitor vehicle users to ensure the forms are filled out correctly. The Fleet Manager will review the MV-3 to find any discrepancies and to complete any required data fields. He will then enter appropriate mileage, fuel, and maintenance data into the Protégé system.

If a vehicle is to be personally assigned to a Region 8 employee on any campus, the Fleet Manager will make sure a *Personal Assignment Agreement (MV-2)* form is executed, signed, and approved by the commissioner.

Pool vehicles are to be checked out on a daily basis. Reservations for vehicles can be requested from the Fleet Manager.

With permission from the Fleet Manager, Dean or Assistant Dean, faculty/staff members who are required to depart before normal working hours may take their reserved vehicle home overnight to facilitate efficiency. Members who are scheduled to return after normal working hours may keep the vehicle at home overnight and return it at the start of the working day the next morning.

If travel is to begin before normal working hours on a Monday morning the vehicle can be picked up the Sunday evening prior to travel. If a member returns after normal working hours on a Friday, the vehicle may be returned on Saturday morning. Exceptions to this policy must be approved by the Regional Director.

Common courtesy must be observed by all faculty and staff members when using a state owned vehicle. The user should ensure that the vehicle is clean upon return, and that the fuel tank is at least $\frac{3}{4}$ full.

J. Authorized Drivers

The Campus Safety Coordinator will develop and publish a list of authorized drivers as often as necessary to keep the list current. Authorized drivers must meet all of the state level requirements set forth in the Office of Risk Management and Region 8 Loss Prevention Manuals.

The Regional Director has determined that it is in the best interest of the Region to require that every employee driving his or her personal vehicle, or any state vehicle, on state business must have personal insurance coverage meeting the minimum state requirements. This coverage must be kept in effect at all times and is a condition of employment if the driver's position description requires such. If personal insurance is, or cannot be, obtained, the employee is to be removed from the authorized drivers list immediately.

If any “flag” appears on the employee’s Official Driving Record, the employee will be removed from the authorized drivers list. The employee will have 30 days to resolve the issue with the Department of Motor Vehicles and get the flag removed. Once the “flag” is removed, the employee will be placed back on the active list.

K. Maintenance of Files and Records

At a minimum, the Property Manager will keep all current year records and the records from the previous three years, and will have them readily available for inspection.

Within five working days of the end of each month, the Fleet Manager on each campus will run the Vehicle Break-Even Mileage Exception Report and fax or email a copy of the report to the Region 8 Chief Facilities Officer for review.

L. Title 34

In addition to these internal procedures, Region 8 employees will abide by the provisions of **Title 34: Government Contracts, Procurement and Property Control**, Part VII - Property Control and Part XI - Fleet Management.

Reviewed/Updated:

7/08 GEG
8/09 GEG
11/09 GEG
1/10 GEG



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REGION 8 TECHNICAL EDUCATION CENTER
DELTA OUACHITA CAMPUS

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February 3, 2010

Daryl G. Purpera, CPA
Temporary Legislative Auditor
1600 North Third Street
P O Box 94397
Baton Rouge, LA 70804-9397

RE Single Audit Findings for LTC Region 8
"Failure to Follow Payroll Policies and Regulations"

Dear Mr. Purpera

Regarding the Single Audit Finding "Failure to Follow Payroll Policies and Regulations" for Louisiana Technical College Region 8, after reviewing the elements of the finding and meeting with the individual campus administrators and the LTC Region 8 Chief Human Resources Officer, we do concur with the finding.

Provided below is the Corrective Action Plan including contact information.

Corrective Action Plan

Contact Person: Ms. Dana Iliff, LTC Region 8 Chief Human Resources Officer, is responsible for the development and implementation of the Corrective Action Plan. You may reach Ms. Iliff at:

LTC Region 8 / Delta Ouachita
609 Vocational Parkway
West Monroe, LA 71292
318-397-6119 (Office)
318-397-6106 (Fax)

Corrective Action: In response to the payroll/timesheet related deficiencies identified in the audit, LTC Region 8 will take the following action:

1. Updated Timesheet Procedures and forms were distributed in August 2009 to the entire Region. This ensures all forms and processes are the same at each campus. The policy will be reviewed each year to ensure it is current and accurate. *(Initial distribution completed; review will be ongoing.)*

LTC Region 8
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College

2. The LCTCS Policy#6.003-Leave Record Establishment and Regulations for All Unclassified, Non-Civil Service Employees; the LTC Policy#HR1930.542; and the Civil Services Rules, Chapters 11, 15, and 21 will be reviewed by management and then employees with emphasis on the accrual and use of leave including compensatory leave. *(This will be completed by March 1, 2010.)*
3. Training will be held with all of the timekeepers from each campus to review procedures and answer any questions on the timesheet processes. Training information will also be shared with the Campus Administrators and Campus Accountants. *(This will be completed by March 1, 2010.)*
4. Email reminders are currently sent to Campus Administrators and will be sent each payperiod to also remind employees of deadline for submitting timesheets and to ensure all approvals and signatures have been obtained as required by policy. *(Reminders to begin February 1, 2010 and will be ongoing.)*
5. Each payperiod the Campus Dean/Assistant Dean will use a Payroll Discrepancies Form (currently utilized at the Delta Ouachita Campus) to review time processed for each employee at their campus. This internal control will ensure documentation is complete and compliant with policies and regulations. *(Reviews to begin the payperiod of February 1, 2010 and will be ongoing.)*
6. On a quarterly basis, Regional Human Resources will conduct a review of one payperiod in the quarter by pulling records on ten employees. The process will include a review of the timesheets and leave documents on the employees pulled for the selected payperiod. *(Reviews to begin 3rd Quarter FY2010 and will be ongoing.)*
7. The Timesheet Procedures for LTC Region have been updated to include reference to LCTCS Policy 6.025 Code of Conduct which states "LCTCS employees shall adhere to all federal, state, and municipal laws and ordinances. Employees shall also adhere to all college and system policies and procedures, as well as other guidelines and rules of all regulating agencies or entities having jurisdiction over college activities."

Employees who fail to adhere to applicable policies, including procedures governing timesheet and payroll, shall be considered in violation of Policy 6.025, which may result in disciplinary action, up to and including termination of employment.
(Distribution of updated Timesheet Procedures has been completed.)

Should you have any questions concerning the response and Corrective Action Plan for Payroll Policies and Regulations, please let me know.

Sincerely,



Norene R. Smith
Regional Director

jks

C William J. Ryder, CPA, Audit Manager
Dana Iliff, Chief Human Resources Officer
Margie Brown, Chief Financial Officer



LOUISIANA TECHNICAL COLLEGE

REGION 8 TECHNICAL EDUCATION CENTER
DELTA OUACHITA CAMPUS

609 Vocational Parkway
West Monroe, Louisiana 71292



Phone 318-397-6100
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Norene R. Smith
Regional Director/Dean

Assistant Deans
Margie Mixon
Greg Groves

LTC REGION 8 CAMPUSES

Bastrop Campus
Bastrop Airport Extension
Bastrop

Delta Ouachita Campus
West Monroe

North Central Campus
Farmerville

Northeast Louisiana Campus
Winnsboro

Ruston Campus
Ruston

Tallulah Campus
Tallulah
Margaret Surles Instructional
Service Center
Lake Providence

March 18, 2010

Daryl G. Purpera, CPA
Temporary Legislative Auditor
1600 North Third Street
P O Box 94397
Baton Rouge, LA 70804-9397

RE Single Audit Findings for LTC Region 8
"Failure to Follow State Purchasing Regulations"

Dear Mr. Purpera

Regarding the Single Audit Finding "Failure to Follow State Purchasing Regulations" for Louisiana Technical college Region 8, after reviewing the elements of the finding and meeting with the campus purchasing agents/procurement specialists and the regional CFO, we do concur with the finding.

Provided below is the Corrective Action Plan including contact information.

Corrective Action Plan

Contact Person: Margie Brown, LTC Region 8 CFO, is responsible for the development and implementation of the Corrective Action Plan. You may reach Ms. Brown at:

LTC Region 8 – Delta Ouachita
609 Vocational Parkway
West Monroe, LA 71292
318-397-6128 (Office)
318-397-6106 (Fax)
mabrown@ltc.edu

Corrective Action: LTC Region 8 has taken the following action:

1. Excerpts from the state Procurement Handbook pertaining to "Sole Source Purchases" were emailed to accountants and purchasing agents in February, 2010. The excerpts contained the Sole Source Checklist Form which should be completed with the required documentation.
2. Telephone conversations were held with personnel to discuss Sole Source Purchases and checklists.
3. Procedure for completing a Sole Source Purchase was developed. Part of the procedure indicates that all sole source purchases must be reviewed and approved by the Regional Director and Chief Financial Officer before purchase.
4. The purchasing policy will be to follow the state identified bid process with all purchases. This will insure that all purchases follow state purchasing guidelines. If a vendor is sole source, it will become apparent in the purchasing or bid process. That vendor would then be the only one able to meet the required specifications.

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5. All accountants have been contacted concerning the decision to basically eliminate sole source purchases.
6. Approval will only be granted for an exception after all documentation has been approved by the Regional Director.
7. A group meeting will be held with appropriate personnel to reiterate process and procedures.
8. Request has been submitted to Louisiana State purchasing for Purchasing Training.

Should you have any questions concerning the response and Corrective Action Plan for Purchasing Regulations, please let me know.

Sincerely,



Norene R. Smith
Regional Director

jks

C William J. Ryder, CPA, Audit Manager
Margie Brown, Chief Financial Officer
Katie Vallery, Audit