

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,  
Hammond Area Campus  
Louisiana Community and  
Technical College System  
State of Louisiana  
Hammond, Louisiana

April 25, 2001



***Financial and Compliance Audit Division***

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***Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor***

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**LOUISIANA TECHNICAL COLLEGE,  
HAMMOND AREA CAMPUS  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA  
Hammond, Louisiana**

Procedural Report  
Dated March 6, 2001

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.

April 25, 2001



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (225) 339-3800  
FACSIMILE: (225) 339-3870

March 6, 2001

**LOUISIANA TECHNICAL COLLEGE,  
HAMMOND AREA CAMPUS  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA  
Hammond, Louisiana**

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at the Louisiana Technical College, Hammond Area Campus. Our procedures included (1) a review of the technical college's internal control; (2) tests of financial transactions for the years ended June 30, 2001, and June 30, 2000; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ended June 30, 2001, and June 30, 2000. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and selected technical college personnel and evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary. After analyzing the data, we developed a recommendation for improvement. We then discussed our finding and recommendation with appropriate management personnel before submitting this written report.

The financial information provided to the Louisiana Community and Technical College System by the Louisiana Technical College, Hammond Area Campus, is not audited or reviewed by us, and, accordingly, we do not express an opinion on this information. The technical college's accounts are an integral part of the Louisiana Community and Technical College's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

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

**Untimely Classification of Revenue**

The Louisiana Technical College, Hammond Area Campus did not classify revenue collections that were on deposit in the State Treasury to the technical college's account in a timely manner. An adequate system of internal control requires that written policies and procedures be established and implemented to ensure that revenues are collected, deposited intact, recorded accurately, and reconciled to the accounting records so that errors and/or fraud are detected in a timely manner.

LEGISLATIVE AUDITOR

**LOUISIANA TECHNICAL COLLEGE,  
HAMMOND AREA CAMPUS  
LOUISIANA COMMUNITY AND  
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Procedural Report, Dated March 6, 2001  
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Our review of the Hammond Area Campus' revenue revealed that collections totaling \$70,139 from tuition and book sales during August through November 2000 remained unclassified in the technical college's account in the State Treasury until February 9, 2001. This occurred because the technical college failed to timely reconcile its accounting records to the bank account balance and to the technical college's account in the State Treasury.

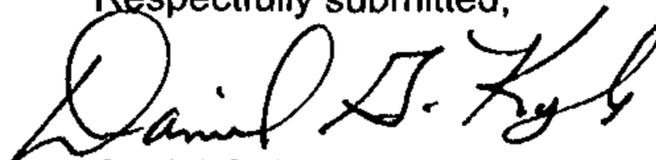
The technical college's unclassified funds were not available for expenditure until they were classified to the technical college's credit in the State Treasury. In addition, the technical college's failure to timely reconcile the accounting records to the bank account and to the technical college's account with the State Treasury increases the risk that errors could occur or assets could be lost or misused and would not be detected timely by management.

Management should establish written policies and procedures to ensure timely classification of technical college revenues in its account with the State Treasury and to ensure the timely reconciliation of the accounting records to bank and State Treasury account balances. Management of the Hammond Area Campus concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A).

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

This report is intended for the information and use of the technical college and its management. By provisions of state law, this report is a public document, and it has been distributed to the appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE  
Legislative Auditor

SC:JR:RCL:dl

[LTCHAC01]

## Appendix A

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



# LOUISIANA TECHNICAL COLLEGE

## Central Office

822 Neosho Avenue  
Baton Rouge, Louisiana 70802-4219  
Telephone: 225/219-8700  
Facsimile: 225/219-8778

**William J. Roden, J. D.**  
Chancellor

March 23, 2001

### CAMPUSES:

Acadian Campus  
Alexandria Campus  
Ascension Campus  
Avoyelles Campus  
Bastrop Campus  
Baton Rouge Campus  
Charles B. Coreil Campus  
Delta Ouachita Campus  
Evangeline Campus  
Florida Parishes Campus  
Folkes Campus  
Gulf Area Campus  
Hammond Area Campus  
Huey P. Long Campus  
Jefferson Campus  
Jumonville Memorial Campus  
L. E. Fletcher Campus  
Lafayette Campus  
Lafourche Campus  
Lamar Salter Campus  
Mansfield Campus  
Morgan Smith Campus  
Natchitoches Campus  
North Central Campus  
Northeast LA Campus  
Northwest LA Campus  
Oakdale Campus  
River Parishes Campus  
Ruston Campus  
Sabine Valley Campus  
Shelby M. Jackson Campus  
Shreveport Bossier Campus  
Sidney N. Collier Campus  
Slidell Campus  
Sowela Campus  
Sullivan Campus  
T. H. Harris Campus  
Tallulah Campus  
Teche Area Campus  
West Jefferson Campus  
Westside Campus  
Young Memorial Campus

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Office of the Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

### **RE: Audit Findings of LTC-Hammond Area Campus**

Dear Dr. Kyle:

Management of Louisiana Technical College concurs with the finding and recommendation related to **Untimely Classification of Revenue**.

Management of Louisiana Technical College recognizes its responsibility to ensure timely classification of revenue in the college account and timely reconciliation of bank accounts. Management has employed the necessary accounting staff to ensure *compliance with established procedures relating to revenue collection is adhered to*. Additionally, the Central Office staff will monitor the state's accounting system to ensure funds deposited into the State Treasury are timely classified into the college's account.

Mrs. Jimmye Foster, Director is responsible for ensuring compliance to corrective action listed above.

Sincerely,

**William J. Roden, J.D.**  
Chancellor

Cc: Dr. Wayne Brown, System President  
Mrs. Jimmye Foster, Director  
Mr. Melvin Davis, Director of Internal Financial  
and Performance Audit and Financial Analyst