

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



MANAGEMENT LETTER
ISSUED DECEMBER 14, 2011

**LOUISIANA 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 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. Two copies of this public document were produced at an approximate cost of \$7.72. 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. 80110031 for additional information.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 28, 2011

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

As required by Louisiana Revised Statute 24:513 and as a part of our audit of the Louisiana Community and Technical College System (System) financial statements and the Single Audit of the State of Louisiana for the fiscal year ended June 30, 2011, we conducted certain procedures at the Northeast Louisiana Technical College (college) for the period from July 1, 2010, through June 30, 2011.

- Our auditors obtained and documented an understanding of the college's operations and system of internal controls, including internal controls over a major federal award program administered by the college, through inquiry, observation, and review of the college's policies and procedures, including a review of the related 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 college management of any significant variances.
- Our auditors reviewed the status of the findings identified in the prior year engagement. The findings identified in our prior management letter on the college, dated April 26, 2010, relating to failure to comply with property control regulations, failure to follow payroll policies and regulations, and failure to follow state purchasing regulations have been resolved by management.
- Our auditors considered internal control over financial reporting and examined evidence supporting the college's cash and cash equivalents, accounts payable and accrued liabilities, deferred revenues, student tuition and fees, state and local grants and contracts 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, as part of our audit of the

System's Annual Financial Report for the fiscal year ended June 30, 2011, 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, 2011, 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 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* and will also be included in the State of Louisiana's Single Audit Report for the year ended June 30, 2011. Other than the finding noted below, we found no significant control deficiencies, noncompliance, or errors relating to our analytical procedures or our other audit procedures, including our procedures on federal programs, which should be communicated to management.

Late Return of Pell Grant Funds

The college did not return \$13,559 of Federal Pell Grant Program funds to the U.S. Department of Education (USDOE) within the time frames allowed by the program. A test of 54 students who withdrew from the college during fiscal year 2011 revealed that the college did not determine the withdrawal dates for 42 students within 30 days and did not return the related federal funds for 38 students within 45 days of determining the withdrawal date, as required by federal regulations. Although these actions resulted in noncompliance with federal regulations, the college eventually returned all funds to the USDOE and, therefore, there were no questioned costs. Because the delays were caused by individual college campuses not following established policies, management should better monitor its employees' adherence to those policies. Management concurred with the finding and recommendation and outlined a plan of corrective action (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 decisions on courses of action. The finding, which relates 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, 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,

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

Daryl G. Purpera, CPA, CFE
Legislative Auditor

KVL:BAC:BDC:THC:dl

NELTC 2011

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



**NORTHEAST LOUISIANA
TECHNICAL COLLEGE**

NORTHEAST LOUISIANA TECHNICAL COLLEGE

**DELTA OUACHITA CAMPUS
609 Vocational Parkway
West Monroe, Louisiana 71292**



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

October 24, 2011

**Dr. Luke Robins
Interim Regional Director**

Mr. Daryl G. Purpera, CPA, CFE, Legislative Auditor
Louisiana Legislative Auditor's Office
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Reportable Audit Findings for Northeast Louisiana Technical College -

- Return of Federal PELL Grant Program funds to the U.S. Department of Education within allowable timeframe

**NORTHEAST LOUISIANA
TECHNICAL COLLEGE
CAMPUSES**

**Bastrop Campus
Bastrop Airport Extension**

**Delta Ouachita Campus
West Monroe**

**North Central Campus
Farmerville**

**Northeast Campus
Winnsboro**

Ruston Campus

Dear Mr. Purpera:

As requested, please find the official response regarding the reportable audit finding of Northeast Louisiana Technical College.

According to the findings outlined in Ms. Barbara Clements' letter dated October 17, 2011, the college concurs that the findings are correct.

Northeast Louisiana Technical College will implement the following corrective action plan:

Contact Person	Corrective Action	Anticipated Completion Date
DeAnne Kiper	Adoption, distribution, and on-going training of the NELTC Financial Aid Handbook, effective for the 11-12 year. This handbook establishes policies for the PELL process and returns to Title IV.	Fall Semester, 2011
	With the completion of the PPA between NELTC and the Department of Education, the Lead Financial Aid Officer will have access which allows complete oversight of the PELL processes of the college. Return of Title IV funds and reconciliations will be centralized which will allow better control and oversight.	Fall Semester, 2011
	Professional Development will be attended by college Financial Aid Officers to strengthen and expand knowledge of federal regulations regarding return to Title IV.	October, 2011
DeAnne Kiper Margie Mixon Dana Iliff	With the retirement of one of the college's financial aid officers and due to errors made in return to Title IV, the college has reviewed staffing in the financial aid offices and is in the process of recruiting additional employees in support of financial aid activities.	December, 2011

Sincerely,

Dr. Luke Robins
Interim Regional Director

C Margie Brown, CFO
DeAnne Kiper

Northeast Louisiana
Technical College is an
Equal Opportunity College