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STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,
Averyelles Campus
Department of Education
Board of Elementary and
Secondary Education
State of Louisiana
Cottierport, Louisiana

April 1, 1988

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STATE OF LOUISIANA
LEGISLATIVE AUDITOR



Financial and Compliance Audit Division

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

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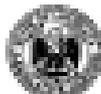
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**LOUISIANA TECHNICAL COLLEGE,
AVOYELLES CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
SECONDARY EDUCATION
STATE OF LOUISIANA
Cottonport, Louisiana**

**Management Letter
Dated March 13, 1998**

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.

April 1, 1998



BARBARA KYLL, Ph.D., CPA, CFE
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March 13, 1998

**LOUISIANA TECHNICAL COLLEGE,
AVOYELLES CAMPUS
DEPARTMENT OF EDUCATION
BOARD OF ELEMENTARY AND
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STATE OF LOUISIANA
Cottonport, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ending June 30, 1998, we conducted certain procedures at Louisiana Technical College, Avoyelles Campus. Our procedures included (1) a review of the technical college's internal controls; (2) tests of financial transactions for the years ending June 30, 1995, and June 30, 1997; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the years ending June 30, 1998, and June 30, 1997.

The Annual Fiscal Reports of Louisiana Technical College, Avoyelles Campus are not within the scope of our work, and, accordingly, we offer no form of assurance on those reports. The technical college's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Our procedures included interviews with selected management personnel and selected technical college personnel. We also 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.

In our prior management letter on the Regional Management Center 6, Alexandria, dated April 24, 1995, we reported findings specific to the Avoyelles Campus relating to internal controls over revenue and small purchases. These findings have been resolved by management.

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

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Electronic Data Processing Control Weaknesses

Louisiana Technical College, Avooyelles Campus has not established adequate internal controls over data entry into the Integrated Statewide Information System (ISIS). Adequate internal controls require that procedures be in place to ensure that all payment transactions have been ultimately processed in the Government Financial System (GFS) and that entries are properly segregated.

Our audit revealed the following weaknesses:

- No validation is made to ensure that transactions approved for payment in the Advanced Government Purchasing System (AGPS) were processed in GFS or that the output from GFS agrees to the input from AGPS. This validation has not been performed since the conversion to GIS and the reallocation from the registers to individual technical colleges.
- The accountant and the chief clerk can both enter new vendors and approve payments in AGPS. This lack of segregation puts the employees in a position to both initiate and conceal errors or fraud.

The technical college should develop input validation procedures between AGPS and GFS and should segregate the duties of entering new vendors and approving payments. In a letter dated March 9, 1988, Mr. Ward Nash, Director, concurred with the finding and stated that the technical college proposes to conduct a random validation of ten or so documents per month as a means to ensure that transactions approved for payment in AGPS were processed in GFS and that the output from GFS agrees to the input from AGPS. On the matter of the input and approval levels of the accountant and purchasing agent, these levels of access have been changed to allow vendor input to the purchasing agent only and approval to the accountant only.

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

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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 appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

LJDCUH:d

3/15/88