

NORTHWEST LOUISIANA TECHNICAL COLLEGE

LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
PROCEDURAL REPORT  
ISSUED JULY 10, 2019

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

**LEGISLATIVE AUDITOR**  
DARYL G. PURPERA, CPA, CFE

**ASSISTANT LEGISLATIVE AUDITOR**  
**FOR STATE AUDIT SERVICES**  
NICOLE B. EDMONSON, CIA, CGAP, MPA

**DIRECTOR OF FINANCIAL AUDIT**  
ERNEST F. SUMMERVILLE, JR., CPA

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 is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at [www.lla.la.gov](http://www.lla.la.gov).

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.20. 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 website at [www.lla.la.gov](http://www.lla.la.gov). When contacting the office, you may refer to Agency ID No. 3570 or Report ID No. 80190008 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Elizabeth Coxe, Chief Administrative Officer, at 225-339-3800.

---

# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Northwest Louisiana Technical College

July 2019

Audit Control # 8019008

---

## Introduction

The primary purpose of our procedures at the Northwest Louisiana Technical College (College) was to evaluate certain controls the College uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds. In addition, we determined whether management has taken action to correct the finding reported in the prior report.

## Results of Our Procedures

We evaluated the College's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of the College's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to receivables, payroll expenses, tuition and fee revenues, and information system access.

---

## Follow-up on Prior-report Finding

We reviewed the status of the prior-report finding in the College's procedural report dated August 9, 2017. We determined that management has resolved the prior-report finding related to Inadequate Control over Movable Property.

---

## Receivables

We obtained an understanding of controls over receivables regarding write-offs, reconciliation of student receivable balances, and submission of delinquent accounts to the Office of Debt Recovery (ODR) for further collections. We reviewed a listing of accounts over two years old that were written off during the two fiscal years ending June 30, 2019, as of March 20, 2019, and we reviewed a listing of accounts submitted to ODR during the month of January 2019. We found that the College is writing off delinquent account balances in accordance with Louisiana Community and Technical College System (LCTCS) policy and submitting delinquent accounts to ODR in accordance with its agreement with ODR. We also examined the reconciliations of

detail student receivable balances to the general ledger for the months January 2019 and February 2019. Based on the results of our procedures, no exceptions were identified.

---

## **Payroll Expenses**

Salaries and related benefits comprise approximately 63% and 55% of the College's expenses for fiscal years 2017 and 2018, respectively. We obtained an understanding of the policies and procedures related to payroll and reviewed reports of electronic time approvals for the two fiscal years ending June 30, 2019, as of April 3, 2019. We also agreed pay rates to supporting authorizations for selected employees as of the pay period ending April 14, 2019. Based on the results of our procedures, no exceptions were identified.

---

## **Tuition and Fee Revenues**

The College's tuition and fee revenues include general registration tuition and various fees charged to enrolled students. We obtained an understanding of the controls over tuition and fee rate tables and agreed the electronic table rates in the Banner system to those authorized for the 2018-2019 academic year. We also compared tuition and fee revenues by type for the fall 2017 and fall 2018 semesters as of December 31, 2017, and December 31, 2019, respectively. Based on the results of our procedures, no exceptions were identified.

---

## **Information System Access**

The College uses the Banner system for general ledger data and financial statement preparation. We gained an understanding over granting and terminating access. We reviewed employees' access reports as of January 9, 2019, for proper segregation of duties and employees' need for access to perform daily job functions. We also obtained and reviewed a listing of employees who terminated their employment during fiscal years 2018 and 2019, as of January 9, 2019. For those employees having edit access to the Student modules, we examined the check-out forms and the notifications to system administrators to determine whether system access was terminated timely. Based on the results of our procedures, no exceptions were identified.

---

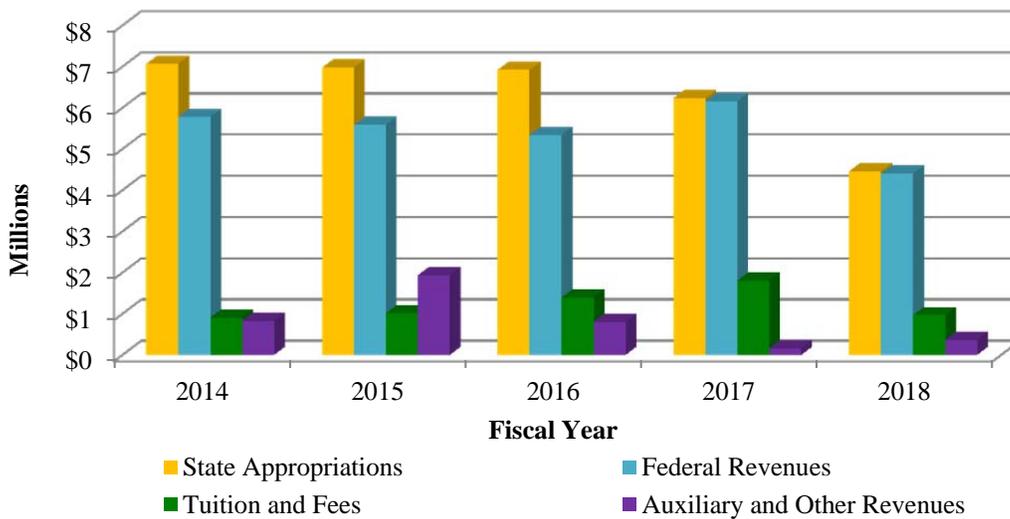
## **Trend Analysis**

We compared 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 for any significant variances. We also prepared a five-year trend analysis of revenues, expenses, and fall enrollment.

This analysis showed revenues, expenses, and enrollment increased between fiscal years (FY) 2014 and 2015. However; in FY 2016, Workforce Innovation for a Stronger Economy program

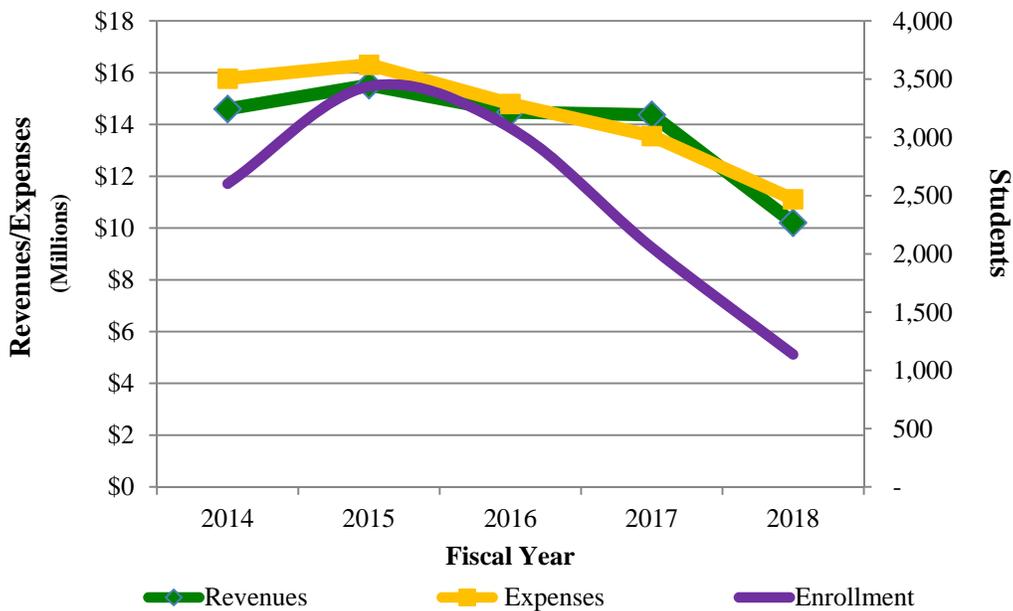
funding ended and enrollment declined mainly due to fewer high school students enrolling when dual enrollment fee rates increased. In FY 2017, the Natchitoches and Many campuses transferred to the Central Louisiana Technical Community College, resulting in drastic decreases in revenues, expenses, and enrollment. This downward trend has continued through to the current FY 2019 period.

**Exhibit 1  
Five-year Revenue Trends**



Source: LCTCS Audit Reports

**Exhibit 2  
Fiscal/Enrollment Trends**



Source: LCTCS Audit Reports and Board of Regents Enrollment Data

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, prominent initial "D".

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

ASM:BAC:BH:EFS:ch

NWLTC 2019

## APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Northwest Louisiana Technical College (College) for the period from July 1, 2017, through June 30, 2019. Our objective was to evaluate certain controls the College uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review the College's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The College's accounts are an integral part of the Louisiana Community and Technical College System, a component unit of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

- We evaluated the College's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the College.
- Based on the documentation of the College's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to receivables, payroll expenses, tuition and fee revenues, and information system access.
- We compared the most current and prior-year financial activity using the College's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from College management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at the College and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purpose.