

NORTHWEST LOUISIANA TECHNICAL COLLEGE  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
PROCEDURAL REPORT  
ISSUED NOVEMBER 18, 2015

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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



## Northwest Louisiana Technical College

November 2015

*Audit Control # 80150079*

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### Introduction

The primary purpose of our procedures at 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 overall accountability over public funds.

The College is part of the Louisiana Community and Technical College System (LCTCS), which is a component unit of the state of Louisiana. The College's mission is to provide the citizens of northwest Louisiana with opportunities for educational, economic, professional, and personal development. Through a focus on high-quality, relevant, career and technical education, the College supports economic growth and community development by educating and training students for entry and advancement in high-wage, high-demand industries. The College is an open admission institution that partners with the communities and businesses of the northwest region of Louisiana to provide workforce training, certificates, diplomas, and associate degrees.

### 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 applicable laws and regulations. Based on documentation of the College's controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to tuition and fee rates, scholarship discounts and allowances, movable property, travel expenditures, and nonpayroll expenditures. We also performed analytical review procedures and analyzed the College's revenues, expenses, and enrollment over the last five fiscal years.

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## **Tuition and Fees Rates**

We performed procedures to determine whether the College charged the proper tuition and fee rates to student accounts and whether the revenues were accurately recorded. We compared the authorized tuition and fee rates for general registration and online courses to the College's rate tables in Banner. Based on the results of our procedures, the College charged the proper tuition and fee rates to students' accounts, and the revenues were accurately recorded.

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## **Scholarship Discounts and Allowances**

We obtained an understanding of the College's controls over the calculation of the scholarship discounts and allowances amount. We recalculated the amount to determine reasonableness as of June 30, 2015. Based on the results of our procedures, the College had adequate controls in place to ensure the scholarship discounts and allowances amount was properly calculated and the amount recorded was reasonable.

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## **Movable Property**

We performed procedures to determine whether controls over movable property were adequate for the College's five locations. The college owns more than 2,490 items with original costs of approximately \$6,458,961. We tested the timeliness of new additions and reviewed the latest certified annual inventory for each site. Based on the results of our procedures, the College has policies and procedures and adequate controls over its property to safeguard assets, certify annual inventory, and timely tag and report new acquisitions as directed by Louisiana Property Assistance Agency.

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## **Travel Expenditures**

We performed procedures to determine whether out-of-state travel expenditures complied with applicable state laws and regulations. We obtained an understanding of the College's controls over out-of-state travel transactions and examined supporting documents for accuracy and compliance. Based on the results of our procedures, the College had adequate controls in place to ensure that out of state travel expenditures were properly authorized and supported and were processed in accordance with state laws and regulations.

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## **Nonpayroll Expenditures**

In fiscal year 2015, Bossier Parish Community College began performing purchasing functions for the College. We performed procedures on nonpayroll expenditures to ensure controls were in place and operating. We tested selected transactions relating to small purchases and bids

purchases. Based on the results of our procedures, the College has policies and procedures and adequate controls to process non-payroll expenditures, maintain documentation to support financial reporting, and to follow state laws and regulations.

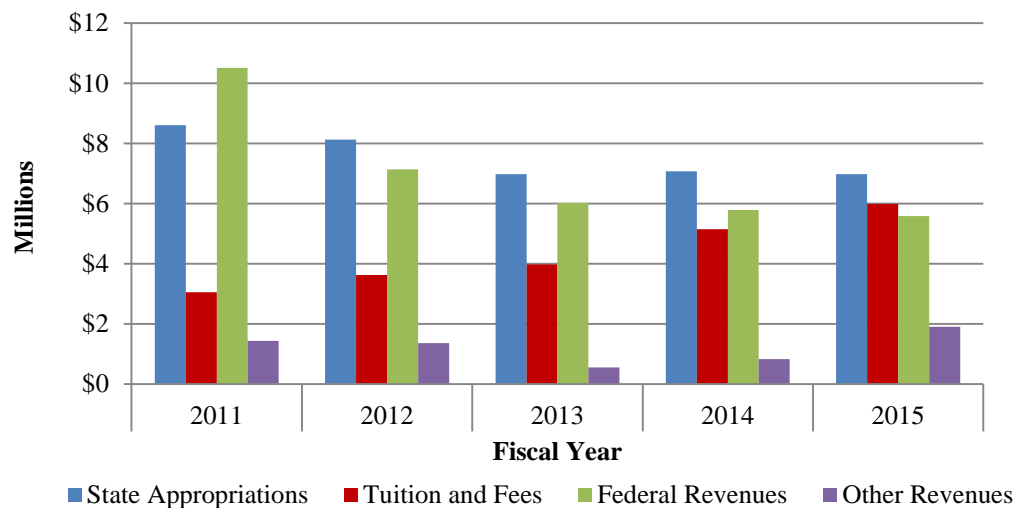
## Comparison of Activity between Years

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 management for significant variances that could potentially indicate areas of risk. Management provided reasonable explanations for all significant variances.

We analyzed the College's revenues, expenses, and enrollment over the last five fiscal years, as shown in Exhibits 1 and 2.

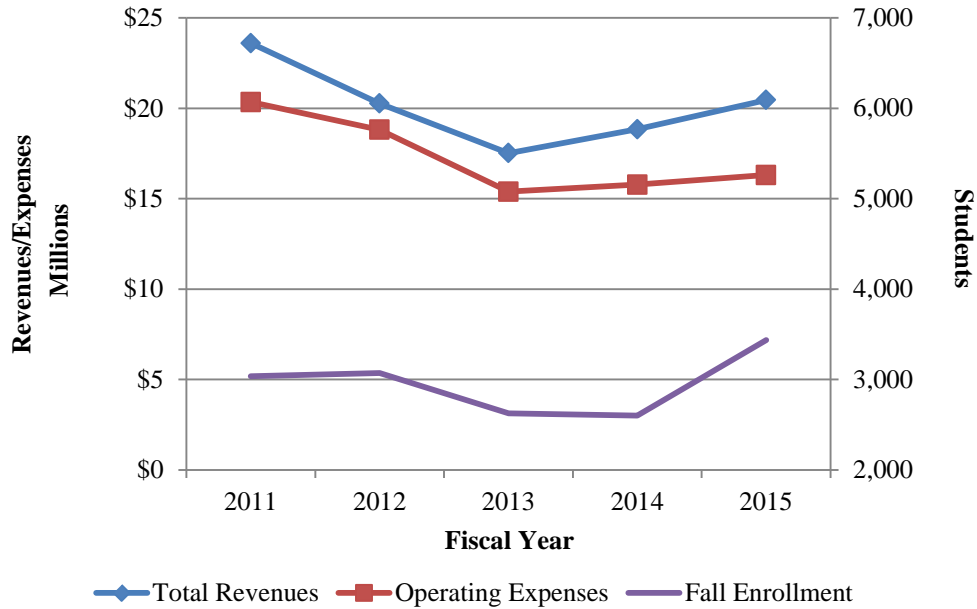
Over the past five fiscal years, the College has become more dependent on tuition and fees and other revenues as state appropriations and federal funds decline. Fiscal year 2011 was the last year the College received \$2.5 million in Federal American Recovery and Reinvestment Act funds. In fiscal year 2015, enrollment, tuition and fee revenues, and other revenues increased when compared to the prior year. Enrollment increased as a result of new instructional programs being offered and an increased number of students accepted for all programs. Tuition and fee revenues increased because of an increase in the fee rates along with the increase in enrollment. Other revenues increased because the College received Board of Regents Workforce and Innovation for a Stronger Economy funds in fiscal year 2015. Operating expenses have increased in response to increased program activity.

**Exhibit 1**  
**Five-Year Revenue Trend**



Source: College Annual Financial Reports

**Exhibit 2  
Fiscal/Enrollment Trends**



**Source:** College Annual Financial Reports and Board of Regents Enrollment Data

Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,  
*Daryl G. Purpera*

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

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NWLTC2015

## APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at Northwest Louisiana Technical College (College) for the period from July 1, 2014, through June 30, 2015. Our objective was to evaluate certain internal controls the College uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and overall accountability over public funds. The scope of our procedures, which are 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 Report, and, accordingly, we do not express an opinion on that report. The College's accounts are an integral part of the Louisiana Community and Technical College System, which is an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- 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 laws and regulations applicable to the College.
- Based on the documentation of the College's controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to tuition and fees rates, scholarship discounts and allowances, movable property, travel expenditures, and nonpayroll expenditures.
- 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 the College's management for any significant variances.

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.