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Report Highlights

Elaine P. Nunez Community College

Louisiana Community and Technical College System

Audit Control # 80170068
Financial Audit Services • September 2017

Why We Conducted This Work

We conducted procedures at Elaine P. Nunez Community College (Nunez) to evaluate certain controls that Nunez uses to ensure accurate financial reporting and transparency, compliance with applicable laws and regulations, and to provide overall accountability over public funds for the period July 1, 2015, through June 30, 2017.

What We Found

- Nunez improperly granted two unclassified employees retroactive pay raises, resulting in payments totaling \$79,691, in violation of the Louisiana Constitution. One employee was granted retroactive pay totaling \$64,482 while the other employee was granted \$15,209.
- Nunez did not maintain adequate controls over payroll records, increasing the risk that errors and/or fraud may be committed and not detected in a timely manner. One position was underpaid by \$22,150, two employees recorded overlapping hours on time and attendance records, and time and attendance records could not be located or did not have proper approvals.
- Nunez did not have adequate controls over its bank accounts, including bank reconciliations that did not reconcile, did not have evidence of management review, indicated approval by management more than a year past the month being reconciled, or indicated completion before the end of the month being reconciled.
- Nunez did not timely deposit monies collected or ensure adequate review of deposit transactions, placing assets at risk of loss due to theft or misuse. Twelve deposits included funds received from 2 to 23 days prior to the date of deposit, and 13 deposit transactions did not have supervisory approval.
- Nunez did not maintain adequate controls over its Banner Enterprise Resource Planning system that processes transactions and maintains data related to student records and registration, financial aid, human resources, payroll, and financial operations during fiscal years 2016 and 2017. Two employees had the ability to execute the entire procurement process, eight manual journals had incomplete support, and three manual journals were prepared and approved by the same employee.
- Nunez did not comply with regulations for purchasing of goods and services and did not provide complete contract reports to the Louisiana Community and Technical College System (LCTCS) Board Office as required by LCTCS policy. Nunez did not comply with the competitive process of the Small Purchase Executive Orders for three vendors and submitted five incomplete quarterly contract reports to the LCTCS Board Office.

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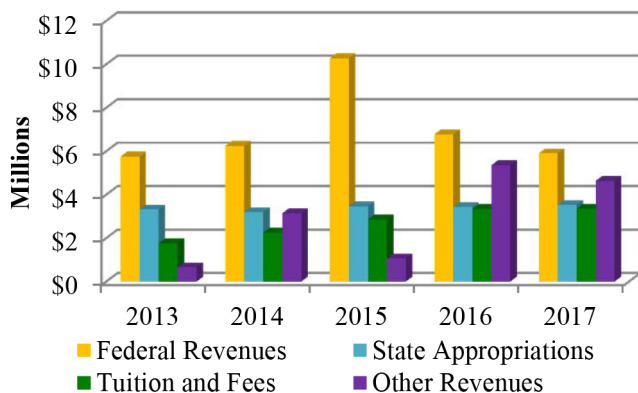
Elaine P. Nunez Community College

Louisiana Community and Technical College System

What We Found (Cont.)

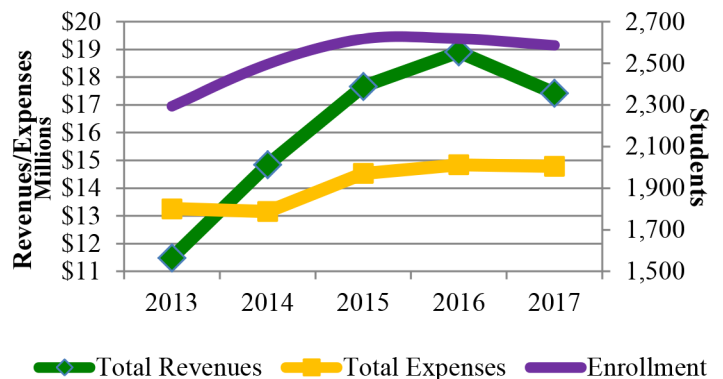
- Nunez did not maintain adequate controls over the assessment and refunding of student tuition and fees, which resulted in undercharges and overcharges to students. Two students were undercharged \$4,855, and two students were overcharged \$561. Also, refund periods and refund percentages were inconsistently defined in the Banner student system, and a refund schedule was not made available to the students.
- Nunez was unable to provide records that documented the reduced tuition rate applied to students was adequate to cover the costs of providing instruction as required by its policy. Four students received discounted tuition and fees totaling \$8,313 without supporting documentation for the amount of the reduction.
- Nunez had not posted the application process for hardship and waivers of tuition and fees on its website, as of April 9, 2017, so that students could apply for the waivers before registration as required by LCTCS policy and state law. Also, a student was awarded a hardship waiver of \$604 at the recommendation of the instructor without the student completing an application as required by LCTCS and Nunez policies.
- In analyzing financial trends of Nunez over the past five fiscal years, we determined that revenues have increased by 52%. Tuition and fee revenues have increased by 91%, primarily from increases in LCTCS Board-approved tuition and fees. Other revenues, consisting primarily of capital appropriations, have significantly increased. Nunez received capital appropriations for the construction of the Stewart Administration Building and the Fine Arts Building that were completed in fiscal years 2016 and 2017, respectively.

Five-Year Revenue Trend, by Fiscal Year



Source: Nunez Annual Financial Reports, as adjusted

Fiscal/Enrollment Trends, by Fiscal Year



Source: Nunez Annual Financial Reports, as adjusted, and Board of Regents enrollment data