



LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

LCTCS BOARD OF SUPERVISORS AUDIT COMMITTEE MEETING

MINUTES

March 14, 2018

9:00 AM

The Louisiana Building
Baton Rouge Community College

201 Community College Drive, Baton Rouge, Louisiana 70806

A. Call to Order by Committee Chair

Chair Potts called the March 14, 2018, LCTCS Board of Supervisors Audit Committee meeting to order at 9:00 a.m.

B. Pledge of Allegiance

Supervisor Mount led the group in the Pledge of Allegiance.

C. Roll Call

Board Coordinator, Sara Kleinpeter conducted the roll call with the following results:

Members Present

Absent

Staff Present

Audit Cmt:
Joe Potts
Helen Carter
Paul Price, Jr.

Craig Spohn

Monty Sullivan
Sara Kleinpeter
Michael Redmond
Chris Broadwater
Chancellor Dennis Epps
Chancellor Rick Bateman

Other Members:

Woody Oge
Stephen Smith
Tim Hardy
Vinney St. Blanc

D. Approval of Minutes of December 13, 2017 Meeting

On motion by Supervisor Mount, seconded by Supervisor Jackson, the Audit Committee of the LCTCS Board of Supervisors voted to approve the December 13, 2017, meeting minutes. The motion carried.

Changing Lives,
Creating Futures

Monty Sullivan
System President

Officers:

Timothy W. Hardy
Chair

Stephen Toups
First Vice Chair

Helen Bridges Carter
Second Vice Chair

Members:

Tari T. Bradford
Alterman L. "Chip" Jackson
Erika McConduit
Willie L. Mount
Michael J. Murphy
N. J. "Woody" Oge
Joe Potts
Paul Price, Jr.
Stephen C. Smith
Mark D. Spears, Jr.
Craig Spohn
Vincent St. Blanc, III

Student Members:

Zachary Hitt
Darell Richardson

Louisiana
Community
& Technical
College System

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## E. Reports

### 1. Update on Flying Tigers Aviation

Michael Redmond provided an update that the LCTCS Internal Audit staff has done with the Flying Tigers Aviation claim. There were twenty-one students who made application for refund. Of those thirteen were approved for refund. To date, nine payments were made to students totaling \$339,631.21; four payments were made to Sallie May on behalf of the students totaling \$115,811.87. One clamant was offered \$14,241 but rejected the settlement. Mr. Redmond anticipates one or two additional settlements that will be made following their review.

Attorney Leo Hamilton spoke about potential law suits as they relate to this issue and anticipates little legal action will come forth.

### 2. Analysis of Compensatory Time Earnings and Usage

Mr. Redmond noted that the internal audit team began looking into a thorough compensatory time earning and usage review in August of 2016 as a result of new rules proposed by the US Department of Labor. The new federal rules were never put in place, but internal audit felt it imperative to review three main parts of compensatory time: (1) Approval of compensatory time, (2) Who is eligible for compensatory time, and (3) What are the reasons for compensatory time.

In review of the LCTCS Policy #6.003 as it relates to compensatory leave, Mr. Redmond reports that there are three findings with the policy.

Finding 1: LCTCS policy #6.003 is unclear as to how and when the accruing and payment of compensatory leave is to be authorized.

Internal Audit staff recommends

- a. Policy #6.003 should be amended to clarify the appropriate approvals needed to accrue compensatory leave hours. Internal Audit recommends that, except in extraordinary circumstances, written approval, in advance, be required for accrual of compensatory leave.
- b. Management and staff at all LCTCS colleges should be made aware of the requirements of policy #6.003 relevant to the accumulation and use of overtime and compensatory leave. Management should ensure that no overtime / compensatory leave is granted without appropriate approval in accordance with the recommended revision of this policy.

Finding 2: There did not appear to be limitations as to the application of the policy to non-academic staff at the colleges, regardless of title.

Internal Audit staff recommends LCTCS policy #6.003 should be amended to clarify the earning of compensatory leave for all personnel at the colleges.

Finding 3: The policy is unclear as to the reasons for which compensatory leave may be earned.

Internal Audit staff recommends that LCTCS Policy #6.003 be amended to require appropriate justification for the granting of overtime / compensatory leave.

### 3. Analysis of Movable Property and Unlocated Property

In the last two years, Louisiana Legislative Auditor has issued reports on unlocated and movable property throughout the system. Their reports do not present the full picture, however, because they do not report the current value or age of the “missing” property. Many of the property items listed on the LLA reports are more than five years old. He recommends that schools begin to surplus property that is out of service to help eliminate “losing” older property.

#### F. Update on 2017-2018 Audit Plan

Mr. Redmond informed the committee that during the June Audit Meeting, he will give a full update on the 2017-2018 Audit Plan. He provided the committee with a report on the status of projects from the audit plan.

#### G. Other Business

##### 1. Network Security Update

By point of order, Chairman Potts moved to defer the Network Security Update to the June audit meeting without objection.

##### 2. Financial Disclosure Deadlines – May 15, 2018

Chairman Potts reminded members to complete the Tier 2.1 Financial Disclosure by May 15, 2018.

#### H. Adjournment

**On motion by Supervisor Jackson, seconded by Supervisor Mount, the Audit Committee of the LCTCS Board of Supervisors adjourned at 9:50 a.m.**