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SEP 11 2015

FINANCIAL AID DEPARTMENT

September 4, 2015

The Honorable Bobby Jindal, Governor
Governor of Louisiana
P.O. Box 94004
Baton Rouge, LA 70804-9004

Certified Mail
Return Receipt Requested
7015 0640 0006 6520 7816

Re: Final Audit Determination
Audit Control Number (ACN): 06-2014-52405
FAC ACN: 06-2014-59336
OPE ID: 00200500

Dear Governor Jindal:

The U.S. Department of Education (Department) has reviewed a single audit report of the State of Louisiana. This audit report, prepared by Daryl G. Purpera, Certified Public Accountant, in accordance with the Office of Management and Budget Circular A-133, covers the period July 1, 2013, through June 30, 2014. This letter advises the State of Louisiana of the Department's final audit determination concerning the portions of the audit report that relate to the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs).

The Department has reviewed the corrective action plan (CAP) and/or management's response provided with the audit report. Enclosed is the Department's final audit determination. Also enclosed is the State of Louisiana's response to this audit. Any supporting documentation submitted with the institution's written response is not included with this final audit determination. However, it will be retained and available for inspection by the State of Louisiana upon request. Copies of the final audit determination, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this final audit determination is issued.

Although the enclosure to this letter may not address each of the auditor's findings, the State of Louisiana must take the necessary actions to correct all of the deficiencies noted in the audit report. Sections .315(b) and .320(c) of OMB Circular A-133 require the State of Louisiana to prepare and submit as part of the reporting package a *Summary Schedule of Prior Audit Findings* that reports the status of prior audit findings. In preparing that Schedule, the State of Louisiana must comment on all actions taken to correct each finding noted in this audit report, including

Federal Student Aid

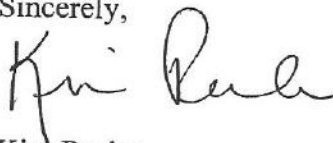
An OFFICE of the U.S. DEPARTMENT of EDUCATION
1999 Bryan Street, Suite 1410
Dallas, TX 75201-6817

include the imposition of a fine, or the limitation, suspension, or termination of the eligibility of the institution pursuant to 34 C.F.R. Part 668, Subpart G.

Program records relating to the period covered by this audit must be retained until the later of: resolution of any loans, claims, or expenditures questioned in the audit, 34 C.F.R. § 668.24(e)(3)(i), or the end of the retention period applicable to the record under 34 C.F.R. §§ 668.24(e)(1) and (e)(2).

The State of Louisiana's continued cooperation throughout the audit resolution process is appreciated. If the State of Louisiana has any questions about our review, please call Dr. Joe L. Williams at 214-661-9510.

Sincerely,



Kim Peeler
Compliance Manager

Enclosure: Final Audit Determination
Response to Audit

cc: President/Chancellor, Delgado Community College
Financial Aid Administrator, Delgado Community College

President/Chancellor, L.E. Fletcher Technical Community College
Financial Aid Administrator, L.E. Fletcher Technical Community College

President/Chancellor, South Louisiana Community College
Financial Aid Administrator, South Louisiana Community College

President/Chancellor, Northwestern State University
Financial Aid Administrator, Northwestern State University

President/Chancellor, Southern University at Baton Rouge
Financial Aid Administrator, Southern University at Baton Rouge

Louisiana State Board of Regents

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FINANCIAL AID DEPARTMENT

ACN: 06-2014-52405

FAC ACN: 06-2014-59336

INSTITUTION: L.E. Fletcher Technical Community College (FTCC)

FINDING NUMBER: 2014-013 – Return of Title IV Funds Made Late, Page 44

The auditor noted that FTCC did not return \$9,808.00 of federal Title IV funds to the U.S. Department of Education (ED) within the required timeframe and did not have controls in place to ensure that student withdrawal dates reported in the College's system are supported by attendance records.

In addition, FTCC did not return Pell Grant funds totaling \$9,481.00 to ED within 45 days of determining the students' withdrawal dates

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.22(a) of the Student Assistance General Provisions regulations states that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. Further, pursuant to paragraph (j) of the same section, an institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew.

FTCC provided the following statement regarding the late returns:

"Prior to our corrective action plan being given to the auditors, Fletcher had already begun correcting the late R2T4 returns. I reviewed the sample that we talked about earlier and returns had already been performed for all those students last year. Also, lists of the entire population from the Registrar's Office were reviewed last year to ensure that all students had returns completed if it were applicable."

Since the institution made the required returns and implemented new policies, this finding is considered closed and no further action is required.

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FINANCIAL AID DEPARTMENT

ACN: 06-2014-52405

FAC ACN: 06-2014-59336

INSTITUTION: South Louisiana Community College (SLCC)

FINDING NUMBER: 2014-015- Return of Title IV Funds Made Late, Page 47

The auditor noted that SLCC did not maintain sufficient controls over the Federal Pell Grant Program to timely identify students who withdrew, in order to perform the return of funds calculation, and return funds to the U.S. Department of Education as required by federal regulations. This is a repeat finding.

The auditor recommended the following:

"Management should implement controls to ensure that a return of funds determination is performed for all students with a combination of "Fs" and "Ws" in all classes attended. Management should also determine whether the additional 36 students from the spring 2014 semester or any students from the fall 2013 semester should have funds returned to the U.S. Department of Education and/or recouped from the students."

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.22(a) of the Student Assistance General Provisions regulations states that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. Further, pursuant to paragraph (j) of the same section, an institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew.

Since the institution provided a plan of corrective action and is performing procedures included in the auditor's recommendation, no further action is required.

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ACN: 06-2014-52405

FAC ACN: 06-2014-59336

INSTITUTION: Southern University at Baton Rouge (Southern)

FINDING NUMBER: 2014-016, Student Status – Inaccurate/Untimely Reporting, Page 49

The auditor found that Southern did not accurately report changes in enrollment status to the National Student Loan Data System (NSLDS) as required for students who received Federal Direct Student Loan funds.

The auditor stated the following:

“Three students’ enrollment statuses were reported as full-time for the Spring 2014 semester when the academic records indicated statuses of half-time. In addition, these three students did not return the following semester, and their statuses should have been changed to withdrawn. One student’s enrollment status was reported as withdrawn for the Fall 2013 semester when the academic records indicated a status of full-time.”

FINAL AUDIT DETERMINATION:

34 C.F.R. § 685.309(b) of the William D. Ford Direct Loan Program regulations states that an institution must, upon receipt of a student status confirmation report from the Secretary, 1) complete and return that report to the Secretary within 30 days of receipt; and (2) unless the institution expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (i) enrolled at that school but has ceased to be enrolled on at least a half-time basis; (ii) has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (iii) has changed his or her permanent address.

Southern concurred with the finding indicating that a plan for corrective action has been initiated, therefore, no further action is required.

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UNIVERSITY
OF
LOUISIANA
Lafayette

Financial Aid Office

P.O. Box 41206
Lafayette, LA 70504-1206
Office: (337) 482-6506

Université des Acadiens

December 4, 2014

Daryl G. Purpera, CPA, CFE
Legislative Auditor
PO Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

Please find below our management response to the FY 2013-2014 audit finding of "Error in Federal Reporting".

The University concurs with the finding.

The Corrective Action Plan created by the University is as follows:

We have a plan in place to correct this finding. Any section(s) of the FISAP requiring data from a University department or division outside of the Enrollment Management Division will now require review and approval by the reporting department or division before it is submitted to the US Department of Education. The plan is currently in effect.

Cindy Perez, Financial Aid Director is responsible to verify the implementation of action plan.

Sincerely,

Cindy S. Perez
Financial Aid Director

E. Joseph Savoie
President

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FINANCIAL AID DEPARTMENT

B-51



NORTHWESTERN
State University of Louisiana

102 A.A. Fredericks Annex
Natchitoches, Louisiana 71497

Office of The President

Telephone (318) 357-6441
Facsimile (318) 357-4223

November 17, 2014

Mr. Daryl G. Purpera
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: **Student Enrollment Status Changes Not Reported**

Dear Mr. Purpera:

In response to the reportable audit finding of "Student Enrollment Status Changes Not Reported," the University concurs with the individual finding and recommendation. We have begun to address the matter in that the Office of the Registrar resolved the enrollment status issue for the Summer 2014 and submitted an updated enrollment report to the National Student Clearing House. We could not correct prior enrollment data for the other two semesters in the fiscal year 2013-2014.

During Summer 2014, the Office of the Registrar was notified that incorrect enrollment status data was reported to the National Student Clearing House as a result of posted "WN" grades. The "WN" grade code created no reporting problems in the SIS-PLUS 2000 system, however. When trying to find a solution to this problem, it was discovered that required validation tables in the Banner system were not completely programmed to recognize the "WN" grade code, which resulted in student enrollment time statuses not being changed.

The University Registrar's Office corrective action plan includes the following:

- a) **Contact Person:** Lillie Frazier Bell, University Registrar, is the contact person who is responsible for the corrective action.
- b) **Planned Corrective Action:** This planned corrective action requires the Office of the Registrar to create a status code and description on the Course Registration Status Code Validation table (STVRSTS), and to add this course registration status code to the Course Registration Status Form (SFARSTS) before the beginning of each semester.
- c) **Anticipated Completion Date:** The course registration status code and start and end date have been added to the Course Registration Status Form (SFARSTS) – this has already been done for the Fall 2014, Spring 2015, Summer 2015, and Fall 2015 semesters. The Office of the Registrar has made this verification component a part of the beginning-of-the-semester processes.
- d) **Certification:** The Office of Information Systems has created an Argos Report, "Students with WN grades," that is emailed to the Office of the Registrar on a daily basis. This report is validated each day by a designated staff member of the Office of the Registrar to ensure that the enrollment time status is consistently and routinely changed for students with WN grades.

Sincerely,

Randall J. Webb
President

B-39

August 25, 2014

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Noncompliance with Student Financial Assistance Cluster Program Regulations

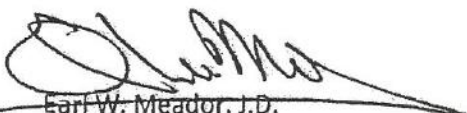
Dear Mr. Purpera,

Fletcher Technical Community College (Fletcher) concurs with the finding related to "Noncompliance with Student Financial Assistance (SFA) Cluster Program Regulations". Fletcher's management recognizes its responsibility for complying with federal program regulations and has implemented the following to prevent reoccurrences of this finding:

- After each SFA disbursement to student accounts, Fletcher's Financial Aid staff sends an origination and disbursement file to the U.S. Department of Education's Common Origination and Disbursement (COD). A COD report on all disbursements is sent to Fletcher's Business Office staff to identify the student accounts receiving a disbursement of SFA. Financial Aid staff now performs monthly R2T4 calculations to ensure timely returns of SFA funds.
- Financial Aid staff submits a year-to-date (COD) report after each transfer of students' files from Banner to COD. These reports are used to reconcile G5, COD, and Banner at each G5 drawdown of SFA funds. For each deposit or return of Pell funds, a list of students detailing amounts and types of payments is attached. Pell funds are disbursed within three business days following the receipt of funds.
- Fletcher has contacted Coastal Commerce Bank and is in the process of creating an interest-bearing account to maintain SFA funds. This should be completed by September 30, 2014.
- In the fall of 2012, Fletcher moved to Banner, a new software system shared by all LCTCS colleges. There were many programming issues that affected the financial aid process and scheduling when Banner was first implemented that are now resolved. There has also been a change in management and financial aid staff since this period. The current Financial Aid Director and his staff have a very good working relationship with the Business Office and the financial aid liaison at LCTCS. The current Financial Aid Director understands the required financial disclosure reports and inputting data.

If you have any questions, please contact Darryl Daigle, Vice Chancellor of Finance, at (985) 448-7925 or darryl.daigle@fletcher.edu.

Sincerely,



Earl W. Meador, J.D.
Chancellor

EM:DD:nc

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FINANCIAL AID DEPARTMENT

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Houma, LA 70360

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PETROLEUM INSTITUTE
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Houma, LA 70363