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UNIVERSITY OF LOUISIANA

S Y S T E M

Board of Supervisors
D. Wayne Parker
Chair

Russell Mosely
Vice Chair

Paul Aucoin
Parliamentarian

**BOARD OF SUPERVISORS
FOR THE UNIVERSITY OF LOUISIANA SYSTEM
NOTICE OF MEETING AND AGENDA
2:00 p.m., Monday, December 3, 2012**
Claiborne Building Conference Center
Auditorium, Room 100, "The Louisiana Purchase Room"
1201 North Third Street
Baton Rouge, Louisiana**

- A. Call to Order
- B. Roll Call
- C. Invocation
- D. Approval of Minutes of October 23, 2012 Regular Meeting and November 9, 2012 Special Meeting
- E. **REPORT OF ACADEMIC AND STUDENT AFFAIRS COMMITTEE**
 - 1. **Louisiana Tech University's** request for approval to award an Honorary Doctor of Humanities degree to Benjamin L. Denny at the Fall Commencement Exercises.
 - 2. **Louisiana Tech University's** request for approval to award an Honorary Doctor of Humanities degree to Jack E. Byrd at the Fall Commencement Exercises.
 - 3. **Northwestern State University's** request for approval of a Letter of Intent for a Doctor of Nursing Practice degree program in the College of Nursing and Allied Health.
 - 4. **University of Louisiana at Lafayette's** request for approval of a Letter of Intent for a Ph.D. degree program in Interdisciplinary Geosciences.
 - 5. **University of Louisiana at Monroe's** request for approval of a Post Baccalaureate Certificate (PBC) in Computer Information Systems in the College of Business Administration.

** *Executive Session, pursuant to R.S. 42:6.1, may be required.
Persons wishing to make public comment on any item on the agenda should complete a Public Comment Card and register with the Assistant to the Board.*



Grambling State University Louisiana Tech University McNeese State University
Nicholls State University Northwestern State University Southeastern Louisiana University
University of Louisiana at Lafayette University of Louisiana at Monroe University of New Orleans

6. **University of New Orleans'** request for approval of a Letter of Intent for a Ph.D. degree program in Advanced Materials and Nanoscience.
7. **University of New Orleans'** request for approval of a Letter of Intent for a Ph.D. degree program in Computer and Information Sciences.
8. **University of Louisiana System's** proposed revisions to *Board Rule Chapter II. Students. Section I. Admission.*
9. Other Business

F. REPORT OF ATHLETIC COMMITTEE

1. **Southeastern Louisiana University's** request for approval of a contractual agreement with Blake Hornbuckle, Head Coach Women's Soccer, effective February 1, 2013.
2. **Southeastern Louisiana University's** request for approval of a contractual agreement with Geno Frugoli, Head Coach Women's Volleyball, effective February 1, 2013.
3. **University of Louisiana at Lafayette's** request for approval of a contractual agreement with Robert Marlin, Head Men's Basketball Coach, effective April 1, 2012.
4. **University of Louisiana System's** report of significant athletic activities for the period of October 9 to November 16, 2012.
5. Other Business

G. REPORT OF AUDIT COMMITTEE

1. **University of Louisiana System's** report on internal and external audits submitted for the period of October 9 to November 16, 2012.
2. Other Business

H. REPORT OF FACILITIES PLANNING COMMITTEE

1. **Louisiana Tech University's** request for approval of a Ground Lease with the Louisiana Tech University Foundation for improvements to the Aquatic Facility and to accept donations upon completion of the lease.
2. **University of Louisiana at Lafayette's** report of Campus Master Plan.
3. **University of New Orleans'** request for approval of adjustment to the overall project costs for the update renovations of Maestri Field located at Privateer Park, in accordance with the provisions set forth in Act 959 of 2003.

4. **University of Louisiana System's** request for approval to amend the FY 2013-14 Capital Outlay Budget Request.
5. Other Business

I. REPORT OF FINANCE COMMITTEE

1. **University of Louisiana at Lafayette's** request for approval of the First Amendment to the Facilities Lease dated November 1, 2010 with Ragin' Cajun Facilities, Inc., for the design and construction of the Student Union complex and to request that the project originally approved at \$42,000,000 be increased to \$53,000,000.
2. **University of Louisiana System's** discussion of Fiscal Year 2012-13 first quarter financial reports and ongoing assurances.
3. Other Business

J. REPORT OF PERSONNEL COMMITTEE

1. **University of New Orleans'** request for approval to appoint Dr. James E. Payne as Provost and Vice President for Academic Affairs effective January 1, 2013.

K. SYSTEM PRESIDENT'S BUSINESS

1. Personnel Actions
2. System President's Report
3. University of Louisiana System's Revision to *Bylaws*
4. Other Business

L. BOARD CHAIR'S BUSINESS

1. Board Chair's Report
2. Report of Nominating Committee for 2013 Board Officers
3. Executive Session may be required to discuss *State of Louisiana versus BP Exploration & Production, Inc. et al., United States District Court, Eastern District of Louisiana, MDL 2179.*
4. Other Business

M. Other Business

N. Adjournment

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

AUDIT COMMITTEE

December 3, 2012

Item G.1. University of Louisiana System's report on internal and external audits submitted for the period of October 9 to November 16, 2012.

EXECUTIVE SUMMARY

Attached is a list of internal and external reports completed by various auditors since the last meeting of the Audit Committee. The internal audit reports are prepared based upon independent review of university departments and functions. The internal audits are designed to ascertain compliance with established policies and procedures, to evaluate operational efficiencies of business and management practices, and to determine adequacy of internal controls. The internal audits are conducted to provide management with recommendations and comments designed to improve the operations of university departments and functions. External audits are generally conducted in accordance with laws, regulations, or contracts.

Also included are internal audits that are currently in progress.

This is a report only and no action by the Board is necessary.

G.1.

University of Louisiana System
AUDITS/REVIEWS CONDUCTED
Reports for the Period of October 9 to November 16, 2012

INSTITUTION: Grambling State University Audit/Review Conducted	Findings/Recommendations	Resolution
<p>1. Legislative Auditor Management Letter for June 30, 2012, issued on November 7, 2012.</p> <p>Annually the Legislative Auditor conducts a financial and compliance audit of the University of Louisiana System. As part of the System's audit, the auditor conducts audit procedures of the various System university operations to support the financial statement opinions and reports on compliance and internal control.</p>	<p>No findings or recommendations for the fiscal year ended June 30, 2012.</p>	<p>No response or follow-up required.</p>
<p>Audits in progress include a Review of Personnel Actions for Fiscal Years 2011 and 2012.</p>		

INSTITUTION: Louisiana Tech University Audit/Review Conducted	Findings/Recommendations	Resolution
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<p>1. Internal Audit Investigative Report of Fraudulent Refunds in Athletic Ticket Operations. Report dated October 15, 2012.</p> <p>The purpose of this audit was to investigate the possibility of unauthorized refunds from athletic ticket sales being issued to the debit card of a former athletic ticket operations employee. The scope of this audit covered activity that occurred from the point Ticketmaster was installed at Tech through July 2012.</p>	<p>Internal Audit noted there were 69 fraudulent refunds issued to the debit cards of two bank accounts of the former Assistant Athletic Director-Ticket Operations totaling \$49,158. In addition, there were four cash refunds totaling \$1,133 diverted to this former employee. Finally, there was \$600 of un-deposited ticket sales from the WAC basketball tournament that had been given to this former employee. As a result, a total of \$50,891 is missing.</p> <p>A separate report with recommendations will be issued in the near future.</p>	<p>No response or follow-up required since a separate report will be issued.</p>
<p>Audits in progress include Tech Talk Advertising Revenue, Athletic Ticket Office, and Follow-up of Sports Camps.</p>		

<p>INSTITUTION: McNeese State University Audit/Review Conducted</p>	<p>Findings/Recommendations</p>	<p>Resolution</p>
<p>No reports issued.</p>		
<p>Audits in progress include Student Tech Fee and Quality Assessment Review.</p>		

<p>INSTITUTION: Nicholls State University Audit/Review Conducted</p>	<p>Findings/Recommendations</p>	<p>Resolution</p>
<p>The Internal Audit position is currently vacant so there are no audits in progress.</p>		

<p>INSTITUTION: Northwestern State University Audit/Review Conducted</p>	<p>Findings/Recommendations</p>	<p>Resolution</p>
<p>1. Internal Audit Scheduled Review of Departmental Cash Collections. Report dated October 29, 2012.</p>	<p>No findings were reported.</p>	<p>No response required.</p>

<p>The purpose of this review was to determine if the selected departments are in compliance with the University's policies and procedures, if cash receipts were properly deposited or adequately safeguarded, and if the department has adequate separation of duties in place. Two of 33 departments were selected for testing. Various transactions occurring in Fiscal Year 2011 and 2012 were selected for examination.</p>		
<p>Audits in progress include an IT Audit (Disaster Recovery and Contingency Planning), and Student Tech Fee.</p>		

INSTITUTION: Southeastern Louisiana University Audit/Review Conducted	Findings/Recommendations	Resolution
<p>1. Internal Audit Report on Athletic Ticket Investigation. Report dated November 14, 2012.</p> <p>On August 22, 2012, the Office of Internal Audit received information from the Assistant to the University President for Athletics Compliance (John G. Long, Esq.), indicating that he received an anonymous letter from an individual alleging NCAA violations of student athletes receiving preferential treatment from previous Director of Campus Police (Michael Prescott), who voided their traffic tickets. Under the direction of the President Crain, the Office of Internal Audit was asked to investigate. Internal Audit reviewed four Fiscal Years of parking</p>	<p>Internal Audit found no evidence that student athletes received favorable treatment in the voidance of their traffic tickets. However, Internal Audit suggested that campus police should develop policies and procedures as a guideline for ticket handling. These policies and procedures should be approved by senior management.</p>	<p>No response or follow-up required.</p>

ticket citations of student athletes starting from FY 2008/2009 through 2011/2012 and compared them with the general student population to ascertain if there was a pattern that could give merit to the allegations.		
Audits in progress include Review of Educational Talent Search Program, Audit of Grants, and Audit of Movable Property.		

INSTITUTION: University of Louisiana at Lafayette Audit/Review Conducted	Findings/Recommendations	Resolution
The Internal Audit position was vacant until November 19, 2012 so there are no audits in progress.		

INSTITUTION: University of Louisiana at Monroe Audit/Review Conducted	Findings/Recommendations	Resolution
1. Internal Audit Report on Follow-up on Allegations – Department of Recreational Services. Report dated October 17, 2012. The objective was to determine the propriety of several allegations involving the operations of the Department of Recreational Services that were brought to the attention of Internal Audit.	Based on the procedures performed, Internal Audit found nothing that appeared to be improper.	No response required.
2. Internal Audit Report on Review of Internal Control – Intramural Concession Sales and Activity Center Rental. Report dated October 22, 2012. Objective was to determine the adequacy of	Internal Audit noted the following: 1. During the time that he was the Assistant Coordinator of Intramurals’, Mr. Thomas Peters circumvented existing controls and used the University’s Activity Center facilities for private	Management provided the following corrective action plans: 1. Various policy changes have already been implemented

<p>the system of internal control over Intramural concession sales and Activity Center rentals within the Department of Recreational Services. The scope of the review was for the three years ended June 30, 2012.</p>	<p>events without permission.</p> <ol style="list-style-type: none"> 2. Blank participant applications and payment forms were located for events scheduled to be held on campus that provided that checks and money orders should be made payable to “Thomas Peters” rather than to the University of Louisiana at Monroe. 3. A budget was not prepared for the Intramurals’ account. 4. The Intramurals’ account was not included on the Controller’s list of approved cash collection centers. 5. A cash register was not used at the University Park concession stand to record sales and management did not ensure that the student cashiers who operated the University Park concession stand maintained a record of their beginning cash, sales, and ending cash. 6. A perpetual inventory was not maintained of concession products and the dollar amount of products sold was not reconciled with the cash collections. 7. Concession sales were not adequately safeguarded and taken to the Activity Center after each event. 8. Concession sales were not always turned in to the Activity Center “intact”. 9. Pre-numbered receipts were not adequately controlled and accounted for. 10. Concession sales were not separately disclosed in the deposit documentation and accounting records. 11. The Department of Recreational Services did not have written policies or procedures for collecting, accounting for, monitoring, and reconciling concession sales and inventory. 	<p>to control use of the facility. A document detailing the current policies and procedures for rental of facilities will be created by December 14, 2012.</p> <ol style="list-style-type: none"> 2. The Director of Recreational Services will provide instruction to the staff and approve applications and payment forms. This action will be completed by December 1, 2012. 3. An annual budget will be prepared, entered into the university’s accounting system, and compared periodically with actual. This action will be completed by December 14, 2012. 4. On October 13, 2012, the Director of Recreational Services requested inclusion of the Intramurals’ account on the Controller’s list of approved Cash Collection Centers. It is anticipated it will be included by November 15, 2012. 5. A Concession Stand Cash Record Receipt has already been developed. Recreational Services personnel will determine if the use of a cash register is
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		<p>feasible. If so, a cash register will be acquired and placed in the University Park Concession stand for use during Intramural events. This action will be completed by November 30, 2012.</p> <p>6. A perpetual inventory of concession products will be developed and periodic physical inventory counts will be performed. Staff will be informed that concession products are not to be donated. These actions will be completed by December 14, 2012.</p> <p>7. Following an event, concession stand monies are now transported to the Activity Center and placed in the drop slot in the safe located in the Activity Center Office Work Room and the door to the room is then locked. The cost feasibility of installing a security camera at the University Park Concession Stand will be determined. This action will be complete by December 14, 2012.</p> <p>8. Intramurals' personnel will be provided copies of the University's "Cash</p>
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		<p>Handling Policy and Procedures” for their review and signature. This action will be completed by December 1, 2012.</p> <p>9. Custom numbered receipt books were obtained and placed into service on October 1, 2012. A receipt book log was started on the same day. Receipts are being used in consecutive order, and records are being maintained of the receipt books and corresponding receipt numbers purchased, issued, and on hand. Action is complete.</p> <p>10. The Intramural Departmental Deposit Slip form has been modified to accurately reflect the proper line item associated with each category of revenue deposited and additional revenue codes were obtained from the ULM Controller. Action is complete.</p> <p>11. A concession sales and inventory document detailing the policies or procedures for collecting, accounting for, monitoring, and reconciling concession sales and inventory will be</p>
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		<p>created and provided to Intramural staff to review and sign. This action will be completed by December 14, 2012.</p> <p>Internal Audit will follow-up in June 2013.</p>
<p>3. Internal Audit Report on Review of Controls over Cash Handling – Department of Recreational Services. Report dated October 23, 2012.</p> <p>Objective was to determine the adequacy of the system of internal control over cash handling at the Department of Recreational Services and to offer recommendations to strengthen controls.</p> <p>The scope of the review was for the period May 28, 2010 through August 1, 2012.</p>	<p>Internal Audit noted that approximately \$58,554 received by the Department of Recreational Services was not deposited. In addition, the following internal control weaknesses were disclosed:</p> <ol style="list-style-type: none"> 1. A criminal background check was not performed on the Coordinator of Administrative Operations and it was discovered during the audit that she had a felony conviction for theft prior to her employment at ULM. 2. Pre-numbered receipts were not adequately controlled and accounted for. 3. At least three people, including the Coordinator of Administrative Operations, shared the same cash register drawer. 4. Employees' duties were not adequately segregated and the Coordinator of Administrative Operations received membership fees, guest fees, concession sales, fees for towel and locker rentals, and other fees; completed pre-numbered receipts; entered receipts in the Activity Center's cash register; prepared departmental deposit forms; and made deposits at LaCap. 5. Revenues received were not reconciled with the amounts deposited and posted to the accounting system and there was no indication that anyone independently reviewed the deposits. 6. Records were in disarray and some were not 	<p>Management provided the following corrective action plans:</p> <ol style="list-style-type: none"> 1. The Director will ensure criminal background checks are performed. This action will be completed by December 14, 2012. 2. Custom numbered receipt books have been obtained for each account. Receipts are being used in consecutive order, records are being maintained of the receipt books and corresponding receipt numbers purchased, issued, and on hand. Action is complete. 3. The Director will ensure equipment is purchased if necessary and office staffing is changed to segregate duties. This action will be complete by December 20, 2012. 4. The Director will implement

	<p>retained as required by Louisiana Revised Statute 44:36.</p> <p>7. Cash was not deposited timely. The average number of days between deposits was from seven to 87 days and checks were held for very long periods before being deposited.</p> <p>8. The Department of Recreational Services did not have written policies or procedures for collecting, accounting for, monitoring, and reconciling revenues.</p>	<p>a plan to segregate employees' duties. Action will be complete by December 20, 2012.</p> <p>5. The Director will segregate employees' duties and ensure someone, other than the preparer, reviews deposits. Action will be complete by December 20, 2012.</p> <p>6. The Director will regularly review the departmental deposit slips and develop a log to document the review. Action will be complete by November 15, 2012.</p> <p>7. The Director will provide copies of the University's "Cash Handling Policy and Procedures" to staff and ensure funds are deposited in a timely fashion. This action will be completed by December 1, 2012.</p> <p>8. The Director is working with the staff to prepare written policies and procedures. Action will be complete by December 14, 2012.</p> <p>Internal Audit will follow-up in June 2013.</p>
<p>4. Internal Audit Follow-up Audit of the December 9, 2010 Review of Selected</p>	<p>Internal Audit noted that all recommendations have been fully implemented by management.</p>	<p>No response required.</p>

Grant and Contract Expenditures. Report dated October 29, 2012.		
Objective was to determine if management has taken steps to implement the four recommendations included in the original audit.		
Audits in progress include a Review of Parking Tickets and Fines.		

INSTITUTION: University of Louisiana System Audit/Review Conducted	Findings/Recommendations	Resolution
No reports issued and no audits in progress.		

INSTITUTION: University of New Orleans Audit/Review Conducted	Findings/Recommendations	Resolution
No reports issued.		
Audits in progress include a Review of Athletic Expenditures, Legislative Auditor Single Audit Follow-ups, and a Review of Personnel Actions and Hiring Practices.		

The table below includes audits previously reported that are pending follow-up to ensure implementation of recommendations.

Institution	Audit/Review Conducted	Audit Period Reported to Committee	Projected Follow-up Date
Grambling State University	1. Purchasing Review 2. Student Financial Aid	8/21/12 10/23/12	2/28/13 4/30/13
Louisiana Tech University	1. Sports Camp Follow-up Review 2. Review of Tech Talk Advertising Revenue And Cash Handling Procedures 3. Cash Handling Procedures for IDEA Place	8/21/12 2/25/11 10/23/12	2/28/13 1/21/13 4/30/13
McNeese State University	1. Follow-up Audit of Athletic Camps and Clinics	10/27/11	1/31/13
Nicholls State University	None		
Northwestern State University	1. Review of Personnel Actions 2. Review of Sports Camps and Clinics 3. University Textbook Adoption & Intellectual Property and Shared Royalties 4. Review of Facility Use Fees and Charges	8/21/12 8/21/12 10/23/12 10/23/12	1/31/13 1/31/13 1/31/13 1/31/13
Southeastern Louisiana University	1. Movable Property – Department of English	6/18/12	12/18/12
University of Louisiana at Lafayette	None		
University of Louisiana at Monroe	1. Review of Effort Reporting and Overload/ Overtime Earnings 2. Review of Auxiliary Service Contracts 3. Review of ULM Lyceum Series 4. Control over Inventory of Fuel 5. Intramural Concession Sales and Activity Center Rentals 6. Cash Handling for Recreational Services	8/26/11 2/14/12 6/18/12 8/21/12 12/4/12 12/4/12	12/3/12 12/17/12 1/14/13 2/28/13 6/30/13 6/30/13
University of New Orleans	1. Review of the Office of the President 2. Review of Student Technology Fees 3. Payroll Certification Process Review	6/18/12 8/21/12 10/23/12	12/18/12 2/28/13 4/30/13