

**FOND DU LAC COMMUNITY COLLEGE CENTER  
FINANCIAL AUDIT  
FOR THE YEAR ENDED JUNE 30, 1991**

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**SEPTEMBER 1992**

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**Financial Audit Division  
Office of the Legislative Auditor  
State of Minnesota**

**92-61**

Centennial Office Building, Saint Paul, MN 55155 • 612/296-4708

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# **FOND DU LAC COMMUNITY COLLEGE CENTER**

## **FINANCIAL AUDIT FOR THE YEAR ENDED JUNE 30, 1991**

Public Release Date: September 11, 1992

No. 92-61

### **OBJECTIVES:**

- EVALUATE INTERNAL CONTROL STRUCTURE: tuition and fee revenue, federal grant revenue, bookstore revenue, employee payroll expenditures, and supplies and equipment expenditures.
- TEST COMPLIANCE WITH CERTAIN FINANCE-RELATED LEGAL PROVISIONS.

### **CONCLUSIONS:**

We found seven areas where the internal control structure needed improvement:

- The center needs to improve access controls to the student information system.
- The center needs to improve controls over receipts.
- The center does not adequately monitor outstanding tuition accounts receivable.
- The center needs to improve internal controls over payroll.
- The center did not properly execute agreements for joint instructional programs.
- The center does not adequately segregate imprest cash duties.
- Controls over the center's bookstore procedures need to be improved.

We found three areas where the center had not complied with finance-related legal provisions:

- The center is not in full compliance with federal grant eligibility requirements.
- The center does not charge the required late fees.
- The center does not adequately monitor its outstanding travel advances.

Contact the Financial Audit Division for additional information.  
(612) 296-1730

*FINANCIAL AUDIT DIVISION*





STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

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Representative Ann Rest, Chair  
Legislative Audit Commission

Members of the Legislative Audit Commission

Dr. Geraldine Evans, Chancellor  
Community College System

Members of the Community College Board

Dr. Philip J. Anderson, President  
Arrowhead Community College Region

Mr. Lester Jack Briggs, Director  
Fond du Lac Community College Center

## **Audit Scope**

We have conducted a financial related audit of Fond du Lac Community College Center as of and for the one year ended June 30, 1991. Our audit was limited to only that portion of the State of Minnesota financial activities attributable to the transactions of Fond du Lac Community College Center, as discussed in the Introduction. We have also made a study and evaluation of the internal control structure of Fond du Lac Community College Center in effect as of January 1992.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial activities attributable to the transactions of Fond du Lac Community College Center are free of material misstatements.

As part of our study and evaluation of the internal control structure, we performed tests of Fond du Lac Community College Center's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

## **Management Responsibilities**

The management of Fond du Lac Community College Center is responsible for establishing and maintaining an internal control structure. This responsibility includes compliance with

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applicable laws, regulations, contracts, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures.

The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:

- assets are safeguarded against loss from unauthorized use or disposition;
- transactions are executed in accordance with applicable legal and regulatory provisions, as well as management's authorization; and
- transactions are recorded properly on the statewide accounting system in accordance with Department of Finance policies and procedures.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

## **Internal Control Structure**

For purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- tuition and fee revenue,
- federal grant revenue,
- bookstore revenue,
- employee payroll expenditures, and
- supplies and equipment expenditures.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

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We did not review internal controls over federal financial aid expenditures for Fond du Lac Community College Center. The Mesabi Community College financial aid office determines student eligibility and awards financial aid to Fond du Lac Community College Center students. Fond du Lac Community College Center is responsible only for disbursing financial aid checks to students.

## **Conclusions**

Our study and evaluation disclosed the conditions discussed in findings 2, 3, 4, 6, 7, 8, and 10, involving the internal control structure of Fond du Lac Community College Center. We consider these conditions to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial activities being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We believe the reportable conditions described in findings 2 and 3 are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we reported to the management of Fond du Lac Community College Center in a meeting held on August 13, 1992.

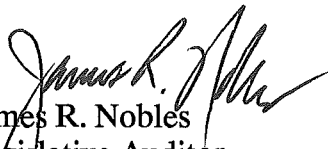
Material instances of noncompliance are failures to follow requirements, or violations of prohibitions contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial activities being audited. The results of our test of compliance disclosed the instance of material noncompliance noted in finding 1.

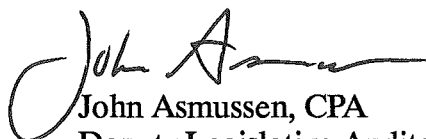
The results of our tests indicate that, except for the issue discussed in the preceding paragraph and the issues discussed in findings 5 and 9, with respect to the items tested, Fond du Lac Community College Center complied, in all material respects, with the provisions referred to in the audit scope paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that Fond du Lac Community College Center had not complied, in all material respects, with those provisions.

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This report is intended for the information of the Legislative Audit Commission and management of Fond du Lac Community College Center. This restriction is not intended to limit the distribution of this report, which was released as a public document on September 11, 1992.

We would like to thank the Fond du Lac Community College Center staff for their cooperation during this audit.

  
James R. Nobles  
Legislative Auditor

  
John Asmussen, CPA  
Deputy Legislative Auditor

End of Fieldwork: March 6, 1992

Report Signed On: September 4, 1992



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### **Audit Participation**

The following members of the Office of the Legislative Auditor prepared this report:

John Asmussen, CPA	Deputy Legislative Auditor
Jeanine Leifeld, CPA	Audit Manager
David Poliseno, CPA	Auditor-in-Charge
Marla Conroy, CPA	Auditor
Steve Pyan, CPA	Auditor

### **Exit Conference**

The findings and recommendations in this report were discussed with the following officials of the Fond du Lac Community College Center and the Arrowhead Community College Region Office at an exit conference on August 13, 1992:

Jack Briggs	Center Director
Stephanie Hammitt	Director of Center Services
Philip Anderson	President, Arrowhead Community College Region
Bill Maki	Director of Administrative Services, Arrowhead Community College Region
Glenn Wood	Fiscal Services Director, Community College System Office



# Fond du Lac Community College

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## Introduction

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Fond du Lac Community College Center is part of the Arrowhead Community College Region. The region office consolidated the management of community colleges in north-eastern Minnesota. The current center director, Jack Briggs, reports to the president of the Arrowhead Community College Region.

The center is a cooperative effort between the Arrowhead Community College Region and the Fond du Lac Indian reservation. The reservation tribal government has appointed a community college board of directors. The board's purpose is to set up policies and develop educational programs responsive to the Indian community. The center began offering classes in the fall of 1987 in the Garfield Community Center in Cloquet, Minnesota. The center will move to a newly constructed facility in the fall of 1992.

Operations of the center are financed mainly by student tuition and fees, a Bureau of Indian Affairs grant, and state appropriations from the General Fund. The center accounts for its instructional and operating activities on the statewide accounting system. Other activities, such as bookstore transactions are accounted for through manual records and local bank accounts. These local accounts are referred to as the All College Fund and are exempt from Department of Finance budgeting and accounting requirements. Community college board policies govern the use of the All College Fund.

According to Community College System records, Fond du Lac Community College Center collected and spent the following amounts during fiscal year 1991:

Revenues:	
Tuition and Fees	\$ 368,549
BIA Federal Grant	519,748
Bookstore	82,137
Other	<u>2,214</u>
Total Revenues	<u>\$ 972,648</u>
Expenditures:	
Employee Payroll	\$ 815,547
Supplies and Equipment	187,135
Other	<u>403,076</u>
Total Expenditures	<u>\$1,405,758</u>

Sources: Manager's Financial Reports for fiscal year 1991 as of the closing date. Community College System revenue spreadsheet for fiscal year 1991. Fond du Lac Community College Center's statements of representation for fiscal year 1991.

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## Current Findings and Recommendations

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### 1. The Center is not in full compliance with federal grant eligibility requirements.

Fond du Lac Community College Center needs to comply with several provisions of the law governing Federal Bureau of Indian Affairs (BIA) operating grants. The center has not obtained a formal waiver from the Bureau of Indian Affairs to meet the required Indian enrollment threshold established by law. The center has included in its report to the BIA enrollment of Indian students located in off-campus outreach sites.

In 1988, the BIA approved the center as a tribally controlled community college, pursuant to Code of Federal Regulations (CFR) Title 25 Part 41. For fiscal years 1989 through 1991, the college has received BIA grants under the tribally controlled community college act totalling \$1.1 million.

We have three areas of concern with the grants. The first relates to the Indian enrollment at the center. Title 25 CFR section 41.4 (c) states "Financial assistance under this subpart shall be available only to a Community College which: . . . (c) If in operation for more than one year, has students a majority of whom are Indian . . ." The center has issued annual reports to the BIA which clearly show that the majority of students attending the center are non-Indians. For example, in the 1989-1990 annual report, the student head counts for Indian and non-Indian students were 247 and 1404, respectively. Despite this disclosure, the BIA has continued to provide the center with tribally controlled community college operating grants. Although it is possible for the Department of Interior to waive this regulation, the center has not obtained such a waiver.

In addition, we do not believe that the center has properly accumulated Indian student counts and calculated full-time equivalent student figures accurately. The center based its request for 1990 and 1991 funding on Indian students enrolled not only at the center, but also outreach Indian students enrolled at Itasca, Mesabi, and Duluth Community Colleges. However, only Fond Du Lac Community College Center has the Tribally Controlled Community College designation. The Indian student count average (FTE) for school year 1989-1990 was 163.583 FTE, with only 43.75 FTE directly attributable to Fond Du Lac enrollees. For the 1990-1991 school year, 59.19 FTE were Fond du Lac students of a total of 193.61 FTE reported. The center received about \$3,000 per FTE per year in BIA operating grant funds. The center reallocated about \$40,000 of the grant to Itasca, Mesabi, and Duluth Community Colleges to support Indian services programs and to provide direct services to those tribal students.

Finally, center officials have not filed annual reports to the BIA in a timely fashion. Section 41.9 of 25 CFR requires a filing of annual reports by December 31 each year. The center filed its fiscal 1990 report on June 17, 1991. As of March 1, 1992, it has not yet filed the 1991 report.

## Fond du Lac Community College

### *Recommendations*

- *Center officials should resolve with the Bureau of Indian Affairs the requirement to have a majority of Indian students, and should seek a waiver from the requirement, if necessary.*
- *Center officials should clarify, with assistance from the Bureau of Indian Affairs, the proper calculation of Indian student FTE counts, and, if necessary, should repay any overpayments.*
- *The center should file its annual reports to the BLA by the established deadline date.*

### **2. Fond du Lac Community College Center needs to improve access controls to the student information system.**

The center does not adequately control employee access to the student information system. The center uses the system to register students for classes, record tuition payments and deferments, and post grades. The center has not completed periodic reviews of employee access to the system. In addition, the center has allowed employees to share user identification numbers.

The center has not periodically reviewed computer clearances and made appropriate changes. At the time of our audit, several former employees and student workers, as well as Mesabi Community College employees, continued to have clearance to record transactions on the student information system. In addition, employees who had changed job duties within the center had not had their clearances updated. Center staff had never obtained a user file list to verify that employees were provided access only to appropriate transactions.

In addition, the center does not always clear each worker separately for access to enter transactions onto the student information system. For example, the center had not given the cashier nor any of the student workers unique user IDs. Rather, it had allowed them to share other employees' user IDs. Specifically, the cashier used two business office employees' user IDs in their absence. By not using unique user IDs, no trail exists to link a particular transaction to a certain employee. Also, employees not otherwise authorized to make certain transactions may obtain improper access to the system.

### *Recommendations*

- *The center should periodically review employee access to the computer system. The center should limit employee access to only the specific transactions necessary for their jobs.*
- *The center should ensure that each user of the computer system is assigned a unique user identification number.*

## Fond du Lac Community College

### **3. PRIOR FINDING NOT RESOLVED: Internal controls over Fond du Lac Community College Center's receipts need improvement.**

Fond du Lac Community College Center does not properly control receipts. The center does not adequately separate duties over receipts. Center cashiers do not properly document voided transactions. In addition, the center allows employees to cash personal checks at the business office.

The center has not adequately separated cash receipt duties. Two employees within the business office process the receipts. Their duties include collecting and recording the receipts on the cash register, depositing the receipts, and reconciling receipts to the cash register totals. For tuition receipts, they also post tuition payments to the systemwide student information system. The system generates a daily computer report showing the prior day's postings which the business office staff reconcile to the tuition amount deposited. The two business office workers do not have specific receipt processing assignments. Rather, they perform the receipt duties interchangeably. There was no evidence that an independent person reviewed the cash reports, deposits, or reconciliations. The lack of separation of duties increases the risk that errors or irregularities could occur and not be detected.

In addition, the business office cashiers do not document voided transactions properly. Occasionally, a cashier entered a transaction incorrectly on the cash register. The cashier then voided the transaction to ensure that the final cash register readings agreed with cash collections. The cashier did not document the reasons for the void. The campus services director did not review or approve voided transactions. Voids are sensitive transactions, because if not properly controlled, employees may use them to conceal cash shortages or other irregularities.

Finally, the business office allows center employees to cash personal checks from receipts and the change fund. Department of Finance policy prohibits agencies to use imprest cash accounts to cash checks for employees. This practice depletes the cash available for daily business transactions and exposes the fund to unnecessary risk.

#### *Recommendations*

- *The center should segregate some receipt functions to ensure that no one individual has complete control of the process.*
- *Cashiers should document and sign voids and error corrections. A separate person should review and approve all significant voids.*
- *The center business office should not cash employee's personal checks.*

## Fond du Lac Community College

### **4. PRIOR FINDING NOT RESOLVED: The center does not adequately monitor outstanding tuition accounts receivable.**

Fond du Lac Community College Center is not controlling unpaid tuition and fees. On the tenth day of class each quarter, the student information system generates a balance due report. The report shows those students who have registered for classes, but have neither paid nor have a valid deferment. Community College Board policy requires students without valid deferments to pay the general fee in full by the first day of classes.

The center does not pursue unpaid tuition accounts timely. Although the center bills students with balances due after the tenth day of class, staff do no additional follow-up on the accounts until the quarter has ended. In some cases, the center erases delinquent accounts receivable from the student information system without placing a hold on the student's records. As a result, we found at least one student who registered in a subsequent quarter without resolving charges from a previous quarter. The center complicates the pursuit of outstanding accounts receivable by tracking all balances due manually. The center does not use the tuition deferment coding system available within the student information system. Without a timely review of outstanding accounts receivable, the center may be improperly inflating full-time enrollment.

#### *Recommendations*

- *The center should complete a timely review of the balance due lists and take appropriate action on delinquent accounts.*
- *The center should use the capability of the student information system to enter tuition deferment codes to aid in their monitoring of outstanding accounts receivable.*

### **5. PRIOR FINDING NOT RESOLVED: The center does not charge the required late fees.**

The center does not charge late fees to students who pay after the quarter begins without a valid deferment. Because the center does not document deferments on the student information system, it is difficult to determine which students should be charged the late fee. Community College Board policy states:

A late payment fee shall be charged to any student who registers prior to the start of a quarter or summer session and does not pay the regular fees prior to the first day of classes of that session, and to any student who registers on or after the first day of classes and does not pay the regular fees on the day of registration.

#### *Recommendation*

- *The center should charge late fees when applicable, as required by the Community College Board.*

## Fond du Lac Community College

### **6. Fond du Lac Community College Center needs to improve internal controls over payroll.**

The center director's secretary performs virtually all of the center's payroll and personnel duties. The secretary maintains the records, prepares and approves the payroll roster, and verifies the information to the payroll certification and leave balance reports. This person also prepares the personnel documents and sends them to the Arrowhead Region Office for processing. Although only the director has the authority to sign payroll and personnel forms, the secretary currently signs the documents. The lack of separation of duties increases the risk that errors and irregularities could exist and not be detected. Duties could be adequately segregated by involving other employees in the process such as the director or the campus service director.

#### *Recommendation*

- *The center should segregate duties to ensure that employees do not perform incompatible duties.*

### **7. The center did not properly execute agreements for joint instructional programs.**

For fiscal year 1992, the center did not execute proper fiscal agreements with area high schools for the Vision 2000 program. Under the Vision 2000 program, high school students earn college credits through the center. Currently, four area high schools participate in the program. During fiscal year 1991, the center received \$25,746 in tuition and fees from the high schools for this program. The Community College Board has authorized this type of program through board policy III.01.04.

Although the center had joint instructional agreements with the participating high schools for fiscal year 1991, no such agreements were executed for fiscal year 1992. The agreements should specify tuition and fee rates, the party responsible for the purchase of text books, and instructor reimbursement arrangements. Without formal agreements, the conditions of the program could be disputed.

#### *Recommendation*

- *The center should ensure fiscal agreements are formalized and executed in accordance with board policies.*

### **8. Fond du Lac Community College Center's imprest cash account needs improvement.**

The center does not adequately segregate imprest cash duties. The campus service director signs the imprest checks, reimburses the account, maintains the accounting records, and reconciles the records to the bank statement. The lack of segregation of duties increases



## Fond du Lac Community College

the risk that errors and irregularities could exist and not be detected. The center could strengthen controls if another person independent of the process reconciled and reimbursed the account.

### *Recommendation*

- *Fond du Lac Community College Center should segregate imprest cash duties to ensure that no one individual has complete control of the process.*

### **9. The center does not adequately monitor its outstanding travel advances.**

Employees do not reimburse their outstanding travel advances in a timely manner. Department of Finance procedures allow agencies to use imprest cash accounts for employee travel advances. As of January 1992, the center had 11 outstanding travel advances from imprest cash totalling \$4,300. Some advances had been outstanding for up to five months. The Department of Finance requires employees to settle travel advances within five days after the travel has concluded. In addition, the amount outstanding places an extreme financial burden on the center's limited imprest cash account.

### *Recommendation*

- *Fond du Lac Community College center should control travel advances by requiring employees to settle their travel advance in a timely manner.*

### **10. Fond du Lac Community College Center bookstore procedures need to be improved.**

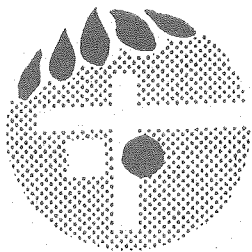
Procedures at the center's bookstore need to be improved in two areas. First, bookstore staff do not take regularly scheduled inventory counts. The center currently only takes intermittent inventory counts. Center employees should schedule the inventory counts to coincide with the end of each quarter. This would enable them to use the information for the preparation of their quarterly operating statements.

In addition, the bookstore retail price markup policy is unclear. The center bookstore policy was to markup new and used books by 20 and 25 percent, respectively. However, staff had been improperly calculating the markup. The center should reassess its pricing policy and adjust it if necessary.

### *Recommendations*

- *The center should conduct regularly scheduled inventory counts at the bookstore.*
- *The center reassess its bookstore pricing policy and adjust it if necessary.*





## Fond du Lac Community College

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(218) 879-0800 • FAX (218) 879-0814

August 27, 1992

Ms. Jeanine Leifeld  
Audit Manager  
Office of the Legislative Auditor  
Veterans Service Building  
St. Paul, MN 55155

Dear Ms. Leifeld:

Attached you will find our formal written response to audit comments and recommendations for the three years ending June 30, 1991, as requested in your letter.

We have listed, as you requested, the name of the person responsible for implementation of each recommendation.

Yours truly,

Lester Jack Briggs, Director  
Fond du Lac Community College

cc. Dr. Geraldine Evans, Chancellor  
Dr. Philip Anderson, President/ACCR  
Stephanie Hammitt, Director of Center Services/FDLCCC

**Fond du Lac Community College Center  
Response to Legislative Audit Report  
August 10, 1992**

**The following steps have been taken to address the concerns as outlined in your audit report for the period ended June 30, 1991.**

**#1** The Center has not complied with federal grant eligibility requirements.

**Action**

Reginald Rodriguez, Branch Chief and Terry Portra, Grant Manager Bureau of Indian Affairs Branch of Post Secondary Education have been contacted. Bureau officials will visit Fond du Lac Reservation officials, Fond du Lac Board of Directors and staff regarding a request for a waiver relevant to audit recommendations. The visit is scheduled for September 16-17, 1992.

In July, 1989, the Bureau of Indian Affairs Post Secondary branch staff made a monitoring visit to Fond du Lac Community College. This visit included clarification of Indian students count process and general compliance issues. Mr. Don McCabe and Martin Seneca were the monitoring team from the central office. This team met with the Board of Directors, Tribal Government and Arrowhead Community College officials to discuss the Tribally Controlled Community College Act. Fond du Lac Tribally Controlled College Board officials and administrators asked specific questions regarding outreach Indian students who were enrolled members of our federally recognized tribes in the Arrowhead region. The monitoring team said, yes we may count these students. At that time, we had our Ojibwe Language instructor at Itasca Community College teaching the Ojibwe Language and Indian Studies courses, and our Human Services Program implemented at the Duluth site. The Mesabi Community College is our host institution for curriculum and financial aid. Currently, Fond du Lac Community College only counts federally recognized tribal students. This is determined only if the college has complete curriculum control. Sixty-eight (68) Indian Student Count (ISC) for Fiscal Year 91-92 have been reported to the Bureau of Indian Affairs for calculation and payment for Fiscal Year 92-93.

Reports will be filed on time when appropriate paperwork is sent by Bureau of Indian Affairs Officials.

Person Responsible: Center Director

**#2** Fond du Lac Community College Center needs to improve access controls to the student information system.

**Action**

User I.D. numbers and functions are monitored frequently. No sharing of numbers is allowed. Also, periodic lists are requested from Computer Services to help in keeping current those people who should have access to the student information system.

All employees no longer associated with the college, had their user ID number deleted, Mesabi Community College employees also had their numbers erased except for their Director of College Services who still holds a few inquiry functions.

Person Responsible: Director of College Services

- #3** Internal Controls over Fond du Lac Community College Center's receipts need improvement

**Action**

The entire receipt process has been refined to include the following procedure: Business Office clerk does the work on the cash register while the Account Clerk will prepare the actual deposits. The Director of Center Services signs off and reviews all daily reports. A second person will sign any void transactions that may occur as well as the person conducting the transaction. A written explanation regarding the void transaction is also included if necessary. These are subsequently reviewed by the Director of Center Services when reviewing daily deposits. All bank statements are reviewed by Director of Center Services also. Monthly deposit reports are reviewed and initialed by someone other than the account clerk who prepared the deposit. Finally, the business office no longer cashes checks for employees or students.

Person Responsible: Director of College Services

- #4** The center does not adequately monitor outstanding tuition accounts receivable.

**Action**

Two summer session billings and three billings during fall, winter and spring quarters are sent to students requesting them to pay their tuition, complete their financial aid file and/or fill out a deferment if they have not done so. Non-attendance records are also being monitored through the faculty and business office. If the student is not attending they will be dropped.

Old balance due lists have been reviewed and for any students still owing FDLCC will be sending in requests for revenue recapture by November, 1992.

To go along with monitoring the past balance due lists and any unpaid emergency loans, the records office checked all student files for holds.

Tuition deferment codes are also now being used and monitored.

Person Responsible: Director of College Services

- #5** The Center does not charge the required late fees.

**Action**

ACCR President is currently in the process of asking for a new procedure to change the policy for out-state community colleges regarding charging of late fees.

Person Responsible: Center Director

**#6** FDLCC needs to improve internal controls over payroll.

**Action**

Personnel designee prepares appointment forms and payroll time rosters. The forms are initialed by the Center Director or Director of Center Services in Director's absence. Copies of appointment forms are kept in Director of Center Services files and monitored by reviewing monthly employment certificate reports. All overtime hours are approved in advance.

Person Responsible: Center Director

**#7** The Center did not properly execute agreements for joint instructional programs.

**Action**

All four agreements for VISION 2000 classes are completed and on file.

Person Responsible: Fond du Lac Community College Counselor/Director of College Services.

**#8** FDLCC's imprest cash account needs improvement.

**Action**

Bank statements are done by business office clerk. Now that Fond du Lac has their own imprest account, the account clerk will do reimbursements which are reviewed by Director of Center Services.

All other records regarding the imprest cash account are also reviewed by the Director of Center Services.

Person Responsible: Director of College Services

**#9** The Center does not adequately monitor its outstanding travel advances.

**Action**

Travel advances are now monitored and followed up on in timely manner. Employees are encouraged to request state advances. Only in emergency situations are advances granted from imprest.

If travel advances are not reimbursed in a timely manner, action will be taken against employee according to Department of Finance policy.

Person Responsible: Director of College Services

**#10** FDLCC bookstore procedures need to be improved.

**Action**

Bookstore ledgers are being entered on the computer. Inventory counts are done quarterly. The price markup policy has been established at 25% for used books and 20% on new books.

Business office clerk runs the bookstore cash register, while account clerk prepares deposits and daily paperwork. Director of Center Services reviews, dates, signs each daily report and also signs off on purchase orders and on payment of invoices.

Person Responsible: Director of College Services