FOR IMMEDIATE RELEASE

CONTACT: Chris Hollister
(517) 483-9871

OAG AUDIT CONFIRMS LCC INTERNAL INVESTIGATION:
NO FINANCIAL WRONGDOING

LANSING, Mich., October 5, 2007 – Lansing Community College (LCC) officials said today an audit by the state Office of the Auditor General (OAG) found no wrongdoing by anyone in the LCC administration. The OAG initiated the audit in October 2006 after it was notified of alleged improprieties in the College's use of funds. The audit confirms the findings of an October 2006 internal investigation which concluded that the allegations of financial improprieties in the administration were without merit.

“This audit shows the College was correct in undertaking steps to tighten its controls and processes beginning in 2005, months before the state audit was initiated,” said Dr. Judith Cardenas, LCC president. “Since becoming president in early 2006, my leadership team and I have worked long and hard to strengthen financial controls, and we have made significant progress. We are committed to continuous improvement in our operations to ensure the highest levels of accountability, transparency, and fiscal responsibility.” Cardenas added the audit was thorough in its examination of LCC's financial processes, taking almost a year to complete. She also noted the audit covered
the period from October 1, 2004 through September 30, 2006, thus including just the first few months of her administration.

LCC Board Chair Chris Laverty expressed appreciation for the OAG efforts. “The Office of Auditor General has provided a valuable service to LCC and the community,” said Laverty. “The scrutiny is welcomed and the College will take the findings and recommendations very seriously. This audit validates our own previous internal audits and supports the fact that we have already taken extensive corrective action to protect the integrity of LCC and the well-being of our students. The Board will continue to be proactive in the creation of policy and responsive in supporting the administration.”

The timetable below details the steps the College has taken to tighten controls.

###

**Editor’s notes:** President Judith Cardenas will be available for interviews today from 10:00 am – 12:00 p.m.

*The full audit will be posted on the LCC website ([www.lcc.edu](http://www.lcc.edu)) at 8:00 am October 5.*

**About Lansing Community College**

Lansing Community College, celebrating its 50th year, is Michigan’s third largest community college with more than 32,000 students attending each year. The College has more than 240 degree and certificate programs. LCC offers courses in **general education** for those interested in transferring to a four-year institution, **career and workforce development, developmental education** and **personal enrichment**. The college conducts classes in downtown Lansing, Delta Township, East Lansing, St. Johns, Howell, and Battle Creek and at several Michigan high schools. To meet the professional development and training needs of regional employees, the college offers customized programs for credit, non-credit and continuing education. For more information, visit [www.lcc.edu](http://www.lcc.edu).
September 2005 – January 2006 - The administration works with consultant experts to identify underlying issues and areas for improvement in our Oracle processing system and internal controls.

February 2006 - Dr. Judith F. Cardenas becomes interim president.

June 2006 - Board of Trustees approves revised policies on financial oversight, budgeting, purchasing, travel and personnel. Purchasing policy changed to require professional services be selected through a request for proposal process instead of competitive bidding.

June 2006 - Trustees approve a new position- Executive Director of Compliance and Internal Control.

August 2006 - Trustees approve administration recommendation to replace the Oracle system with the Banner ERP system, designed to improve processes in four major areas: finance, human resources, financial aid and student services. Implementation process begins in early 2007. The Finance module is the first to go live in July 2007. Human resources will go online in January 2008, followed by financial aid and student services. Because of need to focus significant resources on this transition, leadership team ties some internal control improvements into implementation of the Banner system.

September/October 2006 - Trustees approve President Cardenas’ request to have the Executive Director of Compliance and Internal Control conduct an investigation into allegations of financial improprieties. The investigation finds the allegations without merit. An external review of the internal investigation also concludes the allegations are without merit.

September 2006 - LCC’s Purchasing Department wins the National Purchasing Institute Achievement of Excellence in Procurement Award for the fourth consecutive year. (Note: LCC has learned it will receive a fifth consecutive award in 2007, one of only 77 non-profit or governmental agencies to do so.)

September 2006 - College hires a new Chief Information Officer to oversee information technology and implementation of the Banner system.

November 2006 - College hires a new Chief Financial Officer and creates a controller position to implement financial controls.

November 2006 – LCC’s annual audit finds no material weaknesses for the first time in three years.

January 2007 – A consultant is retained to conduct a review of human resources policies and procedures and determine whether they are being administered consistently and fairly.

May 2007 – Trustees approve awarding contracts to three law firms using documented request for proposal process. College provides refresher training to authorized purchasers of professional services.

Next Steps:
December 2007 – Implementation of a new expense reporting process under the Banner system. This will include mandatory training on documentation and the supervisor’s roles and responsibilities in approving expenses.

January 2008 – New human resources module will incorporate supervisor approval and documentation in the payroll process.