

Audit Presentation

Peralta Community College District

June 30, 2024



CWDL

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Letter to the Board of Trustees:

Peralta Community College District
Board of Trustees

We appreciate the opportunity to discuss various elements related to planning and performing our audit services, and gaining an understanding of your expectations.

We will discuss with you how we plan to perform our audit to meet your needs, share our proposed client service plan, and review other key issues related to the audit. It is our philosophy to continually improve the quality of our service. We look forward to any comments you or others may have on our service. This client service plan should be considered a working document which will be updated during our meeting. We welcome your recommendations for additions or changes so that we can best meet all of your needs. An engagement letter for our services will provide a complete description of the services to be provided with the related terms and conditions.

Thank you for the opportunity to discuss our audit plan. We look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "CWDL, Certified Public Accountants". The signature is written in a cursive, flowing style.

CWDL, Certified Public Accountants

Client Service Team:

Ben Leavitt, CPA, CFE – Lead Engagement Partner

- Ben is the engagement partner who will oversee all aspects of the audit and will hold responsibility for signing the reports. Ben or John will be in charge of 100% of audit work and are responsible for communication with District management.

Dennis Maschke, CPA, MBA – Quality Control and Planning Partner

- Dennis will oversee the audit deliverables and will perform the second partner review on all audit work.

John Dominguez, CPA, CFE, CGMA – Engagement Senior Manager

- In addition to performing various areas of fieldwork, John will be tasked with supervising the engagement fieldwork team.

Steven Currie, CPA – Engagement Manager

- Steven will be responsible for supervising the engagement seniors and staff and performing various areas of fieldwork.

Kyle Holtz- Lead Engagement Senior

- Kyle will be responsible for supervising the engagement staff and performing various areas of fieldwork.

Audit Requirement:

EC 84040(b): Financial Audits

- (b) The governing board of each community college district shall provide for an annual audit of all funds, books, and accounts of the district in accordance with regulations of the board of governors. The audit shall be made by certified public accountants licensed by the California Board of Accountancy. In the event the governing board of a community college district fails to provide for an audit, the board of governors shall provide for an audit, and if the board of governors fails or is unable to make satisfactory arrangements for such an audit, the Department of Finance shall make arrangements for the audit. The cost of any audit described above shall be paid from district funds.

BP/AP 6400: Financial Audits

- There shall be an annual outside audit of all funds, books and accounts of the District in accordance with the regulations of Title 5. The Chancellor shall assure that an annual outside audit is completed. The Chancellor shall recommend a certified public accountancy firm to the Board with which to contract for the annual audit.

Services and Deliverables:

Annual Audit Report, Audit Communication Letter

- Audit of the District's financial statements for the year ending June 30, 2024.
- Audit of the District's compliance with types of compliance requirements described in the California Community Colleges Chancellor's Office Contracted District Audit Manual for the year ending June 30, 2024.
- Audit of the District's compliance with types of compliance requirements described in the OMB Uniform Guidance that could have a direct and material effect on each of the District's major federal programs for the year ending June 30, 2024.

Annual Audit Report, Performance Audit Report

- Financial and Performance audits of the Measures A and G bond programs for the year ending June 30, 2024.

Annual Audit Report, Performance Audit Report

- Financial and Performance audits of the Measures B and E parcel tax elections for the year ending June 30, 2024.

FY 2023-24 Audit Findings Noted:

- 2024-001 Internal Controls over Federal Awards
- 2024-002 Student Centered Funding Formula Base Allocation: FTES

FY 2023-24 Audit Findings Noted:

2024 – 001: Internal Controls Over Federal Awards

Type of Finding: Significant Deficiency in Internal Control over Compliance.

Criteria or Specific Requirement: In accordance with 2 CFR 200.303, nonfederal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition / Context: During our audit procedures, we noted that a formal documented review process was not available for the following areas:

- R2T4 calculations
- Student award packaging
- Students selected for verification by the Department of Education

Cause: The Colleges' Financial Aid Director positions were vacant in early 2022-23 resulting in an oversight.

Repeat Finding: See prior year finding 2023-001.

FY 2023-24 Audit Findings Noted:

2024 – 002: Student Centered Funding Formula Base Allocation: FTES

Type of Finding: Significant Deficiency in Internal Control over Compliance.

Criteria or Specific Requirement: In accordance with Education Code Section 58006, an institution must use a count of students present at each course meeting to determine claimed FTES.

Condition / Context: One (1) out of a sample of seven (7) positive attendance courses tested were reported at 100% participation rather than actual participation. Further sampling of instructors with positive attendance courses reported at 100% noted one (1) additional instructor with courses reported higher than actual participation. In total, we noted four (4) courses between these two instructors, for which participation was lower than claimed.

Questioned Costs: 13.39 FTES * \$5,238.37 per FY24 Credit FTES = \$70,141.77

Cause: Misunderstanding by instructors who erroneously believed positive attendance courses were to be reported at 100% participation rather than actual participation.

Repeat Finding: No.

FY 2022-23 Audit Findings Noted as Corrected in CY:

- 2023-002 Outstanding Student Refund Checks – Corrected during FY 2023-24

FY 2023-24 District Audit Results Summary:

- Unmodified Audit Opinion over FY 2023-24 Financial Statements
- Zero (0) Financial Statement findings noted during FY 2023-24
- Two (2) findings noted during FY 2023-24 including one (1) repeat finding from FY 2022-23

*We thank you for the opportunity to serve the
Governing Board
and the Peralta Community College District.*

John Dominguez
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Ben Leavitt
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Steven Currie
scurrie@cwdl.com