2014 Audit Findings

CORRECTIVE ACTION MATRIX

Updated June 1, 2015

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| FINANCIAL STATEMENT FINDINGS |
| 2014-001DISTRICT FINANCIAL CONDITION | The District currently has an active investment portfolio funded through the issuance of bonds with earmarked funds held at the County Treasury for funding the OPEB obligation. Funds are currently in a revocable trust. A new actuarial study has been completed. Results from this report determined the amount needed to find long-term liabilities in the future. The Worker’s Compensation contribution has been adjusted for contributions to the Self-Insurance Fund. The OPEB charge has been adjusted to address future needs. The District is in the process of working with Bond Council to determine the amount of funds to transfer from the investment portfolio to an irrevocable trust. Additionally, the District is remarketing the 2005 B-2 bonds by refunding the B-2 Convertible Auction Rate Securities (CARS) and the associated swap into cost effective, variable rate demand bonds which minimizes the overall interest cost for the OPEB bonds.  | Responsible:Vice Chancellor For Finance & AdministrationRetirement BoardPoint: Vice Chancellor for Finance & Administration | Resolved | The actuarial study has been completed. Results from this report determined the amount needed to find long-term liabilities in the future. The Worker’s Compensation contribution has been adjusted for contributions to the Self-Insurance Fund.The OPEB charge has been adjusted to address future needs.Discussions with Bond Council are ongoing. The irrevocable trust is expected to be in place by June 30, 2015Additionally, the District is remarketing the 2005 B-2 bonds by refunding the B-2 Convertible Auction Rate Securities (CARS) and the associated swap into cost effective, variable rate demand bonds which minimizes the overall interest cost for the OPEB bonds.**Evidence:** 2015 Actuarial Report <http://web.peralta.edu/business/files/2011/06/March-2015.pdf>OPEB Substantive Plan <http://web.peralta.edu/business/files/2011/06/Substantive-Plan-SR.pdf>Special Meeting of the PCCD Board of Trustees <http://web.peralta.edu/trustees/files/2011/04/6-2-15-special-board-agenda.pdf> | E.3 Fiscal Oversight |
| 2014-02COMMON ORIGINATION AND DISBURSEMENT (COD) REPORTINGRepeat finding (Merritt) 2013-6 | The District has implemented procedures to ensure that the student data is reported to the COD within the required 30 calendar days. | Responsible:College President; Associate Vice Chancellor of Student Services; Associate Vice Chancellor of Information Technology;Point: Director of Financial Aid & Internal Auditor | Resolved | Under the supervision of the District Financial Aid Director, reports are now being transmitted manually. To ensure compliance with Department of Education reporting deadlines, a file transfer submission process and instructions have been created and are being followed by the campuses. The Peralta Policy and Procedures Manual for Financial Aid has been updated. Colleges are now reporting information in a timely manner. College Financial Aid Departments are working together to implement the Department of Education’s Financial Student Aid (FSA)’s TD Client software. This enhances efficiency by automating the reporting of Pell origination and disbursements. Execution of the project action plan is in progress.**CAM Evidence:** 2014 PCCD Financial Aid Policies and Procedures ManualMerritt Transmission Activity Logs | E.3 Fiscal Oversight |
| 2014-03ELIGIBILITY AND SPECIAL TESTSCAMPUS: MERRITT COLLEGE | The District implemented procedures to ensure that the Return of Title IV funds calculations are done in a timely manner and that all funds owed are returned. | Responsible:Associate Vice Chancellor Student Services, College PresidentsPoint: Director of Financial Aid, Internal Auditor, & VP Student Services | Resolved | Corrective actions have been made by the College to ensure R2T4 calculations are being performed and that funds are returned as applicable. The FY2014/15 calculations and return to Title IV process is current and up to date. **CAM Evidence:** PCCD Financial Aid Policies and Procedures ManualFall 2014 R2T4 Merritt redacted without IDsSpring 2015 R2T4 Merritt redacted without IDs | E. 3 Fiscal Oversight |
| 2014-04DIRECT LOAN RECONCILIATIONCAMPUS: LANEY AND MERRITT COLLEGERepeat finding2013-8 (prior year included College of Alameda) | The District has implemented policies and procedures to verify that the School Account Statement(SAS) data file and the Loan Detail records per the DOE’s Common Origination and Disbursement(COD) system are reconciled to the institution’s financial records. | Responsible: Associate Vice Chancellor Student ServicesPoint: Director of Financial Aid, VP of Student Services & Internal Auditor | May 2015 | The District has provided guidance and training, to the College Financial Aid Office personnel and management to perform the COD reconciliation process. The Direct Loan funds have been fully reconciled and balanced for the Direct Loan program (award years 2013 and 2014).Merritt has closed out the Direct Loan program for those two years.**CAM Evidence:** Resolution of audit findings 2014-04.Merritt College DL recon 14-15 redactedLaney College recon 14-15 redacted | E.3 Fiscal Oversight;  |
| 2014-05SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING | The District implemented procedures to ensure that the SSCR enrollment status files are submitted timely to the NSLDS. | Responsible:Associate Vice Chancellor of Student Services, Associate Vice Chancellor of Information TechnologyPoint: Director of Financial Aid & Internal Auditor | Resolved | The District resolved all of the old “IT Help Desk Tickets.” Data covering the period from Sept 2013 to May 2015 was submitted to our third party vendor-National Student Clearing House in a timely manner. **CAM Evidence:** PCCD-SSCR Process History | D.4 Strengthen Accountability, Innovation and Collaboration; expand the use of technology.  |
| 2014-06EQUIPMENT MANAGEMENT | Written administrative procedures have been developed and communicated that provide evidence of appropriate controls over inventory.  | Responsible: Vice Chancellor of Finance and AdministrationPoint: Director of Purchasing & Internal Auditor | Resolved | Written procedures and instructions have been developed by the Purchasing Department and approved by the Planning and Budgeting Council to ensure appropriate controls over the safeguarding and recording of equipment inventory. **CAM Evidence:**AP6551 Inventory of Property and EquipmentPBC agenda for May 2015 | E.3 Fiscal Oversight |
| 2014-07TIME AND EFFORT REPORTING | Procedures and controls over compliance, specifying how and when time certification processes are to be completed have been revised. | Responsible: College Presidents; Vice Chancellor for Finance & AdministrationPoint: Internal Auditor | Resolved | Internal Auditor and the District Grants Administrator have established a Compliance Assurance Program (CAP) that includes site training in time and effort reporting and College compliance self-assessments.The Grants Manual has been updated for distribution and campus training purposes.**CAM Evidence:**Peralta TE Schedule MemoCAP for Grants ManagementTime and Effort Certification 5-28-2015TAACCT Semi-annual Time Effort Certification Form | E.3 Fiscal Oversight  |
| 2014-08CARE ADVISORY COMMITTEE MEETINGCAMPUS: College of Alameda | CARE program advisory committee is in place and meets as required by the program guidance. | Responsible:College PresidentPoint: CARE Program Director | Resolved | Two combined (EOPS and CARE) advisory committee meetings occurred during 2014-15.**CAM Evidence:**EOPS-CARE agenda October 2014EOPS-CARE minutes October 2014EOPS-CARE agenda May 20, 2015EOPS-CARE minutes May 20, 2015 | E.3 Fiscal Oversight |
| 2014-09425 RESIDENCY DETERMINATION FOR CREDIT COURSESRepeat finding2013-10(Similar) | The District implemented a process to actively monitor residency changes made at the colleges ensuring that proof of the change is collected and sent to the district office.  | Responsible: Associate Vice Chancellor Student ServicesPoint: Associate Vice Chancellor Student Services & Internal Auditor | Resolved | A query identifying students whose residency has changed was created that generates a list that is provided to each College in order to verify the change in status. The District requires that the college submit documentation of any changes to the District to ensure ongoing monitoring of appropriate record-keeping. District Admissions & Records held compliance training sessions for the colleges and will provide ongoing training each year.**CAM Evidence:**A & R Training July 2014.Updating a Major PlanTerm Withdrawal Processing A & Records Procedures for Student Record CorrectionCCCCO ResidencyChapter 2 Residency Regulations | D.4 Strengthen Accountability, Innovation and Collaboration; expand the use of technology  |
| 2014-10491 EDUCATION PROTECTION ACCOUNT | When expensing the charges to the Education Protection Account, the District will only move instructional charges, not including the cost of the department chairs. | Responsible: Vice Chancellor for Finance and AdministrationPoint: Director of Fiscal Services & Internal Auditor | Resolved  | The Finance Department has installed a key control in their administrative procedures to prevent administrative costs from being charged to EPA. Finance will post all EPA expenses into the EPA account during the year-end closing period. All expenses will be screened for administrative salary costs before actual posting.**CAM Evidence:** Finance procedure for posting expenses to the Education Protection Account.   | E.3 Fiscal Oversight) |
| MEASURE A GENERAL OBLIGATION BOND FINDINGS |
| 2014-001MEASURE A GO BOND FUND EXPENDITURES | Regularly review all Bond employees’ job description to ensure that they are required to be paid by Bond fund. Written authorization will be obtained before charging salaries & benefits to Bond Projects. The unrestricted General Fund will meet its obligation to repay the Bond fund for noncompliant expenditures. | Responsible:Vice Chancellor For Finance and AdministrationPoint: Vice Chancellor for Department of General Services | Resolved  | The District has reviewed all Bond employees’ job descriptions to ensure they are all still required to be paid from Bond funds.The District has corrected GL coding related to the affected employee going forward.  The unauthorized FY2013-14 expenditures have been moved from the Bond fund to the General Fund in FY2014-15. **CAM Evidence:**Reversal of erroneous charge to Measure A | E.3 Fiscal Oversight |
| 2014-002CITIZENS’ OVERSIGHT MEETINGS | The District has an established Citizens’ Oversight Committee that meets as required. | Responsible:Vice Chancellor For Finance & AdministrationPoint: Executive Director, Public Information, Communications & Media | Resolved  | Citizen’s Oversight Committee Bylaws, Section 6.1, stated that meetings are to be held yearly.                  Documentation of the meetings can be found at the link below:**CAM Evidence:** [http://web.peralta.edu/publicinfo/citizens-oversight-committee/](https://mail.peralta.edu/owa/redir.aspx?SURL=iSAEIOwBeROraJmM9gW9fAXK4k05Xm1YgPZLqNLFpnqydxQ1nGvSCGgAdAB0AHAAOgAvAC8AdwBlAGIALgBwAGUAcgBhAGwAdABhAC4AZQBkAHUALwBwAHUAYgBsAGkAYwBpAG4AZgBvAC8AYwBpAHQAaQB6AGUAbgBzAC0AbwB2AGUAcgBzAGkAZwBoAHQALQBjAG8AbQBtAGkAdAB0AGUAZQAvAA..&URL=http%3a%2f%2fweb.peralta.edu%2fpublicinfo%2fcitizens-oversight-committee%2f)  | E. 3 Fiscal Oversight; prudently manage fiscal resources  |