



AUDIT COMMITTEE AGENDA

Facilitator: Keith Curry
Date: September 13, 2021

Time: 9:30 a.m.

Recorder: Paula VanBrown
Location: Zoom Meeting

Vision

Compton College will be the leading institution of student learning and success in higher education.

Mission Statement

Compton College is a welcoming and inclusive community where diverse students are supported to pursue and attain student success. Compton College provides solutions to challenges, utilizes the latest techniques for preparing the workforce, and provides clear pathways for completion of programs of study, transition to a university, and securing living-wage employment

Attendees

- ___ Keith Curry
- ___ Gloria Hughes
- ___ Andree Valdry
- ___ Armando Ruiz

AGENDA

- 1. Review Minutes from June 7, 2021**
- 2. Compton Community College District’s Audit Finding 06-30-2020 and Action Plan**

**Next Scheduled Meeting: November 15, 2021, at 9:30 a.m.
Zoom Meeting**

Auditors' Finding	Recommendation	Corrective Action	Assigned Staff	Status
<p>2020 – 001 Financial Reporting</p> <p>Adjustments and reclassifications were identified during the audit in order to conform to the BAM and GAAP during the District's year-end closing process.</p>	<p>The District should develop a closing procedure calendar at year-end to ensure that all information is prepared, reviewed, and reconciled prior to the closing of the general ledger. A regular and timely reconciliation of all accounts should be performed with any inconsistencies reconciled and adjusted prior to year-end. Cash and ending fund balances should be monitored for negative balances.</p>	<p>The District has since hired a Vice President of Administrative Services, and Director of Accounting to ensure the process is fully adhered to.</p>	<p>Director of Accounting/Vice President of Administrative Services</p>	<p>As we are nearing the end of the closing process, staff reports are being reviewed and necessary action taken to adjust and reclassify our records as needed.</p>
<p>2020 – 002 Cash Management</p> <p>The District drew down the entire allocation of \$1,269,203 in funds available for the Higher Education Emergency Relief Funds - Student Aid Portion program on May 26, 2020. However, at June 30, 2020, the District had only spent \$643,252 of these federal funds. The District did not minimize the time between receipt and disbursement of these funds requested, and as a result, held excess cash of \$625,951 at June 30, 2020.</p>	<p>It is recommended that the District implement review process for all cash draw downs to ensure only funds needed for immediate disbursement are requested.</p>	<p>Compton College has since recruited and trained staff to review and monitor the process before funds are drawn down after they are spent. Interest due will be repaid to the Department of Education. The District will implement a review process for all cash draw downs immediately to ensure only funds needed for immediate disbursement are requested.</p>	<p>Director of Accounting/Vice President of Administrative Services</p>	<p>The Business Office is drawing down and monitoring funds on a weekly basis, corrective action is being taken for any overdrawn funds.</p>
<p>2020 – 003 Return to Title IV</p> <p>There was no evidence that the District's portion of the Return to Title IV was returned.</p>	<p>It is recommended the District should establish effective controls to ensure the return of Title IV funds are properly calculated and returned.</p>	<p>The District is in the process of updating the policy to improve its internal controls and ensure funds are returned on a timely basis. This draft policy will be completed and instituted with a three-month period and subsequent return of funds will be monitored on a quarterly basis.</p>	<p>Director of Financial Aid/Vice President of Student Services</p>	<p>The financial aid office runs the R2T4 process every two weeks. After we run the process we send an email to the business office with a list of the students names and dollar amounts. From there the business office looks at the total expenditures per award type in Banner. The business office will reconcile monthly by drawing down or return accordingly.</p>
<p>2020 – 004 Enrollment Reporting</p> <p>During testing over the NSLDS reporting requirements, it was noted that the college did not report any student information to NSLDS in the 2019-2020 fiscal year. The SCHER1 Report indicated that there were no submissions in the 2019-2020 fiscal year. The first submission appears to be on July 6, 2020.</p>	<p>The District should implement a process to review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website.</p>	<p>The District is assessing its controls to implement a process that reviews, updates, and verifies information on students and program requirements. We have partnered with the Clearinghouse and set this file submission to be sent automatically on a schedule. Monitoring of this process will be conducted on a quarterly basis.</p>	<p>Director of Financial Aid/Vice President of Student Services</p>	<p>We have partnered with the Clearinghouse and set this file submission to be sent automatically on a schedule. Once the semester has started it is sent after census date, then there after every 18th of the month, the month that is with the 8 week sessions are also sent after census date it might not be on the 18th, mostly all other months are done on the 18th. If the month falls on the date that the semester will be over it is done after the semester is over.</p>
<p>2020 – 005 Borrower Data Reconciliation</p> <p>During our review of the Direct Loans, it was noted that the District was unable to provide documentation to show that they were reconciling the institutional Direct Loan records with the School Account Statement (SAS) data file received by Common Origination and Disbursement (COD) on a monthly basis.</p>	<p>It is recommended that the District develop and implement policies and procedures to ensure that the institutional Direct Loan records are being reconciled with the School Account Statement (SAS) data file received by Common Origination and Disbursement (COD) on a monthly basis.</p>	<p>The District is reviewing the current processes and procedures in place and will be taking the necessary steps to address this recommendation, including monthly reconciliation with our Student Enterprise Resource Planning (ERP) system.</p>	<p>Director of Financial Aid/Vice President of Student Services</p>	<p>The financial aid office works directly with the business office to disburse all aid on a weekly basis. Immediately after the process is ran the financial aid office will run an Pell and Direct Loan origination process and send it to COD. Once the file comes back the financial aid office will reconcile it back to Banner and then back to the business office. The goal and plan is to do this on a weekly schedule.</p>

<p>2020 – 006 Reporting</p> <p>The process dates reported in the COD files were more than 15 calendar days after the disbursement dates reported in the COD files in the District’s financial records for the Fall and Spring semesters. Four students of the 40 students tested had transactions processed in excess of 15 days. Reporting days ranged from 29 to 197 days after disbursement.</p>	<p>It is recommended the District should establish effective controls and processes to ensure that reporting of student disbursement records is timely.</p>	<p>The District is reviewing the current controls and processes in place and will be implementing changes to ensure reports are submitted in a timely manner. A responsible Financial Aid Department Staff member has been assigned to run the disbursement process which includes sending and receiving the Pell Origination File.</p>	<p>Director of Financial Aid/Vice President of Student Services</p>	<p>with the business office to disburse all aid on a weekly basis. Immediately after the process is ran the financial aid office will run the Pell and Direct Loan origination process and send it to COD. Once the file comes back the financial aid office will reconcile it back to Banner and then back to the business office. The goal and plan is to do this on a weekly schedule to ensure the students disbursement records are timely.</p>
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