

# Maricopa County Community College District

Single Audit Report

Year Ended June 30, 2020



A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





The Arizona Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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## Audit Staff

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Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

**Independent auditors' report on compliance for each major federal program;  
report on internal control over compliance; and report on schedule of  
expenditures of federal awards required by the Uniform Guidance**

Members of the Arizona State Legislature

The Governing Board of  
Maricopa County Community College District

**Report on compliance for each major federal program**

We have audited Maricopa County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

## ***Opinion on each major federal program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## ***Other matters***

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2020-101 and 2020-102. Our opinion on each major federal program is not modified with respect to these matters.

## **Report on internal control over compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2020-101 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2020-102 to be a significant deficiency.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **District response to findings**

The District's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

## **Report on schedule of expenditures of federal awards required by the Uniform Guidance**

We have audited the financial statements of the District's business-type activities and discretely presented component unit as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 17, 2020, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey A. Perry, CPA, CFE  
Auditor General

March 31, 2021



# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Summary of auditors' results

### Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles	Unmodified
<b>Internal control over financial reporting</b>	
Material weakness identified?	Yes
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements noted?	No

### Federal awards

<b>Internal control over major programs</b>	
Material weakness identified?	Yes
Significant deficiency identified?	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	Yes
<b>Identification of major programs</b>	
<b>Assistance Listings number</b>	<b>Name of federal program or cluster</b>
84.007, 84.033, 84.038, 84.063, 84.268	Student Financial Assistance Cluster
84.425	Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs	\$3,000,000
Auditee qualified as low-risk auditee?	No

## Financial statement findings

Financial statement findings were reported in the separately issued report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*.

## Federal award findings and questioned costs

### 2020-101

<b>Cluster name:</b>	<b>Student Financial Assistance Cluster</b>
<b>Assistance Listings numbers and names:</b>	84.007 <b>Federal Supplemental Educational Opportunity Grants</b> 84.033 <b>Federal Work-Study Program</b> 84.038 <b>Federal Perkins Loan Program—Federal Capital Contributions</b> 84.063 <b>Federal Pell Grant Program</b> 84.268 <b>Federal Direct Student Loans</b>
<b>Award year:</b>	July 1, 2019 through June 30, 2020
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirements:</b>	Special tests and provisions
<b>Questioned costs:</b>	Unknown

**Condition**—The District’s Student Financial Assistance offices at its colleges did not accurately report enrollment status changes to the National Student Loan Data System (NSLDS) for 8 of 40 students tested. Specifically, the District:

- Did not submit the student file with enrollment history for 1 student.
- Reported an incorrect enrollment status for 2 students.
- Did not report an enrollment status change within 60 days of the change for 5 students.

**Effect**—The District’s students may not be asked to repay student financial assistance grants and loans if or when required if the NSLDS does not accurately reflect students’ enrollment status.

**Cause**—The Student Financial Assistance offices at 6 of the 10 colleges did not review and verify the accuracy of the student data compiled from its student information system before it submitted the reports to NSLDS.

**Criteria**—Federal regulations require reporting to the NSLDS all applicable students’ enrollment statuses and any changes in their enrollment statuses for the Pell Grant and Direct Loan programs. Student enrollment status changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves of absence. [34 Code of Federal Regulations (CFR) §§685.309(b)(2) and 690.83(b)(2)] Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms. (2 CFR §200.303)

**Recommendations**—The District’s Student Financial Assistance offices should:

1. Report accurate enrollment status changes to the NSLDS for all students receiving Pell Grants and Direct Loans.

2. Develop and implement procedures to verify that student enrollment status recorded in its student information system is accurate prior to reporting it to NSLDS.

The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of this report.

This finding is similar to prior-year finding 2019-101.

## 2020-102

<b>Cluster name:</b>	<b>Student Financial Assistance Cluster</b>
<b>Assistance Listings numbers and names:</b>	84.007 <b>Federal Supplemental Educational Opportunity Grants</b> 84.033 <b>Federal Work-Study Program</b> 84.038 <b>Federal Perkins Loan Program—Federal Capital Contributions</b> 84.063 <b>Federal Pell Grant Program</b> 84.268 <b>Federal Direct Student Loans</b>
<b>Award year:</b>	July 1, 2019 through June 30, 2020
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirements:</b>	Special tests and provisions
<b>Questioned costs:</b>	Not applicable

**Condition**—The District did not document that it identified reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of its student financial aid information and that it implemented safeguards for each risk identified.

**Effect**—Without correcting these deficiencies, the District's administration and information technology (IT) management may put the District's operations and IT systems and data, including student financial aid information, at unintended and unnecessary risk.

**Cause**—The District's administration and IT management designated an individual to coordinate an information security program over the District's student financial aid information but had not allocated the necessary resources to complete the risk assessment before the District needed to shift IT resources to address its work environment during the COVID-19 pandemic.

**Criteria**—The District's Program Participation Agreement with the U.S. Department of Education requires the District to protect student financial aid information by performing a risk assessment and documenting a safeguard for each risk identified. (16 CFR §§313 and 314, as required by the Gramm-Leach-Bliley Act, P.L. 106-102)

**Recommendations**—To help ensure that the District protects student financial aid information, the District's administration and IT management should allocate the necessary resources to:

1. Perform a risk assessment to identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of student financial aid information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information. The risk assessment should consider risks related to:

- Employee training and management.
- Information systems, including network and software design, as well as information processing, storage, transmission, and disposal.
- Detecting, preventing, and responding to attacks, intrusions, or other system failures.

2. Document and implement a safeguard for each risk identified.

The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of this report.

This finding is similar to prior-year finding 2019-103.

# DISTRICT SECTION

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Fiscal Period 7/1/2019 - 6/30/2020**

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
<b>DEPARTMENT OF AGRICULTURE</b>									
CAPACITY BUILDING FOR NON-LAND GRANT COLLEGES OF AGRICULTURE (NLGCA)	10.326		ARIZONA STATE UNIVERSITY	ASUB00000179		\$51,448	\$51,448	N/A	\$0
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561		ARIZONA WILDFIRE	DE18-195811		\$11,312	\$11,312	SNAP CLUSTER	\$11,312
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>						<u>\$62,760</u>			
<b>DEPARTMENT OF COMMERCE</b>									
INVESTMENTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT FACILITIES	11.300					\$1,728,396	\$1,728,396	ECONOMIC DEVELOPMENT CLUSTER	\$1,728,396
<b>TOTAL DEPARTMENT OF COMMERCE</b>						<u>\$1,728,396</u>			
<b>DEPARTMENT OF DEFENSE</b>									
PROCUREMENT TECHNICAL ASSISTANCE FOR BUSINESS FIRMS	12.002					\$317,797	\$317,797	N/A	\$0
<b>TOTAL DEPARTMENT OF DEFENSE</b>						<u>\$317,797</u>			
<b>DEPARTMENT OF LABOR</b>									
H-1B JOB TRAINING GRANTS	17.268		CITY OF PHOENIX	143705-0		\$617	\$617	N/A	\$0
APPRENTICESHIP USA GRANTS	17.285		AMERICAN ASSOCIATION FOR COMMUNITY COLLEGES	AP-33025-19-75-A-11		\$17,834	\$17,834	N/A	\$0
<b>TOTAL DEPARTMENT OF LABOR</b>						<u>\$18,451</u>			
<b>DEPARTMENT OF STATE</b>									
ACADEMIC EXCHANGE PROGRAMS - UNDERGRADUATE PROGRAMS	19.009		NORTHERN VIRGINIA UNIVERSITY	S-ECAGD-16-CA-1061 S-ECAGD-19-CA-0055 S-ECAGD-19-CA-1055		\$370,531	\$370,531	N/A	\$0
<b>TOTAL DEPARTMENT OF STATE</b>						<u>\$370,531</u>			
<b>NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION</b>									
SCIENCE	43.001		UNIVERSITY OF ARIZONA	PO #342519 PO #342523		\$40,309	\$40,309	N/A	\$0
<b>TOTAL NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION</b>						<u>\$40,309</u>			
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES</b>									
GRANTS TO STATES	45.310		ARIZONA DEPARTMENT OF LIBRARY AND PUBLIC RECORDS	2018-0271-04 2018-AZ-81328 2019-0340-D-B		\$6,408	\$6,408	N/A	\$0
<b>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES</b>						<u>\$6,408</u>			
<b>NATIONAL SCIENCE FOUNDATION</b>									
ENGINEERING GRANTS	47.041		ARIZONA STATE UNIVERSITY	1744539		\$7,942	\$75,823	N/A	\$0
ENGINEERING GRANTS	47.041		UNIVERSITY OF TEXAS EL PASO	226100998H		\$67,881	\$75,823	N/A	\$0
MATHEMATICAL AND PHYSICAL SCIENCES	47.049					\$7,822	\$7,822	N/A	\$0
EDUCATION AND HUMAN RESOURCES	47.076		ARIZONA STATE UNIVERSITY	CC0342-PG08675-18-14/SUB CC0342-PG08675-18-47/SUB F18UR017/F2018UR0023 F18UR023/F2018UR0032 F19UR009/F2019UR0023 S19UR010/S2019UR0016 S19UR010/S2019UR0032 S19UR012/S2019UR0019 S19UR020/S2019UR0029 S19UR036/S2019UR0033		\$55,517	\$1,591,096	N/A	\$0
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>						<u>\$24,454</u>	<u>\$1,674,741</u>		
<b>SMALL BUSINESS ADMINISTRATION</b>									
SMALL BUSINESS DEVELOPMENT CENTERS	59.037					\$1,174,029	\$2,816,097	N/A	\$0
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>						<u>\$1,174,029</u>	<u>\$2,816,097</u>		
<b>DEPARTMENT OF EDUCATION</b>									
ADULT EDUCATION-BASIC GRANTS TO STATES	84.002		ARIZONA DEPARTMENT OF EDUCATION	19FAEABE-912421-01A 19FAELET-912421-01A 19FAEIEL-912421-01A 19FAEIEL-912421-01A 19FAEAPL-912421-01A 20FAEABE-012421-01A 20FAELET-012421-01A 20FAEIEL-012421-01A 20FAEIEL-012421-01A 20FAEAPL-012421-01A		\$2,682,920	\$2,682,920	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007					\$3,042,736	\$3,042,736	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$176,938,837
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010		ARIZONA DEPARTMENT OF EDUCATION	20FT1TTI-012481-01A 20FT1TTI-010133-01A		\$204,572	\$204,572	N/A	\$0
SPECIAL EDUCATION GRANTS TO STATES	84.027		ARIZONA DEPARTMENT OF EDUCATION	20FESCBG-012481-09A 20FESCBG-010133-09A		\$68,725	\$68,725	SPECIAL EDUCATION CLUSTER (IDEA)	\$68,725
HIGHER EDUCATION INSTITUTIONAL AID	84.031					\$2,276,208	\$2,276,208	N/A	\$0
FEDERAL WORK-STUDY PROGRAM	84.033					\$2,363,035	\$2,363,035	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$176,938,837
FEDERAL PERKINS LOAN (FPL)-FEDERAL CAPITAL CONTRIBUTIONS	84.038					\$175,607	\$175,607	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$176,938,837
TRIO STUDENT SUPPORT SERVICES	84.042					\$756,964	\$756,964	TRIO CLUSTER	\$1,349,072
TRIO UPWARD BOUND	84.047					\$592,108	\$592,108	TRIO CLUSTER	\$1,349,072
CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	84.048		ARIZONA DEPARTMENT OF EDUCATION	18FCTDBG-812331-20A 19FCTDBG-912331-20A 20FCTDBG-012331-20A		\$1,777,579	\$1,777,579	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063					\$122,000,462	\$122,000,462	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$176,938,837

<i>FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION</i>		84.116	ARIZONA STATE UNIVERSITY	ASUB00000277	\$36,739	\$112,538	N/A	\$0
FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION		84.116			\$75,799	\$112,538	N/A	\$0
FEDERAL DIRECT STUDENT LOANS		84.268			\$49,356,997	\$49,356,997	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$176,938,837
CHILD CARE ACCESS MEANS PARENTS IN SCHOOL		84.335			\$40,944	\$40,944	N/A	\$0
<i>SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS</i>		84.367	ARIZONA DEPARTMENT OF EDUCATION	19FT1TII-910133-03A 20FT1TII-012481-03A	\$16,523	\$16,523	N/A	\$0
<i>PRESCHOOL DEVELOPMENT GRANTS</i>		84.419	ARIZONA ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN	ADED18-194364	\$20,216	\$20,216	N/A	\$0
<i>STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM</i>		84.424	ARIZONA DEPARTMENT OF EDUCATION	20FT4TIV-012481-01A 20FT4TIV-010133-01A	\$17,842	\$17,842	N/A	\$0
EDUCATION STABILIZATION FUND		84.425	E COVID-19		\$15,654,292	\$21,937,070	N/A	\$0
EDUCATION STABILIZATION FUND		84.425	F COVID-19		\$5,941,374	\$21,937,070	N/A	\$0
EDUCATION STABILIZATION FUND		84.425	L COVID-19		\$341,404	\$21,937,070	N/A	\$0
<b>TOTAL DEPARTMENT OF EDUCATION</b>					<u>\$207,443,046</u>			
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>					<u>\$1,198,483</u>	<u>\$214,478,536</u>		

**Please Note:**

*Italicized award lines indicate pass-through funding*

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2019 - 6/30/2020**

**Significant Accounting Policies Used in Preparing the SEFA**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**10% De Minimis Cost Rate**

The auditee did not use the de minimis cost rate.

**Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Maricopa County Community College District for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**Federal Assistance Listings numbers**

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2020 Federal Assistance Listings.

**Loans outstanding**

The expenditures reported on the schedule of expenditures of federal awards for the Federal Perkins Loan Program Federal Capital Contributions (CFDA No. 84.038) included loan balances outstanding at June 30, 2020 of \$175,607.

# DISTRICT RESPONSE



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March 31, 2021

Lindsey Perry  
Auditor General  
2910 N. 44<sup>th</sup> St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Kimberly Brainard Granio, CPA, M.Ed.  
Associate Chief Financial Officer & Controller

Maricopa County Community College District  
Corrective Action Plan  
Year Ended June 30, 2020

## Financial Statement Findings

The corrective action plan for financial statement findings was included in the separately issued report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*.

## Federal Award Findings and Questioned Costs

### 2020-101

Assistance Listings numbers and program names:

84.007 Federal Supplemental Educational Opportunity Grants

84.033 Federal Work-Study Program

84.038 Federal Perkins Loan Program–Federal Capital Contributions

84.063 Federal Pell Grant Program

84.268 Federal Direct Student Loans

Name of contact persons: Annette Linders, District Director, Financial Aid Compliance

Anticipated completion date: June 30, 2021

The District understands the importance of reporting accurate enrollment status to the National Student Loan Database (NSLDS). The District implemented a centralized Quality Assurance team to review, reconcile, and correct enrollment mismatches between NSLDS and the District's Student Information System. Significant improvement in reporting compliance was noted during the FY2020 audit and no errors were noted for Chandler-Gilbert, Glendale, GateWay, and Paradise Valley Community Colleges. The District will continue to collaborate with colleges to provide training and quality assurance processes to ensure enrollment is reported timely and accurately.

Maricopa County Community College District  
Corrective Action Plan  
Year Ended June 30, 2020

**2020-102**

Assistance Listings numbers and program names:

84.007 Federal Supplemental Educational Opportunity Grants

84.033 Federal Work-Study Program

84.038 Federal Perkins Loan Program–Federal Capital Contributions

84.063 Federal Pell Grant Program

84.268 Federal Direct Student Loans

Name of contact persons: Jacob Vipond, Chief Information Security Officer

Anticipated completion date: December 31, 2021

The District understands the importance of complying with the Gramm-Leach-Bliley Act, 16 CFR §§313 and 314. The District performed a risk assessment at the end of FY2020 to identify foreseeable internal and external threats to the security, confidentiality, and integrity of student financial aid information. The District continues to provide employee training and management through our Employee Learn Center and continues to implement safeguards to detect, prevent, and respond to attacks, intrusions, or other system failures. The district has documented a separate Gramm Leach Bliley ACT (GLBA) Information Security Plan to ensure future compliance with the Gramm-Leach-Bliley Act, 16 CFR §§313 and 314.

The District will continue to set forth standards for developing, implementing, and maintaining reasonable administrative, technical, and physical safeguards to protect the security, confidentiality, and integrity of customer information.



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March 31, 2021

Lindsey Perry  
Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Kimberly Brainard Granio, CPA, M.Ed.  
Associate Chief Financial Officer & Controller

Maricopa County Community College District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

## Status of Financial Statement Findings

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The District did not sufficiently test and review changes it made to its payroll system, which resulted in over and underpayments to faculty employees

Finding Number: 2019-01. This finding initially occurred in fiscal year 2013.

Status: Fully corrected

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The District risked overpaying hourly employees because time sheets were not always reviewed and approved

Finding Number: 2019-02. This finding initially occurred in fiscal year 2014.

Status: Not corrected

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As of June 30, 2020, the District had not fully implemented its corrective action due to the complexity of its systems. The District's Human Capital Management System (HCM) is not currently configured to require supervisory approvals of time sheets prior to paying employees for hours recorded as Department of Labor regulations require that employees be paid for time worked regardless of approval status. A process to manually approve any time worked and paid, but not approved in HCM, was re-initiated in fall 2019. Monitoring and additional efforts to increase compliance are under review and will be strengthened. Additionally, expenses including wages are monitored monthly by all business units within the District and any deviations from expectations are investigated and corrected, if applicable. Finally, the manual approval process re-initiated in 2019 includes emails automatically sent from HCM to the time approver every pay period detailing any time they did not approve. It is expected that any erroneous time reported and paid will be immediately addressed.

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Managing risk

Finding Number: 2019-03. This finding initially occurred in fiscal year 2014.

Status: Not corrected

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As of June 30, 2020, the District had not fully implemented its corrective action; however, the risk assessment summary data has been received and the responses have been completed.

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Information technology (IT) controls—access and security

Finding Number: 2019-04. This finding initially occurred in fiscal year 2008.

Status: Partially corrected

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As of June 30, 2020, the District had not fully implemented its corrective action for access controls due to the complexity of the requirements. The District is currently updating processes for the annual review of documentation outlining roles, access levels, and permissions to enhance the protection of the District's IT systems and data. Prior audit findings relating to security controls have been fully corrected.

Maricopa County Community College District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

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The District overstated its full-time equivalent student enrollment, which could potentially result in the District inappropriately receiving excess State sales tax distribution

Finding Number: 2019-05

Status: Partially corrected

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As of June 30, 2020, the District had not fully implemented its corrective action due to the complexity of its systems and the requirements. The District has begun the process of enhancing its procedures for validating full-time equivalent student reporting which will be used to improve procedures used to withdraw students from courses. Additionally, the District is reviewing systems and procedures used to track clock hour programs in order to ensure consistency and efficiency in tracking FTSE. Finally, the District has identified an employee to reconcile the source records for FTSE counts and automate the identification of potential inconsistencies in reporting.

Maricopa County Community College District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

**Status of Federal Award Findings and Questioned Costs**

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Cluster Name: Student Financial Assistance Cluster  
Assistance Listings numbers and program names:  
84.007 Federal Supplemental Educational Opportunity Grants  
84.033 Federal Work-Study Program  
84.038 Federal Perkins Loan Program—Federal Capital Contributions  
84.063 Federal Pell Grant Program  
84.268 Federal Direct Student Loans  
Finding Number: 2019-101. This finding initially occurred in fiscal year 2014.  
Status: Not corrected

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As of June 30, 2020, the District had not fully implemented its corrective action due to the complexity of the requirements. In January 2020, the District implemented a centralized Quality Assurance (QA) team to review, reconcile and correct enrollment mismatches between NSLDS, National Student Clearinghouse and the District's Student Information System. The QA team, in conjunction with College leadership, continue to provide training and maintain accountability measures, which has resulted in substantial improvements to enrollment reporting.

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Cluster Name: Student Financial Assistance Cluster  
Assistance Listings numbers and program names:  
84.007 Federal Supplemental Educational Opportunity Grants  
84.033 Federal Work-Study Program  
84.038 Federal Perkins Loan Program—Federal Capital Contributions  
84.063 Federal Pell Grant Program  
84.268 Federal Direct Student Loans  
Finding Number: 2019-102  
Status: Fully Corrected

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Maricopa County Community College District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

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Cluster Name: Student Financial Assistance Cluster  
Assistance Listings numbers and program names:  
84.007 Federal Supplemental Educational Opportunity Grants  
84.033 Federal Work-Study Program  
84.038 Federal Perkins Loan Program—Federal Capital Contributions  
84.063 Federal Pell Grant Program  
84.268 Federal Direct Student Loans

Finding Number: 2019-103

Status: Not Corrected

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As of June 30, 2020, the District had not fully implemented its corrective action due to the complexity of the requirements. The District performed a risk assessment during FY2020 to identify foreseeable internal and external threats to the security, confidentiality, and integrity of student financial aid information. The District continues to provide employee training and management through our Employee Learn Center, and continues to implement safeguards to detect, prevent, and respond to attacks, intrusions, or other system failures. The district has documented a separate Gramm Leach Bliley ACT (GLBA) Information Security Plan to ensure future compliance with the Gramm-Leach-Bliley Act, 16 CFR §§313 and 314.

The District will continue to set forth standards for developing, implementing, and maintaining reasonable administrative, technical, and physical safeguards to protect the security, confidentiality, and integrity of customer information.

