



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

Pima County Community College District

Year Ended June 30, 2014



Debra K. Davenport
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



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Pima County Community College District
Single Audit Reporting Package
Year Ended June 30, 2014

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Reports Issued Separately

Comprehensive Annual Financial Report



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**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***

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

We have audited the financial statements of the business-type activities and discretely presented component unit of Pima County Community College District as of and for the year ended June 30, 2014, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2014. Our report includes a reference to other auditors who audited the financial statements of the Pima Community College Foundation, Inc., the discretely presented component unit, as described in our report on the District's financial statements. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. However, the financial statements of the Pima Community College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Pima Community College Foundation, Inc.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jay Zsorey, CPA
Financial Audit Director

December 15, 2014



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
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 OMB Circular A-133

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

Report on Compliance for Each Major Federal Program

We have audited Pima County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, Pima County Community College 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, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-101 and 2014-102. Our opinion on each major federal program is not modified with respect to these matters.

Pima County Community College District's responses to the noncompliance findings identified in our audit are presented on pages 15 through 18. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on it.

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 OMB Circular A-133, 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-101 and 2014-102 to be material weaknesses.

Pima County Community College District's responses to the internal control over compliance findings identified in our audit are presented on pages 15 through 18. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities and discretely presented component unit of Pima County Community College District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 15, 2014, that contained an unmodified opinion 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 OMB Circular A-133 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.

Jay Zsorey, CPA
Financial Audit Director

January 15, 2015

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**Pima County Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

Federal agency/CFDA number (Note 2)	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number	Program expenditures	Amount provided to subrecipients
Department of Agriculture						
10 223	Hispanics Serving Institutions Education Grants				\$ 78,452	
Department of the Interior						
15 224	Cultural Resource Management					8,728
15 659	National Wildlife Refuge Fund - Refuge Revenue Sharing		Arizona Game and Fish Commission	None	8,786	
	Total Department of the Interior					<u>17,514</u>
Department of Labor						
17 282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants					<u>397,803</u>
Department of Transportation						
20 600	State and Community Highway Safety		Governor's Office of Highway Safety	2014-AL-016		9,779
20 608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated		Governor's Office of Highway Safety	2013-164-095		<u>4,679</u>
	Total Department of Transportation					<u>14,458</u>
Small Business Administration						
59 006	8(a) Business Development Program					<u>15,999</u>
Department of Energy						
81 087	Renewable Energy Research and Development		Salt Lake	DE-EE0005677		<u>4,293</u>
Department of Education						
84 007	Federal Supplemental Educational Opportunity Grants	Student Financial Assistance				641,658
84 033	Federal Work—Study Program	Student Financial Assistance				683,661
84 038	Federal Perkins Loan Program—Federal Capital Contributions	Student Financial Assistance				790,721
84 063	Federal Pell Grant Program	Student Financial Assistance				36,047,538
84 268	Federal Direct Student Loans	Student Financial Assistance				<u>13,210,821</u>
	<i>Total Student Financial Assistance Cluster</i>					<u>51,374,399</u>
84 042	TRIO—Student Support Services	TRIO Cluster				415,296
84 044	TRIO—Talent Search	TRIO Cluster				422,456
84 047	TRIO—Upward Bound	TRIO Cluster				983,999
	<i>Total TRIO Cluster</i>					<u>1,821,751</u>
84 002	Adult Education—Basic Grants to States		Arizona Department of Education	14FAECCR-470600-05A		1,691,677
84 010	Title I Grants to Local Educational Agencies		Sunnyside Unified School District	ED01-0033-013		63,000
84 031	Higher Education—Institutional Aid					1,740,732
84 048	Career and Technical Education—Basic Grants to States		Arizona Department of Education	V048A110003		330,969
84 116	Fund for the Improvement of Postsecondary Education		Alamo College/St. Phillip's College	P116N100011		<u>15,019</u>
	Total Department of Education					<u>57,037,547</u>

See accompanying notes to schedule

**Pima County Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

Federal agency/CFDA number (Note 2)	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number	Program expenditures	Amount provided to subrecipients
Department of Health and Human Services						
93 093	Affordable Care Act (ACA) Health Profession Opportunity Grants				3,358,773	\$ 1,024,538
93 566	Refugee and Entrant Assistance—State Administered Programs		Arizona Department of Economic Security	DES13038-227	105,000	
93 859	Biomedical Research and Research Training		University of Arizona	5K12GMO000708- 13	91,953	
Total Department of Health and Human Services					<u>3,555,726</u>	<u>1,024,538</u>
Corporation for National and Community Service						
94 006	Americorps		Arizona Governor's Office for Children, Youth and Families	AC-VSG-13-3273- 07 12AFHAZ001	130,563	
Total expenditures of federal awards					<u>\$ 61,252,355</u>	<u>\$ 1,024,538</u>

Pima County Community College District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Pima County Community College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*.

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Pima County Community College District
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2014

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unmodified	
	Yes	No	
Internal control over financial reporting:			
Material weakness identified?	—	<u>X</u>	
Significant deficiency identified?	—	<u>X</u> (None reported)	
Noncompliance material to the financial statements noted?	—	<u>X</u>	

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	<u>X</u>	—	
Significant deficiencies identified?	—	<u>X</u> (None reported)	
Type of auditors' report issued on compliance for major programs:			Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?	<u>X</u>	—	

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.282	Trade Adjustment Assistance Community College and Career Training Grants Student Financial Assistance Cluster:
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
84.031	Higher Education—Institutional Aid TRIO Cluster:
84.042	TRIO—Student Support Services

Pima County Community College District
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2014

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.044	TRIO—Talent Search
84.047	TRIO—Upward Bound
84.048	Career and Technical Education—Basic Grants to States
94.006	AmeriCorps

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	Yes	No
	—	<u>X</u>

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?	—	—
	<u>X</u>	—

Pima County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Financial Statement Findings

None reported.

Federal Award Findings and Questioned Costs

2014-101

Cluster Name:	Student Financial Assistance Cluster
CFDA No. and Name:	84.038 Federal Perkins Loan Program—Federal Capital Contributions 84.063 Federal Pell Grant Program 84.268 Federal Direct Student Loans
Award Numbers and Years:	P063P130512, P268K140512, and P268K130512 July 1, 2013 through June 30, 2014
Federal Agency:	Department of Education
Compliance Requirement:	Special Tests and Provisions
Questioned Costs:	N/A

Criteria: 34 Code of Federal Regulations (CFR) §685.309(b) requires institutions to notify the National Student Loan Data System (NSLDS) within 30 days of a change in student status, or include the change in status in a response to an enrollment reporting roster file within 60 days.

Condition and context: For 10 of 40 sample items tested, auditors determined that the change in student status was not reported to NSLDS within 30 days nor was the change included in a response to an enrollment reporting roster file within 60 days. In addition, for 2 of 40 items tested, auditors determined that the incorrect student status was reported to NSLDS.

Effect: The District did not comply with the enrollment reporting requirement included within the Special Tests and Provisions compliance requirement. Consequently, student statuses in the NSLDS were not always accurate and up-to-date.

Cause: The District did not have adequate policies and procedures in place to ensure student statuses were always accurate and that changes were reported within 30 days or included in a response to an enrollment reporting roster file within 60 days.

Recommendation: The District should implement policies and procedures to ensure that the enrollment status reported to the NSLDS is accurate and complete and that status changes are submitted to the NSLDS within 30 days or included in a response to an enrollment reporting roster file within 60 days.

Pima County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

2014-102

CFDA No. and Name: 84.031 **Higher Education—Institutional Aid**
Award Numbers and Years: P0314110088-13 and P031A110203 – July 1, 2013 through June 30, 2014
Federal Agency: **Department of Education**
CFDA No. and Name: 84.048 Career and Technical Education—Basic Grants to States
Award Number and Years: V048A110003 – July 1, 2013 through June 30, 2014
Federal Agency: **Department of Education**
Pass-Through Grantor: Arizona Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Questioned Costs: N/A

Criteria: In accordance with 2 Code of Federal Regulations (CFR) §180.300, when a nonfederal entity enters into a transaction to procure goods or services with a vendor that is expected to equal or exceed \$25,000, the nonfederal entity must verify that the vendor is not suspended or debarred or otherwise excluded from federal contracts.

Condition and context: The District did not establish adequate procedures to verify prior to entering into a transaction to procure goods or services exceeding \$25,000 with a vendor, that the vendor was not suspended or debarred or otherwise excluded from federal contracts. Auditors performed procedures for all vendors exceeding \$25,000 and determined no payments were made to suspended or debarred vendors; therefore, no questioned costs were noted.

Effect: Federal award money could be unlawfully paid to suspended or debarred vendors.

Cause: The District did not have policies and procedures in place to verify that vendors have not been suspended or debarred or otherwise excluded from federal contracts prior to procuring goods or services exceeding \$25,000.

Recommendation: The District should establish policies and procedures to verify prior to entering into a transaction to procure goods or services exceeding \$25,000 with a vendor, that the vendor was not suspended or debarred or otherwise excluded from federal contracts and retain documentation of this determination. This may be accomplished by checking the federal Excluded Parties List System, obtaining vendor certifications, or adding clauses or conditions to the contract.



PimaCountyCommunityCollegeDistrict

District Office

Office of the Executive Vice Chancellor
for Finance and Administration
4905C East Broadway Boulevard
Tucson, Arizona 85709-1005
Telephone (520) 206-4519
Fax (520) 206-4990
www.pima.edu

January 13, 2015

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying Corrective Action Plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by U.S. Office of Management and Budget Circular A-133. Specifically, for each of the federal award findings, we are providing you with the name of the contact person responsible for corrective action, the corrective action planned, and the anticipated completion date that is included in the Schedule of Findings and Questioned Costs.

Sincerely,

David Bea, Ph.D.
Executive Vice Chancellor for Finance and Administration

Pima County Community College District
Corrective Action Plan
Year Ended June 30, 2014

2014-101

CFDA Numbers: 84.038 Federal Perkins Loan Program, 84.063 Federal Pell Grant Program, and 84.268 Federal Direct Student Loans, Student Financial Assistance Cluster

Contact Person: Terra Benson, Executive Director, Financial Aid

Anticipated Completed Date: May 31, 2015

Corrective Action:

Enrollment reporting occurs in two offices of the College; Financial Aid and Admissions. Financial Aid is responsible for timely reporting of financial aid recipients who completely withdraw and Admissions is responsible for timely reporting of enrollment and graduation statuses. The Admissions Office acknowledges that the Spring 2014 graduation report was not submitted in a timely manner.

Both offices have increased staffing specific to these processes and the College has made procedural and policy changes that will correct these weaknesses in internal control. Specifically:

1. Financial Aid has hired a Fiscal Advanced Analyst whose sole responsibility is the Return to Title IV Program. His duties include ensuring that all R2T4 calculations are processed in the appropriate timeframes and that complete withdrawals are updated in NSLDS at the time of R2T4 processing.
2. Financial Aid now processes R2T4s via FAA Access instead of the College's Student Information System, Banner.
3. Admissions has hired an Assistant Registrar for Transfer Articulation and Graduation. This staff member will be responsible for submitting the graduation status report to the National Student Clearinghouse no later than 60 days after the last date of each term.
4. Admissions will continue submitting enrollment status reports to the National Student Clearinghouse every 30 days.
5. Representatives from Admissions and Financial Aid will work with the National Student Clearinghouse and NSLDS to determine why students who were reported by the College to NSC as withdrawn and/or as enrolled were not updated in NSLDS and adjust any procedures necessary at the College to correct this error. Financial Aid will perform internal audits of R2T4s at the end of each term to ensure NSLDS updates have reported from the College to NSC and from NSC to NSLDS.

Pima County Community College District
Corrective Action Plan
Year Ended June 30, 2014

6. Effective Fall 2014, the College requires faculty to submit weekly attendance to Banner, allowing for more timely R2T4 calculations with accurate last dates of attendance, and thereby ensuring complete withdrawals are reported to NSLDS quickly.
7. Effective Spring 2015, faculty are able to withdraw students at any point in the term they determine the student has withdrawn. This will allow for timely R2T4 calculations with accurate last dates of attendance, thereby ensuring complete withdrawals are reported to NSLDS quickly.
8. Effective Spring 2015, the College is implementing a “Never Attended” grade. The faculty will assign this grade within 3 days of the drop period for a course for any student who did not attend from the first day to that date. This will allow the College to identify students with a status change quickly.
9. Effective Spring 2015, the College is implementing a “Registered-Not Attending” status for students who have not been marked Present in their courses for 10 or more days. Students who have this status in all of their courses will have their financial aid recalculated after the 14th day and will be reported to NSLDS as withdrawn. This process will also allow for timely reporting of students who are not current financial aid recipients that are no longer attending or whose not attending statuses have caused them to be at less than half time status, as these groups will have their status reported as such to the National Student Clearinghouse.

2014-102

CFDA Numbers: 84.031 Higher Education-Institutional Aid and 84.048-Career and Technical Education-Basic Grants to States

Contract Person: Thomas Harrington, Purchasing Director

Anticipated Completed Date: 11/30/2014

Corrective Action: The following language has been added to our Standard Purchase Order Terms and Conditions which is included by reference on all of our Purchase Orders through the following link:

<https://www.pima.edu/administrative-services/purchasing/docs/PCC%20PO%20TERMS%20AND%20CONDITIONS%2020141014.pdf>

5. COMPLIANCE WITH LEGAL REQUIREMENTS: The Seller shall comply with all State and Federal Laws applicable to Vendor operations. Contractors are prohibited from using any registered sex offenders on College property. Seller further warrants by any performance on this Purchase Order that it is not excluded or disqualified from providing products or services to any Federal Agency in accordance with the Excluded Party Listing System (EPLS) and that if it becomes disqualified during performance on this Order, it will notify the College within 30 days of becoming disqualified.

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January 13, 2015

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying Summary Schedule of Prior Audit Findings as required by U.S. Office of Management and Budget Circular A-133. Specifically, we are reporting the status of audit findings included in the prior audit's Schedule of Findings and Questioned Costs related to federal awards. This schedule also includes audit findings reported in the prior audit's Summary Schedule of Prior Audit Findings that were not corrected.

Sincerely,

David Bea, Ph.D.
Executive Vice Chancellor for Finance and Administration

**Pima County Community College District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

Status of Prior Year Federal Award Findings and Questioned Costs

Finding Number: 11-03 and 12-102

11-03 CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.375

12-102 CFDA Numbers: 84.007, 84.033, 84.038, 84.063, 84.268

Program: Student Financial Aid Cluster

Status: Partially Corrected

Corrective Action:

Since the July 1, 2010 through June 30, 2011 findings the FA Office has collaborated with the Admissions and Registration Office to ensure frequent and consistent reporting of students' enrollment changes. The following actions have taken place in an effort to meet this regulation.

1. The College has signed an agreement with the National Student Loan Clearinghouse. Implementation of reporting through the Clearinghouse occurred at the end of Spring 2012. There is an exception to the automated reporting for students who completely withdraw.
2. Students that have completely withdrawn from the institution are identified by the Financial Aid Office through a robust report, created and implemented in Fall 2012. The report provides daily information on students who have completely withdrawn from the institution.
3. Financial Aid has hired a Fiscal Advanced Analyst whose sole responsibility is the Return to Title IV Program. His duties include ensuring that all R2T4 calculations are processed in the appropriate timeframes and that complete withdrawals are updated in NSLDS at the time of R2T4 processing.
4. Financial Aid now processes R2T4s via FAA Access instead of the College's Student Information System, Banner.
5. Admissions has hired an Assistant Registrar for Transfer Articulation and Graduation. This staff member will be responsible for submitting the graduation status report to the National Student Clearinghouse no later than 60 days after the last date of each term.
6. Admissions will continue submitting enrollment status reports to the National Student Clearinghouse every 30 days.

**Pima County Community College District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

7. Effective Fall 2014, the College requires faculty to submit weekly attendance to Banner, allowing for more timely R2T4 calculations with accurate last dates of attendance, and thereby ensuring complete withdrawals are reported to NSLDS quickly.
8. Effective Spring 2015, faculty are able to withdraw students at any point in the term they determine the student has withdrawn. This will allow for timely R2T4 calculations with accurate last dates of attendance, thereby ensuring complete withdrawals are reported to NSLDS quickly.
9. Effective Spring 2015, the College is implementing a “Never Attended” grade. The faculty will assign this grade within 3 days of the drop period for a course for any student who did not attend from the first day to that date. This will allow the College to identify students with a status change quickly.
10. Effective Spring 2015, the College is implementing a “Registered-Not Attending” status for students who have not been marked Present in their courses for 10 or more days. Students who have this status in all of their courses will have their financial aid recalculated after the 14th day and will be reported to NSLDS as withdrawn. This process will also allow for timely reporting of students who are not current financial aid recipients that are no longer attending or whose not attending statuses have caused them to be at less than half time status, as these groups will have their status reported as such to the National Student Clearinghouse.

Finding Number: 12-107

CFDA Numbers: 93.093

Program: Affordable Care Act (ACA) Health Profession Opportunity Grants

Status: Fully Corrected

Finding Number: 2013-101

CFDA Numbers: 84.007, 84.033, 84.038, 84.063, 84.268

Program: Student Financial Aid Cluster

Status: Partially Corrected

**Pima County Community College District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

Corrective Action:

1. The Return to Title IV team has received additional training and clarification regarding the 30-day time-frame requirement for reporting the student that has completely withdrawn.
2. The Financial Aid Office has developed an automated report which is sent to NSLDS regarding student status changes. This has increased the timeliness of reporting complete withdrawals.
3. Financial Aid has hired a Fiscal Advanced Analyst whose sole responsibility is the Return to Title IV Program. His duties include ensuring that all R2T4 calculations are processed in the appropriate timeframes and that complete withdrawals are updated in NSLDS at the time of R2T4 processing.
4. Financial Aid now processes R2T4s via FAA Access instead of the College's Student Information System, Banner.
5. Admissions has hired an Assistant Registrar for Transfer Articulation and Graduation. This staff member will be responsible for submitting the graduation status report to the National Student Clearinghouse no later than 60 days after the last date of each term.
6. Admissions will continue submitting enrollment status reports to the National Student Clearinghouse every 30 days.
7. Effective Fall 2014, the College requires faculty to submit weekly attendance to Banner, allowing for more timely R2T4 calculations with accurate last dates of attendance, and thereby ensuring complete withdrawals are reported to NSLDS quickly.
8. Effective Spring 2015, faculty are able to withdraw students at any point in the term they determine the student has withdrawn. This will allow for timely R2T4 calculations with accurate last dates of attendance, thereby ensuring complete withdrawals are reported to NSLDS quickly.
9. Effective Spring 2015, the College is implementing a "Never Attended" grade. The faculty will assign this grade within 3 days of the drop period for a course for any student who did not attend from the first day to that date. This will allow the College to identify students with a status change quickly.
10. Effective Spring 2015, the College is implementing a "Registered-Not Attending" status for students who have not been marked Present in their courses for 10 or more days. Students who have this status in all of their courses will have their financial aid recalculated after the 14th day and will be reported to NSLDS as withdrawn. This process will also allow for timely reporting of students who are not current financial aid recipients that are no longer attending or whose not attending statuses have caused them to be at less than half time status, as these groups will have their status reported as such to the National Student Clearinghouse.