

**PERALTA COMMUNITY COLLEGE DISTRICT
CORRECTIVE ACTION PLAN 2014-15 – SUMMARY**

October 20, 2015

Audit Recommendation		Agent	Action(s)	Status
-001	Long term fiscal planning should take into consideration OPEB costs and other related liabilities.	VCFA	Long term plan being developed OPEB bond principal being serviced	In Progress
-002	Implement procedures to ensure timely submission of student data to US Department of Education's Common Origination and Disbursement website within the required 30 days.	College Presidents AVC Student Services	Procedures developed and implemented mid-year	Complete
-003	Implement procedures to ensure return of Title IV funds calculations are done in a timely manner and all funds owed are returned to the Federal government.	College Presidents AVC Student Services	Procedures developed and implemented mid-year	Complete
-004	Implement policies and procedures to ensure that School Account Statement and Loan Detail records per DOE's Common Origination system are reconciled to institution's financial records.	AVC Student Services	Audit Resolution Workgroup recommended policies and procedures, which have been implemented	Complete
-005	Implement procedures to ensure that SSCR enrollment status files are submitted in a timely manner to NSLDS.	AVC Student Services AVC IT	Procedures developed and implemented	Complete
-006	Develop procedures that provide evidence of appropriate controls over equipment inventory.	VCFA	Procedures developed and implemented	Complete
-007	Strengthen procedures and controls over compliance with respect to time certification processes.	VCES	Procedures developed and implemented	Complete
-008	CARE program advisory committee to be formed and meet as required.	College Presidents	Committees formed and meeting	Complete
-009	Implement a process to actively monitor residency changes made at the colleges and to communicate such changes to the District.	AVC Student Services	Procedures developed and implemented	Complete
-010	Only instruction-related costs will be expensed to the Education Protection Account (EPA).	VCFA	Internal controls put in place	Complete
-001 Bond	Regularly review employees' job descriptions to ensure they are eligible to be expensed to bond funds. Make corrections as necessary.	VCFA	Review of job descriptions and reversal of erroneous charges	Complete
-002 Bond	Ensure Citizens' Oversight Committee meets regularly as required.	VCFA	Committee conducts quarterly meetings	Complete
CalPERS	Comply with all provisions of CalPERS reporting guidelines for reporting of pensionable earnings.	VCFA	Working PERS task force recommended solutions to mitigate reporting errors, which were implemented	Complete

PERALTA COMMUNITY COLLEGE DISTRICT

CORRECTIVE ACTION PLAN 2014-15

2014-001 Long-Term Financial Planning and OPEB Obligations

Corrective Action

- Long-term financial planning for fiscal stability of the District at the operating fund level and entity-wide level should continue and should take into consideration OPEB obligations coming due as well as other related liabilities/ costs
- Accreditation District Recommendation #1 (Standard III.D.1.c, III.D.3.c)

Responsibility/Point

- Responsible: Vice Chancellor of Finance & Administration
- Point: Vice Chancellor of Finance & Administration

Status

- District has been conducting long-term financial planning and addressing future OPEB obligations, including debt service on bonds
- District working with its fiscal advisors to determine strategy / amount needed to fund future long-term liabilities
- An actuarial report has been completed, and results to be used to determine the amount of funds needed to fund future obligations
- The OPEB charge has been adjusted to address future needs
- District undertook the remarketing of a tranche of bonds to reduce debt service of the OPEB program
- Discussions with Bond Counsel are ongoing with respect to the establishment of an irrevocable trust
- A revised OPEB Substantive Plan is expected to be in place by August 2016

Evidence of Correction

- 2015 Actuarial report
- Special PCCD Board of Trustee Meeting, 6/02/15 Agenda
- Successful remarketing and sale of Series B-2 bonds
- Timeline for OPEB Substantive Plan revision

**PERALTA COMMUNITY COLLEGE DISTRICT
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2014-002 Common Origination & Disbursement

Corrective Action

- Implement procedures to ensure student data is reported on a timely basis to the U.S. Department of Education's Common Origination & Disbursement (COD) website within the required 30 days. (Repeat finding for Merritt College)
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: College President; Associate Vice Chancellor of Student Services; Associate Vice Chancellor of Information Technology
- Point: Financial Aid Director

Status

- Under the supervision and guidance of the District Financial Aid Director, reports are now transmitted to the Federal Department of Education on a timely basis
- To ensure compliance with Federal reporting deadlines, a file transfer submission process & instructions have been developed & disseminated to the Colleges
- The District's Policy & Procedures Manual for Financial Aid has been updated

Evidence of Correction

- 2014 Peralta Community College District Financial Aid Policies and Procedures Manual
- Merritt College Transmission Activity Log

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2014-003 Return of Title IV Funds Calculation & Return of Funds

Corrective Action

- Implement procedures to ensure return of Title IV funds calculations are done in a timely manner and all funds owed are returned to Federal government (Merritt College)
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: Associate Vice Chancellor of Student Services; College Presidents
- Point: Financial Aid Director; Vice President of Student Services

Status

- Corrective actions have been implemented by the Colleges to ensure R2T4 calculations are performed and that funds are returned as applicable
- The fiscal year 2014-15 calculations and return of Title IV funds process is current

Evidence of Correction

- Peralta Community College Financial Aid Policies and Procedures Manual
- Fall 2014 R2T4 Merritt College Report redacted without IDs
- Spring 2015 R2T4 Merritt College report redacted without IDs

**PERALTA COMMUNITY COLLEGE DISTRICT
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2014-004 Direct Loan Reconciliation**

Corrective Action

- Implement 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 (Laney College & Merritt College)
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: Associate Vice Chancellor of Student Services
- Point: Director of Financial Aid; Vice President of Student Services

Status

- 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
- 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

Evidence of Correction

- Laney College Direct Loan reconciliation 14-15 redacted
- Merritt College Direct Loan reconciliation 14-15 redacted

**PERALTA COMMUNITY COLLEGE DISTRICT
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2014-005 Enrollment Reporting**

Corrective Action

- Implement procedures to ensure that the SSCR enrollment status files are submitted in a timely manner to the NSLDS (Laney College, College of Alameda, Berkeley City College, and Merritt College)
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: Associate Vice Chancellor of Student Services; Associate Vice Chancellor of Information Technology
- Point: Associate Vice Chancellor of Student Services; Director of Enterprise Services, Information Technology

Status

- District has implemented procedures to ensure that the SSCR enrollment status files are submitted in a timely manner to the NSLDS
- 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
- District has established a multi-departmental enrollment data quality assurance work group to analyze and resolve any PeopleSoft reporting issues affecting NSDLS and other reporting requirements

Evidence of Correction

- PCCD-SSCR Process History
- Audit Resolution Work Group Agenda and Minutes in the Corrective Action Matrix

**PERALTA COMMUNITY COLLEGE DISTRICT
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2014-006 Equipment Management**

Corrective Action

- Develop administrative procedures that provide evidence of appropriate controls over equipment inventory
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: Vice Chancellor of Finance & Administration
- Point: Director of Purchasing

Status

- 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 of assets and the recording of equipment inventory
- Internal Auditor has reviewed the written process for adequacy of internal control

Evidence of Correction

- AP6551 Inventory of Property and Equipment
- PBC agenda and minutes for May 2015
- Completed Physical Inventory for fiscal year 2014-15

**PERALTA COMMUNITY COLLEGE DISTRICT
CORRECTIVE ACTION PLAN 2014-15
2014-007 Time and Effort Reporting**

Corrective Action

- Strengthen procedures and controls over compliance, specifying how and when time certification processes are to be completed
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: Vice Chancellor of Educational Services
- Point: Director of Development

Status

- The District Grants Coordinator has established an Internal Auditor recommended Compliance Assurance Program (CAP) that includes site training in time and effort reporting, regular communications to responsible college management, and other related actions
- The Grants Manual has been updated for distribution and campus training purposes
- District has begun conducting training program covering grants requirements
- District continues the implementation of the CAP program

Evidence of Correction

- CAP for Grants Management
- Time and Effort Certification 5-28-2015
- Peralta Time & Effort Schedule Memo
- TAACCT Semi-annual Time Effort Certification Form

**PERALTA COMMUNITY COLLEGE DISTRICT
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2014-008 CARE Advisory Committee Meeting**

Corrective Action

- CARE program advisory committee is to be put in place and meet as required by the program guidance (College of Alameda)
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: College President
- Point: CARE Program Director

Status

- Two combined (EOPS and CARE) advisory committee meetings occurred during 2014-15
- CARE program advisory committee is in place and meets as required by the program guidance

Evidence of Correction

- EOPS-CARE agenda October 2014
- EOPS-CARE minutes October 2014
- EOPS-CARE agenda May 20, 2015
- EOPS-CARE minutes May 20, 2015

**PERALTA COMMUNITY COLLEGE DISTRICT
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2014-009 Monitoring and Collecting Proof of Residency Changes For Credit Courses

Corrective Action

- Implement 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
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: Associate Vice Chancellor Student Services
- Point: Associate Vice Chancellor Student Services; Vice President of Student Services; Dean of Admission & Records

Status

- Implementation of the following procedures: A query identifying students whose residency changed from the application was created to generate a list that is provided to each College so each can conduct self-audits. Colleges verify the residency change and ensure that proper documentation was collected and that comments were entered in the system. The District requires that the college submit documentation of any changes to the District for record-keeping.
- District Admissions & Records held compliance training sessions for the colleges and will continue to provide support and annual training

Evidence of Correction

- A & R Training July 2014
- A & R Training July 2015
- Trainings included:
 - A & Records Procedures for admission, student record correction and registration processes
 - CCCC Residency
 - Chapter 2 Residency Regulations

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2014-010 EDUCATION PROTECTION ACCOUNT EXPENDITURE COMPLIANCE

Corrective Action

- When expensing charges to the Education Protection Account (EPA), the District will only expense instructional costs, not costs associated with administrative functions
- Accreditation District Recommendation #2 (Standard III.D.2.b, III.D.3.h)

Responsibility/Point

- Responsible: Vice Chancellor of Finance & Administration
- Point: Director of Fiscal Services

Status

- 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.

Evidence of Correction

- Finance procedure for posting expenses to the Education Protection Account

PERALTA COMMUNITY COLLEGE DISTRICT

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2014-001 MEASURE A GENERAL OBLIGATION BOND COMPLIANCE

Corrective Action

- Regularly review all bond employees' job descriptions to ensure they are eligible to be charged to bond funds
- Written authorization will be obtained before charging salaries & benefits to bond funds as appropriate
- Make corrections to certain District employees' pensionable earnings found by CalPERS auditors to be inaccurate

Responsibility/Point

- Responsible: Vice Chancellor of Finance & Administration
- Point: Vice Chancellor for Department of General Services

Status

- District has reviewed all bond employees' job descriptions to ensure they are eligible to be charged to bond funds
- District has corrected GL coding related employee going forward
- Unauthorized FY2013-14 expenditures have been moved out of Bond Fund to General Fund

Evidence of Correction

- Reversal of erroneous charge(s) to Measure A

**PERALTA COMMUNITY COLLEGE DISTRICT
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2014-002 CITIZENS' OVERSIGHT COMMITTEE MEETINGS**

Corrective Action

- The District has an established Citizens' Oversight Committee that is required to hold meetings yearly in accordance CA Ed Code Sections 15278 and 15280 as well as with Committee Bylaws, Section 6.1

Responsibility/Point

- Responsible: Vice Chancellor of Finance & Administration; Vice Chancellor for Department of General Services
- Point: Executive Director, Public Information, Communications & Media

Status

- The District's Citizens' Oversight Committee meets yearly as required by statute and Committee Bylaws

Evidence of Correction

- <http://web.peralta.edu/publicinfo/citizens-oversight-committee/>

**PERALTA COMMUNITY COLLEGE DISTRICT
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CalPERS Office of Audit Services Audit Finding Resolution

Corrective Action

- Comply with all provisions of CalPERS reporting guidelines for reporting of pensionable earnings
- Resolve all sixteen CalPERS audit findings by making corrections to certain District employees' pensionable earnings found by CalPERS auditors to be inaccurate

Responsibility/Point

- Responsible: Vice Chancellor of Finance & Administration; Associate Vice Chancellor of Information Technology
- Point: Director of Payroll Services; Director of Enterprise Services

Status

- Audit Resolution Working Committee consisting of Payroll, IT, Benefits, HR, Finance managers and technical staff collaborated to analyze root cause of problems, and brainstormed systemic solutions to eliminate past and future reporting errors
- Audit Resolution Working Committee implemented systemic solutions, and corrected all reporting errors requested by CalPERS auditor

Evidence of Correction

- Letter from CalPERS Policy and Compliance Unit, dated May 18, 2015, informed District that all required actions have been satisfactorily completed, and District is now in compliance with Public Employees' retirement Law as they related to findings found in this audit.
- District awaits final approval of the last two corrections re-entered in July as requested by auditors (corrections had previously been lost in transmission)