

## **Audit and Finance Agenda Item**

**Meeting Date:** 9/8/11

**Title of Item:** Audit Update

### **Background and Analysis:**

Terri Montgomery, Partner, Vavrinek, Trine, Day & Co., LLP (VTD), will provide an update on the audit process for the fiscal year 2010-11 audit. Terri will discuss the attached recap of the audit timeline and her observations and comments on the audit to date.

**Recommendation:** (specify if information only) For Information Only.

Submitted by:	Kevin McElroy
Additional contact names:	Hector Quinonez
Is backup provided?	Yes

## 2010-11 Audit Update

Sept 8, 2011

3:00 PM

### Foothill DeAnza Community College District Office

5 minutes

Item #1 - Recap of Audit Timeline

Terri Montgomery-VTD

#### Discussion:

- 1) Description of audit work done to date
  - a. Federal compliance
  - b. State compliance
  - c. Gaining an understanding of internal controls
  - d. Year end observations of inventory counts
  - e. Review of existing debt agreements
  - f. Preliminary work for the two foundation audits and the Flint Center
- 2) Work to be done
  - a. Completion of State compliance section on To Be Arranged Hours (TBA)
  - b. State compliance for Funding Methods section (new section just added in 8/2011). Requires auditing 2009/10 data as well as 2010/11 information.
  - c. Review of adjustments to census date questions
  - d. Review of policy over number of units constituting full time student status.
  - e. Final audit – scheduled for Sept 19 to Sept 30 – Audit year end financial statement balances.
  - f. Bond audit
  - g. Complete foundation audits

#### Notes:

10 minutes

Item #2 - Discussion of observations

Terri Montgomery-VTD

#### Discussion:

- 1) Verbal Comment(s)
  - a. Suggest documenting review and approval of Flint Center payroll account bank reconciliations.
- 2) Other Observations
  - a. Return to Title IV reports not completed within the required 45 day timeline.
    - i. Comment - We noted that the calculations were not completed within 30 days of the students' withdrawal, and that students who were then determined to be return to Title IV students, were not reported to the NSLDS system within 45 days.
    - ii. Recommendation - The Financial Aid Departments should be proactive in monitoring progress on meeting timelines and interact with other departments to resolve issues on a more timely basis as they occur

b. Concurrent enrollment

- i. Comment – High School students’ concurrent enrollment applications did not have an element to verify that high school principals are not recommending more than 5% of the total number of students who completed a particular grade prior to summer college session.
- ii. Recommendation - The Colleges should include a statement of the concurrent application that requires the recommending principal to certify that they aren’t recommending more than 5% of the number of pupils who have completed a particular grade immediately prior to the time of the recommendation

3) Any potential observations related to TBA and Funding Methods work not completed yet

Typical TBA and Funding Methods issues at most districts – include the following:

- TBA - Consistency of TBA activity information in outlines, schedules, catalogs
- TBA - Unlocated TBA attendance documentation
- TBA - Not removing contact hours for TBA when students don’t attend any TBA
- Funding Methods – Scheduling of courses/ class hours reported

**Notes:**