

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

2014-001 INTERNAL CONTROLS - DEFICIENCY - PAYROLL

Criteria

Internal Controls - Safeguarding of Assets

Condition

There is no evidence of review for changes to the employee setup in the payroll system.

Effect

Errors may not be detected in a timely manner.

Cause

Proper controls have not been designed and implemented.

Fiscal impact

Not determinable.

Recommendation

All changes to the payroll system should be reviewed by an individual independent of the input process. The reviewer should document the date the review was performed and evidence their review with an initial or signature.

Corrective Action Plan

The Office of Human Resources acknowledges this concern and has since developed a new classification entitled Human Resources Analyst. This new classification will absorb direct inputting and processing currently done by the Human Resources Manager. This, in turn, will free up the HR Manager to review systems and personnel actions to safeguard compliance. Additionally, Human Resources and Information Technology will develop and utilize automated reports to strengthen checks and balances.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

2014-002 INTERNAL CONTROLS - DEFICIENCY - STUDENT FINANCIAL AID

Criteria

Internal Controls - Monitoring

Condition

There is no evidence of review of the number of days used in the Return of Title IV (R2T4) calculations.

Effect

Risk of non-compliance with federal laws and regulations.

Cause

Proper controls have not been designed and implemented.

Fiscal impact

Not determinable.

Recommendation

An appropriate individual should review the calculated number of days in each term to ensure accuracy of the R2T4 calculation.

Corrective Action Plan

In the future, the Financial Aid Specialist III will perform the preliminary annual set-up of the R2TIV software. The worksheet setup will be reviewed by the Financial Aid Officer for correctness prior to any individual calculations being made so that there are checks and balances to ensure compliance with established federal regulations.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2014

2014-003 INTERNAL CONTROLS - DEFICIENCY - PURCHASING-CARDS (P-CARDS)

Criteria

Internal Controls - Monitoring

Condition

The following conditions were noted:

- P-card statements are not reviewed in a timely manner.
- P-card was not cancelled in a timely manner for an employee that was not submitting purchase logs and statements in accordance to the District's policies and procedures.
- No evidence of review and approval of purchases made by the Chancellor.
- Purchases for an employee were not supported by invoices/receipts.

Effect

Risk of misappropriation of assets.

Cause

Proper controls have not been designed and implemented.

Fiscal impact

Not determinable.

Recommendation

- The District should enforce policies and procedures and ensure purchase logs and p-card statements are reviewed and approved in a timely manner. P-cards should be cancelled for employees not adhering to the District's policies and procedures.
- Statements and purchase logs should be reviewed in a timely manner.
- The purchase log and monthly statements for the Chancellor should be reviewed by a Board member.

Corrective Action Plan

The District has established policies and procedures, which state that original receipts must accompany purchase logs and purchase logs must be submitted within five days of receipt of the monthly statement. The requirements are also outlined in the training document and the credit card use agreement, which each cardholder signs. The District has implemented a zero-tolerance policy, meaning any infraction of policy or procedure will cause an employee's card to be canceled.

Business Services will make it a priority to fill the Accountant I position, which has been vacant for more than one year, to ensure that the documents are adequately monitored and purchase logs are reconciled on a timely basis.

The Chancellor's statements and purchase logs will be reviewed by a board member.