

**PERALTA COMMUNITY COLLEGE DISTRICT  
CORRECTIVE ACTION MATRIX  
PENDING ACTIONS**

| Auditing/ Agency  | Corrective Action  | Responsibility/Point   | Due Date                | Status   | Systematic/Source Integration  |
|---|--|--|-------------------------|--|--|
| <b>ACCJC</b>  |  |  |                         |  |  |
| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2009 Team Recommendation 1</p> <p>Board and District Administration</p> | <p>Assess Overall Effectiveness of District Services to Colleges</p> <p>Provide Clear Delineation of Functional Responsibilities</p> <p>Develop Clear Processes for Decision Making</p> <p>(Standards IV.B.I, IV.B3, a,b,c,f, &amp; g)</p> | <p>Responsible: Chancellor</p> <p>Point: Vice Chancellor of Educational Services</p> | <p>October 15, 2010</p> | <p>The Peralta Community College District (PCCD) has assessed the overall effectiveness of the PCCD’s services to colleges and provided clear delineation of functional responsibilities. There has been a clear process for decision making.</p> <p><b>(Refer to October 15, 2010 Follow-Up Report)</b></p> | <p>Created a new District Planning and Budget Integration process: focus on services, functions, accountability (Education Committee; Facilities Committee; Technology Committee, Planning and Budgeting Council).</p> <p>Adopted PBI Procedures Handbook (August 2009).</p> <p>Created Web site to document all work and actions.</p> <p>Evaluated first year process for effectiveness.</p> <p>Created Manual of District Functions to provide clarity about district services.</p> <p>Evaluate all PCCD administrators and their services to implement annual institutional goals</p> |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2009 Team Recommendation 2 Management Systems</p> | <p>Resolve the functional issues associated with the implementation of the district-wide adopted software management systems for student, human resources, and financial aid administration. (Standards III.C.1.a, III.C.1.c, III.C.1.d, and IV.B.3.b)</p> | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p>June 30, 2011</p> | <p>The PCCD is working on resolving the issues associated with the implementation of the adopted software management systems for student ?, human resources, and financial aid administration.</p> <p><b>(Refer to October 15, 2010 Follow-Up Report)</b></p> | <p>Hired additional IT staff to manage the PeopleSoft system.</p> <p>Created a PeopleSoft Resolution Team (made up of lead administrators and IT programmers; chaired by VC of Ed Services).</p> <p>Created 12 PeopleSoft Functionality Teams.</p> <p>Created detailed ongoing Issues Log.</p> <p>Created a Log of completed enhancements to PeopleSoft (for communication purposes)</p> <p>Created a PRT Web site for communication.</p> <p>Will evaluate the process at the end of one year.</p> |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2009 Team Recommendation 3</p> <p>Financial Resources and Technology</p>                                     | <p>Implement all appropriate controls and necessary MIS systems modifications to achieve access to a fully integrated computer information management system, including modules for student, financial aid, human resources, and finance, in order to assure financial integrity and accountability. Board receive implementation process reports until project completion. (Standards III.D.1.a, III.D.1.b, and III.D.2.a)</p> | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p>June 30, 2011</p>     | <p>The PCCD is taking immediate corrective action to implement appropriate controls and MIS systems modifications. The Governing Board will receive regular implementation progress reports through project completion. <b>(Refer to October 15, 2010 Follow-Up Report)</b></p>  | <p>Development of PeopleSoft resolution team and handbook. Issues log created and updated. PeopleSoft functionality team. Regular meeting for users where programmers attend meetings to address issues.</p> |
| <p>2010 ACCJC Accreditation Letter November 18, 2009 &amp; June 30, 2010</p> <p>Reporting Requirement 1</p> <p>Other Post Employment Benefits (OPEB) Liabilities</p> | <p>District Required to Provide ACCJC an Update on the Value of the Deferred Compensation Trust Fund and Describe its Plan to Pay for the Growing Long-Term Debt. (Standards III.D.2.d and IV.B.3.d)</p>  | <p>Responsible: Chancellor<br/>Point: CFO</p>                                     | <p>December 31, 2010</p> | <p>The PCCD's last Actuarial completed June 30, 2008 indicates a Retiree Health Actuarial Obligation of approximately \$153 million. An updated Actuarial obligation calculation will be completed by December 2010.</p> <p>The PCCD has hired a new financial adviser and a new Vice Chancellor of Finance and Administration. <b>(Refer to District's October 15, 2010 ACCJC Follow-Up Report)</b></p> |  |

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| <p>2010 ACCJC Accreditation Letter November 18, 2009 &amp; June 30, 2010</p> <p>Reporting Requirement 2</p> <p>The District's Internal Control Structure</p> | <p>Provide an Update on District Action Regarding Independent Audit Report.</p> <ul style="list-style-type: none"> <li>a. 2008-1 Oversight and Monitoring</li> <li>b. 2008-2 Financial Accounting System Procedures</li> <li>c. 2008-03 Information Systems</li> <li>d. Bursar's Office and Trust Fund Activity Reporting Changes</li> <li>e. Accounts Payable/Purchasing Functions (Standard III.D 2 and III.D.2.c,d,e,g) &amp; (Standard II.B.3.f, III.D.1.b, III.D.2.g, IV.B.3.d, IV.B.1, IV.B.1.B, and IV.B.1.c)</li> </ul> | <p>Responsible: Chancellor<br/>Point: CFO</p>                                | <p>October 15, 2010</p> | <p>The PCCD developed a "Corrective Action Plan" that lists all audit recommendations and status of implementation as an update.</p> <p><b>(Refer to District's October 15, 2010 ACCJC Follow-Up Report)</b></p>  |   |
| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team Recommendation</p> <p>2010 Recommendation 1</p>                              | <p>All Personnel Selection Actions must Adhere to the Established Policies and Procedures (Standard III.A.1.a)</p>  | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Human Resources</p> | <p>July 1, 2010</p>     | <p>The new Chancellor and new Vice Chancellor or Human Resources will at all times adhere to established policies and procedures regarding personnel selection actions.</p> <p><b>(Refer to District's October 15, 2010 ACCJC Follow-Up Report)</b></p> | <p>Board Training Workshops on June 10 and September 14 reinforced the requirement to follow written policy and procedures.</p> <p>The new Vice Chancellor of HR has made it explicit that policy and procedures will be followed as written.</p> |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team Recommendation</p> <p>2010 Recommendation 2</p> | <p>Evaluate the Reporting Structure with Regard to the Inspector General so that the Position is Properly Placed in the Hierarchy of the District Organization (Standard IV.B.I.J)</p> | <p>Responsible: Board<br/>Point: Chancellor</p> | <p>July 31, 2010</p> | <p>At the July 20, 2010 meeting of the Governing Board, the Trustees unanimously voted to delegate to the Chancellor the reorganization of the Inspector General's Position for Reporting Purposes<br/><b>(Refer to District's October 15, 2010 ACCJC Follow-Up Report)</b></p> | <p>Issue resolved: the I.G. is a direct report to the Chancellor.<br/>Reaffirmed at the September 14, 2010 Board training.</p> |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team Recommendation</p> <p>2010 Recommendation 3</p> | <p>Clarify the Role of the Board Members with Respect to the Work of the District Managers.</p> <p>A Review of Reporting Structures, Methods for Board Inquiries, Distinction Between Board Policy Setting and Oversight, and Management, Leadership, and Operational Responsibilities for the District.</p> <p>Standards IV.B.1.d, IV.B.1.j)</p> | <p>Responsible: Board<br/>Point: Chancellor</p> | <p>July 31, 2010</p> | <p>The Governing Board, on July 22, adopted a Community College League of California document, “Board and CEO Rules: Different Jobs, Different Tasks” (2000). The document stresses the importance of strengthening the Board and CEO relationship. The Board has agreed to use the document as a means to distinguish the roles and responsibilities of the Board from those of the Chancellor.</p> <p><b>(Refer to District’s October 15, 2010 ACCJC Follow-Up Report)</b></p> | <p>Board adopted CCLC, document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10).</p> <p>Board addressed the issue in detail at Board Training, 9/14/10.</p> <p>Board will abide by Board Policy 1.21, Board Committees, to ensure that Board Committees only have a policy function.</p> <p>Board will revise BP 1.05, Duties and Responsibilities of the Board.</p> <p>Board will rely on the new Chancellor for the operation of the PCCD.</p> |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team Recommendation</p> <p>2010 Recommendation 4</p> | <p>Provide Ongoing and Annual Training for Board and Management on Roles and Functions as it Relates to District Policy and Operations (Standard IV.B.1.f)</p> | <p>Responsible: Board<br/>Point: Chancellor</p> | <p>On-Going</p> | <p>On June 10, 2010, the Community College League of California provided a training workshop for the trustees of the Governing Board. Effective Board practices and Trustee Financial Responsibilities were covered. An additional training is scheduled through the Community College League on September 14, 2010.</p> <p><b>(Refer to District's October 15, 2010 ACCJC Follow-Up Report)</b></p> | <p>Trainings happened on 6/10/10 and 9/14/10 and addressed this recommendation.</p> <p>Board adopted CCLC document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10).</p> <p>Board Trainings will be conducted quarterly.</p> |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team Recommendation</p> <p>2010 Recommendation 5</p> | <p>Engage in Ongoing Discussion about the Role of the Board and how it Serves its Trustee Role for the Good of the District. The Role of the Board Reviewed Regularly with each Board Member. Standard IV.B.1, IV.B.1.j)</p> | <p>Responsible: Board<br/>Point: Chancellor</p> | <p>On-Going</p> | <p>On May 25, 2010, the Governing Board unanimously agreed that training, and joint workshops of the Board will occur to review and better understand the ACCJC Standard and Eligibility Requirements.</p> <p>On June 10, 2010, the Community College League of California provided a training workshop for the trustees of the Governing Board. Effective Board practices and Trustee Financial Responsibilities were covered. An additional training is scheduled through the Community College League on September 14, 2010. <b>(Refer to District's October 15, 2010 ACCJC Follow-Up Report)</b></p> | <p>Board adopted CCLC document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10).</p> <p>Trainings conducted on 6/10/10 and 9/14/10 which addressed this recommendation.</p> <p>Board will conduct quarterly training workshops.</p> <p>Board will adhere to Board Policy 1.21, Board Committees.</p> <p>Board will revise Board Policy 1.05, Duties and Responsibilities of the Board.</p> |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team Recommendation</p> <p>2010 Recommendation 6</p> | <p>Regular Review of the Code of Ethics by the Board to Assure Thorough Understanding and Application of the Code's Intent Standard IV.B.1.e; IV.B.1.h)</p> | <p>Responsible: Board<br/>Point: Chancellor</p> | <p>October 15, 2010</p> | <p>In a May 25, 2010 resolution, the Board affirmed its commitment to adhere to the Board Code of Conduct. On July 22, 2010, the Board Policy Review Committee meeting discussed the code of ethics, value statement, and conducted rules and recommended to strengthen or improve the current policy.<br/><b>(Refer to District's October 15, 2010 ACCJC Follow-Up Report)</b></p> | <p>Board resolved to adhere to Board Policy 1.06, Board Code of Ethics. (5/25/10)</p> <p>Board Policy Review Committee resolved to strengthen the Board Policy, 1.06 (7/22/10)</p> <p>Board to include section on Code of Ethics in annual self-evaluation.</p> |
| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team Recommendation</p> <p>2010 Recommendation 7</p> | <p>Change the Reporting Relation of the Inspector General from the Board of Trustee to the Chancellor Standard IV.B.1.j)</p>                                | <p>Responsible: Board<br/>Point: Chancellor</p> | <p>October 15, 2010</p> | <p>On July 20, 2010, the Governing Board unanimously voted to delegate to the Chancellor the reorganization of the Inspector General's position for reporting purposes.<br/><b>(Refer to District's October 15, 2010 ACCJC Follow-Up Report)</b></p>  | <p>Issue resolved: the I.G. is a direct report to the Chancellor.<br/>Reaffirmed at the September 14, 2010 Board training.</p>  |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team</p> <p>2010 Recommendation 8</p> | <p>Review Board Roles to Assure Board is Relying on the Chancellor to Carry out the Policy Set by the Board.<br/>(Standard IV.B.1.j)</p> | <p>Responsible: Board<br/>Point: Chancellor</p> | <p>October 15, 2010</p> | <p>On May 25, 2010, the Governing Board unanimously agreed that training, of the Board will occur to review and better understand the ACCJC Standard and Eligibility Requirements.</p> <p>On June 10, 2010, League of California provided training for the trustees of the Governing Board. Board practices and Financial Responsibilities were covered.</p> <p><b>(Refer to October 15, 2010 ACCJC Follow-Up Report)</b></p> | <p>Board adopted CCLC document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10).</p> <p>Trainings conducted on 6/10/10 and 9/14/10 which addressed this recommendation.</p> <p>Board will conduct quarterly training workshops.</p> <p>Board will adhere to Board Policy 1.21, Board Committees.</p> <p>Board will revise Board Policy 1.05, Duties and Responsibilities of the Board.</p> |

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| <p>2010 ACCJC Accreditation Letter June 30, 2010</p> <p>2010 Special Visit Team</p> <p>2010 Recommendation 9</p> | <p>Board and District Adhere to Their Appropriate Roles. Board Must not Interfere with the Operations of the Four Colleges of the District. Chancellor Assumes and Takes Full Responsibility and Authority for the Areas Assigned to District Oversight</p> | <p>Responsible: Board<br/>Point: Chancellor</p> | <p>On-Going</p> | <p>On May 25, 2010, the Governing Board unanimously agreed that training, of the board will occur to review and better understand the ACCJC Standard and Eligibility Requirements.</p> <p>On June 10, 2010, League of California provided training for the trustees of the Governing Board. Board practices and Financial Responsibilities were covered.</p> <p><b>(Refer to October 15, 2010 ACCJC Follow-Up Report)</b></p> | <p>Board adopted CCLC document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10).</p> <p>Trainings conducted on 6/10/10 and 9/14/10 which addressed this recommendation.</p> <p>Board will conduct quarterly training workshops.</p> <p>Board will adhere to Board Policy 1.21, Board Committees.</p> <p>Board will revise Board Policy 1.05, Duties and Responsibilities of the Board.</p> <p>The new Chancellor on various occasions has publically addressed this recommendation with the Board and has reiterated how staff responds to a Trustees position, power, and authority. Board has agreed to rely on and trust the Chancellor.</p> |

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| <b>INDEPENDENT AUDIT FINDING</b>  |  |   |                           |   |   |
| <p><b>MATERIAL WEAKNESSES FINANCIAL STATEMENT</b></p> <p>Independent Audit Finding</p> <p>2009-1 DISTRICT FINANCIAL REPORTING</p> | <p>Monthly Financial Activity Report for All Funds</p>   | <p>Responsible: PCCD Board/Chancellor<br/>Point: CFO</p>                | <p>January 1, 2011</p>    | <p>A monthly expenditure report was developed in February 2010. This report will continue to be refined and provided to key stakeholders on a monthly basis.<br/><b>(Refer to VTD Audit Response)</b></p> |   |
| <p>Independent Audit Finding</p> <p>2009-2 DISTRICT BUDGET MONITORING</p>   | <p>Annual Budget Prepared and Presented to Stakeholders within Statutory Time-Line – On-Going Monitoring of Budget</p> | <p>Responsible: PCCD Board/Chancellor<br/>Point: CFO</p>                | <p>September 30, 2010</p> | <p>The 2010-11 Budget will be presented for review and acceptance by September 28, 2010.<br/><b>(Refer to VTD Audit Response)</b></p>   |   |
| <p>Independent Audit Finding</p> <p>2009-3 QUARTERLY FINANCIAL REPORTING</p>  | <p>Financial Activity Calendar Provided to Board of Trustees</p>   | <p>Responsible: Chancellor<br/>Point: CFO</p>                           | <p>September 30, 2010</p> | <p>A Financial Activity Calendar will be provided to the Board of Trustees at the September Board Meeting for information<br/><b>(Refer to VTD Audit Response)</b></p>                                    |   |
| <p>Independent Audit Finding</p> <p>2009-4 OVERSIGHT AND MONITORING</p>   | <p>Formal Comprehensive Review of the PeopleSoft Accounting System</p>   | <p>Responsible: CFO<br/>Point: Assistant Vice Chancellor of Finance</p> | <p>June 30, 2011</p>      | <p>Staff will be providing a recommendation on the time-line and approach to this corrective action. Add status of position management<br/><b>(Refer to VTD Audit Response)</b></p>                       | <p>Beginning work of development for Business Intelligence Tool for easier access.<br/>Training of staff in use of System and its Functions</p> |

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| <p>Independent Audit Finding</p> <p>2009-5<br/>CORRECTIVE ACTION PLAN</p>                | <p>Address All Recommendations Stated in the Annual Audited Financial Report</p> | <p>Responsible: PCCD Board/Chancellor<br/>Point: CFO</p> | <p>Upon Receipt of Audit – 30, 60, 90, 120 day Status Report to Audit Finance Committee and Board of Trustees</p> | <p>This Corrective Action Matrix List Each 2008-09 Audit Findings and Its Status the matrix is being used as a tool to address each of the current and prior year findings<br/><b>(Refer to VTD Audit Response)</b></p> |                               |
| <p>Independent Audit Finding</p> <p>2009-6<br/>OTHER POST EMPLOYMENT BENEFITS (OPEB)</p> | <p>Receive, Review and Reconcile the Monthly Investment Activity</p>             | <p>Responsible: Chancellor<br/>Point: CFO</p>            | <p>Monthly Reports to the Audit and Finance Committee and Regular Updates to the Board of Trustees</p>            | <p>During the Month of July, the Board of Trustees and Audit and Finance Committee were provided an update on the Investment Activity<br/><b>(Refer to VTD Audit Response)</b></p>                                      |                               |
| <p>Independent Audit Finding</p> <p>2009-7<br/>SWAP INVESTMENT ACTIVITY</p>              | <p>Prepare, Review and Adopt Policy on Use of Interest Rate Swap Agreements</p>  | <p>Responsible: Chancellor<br/>Point: CFO</p>            | <p>December 31, 2010</p>  | <p>The CFO is working with new bond financial adviser in the development of appropriate policy, procedures and practices on interest rate SWAP agreements<br/><b>(Refer to VTD Audit Response)</b></p>                  |                               |

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| <p>Independent Audit Findings</p> <p>2009-8 &amp; 2009-09</p> <p>CASH IN COUNTY &amp; BANK ACCOUNT RECONCILIATION</p> | <p>Cash and Bank Accounts Reconciled Monthly</p>  | <p>Responsible: Chancellor<br/>Point: CFO</p>                           | <p>June 30, 2011</p> | <p>The PCCD is reviewing its policy regarding cash and bank account reconciliation and is revising and implementing necessary changes<br/><b>(Refer to VTD Audit Response)</b></p> |   |
| <p>Independent Audit Finding</p> <p>2009-10</p>   | <p>Develop a Risk Assessment Program and Perform Regular Reviews of Programs, Services and Activities</p> | <p>Responsible: Chancellor<br/>Point: Internal Auditor</p>              | <p>June 30, 2011</p> | <p>The PCCD is considering the employment of an Internal Auditor to perform risk assessment<br/><b>(Refer to VTD Audit Response)</b></p>   |   |
| <p>2009-11 Independent Audit Finding</p>  | <p>Identify and Train Personnel in Accounting of Capital Assets</p>                                       | <p>Responsible: Chancellor<br/>Point: CFO</p>                           | <p>June 30, 2011</p> | <p>The CFO is identifying and having trained personnel in the accounting and recording of capital assets<br/><b>(Refer to VTD Audit Response)</b></p>                              |   |
| <p>2009-12 Independent Audit Finding</p>  | <p>A Review of the Capabilities of PeopleSoft Financial Accounting Software System</p>                    | <p>Responsible: CFO<br/>Point: Assistant Vice Chancellor of Finance</p> | <p>June 30, 2011</p> | <p>Staff will be providing a recommendation on the time-line and approach to this corrective action.<br/><b>(Refer to VTD Audit Response)</b></p>                                  | <p>Publishing of Monthly Variance Reports, development of additional queries and reports and development of BI financial tool for easier access</p> |

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| 2009-13 Independent Audit Finding                                    | Test and Implement Student Financial Aid Accounting System                                     | Responsible: Vice Chancellor of Educational Services<br>Point: Associate Vice Chancellor of Information Technology | June 30, 2011 | Staff will be providing a recommendation on the time-line and approach to this corrective action, along with regular status reports to the Chancellor regarding product development.<br><b>(Refer to VTD Audit Response)</b> | Work with SAFE Student financial system to implement Web based Student Financial Aid system.<br>Testing to begin December 2011 at the latest.<br>Oct 2010 Gen. Ledger feed from SAFE to PeopleSoft to be implemented |
| 2009-14 Independent Audit Finding                                    | Consistent Procedure for Accounting and Remittance of All Student Fees                         | Responsible: Chancellor<br>Point: CFO  | June 30, 2011 | Staff will be providing a recommendation on the approach to this corrective action. The PCCD has authorized a position to work between student and finance<br><b>(Refer to VTD Audit Response)</b>                           |  |
| 2009-15 Independent Audit Finding                                    | Written Procedure Manuals Developed for District and Business Offices                          | Responsible: Chancellor<br>Point: CFO  | June 30, 2011 | Staff will be providing a recommendation on the approach to this corrective action.<br><b>(Refer to VTD Audit Response)</b>  |  |
| <b>SIGNIFICANT DEFICIENCIES</b><br>2009-16 Independent Audit Finding | Software System Controls Reviewed & Tested by Independent Service Provider & Evaluate Adequacy | Responsible: Chancellor<br>Point: CFO  | June 30, 2011 | CFO and Vice Chancellor of Educational Services to Evaluate the Software System Controls<br><b>(Refer to VTD Audit Response)</b>   |  |

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| 2009-17<br>Independent Audit<br>Finding | Adequate Controls Over Year-End Closing Process. Training of District Staff on Accounting Principles   | Responsible:<br>Chancellor<br>Point: CFO           | June 30, 2011              | The PCCD will institute adequate controls and provide training to staff.<br><b>(Refer to VTD Audit Response)</b>  |                               |
| 2009-18<br>Independent Audit<br>Finding | Assets in the OPEB District Accounts Need to be Monitored, Reconciled, Summarized, and Recorded in District Ledger on a Regular and Timely Basis | Responsible: Chancellor<br>Point: CFO              | On-Going                   | The PCCD will monitor, reconcile, summarize and record the assets in the OPEB accounts on a regular and timely basis.<br><b>(Refer to VTD Audit Response)</b>   |                               |
| 2009-19<br>Independent Audit<br>Finding | Annual Affirmation from Retirees and Dependents to Determine their Eligibility for district paid health benefits                                 | Responsible: Chancellor<br>Point: CFO and VC of HR | completed<br>July 31, 2010 | <u>Completed</u><br>The PCCD began an affirmative audit enrollment process in April 2010. This audit determined the retirees and their dependent's eligibility.<br><b>(Refer to VTD Audit Response)</b> |                               |

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|---|--|--|-------------------|--|-------------------------------|
| 2009-20<br>Independent Audit<br>Finding | Revise Policies to Conform with Current Internal Revenue Service (IRS) Section Regulations Regarding "Load Banking".   | Responsible: Chancellor<br>Point: CFO and VC of HR | June 30, 2011     | The PCCD is receiving annual load banking records to accrue the liability for year-end financial reporting. The PCCD policy will be modified to eliminate the employee's option of cashing out their balance in whole or in part to comply with the IRS regulations. PCCD will engage a meet and confer process.<br><b>(Refer to VTD Audit Response)</b> |                               |
| 2009-21<br>Independent Audit<br>Finding | Internal Controls for Compensated Absence Balances Need to be Strengthened to Ensure Absences are Properly Recorded and Accumulated. Consistent Methodology for Reporting Load Banking Balances. Outstanding Balances Reported to HR and/or Finance Regularly to Close the Accounting Records. | Responsible: Chancellor<br>Point: CFO and VC of HR | December 31, 2010 | In March 2010, a consistent format was developed for the Colleges to account for load banking, accrual, usage, and liability.<br><b>(Refer to VTD Audit Response)</b>  |                               |

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| Auditing/ Agency                     | Corrective Action   | Responsibility/Point   | Due Date          | Status   | Systematic/Source Integration  |
|--------------------------------------|---|--|-------------------|--|--|
| 2009-22<br>Independent Audit Finding | Continue to Review and Implement the Draft Disaster Recovery Plan (DRP) for the Information Systems Department. DRP Should Cover all Operating Systems and be Tested Annually. DRP Should Include Procedures that Ensure Recovery and Restoration of all Systems. | Responsible: Vice Chancellor of Educational Services<br>Point: Associate Vice Chancellor of Information Technology | June 30, 2011     | The PCCD is reviewing and implementing the draft DRP. The System will be tested by June 30, 2011. The DRP will include procedures that will ensure recovery and restoration of the systems in the event of a disaster.<br><b>(Refer to VTD Audit Response)</b> | Calendar developed for routine testing of disaster recovery system.<br>Off Campus Hosting<br>Back up files.<br>Hiring of Full Time DBA |
| 2009-23<br>Independent Audit Finding | Review Procedures and Format Over Collection of Data in the SEFA/SESA to Ensure it Includes All Required Elements   | Responsible: Vice Chancellor of Educational Services<br>Point: Associate Vice Chancellor of Information Technology | June 30, 2011     | The PCCD will review its procedures and format over the collection of data to be included in the SEFA/SESA.<br><b>(Refer to VTD Audit Response)</b>  | Implementation of PeopleSoft grants software<br>MS Project<br>spreadsheets/Access<br>database developed for all grants                 |
| 2009-24<br>Independent Audit Finding | Post All Approved Audit Adjustments after the Audited Financial Statements are Approved   | Responsible: Chancellor<br>Point: CFO  | December 31, 2010 | The PCCD will post all approved audit adjustments after the audited financial statements are approved.<br><b>(Refer to VTD Audit Response)</b>   |  |

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| Auditing/ Agency                     | Corrective Action  | Responsibility/Point                  | Due Date          | Status  | Systematic/Source Integration |
|--------------------------------------|--|---------------------------------------|-------------------|---|-------------------------------|
| 2009-25<br>Independent Audit Finding | Review Guidelines for Receipt and Use of General Fund Monies Deposited within the Accounts. All Activity Reconciled and Provided in a Timely Manner. Amounts within the Trust Fund Belonging to the District Forwarded to District with a Full Reconciliation and Accounting | Responsible: Chancellor<br>Point: CFO | December 31, 2010 | The PCCD will review the current guidelines and all activity will be reconciled in a timely manner. Trust funds will be forwarded with a reconciliation and accounting.<br><b>(Refer to VTD Audit Response)</b> |                               |
| 2009-26<br>Independent Audit Finding | Transactions Recorded in Accounts - Reviewed and Reconciled Prior to Being Posted to General Ledger.   | Responsible: Chancellor<br>Point: CFO | On-Going          | Transactions will be reviewed and reconciled. Posting authority has been limited to managers and supervisors.<br><b>(Refer to VTD Audit Response)</b>   |                               |
| 2009-27<br>Independent Audit Finding | The Allowance for Doubtful Accounts – Need Review and Analysis Throughout the Year – Properly Adjusted for Current Year Activities   | Responsible: Chancellor<br>Point: CFO | On-Going          | The PCCD will develop a process to analyze accounts. The PCCD is implementing a new module in the student finance system that will set up payment plans for students.<br><b>(Refer to VTD Audit Response)</b>   |                               |

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| Auditing/ Agency                        | Corrective Action  | Responsibility/Point                           | Due Date             | Status  | Systematic/Source Integration |
|---|--|--|----------------------|---|-------------------------------|
| 2009-28<br>Independent Audit<br>Finding | Review and Understand Disbursement Policies and Procedures – AP Staff Ensure Expenditures are Classified and all Documents are Present Prior to Disbursement of Funds for Payment.   | Responsible: Chancellor<br>Point: CFO          | December 31,<br>2010 | The PCCD will review and understand the disbursement policies and procedures. AP staff will ensure that expenditures are classified and all pertinent documents are present prior to disbursement of funds for payment.<br><b>(Refer to VTD Audit Response)</b> |                               |
| 2009-29<br>Independent Audit<br>Finding | Employment Contracts and Salary Increases are Approved and Accepted by the Chancellor within a Week of the Employee’s Acceptance   | Responsible: Chancellor<br>Point: VC of HR/CFO | On-Going             | The PCCD will ensure that employment contracts and salary increases are approved and accepted by the Chancellor within 30 days of Employee’s acceptance.<br><b>(Refer to VTD Audit Response)</b>  |                               |
| 2009-30<br>Independent Audit<br>Finding | Process of recording Transfers and Journal Entries Evaluated for Proper Internal Controls. Segregation of Duties with Responsibility for Review and Reconciliation Maintained at the Supervisory Level. Written Procedures Prepared on Proper Controls and Procedures. | Responsible: Chancellor<br>Point: CFO          | June 30, 2011        | Written procedures will be prepared on the proper controls and procedures. Only managers and supervisors can post journal entries.<br><b>(Refer to VTD Audit Response)</b>  |                               |

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| Auditing/ Agency   | Corrective Action   | Responsibility/Point  | Due Date             | Status  | Systematic/Source Integration  |
|--|---|---|----------------------|---|--|
| <p><b>MATERIAL WEAKNESSES</b></p> <p><b>FEDERAL AWARDS</b></p> <p>2009-31</p> <p>A-133 Reporting Independent Audit Finding</p> | <p>Implement a Reporting Calendar – Timely Closing of Financial Ledgers and Completion of the Audit and Related Filings</p>   | <p>Responsible: Chancellor<br/>Point: CFO</p>                                     | <p>June 30, 2011</p> | <p>The PCCD will implement a reporting calendar for timely closing of financial ledgers and completion of the audit and related required filings.<br/><b>(Refer to VTD Audit Response)</b></p>  |  |
| <p>2009-32</p> <p>Independent Audit Finding</p> <p>Return to Title IV</p>  | <p>Accounting Policies Developed – Uniform Calculation Procedures – Routine Timelines – Reports Run in a Timely Manner and Provide Evidence that all Withdrawn Students are Identified and a Calculation Performed</p>  | <p>Responsible: Chancellor<br/>Point: CFO and VC of SS</p>                        | <p>June 30, 2011</p> | <p>Accounting policies will be developed to provide uniform calculation procedures for each of the colleges. Records will include support that the reports are run in a timely manner.<br/><b>(Refer to VTD Audit Response)</b></p>   |  |
| <p>2009-33</p> <p>Independent Audit Finding</p> <p>Student Financial Aid Reporting</p>   | <p>Implement Procedures to Provide the College Student Financial Aid Offices with Required Information and Timelines to submit the Reports to DOE. Financial Aid Offices – Develop Procedures to Ensure EZ-Audit is Completed , Reviewed and Submitted in a Timely Manner</p> | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p>June 30, 2011</p> | <p>The PCCD will implement procedures to provide the College Student Financial Aid Offices with the required information and timelines to submit the appropriate reports to the DOE. EZ Audit will be completed, reviewed, and submitted in a timely manner.<br/><b>(Refer to VTD Audit Response)</b></p> | <p>Hiring of District Director of Financial Aid to implement consistent financial aid procedures and develop a financial aid calendar.<br/>Fiscal services will complete EZ audit.</p> |

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|--|---|---|--------------------------|--|--|
| <p style="text-align: center;">2009-34<br/>Independent Audit<br/>Finding</p> <p>Equipment Management</p>                   | <p>Physical Inventory of the Federally Purchased Equipment taken Bi-Annually – Reconciled – Written Procedures Prepared on Inventory Controls – Safeguarded and Accounted For</p> | <p>Responsible: Chancellor<br/>Point: Purchasing Compliance Manager</p>   | <p>June 30, 2011</p>     | <p>Physical Inventory will be taken on a bi-annual basis and reconciled with records of purchases of the equipment.<br/><b>(Refer to VTD Audit Response)</b></p>   |  |
| <p style="text-align: center;">2009-35<br/>Independent Audit<br/>Finding</p> <p>Procurement, Suspension, and Debarment</p> | <p>Verify Entities Contracted with for Services are not Suspended or Debarred</p>   | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services and Purchasing Compliance Manager</p> | <p>December 31, 2010</p> | <p>The PCCD has monitored the grant sub recipients for compliance with program performance since December 2009. Signed MOUs have been received from the five campuses that participated in the Tech-Prep grant. Time and effort verification has been completed District-wide for all 2008-09 awards and forward.<br/><b>(Refer to VTD Audit Response)</b></p> | <p>MOU's will be kept up to date, Vice Chancellor of Ed Services will oversee grants and ensure reporting compliance</p> |

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|--|---|---|--|--|--|
| <p style="text-align: center;">2009-36<br/>Independent Audit<br/>Finding</p> <p>Sub Recipient Monitoring</p>           | <p>Better Understanding of Timelines for Corrective Action and Implement Calendars for Corrective Timelines. Sub Recipient Agreements – Reviewed, Changed to Include Notices, Terms, and Conditions for the Sub Recipient</p> | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p style="text-align: center;">December 31,<br/>2010</p> | <p>The Director of Grants and Workforce and Development will ensure compliance<br/><b>(Refer to VTD Audit Response)</b></p>  | <p style="text-align: center;">Tech Prep Coordinator<br/>hired.</p> <p>MOU template developed and approved to ensure timely completion by sub-recipients</p>   |
| <p style="text-align: center;">2009-37<br/>Independent Audit<br/>Finding</p> <p>Student Financial Aid Eligibility</p>  | <p>Files Must be Reviewed for all Components of Eligibility. Schedules Developed, Reviewed, and Reconciled on a Regular Basis to Track Financial Aid Awards</p>   | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Student Services</p>     | <p style="text-align: center;">December 31,<br/>2010</p> | <p>The PCCD is hiring an Internal Auditor. This position will improve the error rates for the Federal, State and Local programs. Schedules will be developed, reviewed and reconciled on a regular basis.<br/><b>(Refer to VTD Audit Response)</b></p> | <p style="text-align: center;">District wide Student<br/>Financial Aid Director</p> <p>Developed District wide guidelines.</p>   |
| <p style="text-align: center;">2009-38<br/>Independent Audit<br/>Finding</p> <p>Student Financial Aid Verification</p> | <p>Berkeley City College – Reconsider Approach to Verification and Develop a Business Process that Provides a Clear Calculation of the Numbers Verified</p>   | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p style="text-align: center;">December 31,<br/>2010</p> | <p>Berkeley City College will review and reconsider its approach to verification and develop a business process that provides a clear calculation.<br/><b>(Refer to VTD Audit Response)</b></p>  | <p style="text-align: center;">Distribution of Monthly<br/>Expense Reports (MERs)</p> <p style="text-align: center;">Correct accounting of<br/>labor and benefits</p> <p>Correct accounting and coding of Pro-Rata pay</p> |

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|--|--|---|--------------------------|--|--|
| <p style="text-align: center;">2009-39<br/>Independent Audit<br/>Finding</p> <p>Student Financial Aid<br/>Pell Disbursements</p> | <p>Greater Oversight of Reporting Problems and Allocate Appropriate Resources where Necessary – Assist Colleges in Meeting Requirements in a Timely Manner</p> | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p>December 31, 2010</p> | <p>The PCCD will provide greater oversight of reporting and allocate appropriate resources where necessary and available to help the Colleges meet the requirements for timely reporting.<br/><b>(Refer to VTD Audit Response)</b></p> | <p>Developed MOUs</p>  |
| <p style="text-align: center;">2009-40<br/>Independent Audit<br/>Finding</p> <p>Time and Effort Reporting</p>                    | <p>Better Assess Compliance Risks to Better Develop Appropriate Compliance Objects and Necessary Controls</p>  | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p>December 31, 2010</p> | <p>The PCCD will assess the compliance risks to better develop appropriate compliance objectives and necessary controls.<br/><b>(Refer to VTD Audit Response)</b></p>  | <p>Hiring of Tech Prep Coordinator and staff</p> <p>Time and effort to be accurately recorded</p>                  |
| <p style="text-align: center;">2009-41<br/>Independent Audit<br/>Finding</p> <p>Financial Reporting</p>                          | <p>Develop and Monitor Reporting Calendar to Document Timelines. Verify Actual Costs Recorded in the Financial System.</p>                                     | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p>December 31, 2010</p> | <p>Reporting Calendar will be used to document timelines and monitor reporting timelines. Reports will be reviewed to verify actual costs are recorded in the financial system.<br/><b>(Refer to VTD Audit Response)</b></p>           | <p>Accurate reporting of salary and benefits</p> <p>Pro Rata properly coded</p> <p>Tech Prep Coordinator Hired</p> |

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|--|--|---|--------------------------|--|-------------------------------|
| <p>2009-42<br/>Independent Audit Finding</p> <p>Federal Work Study Awards</p>                                  | <p>Reconciliation Performed and Reviewed on a Monthly Basis. Better Communication Between Departments and Central Administration Needs Improvement</p>   | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Student Services</p>                         | <p>December 31, 2010</p> | <p>Financial Aid set up an internal tracking spreadsheet. Discrepancies will be corrected through payroll adjustments submitted to the college Business Office. Fund balances reported on a monthly basis<br/><b>(Refer to VTD Audit Response)</b></p>                     |                               |
| <p>2009-43<br/>Independent Audit Finding</p> <p>Federal Draw Downs</p>   | <p>Adopt a Policy that Determines Procedures for drawing Down Federal Funds. Implement a Control to Ensure Proper Segregation of Duties over Drawing Down Funds and Verify Amount is Reviewed and Approved</p>   | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Student Services and Assoc VC of Finance</p> | <p>December 31, 2010</p> | <p>The PCCD will adopt a policy/administrative regulation that determine the procedures for drawing down Federal funds. A control will be implemented to ensure segregation of duties. Amounts will be reviewed and approved.<br/><b>(Refer to VTD Audit Response)</b></p> |                               |
| <p>2009-44<br/>Independent Audit Finding</p> <p>Assessment of Capital Outlay Fees for Nonresident Students</p> | <p>Programming of Student Fees Reviewed and Updated to Allow for the Maximum Amount of the Capital Outlay Fee for International Students. Calculate Fees Charged for Current Term and Full Year. Reimburse the Affected Students the Amount Overcharged.</p> | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Student Services</p>                         | <p>December 31, 2010</p> | <p>Correction of this issue in the system is part of the reconfiguration of the Student Fee system changes. Individually errors are being corrected manually.<br/><b>(Refer to VTD Audit Response)</b></p>   |                               |

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|---|--|---|--------------------------|--|---|
| <p>2009-45<br/>Independent Audit Finding<br/><br/>CCFS-320 Attendance Reporting</p> | <p>Careful Calculation and Preparation of the CCFS-320 Attendance Reports. Documentation Reviewed and a Procedure to Cross Check and Verify the Amounts to be Reported to the Chancellor and Submission to the State.</p>  | <p>Responsible: Chancellor<br/>Point: CFO and VC of Educational Services</p>      | <p>December 31, 2010</p> | <p>CCFS-320 Attendance Reports will be calculated and prepared carefully. Supporting documents will be carefully reviewed and a procedure to cross check and verify the amounts reported will be completed prior to submittal.<br/><br/><b>(Refer to VTD Audit Response)</b></p> | <p>Cross checking through testing and confirmation with Business Intelligence Tool (BI)</p> |
| <p>2009-46<br/>Independent Audit Finding</p>  | <p>Director of Admission and Records – Review All Enrollment Forms Posted to the Website for Consistency with Approved Forms and Compliance with Education Code Requirements.</p>  | <p>Responsible: Chancellor<br/>Point: VC of Student Services</p>                  | <p>December 31, 2010</p> | <p>Enrollment forms posted to the website will be reviewed for consistency and compliance.<br/><br/><b>(Refer to VTD Audit Response)</b></p>   |   |
| <p>2009-47<br/>Independent Audit Finding<br/><br/>Residency Determination</p>       | <p>Written Procedures Prepared and Provided to all Admissions and Records Offices at the College Campuses – Noting Requirements for the Classification of Students. Only the FTES Generated by California Residents are Included in the CCFS-320 Attendance Reports.</p> | <p>Responsible: Chancellor<br/>Point: Vice Chancellor of Educational Services</p> | <p>December 31, 2010</p> | <p>The PCCD will develop written procedures and provide them to all Admissions and Records Offices at the college campuses. The verification of the residency status will be consistently applied and documented.<br/><br/><b>(Refer to VTD Audit Response)</b></p>              | <p>Cross checking done with system 320 Bolt on in PeopleSoft with BI tool</p>               |

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|---|--|--|-------------------|---|--|
| 2009-48<br>Independent Audit Finding<br><br>CalWorks – Monitoring and Eligibility | Documentation of the Verification Process for Students Receiving CalWorks Benefits Must be Included in the File for Each Term Benefits Provided. Verification Process Completed on a Term by Term Basis.   | Responsible: Chancellor<br>Point: Vice Chancellor of Educational Services                                | December 31, 2010 | Documentation of the verification process for students receiving CalWorks Benefits will be included in the file for each term benefits are provided.<br><b>(Refer to VTD Audit Response)</b>                        | Working closely with staff and Vice Presidents of Student Services to ensure processes in place for timely filing and collection of student data.  |
| 2009-49<br>Independent Audit<br><br>CalWorks - Reporting                          | Timelines of Required Categorical Reporting must be Documented and Sent to all Program Directors – Supervisory Personnel to Ensure Reporting is Complete and Accurate. General Ledger is Posted Timely and Accurately for all Categorical Programs to Ensure Accuracy of Reporting | Responsible: Chancellor<br>Point: Vice Chancellor of Educational Services                                | December 31, 2010 | Documentation of categorical reporting will occur and will be forwarded to all program directors. Supervisory personnel will ensure the reporting is complete and accurate.<br><b>(Refer to VTD Audit Response)</b> | Training of staff and Vice Presidents of Students Services on accurate collection of student data  |
| 2009-50<br>Independent Audit Finding<br><br>Students Actively Enrolled            | Program Written to Allow Admissions and Records Office to Identify the Rosters that has not Properly Turned in by Instructors. Admissions and Records Office Follow-Up with Instructors on Requirements to Identify Students who are not Enrolled.                                 | Responsible: Chancellor<br>Point: Vice Chancellor of Educational Services; VC of SS and Internal Auditor | December 31, 2010 | Program will be written to allow Admission and Records Office to identify the rosters that have been turned in by the instructors to determine completeness and accuracy.<br><b>(Refer to VTD Audit Response)</b>   | Training by Staff Development Coordinator of Faculty on correct use of rosters and grade reports.<br>Regular follow up with instructional staff and administration on the campus.<br>Regular reports distributed to Presidents |

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|---|---|--|-------------------|--|--|
| 2009-51<br>Independent Audit Finding<br><br>Use of Matriculation Fund               | Identify an Individual Responsible to Monitor State Compliance Issues Related to all Compliance Areas and Ensure that Deadlines are met and Reports are Accurate.   | Responsible: Chancellor<br>Point: Vice Chancellor of Educational Services and Internal Auditor | December 31, 2010 | The PCCD will identify an individual that will monitor State compliance issues related to all compliance areas and ensure that deadlines are met and reports are accurate and filed in a timely manner.<br><b>(Refer to VTD Audit Response)</b>                                      | Training of staff oversight by management to ensure knowledge of grants received, proper set up of grants and follow through |
| 2009-52<br>Independent Audit Finding<br><br>Salaries of Classroom Instructors – 50% | Set up Appropriate Sub fund or Account within the General Ledger to Identify the Expenditures Associated with the Lottery Revenue   | Responsible: Chancellor<br>Point: CFO  | December 31, 2010 | The PCCD will set up the appropriate sub fund or account within the general ledger to identify the expenditures associated with the lottery revenue.<br><b>(Refer to VTD Audit Response)</b>   |  |
| 2009-53<br>Independent Audit Finding<br><br>Enrollment Fees Reporting               | Careful Preparation of the Reporting Forms for the State System’s Office. Reconciliation of Amounts to be Reported to General Ledger Signed off by Supervisory Personnel Prior to Submitting the Documents. | Responsible: Chancellor<br>Point: CFO  | December 31, 2010 | Care will be taken in completing the required reporting forms for the State’s System’s Office. Reconciliation of amounts to be reported to the general ledger will be signed off by supervisory personnel prior to submitting the documents.<br><b>(Refer to VTD Audit Response)</b> |  |

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|--|--|---|--------------------------|---|---|
| <b>ALAMEDA COUNTY GRAND JURY</b>         |  |   |                          |   |   |
| <p>2009-10 Alameda County Grand Jury</p> | <p>Recommendation 10-1 &amp; 10-4</p> <p>PCCD Board Must:<br/>Review, Update, Follow and Enforce All Existing Policies Regarding:</p> <ul style="list-style-type: none"> <li>• Food</li> <li>• Travel</li> <li>• Professional Development</li> </ul> | <p>Responsible: Board of Trustees/Board Policy Review Committee</p> <p><b>Point: Chancellor Allen</b></p> | <p>December 31, 2010</p> | <p><i>In progress</i></p> <p>The PCCD sought outside investigator Drummond to review policies/procedures and public report were made to Board in September 2009.</p> <p>Board and Chancellor updated policy/procedure in Fall 2009.</p> <p>Policy Review Committee reviewed designated policies</p> <p>Statement from November 2009 SMT meeting CBO to enforce current policy for travel with District staff</p> <p><b>Refer to Grand Jury Response</b></p> | <p>Board Policy Review Committee regularly reviews policies.</p> <p>All changes to policy and procedures are formally approved and posted on-line.</p> <p>New Internal Auditor is tasked to evaluate changes and recommend process improvements, develop any new forms, and incorporate in standard operating procedure manual.</p> |

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|-----------------------------------|--|--|--|---|--|
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-2</p> <p style="text-align: center;">PCCD Board Must:<br/>Approve Salary Raises and Contracts Before They Are Awarded</p>   | <p style="text-align: center;">Responsible: Board of Trustees/Board</p> <p style="text-align: center;"><b>Point: Vice Chancellor or Human Services</b></p> | <p style="text-align: center;">On-Going<br/>June 30, 2010</p>        | <p style="text-align: center;"><i>Completed</i></p> <p>Practice reinforced at board training on september 14, 2010 and through corrective action matrix.</p> <p>The PCCD sought outside investigator Drummond to review policies/procedures in September 2009.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p> | <p>Board Policy Review Committee updates on a regularly basis.</p> <p>All changes to policy and procedures are formally approved and posted on-line.</p> |
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-3</p> <p style="text-align: center;">PCCD Board Must:<br/>Supervise the Chancellor, Including a Summary Review of All Expenses on a Regular Basis</p>   | <p style="text-align: center;">Responsible: Board of Trustees</p> <p style="text-align: center;"><b>Point: Board President and Vice President</b></p>      | <p style="text-align: center;">December 31, 2010 – June 30, 2011</p> | <p style="text-align: center;"><i>In progress</i></p> <p>Board Workshop on Goal Setting and Chancellor Evaluation on July 19, 2010 and September 14, 2010</p> <p>Warrant registers submitted to Board on a monthly basis</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p>                                       | <p>Agendized monthly for Board review. All reports are posted online and permanently saved.</p>  |
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-4</p> <p>Restrict and Require Written Justification of Food and Meal Purchases. Forms Must Include Who Attended, Why the Business was Conducted and a Statement of Results. Disclose to the Public.</p> | <p style="text-align: center;">Responsible: Board of Trustee/Chancellor</p> <p style="text-align: center;">Point: CFO</p>                                  | <p style="text-align: center;">December 31, 2010</p>                 | <p style="text-align: center;"><i>In progress</i></p> <p>The PCCD will require written justification for all purchases. Expenditures will be reviewed and approved monthly by the Governing board at a public meeting.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p>   |  |

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| Auditing/ Agency                  | Corrective Action   | Responsibility/Point  | Due Date           | Status  | Systematic/Source Integration  |
|-----------------------------------|---|---|--------------------|---|--|
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-5</p> <p style="text-align: center;">PCCD Board Must:<br/>Not Issue Credit Cards to the Chancellor or Members of the Board of Trustees</p>                             | <p style="text-align: center;">Responsible: Board of Trustees</p> <p style="text-align: center;"><b>Point: Chancellor Allen</b></p> | October 30, 2009   | <p style="text-align: center;"><i>Completed</i></p> <p>Credit cards for Board members and Chancellor were cancelled since November 2009. Only a small number of departments have credit cards for departmental needs.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p>                                      |  |
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-6</p> <p style="text-align: center;">PCCD Board Must:<br/>Justify and Restrict Travel by the Board and the Chancellor</p>  | <p style="text-align: center;">Responsible: Board of Trustees</p> <p style="text-align: center;"><b>Point: Chancellor Allen</b></p> | September 30, 2010 | <p style="text-align: center;"><i>Completed</i></p> <p>Travel budget decreased by 70%.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p> <p style="text-align: center;"><b>Refer to Cost Savings Chart.</b></p>  | Travel budget is identified during budget development and identified as a line item  |
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-7</p> <p style="text-align: center;">PCCD Board Must:<br/>Approve In Advance as a Non-Consent Item All Out-Of-District Travel by:<br/>Board Members and Chancellor</p> | <p style="text-align: center;">Responsible: Board of Trustees</p> <p style="text-align: center;"><b>Point: Chancellor Allen</b></p> | December 31, 2010  | <p style="text-align: center;"><i>In progress</i></p> <p>The PCCD will review approval process for travel. A recommendation will be made that the Board approve all travel out-of-state in advance and that the Chancellor approve travel out-of-district.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p> | Travel budget is identified during budget development and identified as a line item. |

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|-----------------------------------|---|---|----------------------|---|--|
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-8</p> <p style="text-align: center;">PCCD Board Must:<br/>Submit Written Reports<br/>Describing the Total Cost of<br/>Travel and Benefit to the PCCD</p>         | <p style="text-align: center;">Responsible: Board of<br/>Trustees</p> <p style="text-align: center;"><b>Point: Chancellor Allen</b></p> | December 31,<br>2010 | <p style="text-align: center;"><i>Completed</i></p> <p>The PCCD has a current travel request form that requires submittal at least 15 days in advance of the travel date. This request form will be reinforced and adhered to. This form requires that the purpose/benefit be stated. The PCCD also utilizes a request for reimbursement form that describes the total cost of travel.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p> | <p style="text-align: center;">Travel budget is identified during budget development and identified as a line item.</p> <p style="text-align: center;">Submit written reports as part of Board communication on board meeting agendas.</p> |
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-9</p> <p style="text-align: center;">PCCD Board Must:<br/>Provide an On-Site Office Space to Trustees and Eliminate Home Offices and All Cell Phone Stipends</p> | <p style="text-align: center;">Responsible: Board of<br/>Trustees</p> <p style="text-align: center;"><b>Point: Chancellor Allen</b></p> | December 31,<br>2010 | <p style="text-align: center;"><i>Completed</i></p> <p>The PCCD has evaluated in the past the need of On-Site Office Space and believe it is not cost-effective. Cell phone stipends were established to comply with IRS rules.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p>  | <p style="text-align: center;">Board annual evaluation will include ways to decrease costs while still maintaining effective communication with the District.</p>  |

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|-----------------------------------|--|---|-------------------|--|--|
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-10</p> <p style="text-align: center;">PCCD Board Must:<br/>Review Financial Statements of the District at Board Meetings on a Monthly Basis</p> | <p style="text-align: center;">Responsible: Board of Trustee/Chancellor</p> <p style="text-align: center;">Point: CFO</p> | December 31, 2010 | <p style="text-align: center;"><i>Completed</i></p> <p>The PCCD will generate State quarterly financial reports and review them at the Governing Board level on a quarterly basis.</p> <p>Practice reinforced at Board training on July 20, 2010 and September 14, 2010 and through Corrective Action Matrix.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p> | <p>Incorporate in Board meeting calendar for approval of financial statements; and alert board when financial statements are not stated.</p> <p>Incorporate in calendar for council on planning and budget to review financial statements.</p> |
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-11</p> <p style="text-align: center;">PCCD Board Must:<br/>Fill the Position of Internal District Auditor</p>                                   | <p style="text-align: center;">Responsible: Board of Trustee/Chancellor</p> <p style="text-align: center;">Point: CFO</p> | December 31, 2010 | <p style="text-align: center;"><i>In progress</i></p> <p>The PCCD has posted the position for an Internal Auditor. The position is expected to be filled in Fall 2010.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p>  |  |

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|-----------------------------------|---|--|--|---|---|
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-12</p> <p style="text-align: center;">PCCD Board Must:<br/>Choose a Single Salary Figure that Represents Total Compensation for the Chancellor's Employment Contract</p>       | <p style="text-align: center;">Responsible: Board of Trustee</p>   | <p style="text-align: center;">December 31, 2010</p> | <p style="text-align: center;"><i>Completed</i></p> <p>The PCCD Governing Board feels strongly that it must have the ability to offer the necessary compensation package to ensure that the District will be competitive in recruiting a chancellor. A single salary figure that represents total compensation is too restrictive relative to effective negotiations</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p> |   |
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-13</p> <p style="text-align: center;">PCCD Board Must:<br/>Schedule a Meeting Every Year with the Outside Auditors to Discuss Findings and Recommendations in Open Session</p> | <p style="text-align: center;">Responsible: Board of Trustees</p> <p style="text-align: center;">Point: Chancellor/CFO</p> | <p style="text-align: center;">December 31, 2010</p> | <p style="text-align: center;"><i>Completed</i></p> <p>PCCD policy and State regulations require auditors to meet publicly with the Governing Board to discuss the findings and recommendations. This recommendation is currently being followed.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p>  | <p style="text-align: center;">Incorporate in Board meeting calendar for meeting with outside auditors.</p> |

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|-----------------------------------|---|--|-------------------|---|--|
| 2009-10 Alameda County Grand Jury | <p>Recommendation 10-14</p> <p>PCCD Board Must:<br/>Require that Chancellor and Senior Management Implement Recommendations Made by Outside Auditors to Ensure a Budget can be Developed.</p>                               | <p>Responsible: Board of Trustees</p> <p>Point: Chancellor/CFO</p> | December 31, 2010 | <p><i>In progress</i></p> <p>The PCCD will continue to respond and implement each auditor's recommendation. The Corrective Action Plan will list all audit findings and a strategy to address the recommendations</p> <p><b>Refer to Grand Jury Response</b></p>  |  |
| 2009-10 Alameda County Grand Jury | <p>Recommendation 10-15</p> <p>PCCD Board Must:<br/>Require Out-of-State Travel by all District Employees to be Approved in Advanced by the Board and Heard as Individual Action Item and Not as an Consent Agenda Item</p> | <p>Responsible: Board of Trustees</p> <p>Point: Chancellor/CFO</p> | December 31, 2010 | <p><i>In progress</i></p> <p>The PCCD has revised policies and procedures regarding travel to promote transparency and accountability since Fall 2009.</p> <p>A recommendation will be made that the Board approve all travel out-of-state in advance and that the Chancellor approve travel out-of-district.</p> <p>The public ratification of travel occurs at an open Board meeting.</p> <p>Warrant registers submitted to Board on a monthly basis</p> <p><b>Refer to Grand Jury Response</b></p> | Agendized monthly for board review. All reports are posted online and permanently saved. |

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|-----------------------------------|---|---|-------------------|--|---|
| 2009-10 Alameda County Grand Jury | <p style="text-align: center;">Recommendation 10-16</p> <p style="text-align: center;">PCCD Board Must:<br/>Establish Penalties and an Enforcement Procedure for Violation of Policies by Trustees and the Chancellor</p> | <p style="text-align: center;">Responsible: Board of Trustees/ Board’s Chancellor Evaluation Committee/ Board Policy Review Committee</p> <p style="text-align: center;">Point:<br/>Chancellor/CFO/Board President and Vice President</p> | December 31, 2010 | <p style="text-align: center;"><i>Completed</i></p> <p style="text-align: center;">The PCCD currently has and will implement the Board policies setting high ethical standards for members of the Governing Board and Administrators, including the Chancellor.</p> <p style="text-align: center;"><b>Refer to Grand Jury Response</b></p> | <p style="text-align: center;">Board Policy Review Committee updates on a regularly basis</p> <p style="text-align: center;">All changes to policy and procedures are formally approved and posted on-line.</p> |