

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of January 24, 2012

ITEM # 29

ITEM TITLE:

CORRECTIVE ACTION MATRIX

SPECIFIC BOARD ACTION REQUESTED:

To approve the Corrective Action Matrix.

ITEM SUMMARY:

The Corrective Action Matrix has been and continues to be used as a management tool to document progress made towards correcting previous year audit findings. The matrix has been updated to reflect most recent audit findings contained in the 2010-11 annual financial audit report and efforts made to date towards their resolution.

BACKGROUND/ANALYSIS:

The District continues to make significant progress towards resolving all outstanding audit findings noted within the annual audited financial reports for the last three fiscal years. These findings represent items the external auditors determined, through the course of conducting their audit, involve deficiencies in internal controls that could result in material misstatements in the District's financial statements. Further, audit findings are then categorized in terms of severity either as Material Weaknesses (most sever) or Significant Deficiencies (least severe). Single audit findings specifically refer to instances noted by the auditor of noncompliance with regulations or funding terms and conditions within federal grant agreements. The illustration below provides an overview of the number and type of findings reported within the last three annual financial reports.

Quantity and Types of Findings

	2010-11	2009-10	2008-09
Single Audit Findings	7	9	13
Material Weaknesses	3	13	15
Significant Deficiencies	13	19	25
Total	23	41	53

Given that the fiscal year 2008-09 audit report was released on August 5, 2010, the District has expeditiously taken corrective action to address 36 audit findings within the period of 17 months. A breakdown of continuing and new findings is provided below.

Analysis of Findings

	2010-11	2009-10	2008-09
Number of continuing findings	17	34	26
Number of new findings	6	7	27
Total findings	23	41	53

As can be seen, in addition to reducing the overall number of audit findings from 53 to 23, considerable focus and effort have been made on correcting material weaknesses as they are more severe by nature and often require more resources and time to implement corrective action.

The District continues to track and monitor the status and progress made of each of the 23 remaining

audit findings through the use of the Corrective Action Matrix (CAM). The CAM is a living document. That is, it is constantly changing to reflect the status and continual progress made towards resolving the various findings. The CAM also is used a tool to assign accountability and responsibility (Responsibility/Point) to individual managers for implementing corrective action within a defined time frame (Due Date) to address findings. The actual CAM is attached for further review.

The District is confident that with time and devoted resources it will fully implement solutions to correct all existing audit findings that remain. Similar to the progress that has been made within the last 17 months.

ALTERNATIVES/OPTIONS:

Not applicable.

EVALUATION AND RECOMMENDED ACTION:

Approval of CAM>

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

NOT APPLICABLE.

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ NO _____

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (COLLEGE PRESIDENT OR VICE CHANCELLOR)

Vice Chancellor Gerhard

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? YES _____ NO X _____

_____ IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

DOCUMENT PREPARED BY:

Prepared by: Ron Gerhard
Ronald Gerhard, Chief Financial Officer

Date: 1/11/2012

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: Ron Gerhard
Ronald Gerhard, Chief Financial Officer

Date: 1/11/2012

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: Ron Gerhard
Ronald Gerhard, Chief Financial Officer

Date: 1/11/2012

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____ Date: _____
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: Wise E. Allen
Wise E. Allen, Chancellor

Date: 1/17/12