



Peralta Community College District

OFFICE OF FINANCE & ADMINISTRATION

Report on Status of Findings as identified in Fiscal Year 2014-15 Audit Reports

Executive Summary

A number of audit findings were identified during the 2014-15 audits of the Peralta Community College District (District) conducted by external auditors. The most material audit concerns were noted by the District's independent auditing firm, VTD, and by CalPERS auditors, conducting a targeted payroll audit in that year. VTD cited ten(10) compliance issues during its fiscal audit—four of which had been noted in 2013-14—and two(2) compliance issues during its audits of bond funds. CalPERS auditors identified sixteen(16) findings.

The attached **Progress Report** provides an update on corrective actions taken by the District during fiscal years 2014-15 and 2015-16 in response to fiscal control and other concerns delineated by external auditors. The District has resolved ongoing (recurrent) deficiencies identified by the auditors and has implemented key policies, protocols and procedures to ensure ongoing compliance with federal, state and local statutes. *In-progress planning* continues in other key areas.

The District's efforts to ensure compliance involved its Internal Auditor partnering with key departments to review findings, identify 'gaps' between practice and requirements, and develop action plans to resolve outstanding audit issues. The Internal Auditor served a dual role: supporting and coordinating work groups to determine root causes of systemic process challenges; and, assisting in the development of implementable solutions. As progress was made by stakeholders working collaboratively on resolution, the status of the work was tracked and reported on the District Business Service webpage through use of the Corrective Action Matrix tool.

All of VTD's findings, including the four recurrent findings, have been addressed by the responsible District stakeholders. By way of example, the District formed the Audit Resolution Workgroup—comprised of members of A&R, Financial Aid, Finance, and IT—which commenced work in the fall of 2014 to address finding #005: implementing procedures to ensure that student enrollment data is filed in a timely manner to the National Student Clearing House. Working with the Internal Auditor the group identified a resolution to the problem after a few months of meeting and implemented appropriate corrections. The group continues to meet regularly to assess and improve specific business processes.

The CalPERS audit findings have been reduced from sixteen to two, and will be zero when misplaced corrective data, previously submitted to CalPERS and recently re-submitted, is validated by the CalPERS auditor. We await confirmation.