



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

Pima County Community College District

Year Ended June 30, 2015



Debra K. Davenport
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



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Pima County Community College District
Single Audit Reporting Package
Year Ended June 30, 2015

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Basic Financial Statements
Performed in Accordance with *Government Auditing Standards***

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

We have audited the financial statements of the business-type activities and discretely presented component unit of Pima County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2015. Our report includes a reference to other auditors who audited the financial statements of the Pima Community College Foundation, Inc., the discretely presented component unit, as described in our report on the District's financial statements. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. However, the financial statements of the Pima Community College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Pima Community College Foundation, Inc.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jay Zsorey, CPA
Financial Audit Director

December 15, 2015



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

Report on Compliance for Each Major Federal Program

We have audited Pima County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Pima County Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-101 and 2015-102. Our opinion on each major federal program is not modified with respect to these matters.

Pima County Community College District's responses to the noncompliance findings identified in our audit are presented on pages 17 through 20. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

Report on Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2015-101 and 2015-102, that we consider to be significant deficiencies.

Pima County Community College District's responses to the internal control over compliance findings identified in our audit are presented on pages 17 through 20. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities and discretely presented component unit of Pima County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 15, 2015, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Jay Zsorey, CPA
Financial Audit Director

January 15, 2016

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**Pima County Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number	Program expenditures	Amount provided to subrecipients
Department of Agriculture						
10 223	Hispanic Serving Institutions Education Grants				\$ 177,457	\$ 45,000
Department of the Interior						
15 224	Cultural Resource Management				10,636	
15 659	National Wildlife Refuge Fund—Refuge Revenue Sharing		Arizona Game and Fish Commission	None	18,324	
Total Department of the Interior					<u>28,960</u>	
Department of Labor						
17 282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants				647,583	
Department of Transportation						
20 600	State and Community Highway Safety		Governor's Office of Highway Safety	2014--AL-016	3,810	
National Aeronautics and Space Administration						
43 008	Education		University of Arizona	NNX15AJ17H	33,649	
Department of Education						
84 007	Federal Supplemental Educational Opportunity Grants	Student Financial Assistance Cluster			459,740	
84 033	Federal Work-Study Program	Student Financial Assistance Cluster			587,695	
84 063	Federal Pell Grant Program	Student Financial Assistance Cluster			33,620,980	
84 268	Federal Direct Student Loans	Student Financial Assistance Cluster			11,331,546	
<i>Total Student Financial Assistance Cluster</i>					<u>45,999,961</u>	
84 042	TRIO—Student Support Services	TRIO Cluster			443,955	
84 044	TRIO—Talent Search	TRIO Cluster			423,795	
84 047	TRIO—Upward Bound	TRIO Cluster			1,035,505	
<i>Total TRIO Cluster</i>					<u>1,903,255</u>	
84 002	Adult Education—Basic Grants to States		Arizona Department of Education	V002A1100003 15FAEABE-512501-16B 15FAECIV-512501-16B 15FAEAEF-512501-16B 15FAEADL-512501-16B 15FAECCR-512501-05A 15FAEAEI -	2,097,956	
84 010	Title I Grants to Local Educational Agencies		Sunnyside Unified School District	ED01-0033-013	63,000	
84 031	Higher Education—Institutional Aid				1,827,058	
84 048	Career and Technical Education—Basic Grants to States		Arizona Department of Education	V048A1100003 15FCTDBG-512501-20A	290,061	

See accompanying notes to schedule.

**Pima County Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number	Program expenditures	Amount provided to subrecipients
84 116	Fund for the Improvement of Postsecondary Education		Alamo College/St. Phillip's College	P116N100011	15,147	
	Total Department of Education				<u>52,196,438</u>	
Department of Health and Human Services						
93 093	Affordable Care Act (ACA) Health Profession Opportunity Grants				3,533,825	1,024,538
93 566	Refugee and Entrant Assistance—State Administered Programs		Arizona Department of Economic Security	DES13038227	177,000	
93 859	Biomedical Research and Research Training		University of Arizona	5K12GMO000708- 13, 5K12GMO000708	84,197	
	Total Department of Health and Human Services				<u>3,795,022</u>	<u>1,024,538</u>
Corporation for National and Community Service						
94 006	Americorps		Arizona Governor's Office for Children, Youth and Families	12AFHAZ001	90,667	
Department of Homeland Security						
97 010	Citizenship Education and Training		Lutheran Social Services of the Southwest	2014-CS-010- 000024	28,356	
	Total expenditures of federal awards				<u>\$ 57,001,942</u>	<u>\$ 1,069,538</u>

See accompanying notes to schedule.

Pima County Community College District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Pima County Community College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2015 *Catalog of Federal Domestic Assistance*.

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Pima County Community College District
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2015

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unmodified	
	Yes	No	
Internal control over financial reporting:			
Material weakness identified?	—	<u>X</u>	
Significant deficiency identified?	—	<u>X</u> (None reported)	
Noncompliance material to the financial statements noted?	—	<u>X</u>	

Federal Awards

Internal control over major programs:			
Material weakness identified?	—	<u>X</u>	
Significant deficiencies identified?	<u>X</u>	—	
Type of auditors' report issued on compliance for major programs:			Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?	<u>X</u>	—	

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.031	Higher Education—Institutional Aid
84.048	Career and Technical Education—Basic Grants to States

Pima County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Dollar threshold used to distinguish between Type A and Type B programs: \$330,059

	Yes	No
Auditee qualified as low-risk auditee?	<u> </u>	<u> X </u>

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?	<u> X </u>	<u> </u>
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Pima County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Financial Statement Findings

None reported.

Federal Award Findings and Questioned Costs

2015-101

Cluster Name:	Student Financial Assistance Cluster
CFDA No. and Name:	84.063 Federal Pell Grant Program 84.268 Federal Direct Student Loans
Award Numbers and Year:	P063K140512 and P268K150512, July 1, 2014 through June 30, 2015
Federal Agency:	Department of Education
Compliance Requirement:	Special Tests and Provisions
Questioned Costs:	N/A

Criteria: 34 Code of Federal Regulations (CFR) §685.309(b) and §690.83(b)(2) requires institutions to notify the National Student Loan Data System (NSLDS) within 30 days of a change in student status, or include the change in status in a response to an enrollment reporting roster file within 60 days.

Condition and context: For 4 of 40 sample items tested, auditors determined that the change in student status was not reported to NSLDS within 30 days nor was the change included in a response to an enrollment reporting roster file within 60 days. In addition, for 4 of 40 items tested, auditors determined that the incorrect student status was reported to NSLDS.

Effect: The District did not comply with the enrollment reporting requirement included within the Special Tests and Provisions compliance requirement. Consequently, student statuses in the NSLDS were not always accurate and up to date.

Cause: The District did not have adequate policies and procedures in place to ensure student statuses were always accurate and that changes were reported within 30 days or included in a response to an enrollment reporting roster file within 60 days.

Recommendation: The District should implement policies and procedures to ensure that the enrollment status reported to the NSLDS is accurate and complete and that status changes are submitted to the NSLDS within 30 days or included in a response to an enrollment reporting roster file within 60 days.

This finding is similar to prior-year finding 2014-101.

Pima County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-102

Cluster Name:	Student Financial Assistance Cluster
CFDA No. and Name:	84.007 Federal Supplemental Educational Opportunity Grants 84.033 Federal Work-Study Program 84.063 Federal Pell Grant Program 84.268 Federal Direct Student Loans
Award Numbers and Year:	P007A140133, P033A140133, P063K140512 and P268K150512; July 1, 2014 through June 30, 2015
Federal Agency:	Department of Education
Compliance Requirements:	Eligibility and Special Tests and Provisions
Questioned Costs:	\$4,849

Criteria: 34 Code of Federal Regulations (CFR) §668.34 requires institutions to establish a reasonable satisfactory academic progress policy for student financial assistance eligibility. The policy is required to be at least as strict as the policy for students not receiving financial assistance. In addition, to maintain satisfactory academic progress eligibility, students must complete the program within the maximum time frame of 150 percent of the published length of the educational program. Students not making satisfactory academic progress are ineligible to receive student financial assistance unless the student is placed on a financial aid warning or probation, or appeals the District's decision in accordance with district policy.

Condition and context: The District's satisfactory academic progress policy for students receiving financial assistance included a minimum grade point average requirement that was less restrictive than the requirement for those students not receiving financial assistance. In addition, the District did not have adequate internal controls to ensure that students were made ineligible to receive financial assistance once they became unable to complete their educational program within 150 percent of the published length of the educational program. For example, for 1 of 40 students tested for satisfactory academic progress, the student was awarded \$4,849 of financial assistance after they were no longer able to complete the educational program within the required time frame. Further, the District had not placed the student on a financial aid warning or probation, or received an appeal from the student.

Effect: The District did not comply with CFR §668.34, and there is an increased risk that the District will make financial assistance awards to ineligible students. It was not practical to extend our auditing procedures sufficiently to determine the ultimate questioned costs that may have resulted from this finding.

Cause: The District did not have adequate procedures in place to ensure that its satisfactory academic progress policy met the minimum federal guidelines and that students who failed to meet satisfactory academic progress were properly identified.

Pima County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Recommendation: The District should modify its minimum grade point average satisfactory academic progress policy for students receiving financial assistance to be at least as strict as the policy for students not receiving financial assistance. In addition, the District should implement procedures to ensure that student eligibility for financial assistance is revoked when it becomes mathematically impossible for a student to complete their program within the required time frame unless the student is placed on a financial aid warning or probation or the District has approved a student's appeal.

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PimaCountyCommunityCollegeDistrict

District Office

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4905C East Broadway Boulevard
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January 15, 2016

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying Corrective Action Plan as required by the standards applicable to financial audits contained in Government Auditing Standards and by U.S. Office of Management and Budget Circular A-133. Specifically, for each federal award finding, we are providing you with the name of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

David Bea, Ph.D.
Executive Vice Chancellor for Finance and Administration

Pima County Community College District
Corrective Action Plan
Year Ended June 30, 2015

2015-101

CFDA Numbers: 84.063 Federal Pell Grant Program and 84.268 Federal Direct Student Loans, Student Financial Assistance Cluster

Contact Person: Norma Navarro-Castellanos, Director, Financial Aid

Anticipated Completion Date: January 2016

Corrective Action:

Enrollment reporting occurs in two offices of the College: Financial Aid, and, Student Records and Registrar's Office. Financial Aid is responsible for the timely reporting of financial aid recipients who completely withdraw and the Registrar's Office is responsible for the timely reporting of enrollment and graduation statuses. Both Offices continue to collaborate on the timely reporting of students' enrollment statuses. These two Offices at PCC are continuously reviewing and assessing policies and procedures to address compliance deficiencies. Specifically:

1. The Financial Aid and Registrar's Offices have staff that is dedicated to these reporting processes. In addition, both offices have developed policies and procedures that allow for consistent reporting. The procedures have also been developed to provide flexibility to make changes while being adaptable to various circumstances. From this review, we will be making adjustments to our procedures to meet a compliance criterion that has been found to be deficient.
2. The Registrar's Office will submit student graduation status to the National Student Clearinghouse (NSC) no later than 60 days after the last date of each term.
 - In this same timeframe, the Registrar's Office will provide a list of students who have graduated to Financial Aid to verify that the students have been reported to the National Student Loan Data System (NSLDS).
 - Financial Aid will submit reports to NSLDS with this data.
3. The Registrar's Office will submit student enrollment status reports to the National Student Clearinghouse every 30 calendar days.
 - The Registrar's and Financial Aid offices will put in place quality control reports to review data to check that data from NSC is being transmitted to NSLDS.
 - In addition to both offices collaborating, PCC will work with NSC to determine long term solutions regarding timely reporting to NSLDS.
 - Every 30 days the Registrar's Office will share student status changes reported to NSC. Financial aid will verify that the student status has been updated in NSLDS.

**Pima County Community College District
Corrective Action Plan
Year Ended June 30, 2015**

- The Registrar's and Financial Aid Offices will continue to participate in training offered by NSC and NSLDS to ensure all federal requirements are being met.
 - PCC will continue to improve the process to accurately report the Registered Not Attending (RN) status.
4. Effective Spring 2015, faculty members started using Attendance Tracker to record student attendance for credit courses. Attendance is taken every 7 calendar days in Attendance Tracker and this data is stored in the College's Ellucian Banner system. Students who are not marked present for 14 calendar days have their statuses changed from registered (RE) to registered not attending (RN).
 5. The Financial Aid Office has developed reports to capture students that have unofficially withdrawn from courses, including enrollment in module courses, so that Return to Title IV (R2T4) calculations can be completed.
 6. Effective Spring 2015, PCC has implemented a registration status of Never Attended (NA). Faculty members assign this status to students who do not begin attendance in a course by the drop deadline.
 - PCC will continue to make improvements to develop an automated process in which the NA status will automatically cause the student to be dropped from the course.

2015-102

CFDA Numbers: 84.007 Federal Supplemental Educational Opportunity Grants, 84.033 Federal Work Study Grant, 84.038 Federal Perkins Loan Program – Federal Capital Contributions, 84.063 Federal Pell Grant Program and 84.268 Federal Direct Student Loans, Student Financial Assistance Cluster

Contact Person: Norma Navarro-Castellanos, Director, Financial Aid

Anticipated Completion Date: November 2015

Corrective Action:

Pima Community College District Financial Aid concurs that it had not properly assessed students' satisfactory academic progress (SAP) during the 2014-15 academic year. The District has made a thorough assessment of its SAP policies, procedures and processes and has implemented the proper corrective measures, effective with the fall 2015 semester, as follows:

**Pima County Community College District
Corrective Action Plan
Year Ended June 30, 2015**

1. Adjusted the SAP grade point averages to be as strict as the graduated scale in the institution's academic progress policy that is used to assess all students.
2. The SAP and institutional graduate grade point averages are listed in the following chart:

Credits Completed	Minimum Cumulative Grade Point Average (GPA)
0-9	1.5
10-19	1.75
20 or more	2.0

3. Modified the criteria in the SQL script to suspend the student's financial aid when it becomes mathematically impossible for the student to complete his program within 150% of the published length of the program.



PimaCountyCommunityCollegeDistrict

District Office

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January 15, 2016

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying Summary Schedule of Prior Audit Findings as required by U.S. Office of Management and Budget Circular A-133. Specifically, we are reporting the status of audit findings included in the prior audit's Schedule of Findings and Questioned Costs related to federal awards. This schedule also includes the status of audit findings reported in the prior audit's Summary Schedule of Prior Audit Findings that were not corrected.

Sincerely,

David Bea, Ph.D.
Executive Vice Chancellor for Finance and Administration

**Pima County Community College District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015**

Status of Prior Year Federal Award Findings and Questioned Costs

Finding Number: 11-03, 12-102, 2013-101 and 2014-101

11-03 CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.375

12-102 CFDA Numbers: 84.007, 84.033, 84.038, 84.063, 84.268

2013-101 CFDA Numbers: 84.007, 84.033, 84.038, 84.063, 84.268

2014-101 CFDA Numbers: 84.038, 84.063, 84.268

Program: Student Financial Aid Cluster

Status: Partially Corrected

Corrective Action:

Enrollment reporting occurs in two offices of the College: Financial Aid, and, Student Records and Registrar's Office. Financial Aid is responsible for the timely reporting of financial aid recipients who completely withdraw and the Registrar's Office is responsible for the timely reporting of enrollment and graduation statuses. Both Offices continue to collaborate on the timely reporting of students' enrollment statuses. These two Offices at PCC are continuously reviewing and assessing policies and procedures to address compliance deficiencies. Specifically:

1. The Financial Aid and Registrar's Offices have staff that is dedicated to these reporting processes. In addition, both offices have developed policies and procedures that allow for consistent reporting. The procedures have also been developed to provide flexibility to make changes while being adaptable to various circumstances. From this review, we will be making adjustments to our procedures to meet a compliance criterion that has been found to be deficient.
2. The Registrar's Office will submit student graduation status to the National Student Clearinghouse (NSC) no later than 60 days after the last date of each term.
 - In this same timeframe, the Registrar's Office will provide a list of students who have graduated to Financial Aid to verify that the students have been reported to the National Student Loan Data System (NSLDS).
 - Financial Aid will submit reports to NSLDS with this data.
3. The Registrar's Office will submit student enrollment status reports to the National Student Clearinghouse every 30 calendar days.
 - The Registrar's and Financial Aid offices will put in place quality control reports to review data to check that data from NSC is being transmitted to NSLDS.

- In addition to both offices collaborating, PCC will work with NSC to determine long term solutions regarding timely reporting to NSLDS.
 - Every 30 days the Registrar's Office will share student status changes reported to NSC. Financial aid will verify that the student status has been updated in NSLDS.
 - The Registrar's and Financial Aid Offices will continue to participate in training offered by NSC and NSLDS to ensure all federal requirements are being met.
 - PCC will continue to improve the process to accurately report the Registered Not Attending (RN) status.
4. Effective Spring 2015, faculty members started using Attendance Tracker to record student attendance for credit courses. Attendance is taken every 7 calendar days in Attendance Tracker and this data is stored in the College's Ellucian Banner system. Students who are not marked present for 14 calendar days have their statuses changed from registered (RE) to registered not attending (RN).
 5. The Financial Aid Office has developed reports to capture students that have unofficially withdrawn from courses, including enrollment in module courses, so that Return to Title IV (R2T4) calculations can be completed.
 6. Effective Spring 2015, PCC has implemented a registration status of Never Attended (NA). Faculty members assign this status to students who do not begin attendance in a course by the drop deadline.
 - PCC will continue to make improvements to develop an automated process in which the NA status will automatically cause the student to be dropped from the course.

Finding Number: 2014-102

CFDA Numbers: 84.031 – Higher Education-Institutional Aid and 84.048 – Career and Technical Education-Basic Grants to States

Status: Fully Corrected