| 2020 Audit Modified report regarding federal compliance | 2021 Audit Unmodified report regarding federal compliance; No material weaknesses  | 2021-22 Action taken and responsible party (ies) |
| --- | --- | --- |
| 2020-001 Closing Process – Material WeaknessCause: Errors of 3.4 mill aged student receivables doubtful 8.8 mill, miscounted $4 mill liability as revenue unsegregated duties resulted in issues with bank ledgers errors were pervasive and had significant correction and uncorrected misstatements. “We believe that the year-end closing could proceed more quickly and smoothly by developing a logical order for closing procedures and assigning responsibilities for completing the procedures to specific personnel. The closing procedures should be documented in a checklist that indicates who will perform each procedure and when completion of each procedure is due and is accomplished.”Status: See current year finding 2021-001. Reason for finding’s recurrence: Continued turnover in leadership and staffing assignments. Corrective Action: The District has launched two operational projects (external and internal) to assess operational process needs and infrastructure challenges  | **2021-001 Closing Process Significant Deficiency (reduced severity)** **Cause**: The controls did not detect the adjustments made as part of the audit and ensure accurate financial reporting. The District’s general ledger and student information systems were not configured to generate an aged student receivable listing for a historical date. **CLA Recommendation**: Documentation may include policy manuals, process models, flowcharts, job descriptions, documents, and forms, and can be in paper form, electronic files, or other media. In addition, the documentation can be used in reinforcing established policies and procedures, evaluating performance, or training a new employee to perform the process.**Action taken in response to finding**: System limitations exist that prevent proper aging reports for accounts receivable by closing period, resulting in time consuming spreadsheet reconciliation processes.First cycle of completion June 2022.  | Two operational projects (external and internal) assessed operational process needs and infrastructure challenges. HURON Consulting Group (HURON) assessed system gaps for specific functions within PeopleSoft’s Finance and Supply Chain Management (FSCM) module. The district is looking into the strategic investment of a mass contract with HURON so that several projects can be deployed simultaneously to expedite the rate process improvement and operational efficiency. Continuous process improvement projects are currently deployed; policy and process manuals are part of our current assessment efforts. Total completion will depend on enhancement, optimization necessary system modification requirements. Planned completion date for corrective action plan:* Identify remaining projects
* Create specific contract, identifying priorities with Oracle to correct IT system issues for current rolling processes to become dated processes for aging reports
* Temporarily run reports on June 30 to help document appropriately dated reports
* Explore better utilization of VPASs at each college for support and oversight with monthly closing processes

**Proposed resolution date: July 2023.** **Contact person(s) responsible for corrective action:** Interim Executive Director Fiscal Services (District); BCC VPAS; COA VPAS; Laney VPAS; Merritt VPAS |
| 2020-005 COD reportingIncorrect disbursement dates and timeliness issuesCause: inadequate internal controls Status: See current year finding 2021-002. Reason for finding’s recurrence: Continuous turnover and staffing gaps at colleges. Corrective Action: The district is looking into the strategic investment of a mass contract with HURON so that several projects can be deployed simultaneously to expedite the rate of process improvement and operational efficiency, supporting the district in optimizing its technological infrastructure in financial aid operations. | **2021-002 COD reporting**Incorrect dates, timeliness and amounts**Cause**: The Colleges’ experienced turnover in key positions accountable for internal controls and compliance during and subsequent to year-end. **CLA Recommendation:** The Colleges review reporting procedures and policies around reporting Pell and Direct Loan disbursements to COD to ensure that student information is reported accurately and timely to COD as required by regulations. **Update**: Frequent staff turnover in critical roles combined with system limitations contributed to the District’s inability to retain the specialized subject matter experts needed to solidify, execute, and efficiently monitor related activities; resulting in compliance challenges across the organization. Significant progress with COD reporting has occurred within the past few months. Huron helped the district analyze and set up processes to correct historical challenges and highlighted the need for campuses to be consistent in monitoring (and understanding) errors. | Functional and technical skills are needed to address issues with disbursement data that is extracted from PeopleSoft and transmitted to COD via EdConnect Software. HURON has assessed PeopleSoft’s Campus Solution (CS) module for system gaps related to workflow functionality and assisted in the process evaluations that have enhanced current processes and streamlined data flow between campuses and COD using various software. This is another project, as above, where a strategic investment of a mass contract with HURON could be deployed simultaneously to expedite the rate of process improvement and operational efficiency, supporting the district in optimizing its technological infrastructure in financial aid operations. Planned completion date for corrective action plan:* PCCD has discussed these findings, hired expertise and invested in business process changes across the district.
* PeopleSoft Phase 2 implementation corrected issues, but IT is investigating TD Client platform to help minimize human interaction in transferring data to COD reducing errors that require manual resolution.
* A Laney contract with Huron reconfigured setup at Laney significantly resolving issues within the first two weeks. Laney is collaborating to train other colleges with Huron resolutions.
* A districtwide contract with Huron is currently in place.

**Proposed resolution date: July 2023.****Contact person(s) responsible for corrective action:** Interim Executive Director Fiscal Services (District) District Financial Aid Director: BCC President and VPSS: COA President and VPSS: Laney College President and VPSS: Merritt College President and VPSS  |
| 2020 – 006: Gramm-Leach-Bliley Act (significant deficiency)Cause: The District did not perform an IT risk assessment to identify risks and address risks identified as required by the Gramm-Leach-Bliley Act.Status: Repeat 2021-002. Reason for finding’s recurrence: Continuous turnover and staffing gaps at colleges. The College/District did not perform a risk assessment that addresses two of the three areas noted in 16 CFR 314.4 (b) which are (Area 1) Employee training and management; (Area 3) Detecting, preventing and responding to attacks, intrusions, or other systems failures and document safeguards for identified risks.Corrective Action: As the district is returning to in person engagement, the opportunity to conduct the formal risk assessment (which requires physical campus/district presence) is now viable and will be completed by June 2022. | **Repeat 2021 – 003: Gramm-Leach-Bliley Act – Student Information Security (significant deficiency)****Cause**: The District did not perform a formal IT risk assessment as required by the Gramm-Leach Bliley Act. **CLA Recommendation**: The District should engage a third party to perform the risk assessment for the three required areas required by the Gramm-Leach-Bliley Act. **Update**: The implementation of the PeopleSoft Update provided the Oracle cloud security. Due to the covid pandemic, the formal local IT risk assessment for the Peralta District was postponed for the past two years however, the District took other measures to assure all risks were addressed.**Corrective Action Taken** | These safety conditions were addressed by moving all data systems to the Cloud through Oracle. Oracle is now contracted to house, protect, and ensure the safety of all data. This protection encompassed Area 1 (employee training and management) and Area 2 (information systems) including network and software design. In 2021 the district also established disaster recovery sites for all our data and processes to secure and protect against any attacks, intrusions, or other system failures listed in Area 3. Planned completion date for corrective action plan:* Oracle has secured the data systems
* Employee and management training has occurred
* Local IT assessment testing occurred in Fall 2022

Update Sept 2022 with date**Name(s) of the contact person(s) responsible for corrective action:** Director of Network Services (District), Interim Executive Director Fiscal Services (District)  |
| 2020-007 Internal Controls Over Federal Awards (significant deficiency)Cause: The Colleges' were not able to provide evidence that certain internal controls were put into place to ensure compliance with the Student Financial Assistance Cluster regulationsCorrective Action: Huron contract to improve and optimize technological infrastructure of financial aid operations. | **Repeat 2021 – 004: Internal Controls Over Federal Awards** **(significant deficiency)****Cause:** The Colleges' Financial Aid Director positions were vacant subsequently resulting in an oversight.**CLA Recommendation:** The Colleges reinforce their review processes, monitor proper follow-up on audit findings, and review all activity level controls to ensure compliance with the various requirements of the Student Financial Assistance Cluster. **Update**: Staffing gaps were filled with College Financial Aid directors at each college. The colleges are actively reviewing activity level controls and addressing the Student Financial Assistance Cluster requirements are addressed.A Huron Contract (Approved BOT 4/26/2022) is providing Laney Financial Aid resolution to challenged fiscal electronic systems related to Pell grants and Return to Title Four (R2T4) matters.**DELIVERABLES/SCOPE OF WORK:** Analyze computer systems related to Pell reconciliation and R2T4, build or modify queries, train Financial Aid staff. | Staffing gaps were key causes at the colleges listed in the Condition (Merritt and BCC). Currently all colleges have filled the Financial Aid director positions and district policy is updated to include VPSS and Dean of Student Services to serve as reviewer in the event of Financial Aid Director gaps. Frequent staff turnover in other critical roles combined with system limitations contributed to the District’s inability to retain the subject matter experts needed to solidify, execute, and efficiently monitor related activities. HURON assessed PeopleSoft’s Campus Solution (CS) module for system gaps and related workflow functionality. This project is part of the proposed mass contract to be deployed simultaneously for process improvement and operational efficiency, optimizing Financial Aid technological infrastructure operations. Planned completion date for corrective action plan:* Financial Aid positions were filled
* Huron contract instituted April 2022
* Additional testing components instituted to document student engagement
* VPIs at each college are involved in oversight in this area
* Plans for future documentation addressing FA cluster controls are being established
* District Financial Aid Director will track progress and report results regularly

**Proposed resolution date: June 2023 which translates to no audit findings in June 2024.****Name(s) of the contact person(s) responsible for corrective action:** Interim Executive Director Fiscal Services (District): District Financial Aid Director; BCC President and VPSS: COA President and VPSS: Laney College President and VPSS: Merritt College President and VPSS  |
| 2020 – 008: Special Tests and Provisions: Enrollment ReportingCause: The Districts' internal controls did not ensure compliance with the criteria mentioned above.Condition / Context: Significant Deficiency - During our testing of 60 students, which is a statistically valid sample, we noted 13 instances of late reporting of student status changes, 13 instances of improper student status reporting at the campus-level & program-level records including 8 students that were not updated to graduate from withdrawn, & 2 instances where the effective date of a student status change was improperly reported at both the campus-level & program-level record. | **Repeat 2021 – 005: Special Tests & Provisions: NSLDS Enrollment Reporting** **(significant deficiency)****Cause**: The Colleges’ experienced turnover in key positions accountable for internal controls and compliance during and subsequent to year-end. **CLA Recommendation:** The District reviewed its reporting procedures to ensure that roster file submissions are reported timely to NSLDS as required by regulations.**Update:** The new District Financial Aid Director has reviewed NSLDS reporting requirements. College Financial Aid Directors at all four colleges are collaborating to train staff. | The District has established standing opportunities to collaborate across functional staff to support in its process improvement efforts. Staffing challenges in critical roles combined with system limitations contributed to the District’s inability to retain the specialized skillset needed to solidify, execute, and efficiently monitor related activities, resulting in compliance challenges across the organization. These positions are currently being filled. HURON assessment of PeopleSoft’s Campus Solution (CS) module identified system gaps and related workflow functionality. This is another project included in the mass contract that could be simultaneously to expedite the rate process improvement and operational efficiency. Planned completion date for corrective action plan:* Huron contract and testing in progress
* The District Financial Aid Director has worked with the College financial aid directors to institute oversight and understanding of NSLDS reporting.
* Processes and procedures are being documented. Training is being rolled out district wide.
* District Financial Aid Director will track progress and report results regularly.

**Proposed resolution date: June 2023 which translates to no audit findings in June 2024.****Name(s) of the contact person(s) responsible for corrective action:** Interim Executive Director Fiscal Services (District), Interim Deputy Chancellor/COO, District Financial Aid Director; BCC President and VPSS;COA President and VPSS; Laney College President and VPSS; Merritt College President and VPSS  |
| 2020 – 009: Outstanding Student Refund Checks (significant deficiency)Questioned Costs: $38,826 Cause: Management was not aware of the requirement to return and/or reissue checks as stated in the criteria mentioned above. | **Repeat 2021 – 006: Outstanding Student Refund Checks (significant deficiency)**45 checks Questioned Costs: $23,782Controls were not working**Cause:** The Districts' internal controls did not identify the errors for compliance with the criteria mentioned above**Recommendation:** The District review its procedures related to outstanding student refund checks to ensure they are being returned to the Department of Education or disbursed to students as stated in the criteria mentioned above.**Update:**The district has made significant improvement in this area. With guidance from DOE, support from consultants and staff engagement PCCD closed out FY19-20. Although this cleanup effort the extends back to 2015, the District and colleges tackled the recent year first and are now increasingly clean for 20-21 and 21-22. PCCD will be engaging Huron to see if there is systematic way to adjust student account records (currently it is a manual "untangling" process per student), transfer the information to COD and return those funds to DOE.  | As above, the HURON contract assessed PeopleSoft’s Campus Solution (CS) module for system gaps related workflow functionality. This is another project included in strategic mass contract addressing several projects to be deployed simultaneously. The District is exploring optimizing functionality to help with mass student notification and date-tracking for returned disbursements. The District is also currently working under recent guidance from the Department of Education to complete all downward COD adjustments. Planned completion date for corrective action plan:* Huron contract and testing in progress
* DOE oversight and virtual evaluation being addressed
* Active resolution in progress working backward from current year to later years
* Reconciliation and return of 2019-2020 unspent funds is complete
* Colleges are at different stages of historical resolution based upon number of issues and staffing
* District Financial Aid Director will track progress and report results regularly

**Proposed resolution date: June 2023.****Name(s) of the contact person(s) responsible for corrective action:** Interim Executive Director Fiscal Services (District), District Financial Aid Director: BCC President and VPSS;COA President and VPSS; Laney College President and VPSS; Merritt College President and VPSS  |
|  | **2021 – 007: Return of Title IV Funds****(significant deficiency)****Cause:** The Colleges’ experienced turnover in key positions accountable for internal controls and compliance during and subsequent to year-end. **Effect:** The Colleges’ did not return the title IV funds within the required timeframe and did not verify academic participation resulting in noncompliance with the applicable title IV regulations.The district disagrees with this audit finding and has documented the appropriate regulation**Update:**The district has made significant improvement in this area with guidance from the Department of Education (DOE). The colleges currently adhere to guidance set forth by the FSA Handbook, utilizing the withdrawal date when the student begins the withdrawal process. This determination may include the date in which the student drops the last class for the term. For unofficial withdrawals, per FSA Handbook chapter 2 page 5-74, when a student unofficially withdraws from an institution that is not required to take attendance, the date may be the student's last date of attendance at an academically related activity or the midpoint of the period as the student's withdrawal date.**References:**FSA Handbook, Vol. 2, Chapter 5, Page 64 FSA Policy Escalation 220321-000277 Response, March 21, 2022  | As a result of the new supplemental requirement to document proof of academic engagement, the colleges must collaborate on policy development that stipulates the modes of verification for student participation. This policy must include cross functional activities with instructional staff. Colleges are consulting with the Department of Education for clarification on what constitutes as “proof of academic engagement” as related to new OMB 2021 Compliance Requirement. The District has consulted with HURON to assess PeopleSoft’s Campus Solution (CS) module for system gaps for related workflow functionality and record retention opportunities for dropped/withdrawn students. This is another project that is part of the mass contract to expedite the rate process improvement and operational efficiency. Planned completion date for corrective action plan:* Huron contract and testing in progress
* DOE oversight and clarification in progress on new OMB 2021 compliance requirement
* District policy development across colleges being discussed to verify student engagement
* District Financial Aid Director will track progress and report results regularly

**Proposed resolution date: June 2023 which translates to no audit findings in June 2024.**What Should the Last Date of Attendance be for a Student Who Failed to Earn a Passing Grade In Any Class and Unofficially Withdrew? (NASFAA, KA-33991).**CATION DATE** **July 13, 2021****DCL ID****GEN-21-05****SUBJECT** **Changes to 2021-2022 Verification Requirements****SUMMARY** **This letter provides information about changes we are making to certain aspects of the FAFSA® verification requirements as a result of the ongoing economic, social, and physical impacts of the COVID-19 pandemic.****PUBLICATION DATE** **July 13, 2021****DCL ID****GEN-21-05****SUBJECT** **Changes to 2021-2022 Verification Requirements****SUMMARY** **This letter provides information about changes we are making to certain aspects of the FAFSA® verification requirements as a result of the ongoing economic, social, and physical impacts of the COVID-19 pandemic****PUBLICATION DATE** **July 13, 2021****DCL ID****GEN-21-05****SUBJECT** **Changes to 2021-2022 Verification Requirements****SUMMARY** **This letter provides information about changes we are making to certain aspects of the FAFSA® verification requirements as a result of the ongoing economic, social, and physical impacts of the COVID-19 pandemic.****Name(s) of the contact person(s) responsible for corrective action:** Interim Executive Director Fiscal Services (District), District Financial Aid Director: BCC President and VPSS;COA President and VPSS; Laney College President and VPSS; Merritt College President and VPSS  |
|  | **2021 – 008: Activities Allowed or Unallowed & Allowable Cost/Cost Principles** **(significant deficiency)****Cause:** The District’s internal controls do not ensure compliance with the HEERF criteria. **Effect**: The documentation available for review was not adequate to support the compliance with the activities allowed/unallowed and allowable costs/cost principles to the program.**Update**: This was corrected, and adequate documentation and review processes examined.**Corrective Action Taken** | Action taken in response to finding: Audit adjustment made in the amount of $8,278. The district has improved existing procedures and controls to ensure compliance including adequate documentation. **Name(s) of the contact person(s) responsible for corrective action**:BCC President, VPAS and VPSS;COA President, VPAS and VPSS; Laney College President, VPAS and VPSS; Merritt College President, VPAS and VPSS |
|  | **2021 – 009: Higher Education Emergency Relief Fund (HEERF) Reporting****(significant deficiency)**Condition / Context: During our testing of 5 out of 5 reports, the quarterly student report was not updated and published on the College’s website. During our testing of 5 quarterly institutional reports from Alameda College, Berkeley City College, Laney College and Merritt College, we noted 4 quarterly report (one from each College) were not published to the website timely.**Cause:** The College was not aware of this compliance requirement. **Update:** The reports were updated and published.**Corrective Action Taken** | Action: Campuses have updated websites & complied with requisite HEERF reports guidelines. Campus Leaders are aware of scheduled reporting requirements & have scheduled posting & reporting obligations. **Name(s) of the contact person(s) responsible for corrective action**:BCC President and VPSS;COA President and VPSS; Laney College President and VPSS; Merritt College President and VPSS |
|  | **2021 – 010: Suspension & Debarment****(significant deficiency)****Condition / Context:** For nine procurement transactions (4 HEERF and 5 R&D), evidence supporting the District verified that the vendors were not suspended or debarred or otherwise excluded was not available.**Cause:** The college was not aware of this compliance requirement.**Recommendation:** The District document and retain evidence of compliance with federal regulations on suspension and debarment standards.**Update:** The District verbally confirmed that it verified vendors status on suspension or debarment prior to the procurement transaction by checking the SAM website. No engaged vendors were on the list.**Corrective Action Taken** | The District now prints SAM screenshots to demonstrate that the entities sampled are not on the SAM Exclusions list. The District updated its purchasing policy and procedures to ensure compliance with the procurement and suspension and debarment standards as required by federal regulations. The district will provide a Federal Debarment Certification form document to vendors for federal funded contracts/PO's prior to dispatching the purchase order.This new process has been updated as part of the purchasing manual.**Name(s) of the contact person(s) responsible for corrective action**: Interim Vice Chancellor of Finance and Administration, Director of Purchasing |
| 2020 – 002: Capital AssetsCorrective Action Taken |  |  |
| 2020 – 003: Vacation Accrual(liability 3.9 million repeat from 2019-004Corrective Action Taken for management and other non-union employees  | Currently being resolved through labor negotiations & Board Policy updates [PCCD -SEIU SUNSHINE March 2022, PCCD Local 39 Sunshine March 2022, PFT Proposal 5\_10\_22] | **Contact person(s) responsible for corrective action:** Interim Deputy Chancellor/COO, Acting Vice Chancellor of Human Resources & Employee Relations |
| 2020 – 004: Special Tests and Provisions: Eligibility and Certification Approval ReportCorrective Action Taken |  |  |
| 2020-10: Activities Allowed or Unallowed, Allowable Cost/Cost Principles and Period of Performance (Significant Deficiency)Corrective Action Taken/Resolved |  |  |