

# Cochise County Community College District

Single Audit Report

Year Ended June 30, 2016



A Report to the Arizona Legislature

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 and special reviews of school districts, state agencies, and the programs they administer.

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## Contact Information

**Arizona Office of the Auditor General**

**2910 N. 44th St.**

**Ste. 410**

**Phoenix, AZ 85018**

**(602) 553-0333**

**[www.azauditor.gov](http://www.azauditor.gov)**



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## Report Issued Separately

Comprehensive annual financial report





**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  
Cochise County Community College District

We have audited the financial statements of the business-type activities and discretely presented component unit of Cochise County Community College District as of and for the year ended June 30, 2016, 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 12, 2016. Our report includes a reference to other auditors who audited the financial statements of the Cochise College Foundation, 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 Cochise College Foundation 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 Cochise College Foundation.

**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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-01, that we consider to be a significant deficiency.

## **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*.

## **Cochise County Community College District's response to findings**

Cochise County Community College District's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

## **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 12, 2016



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 the Uniform Guidance**

Members of the Arizona State Legislature

The Governing Board of  
Cochise County Community College District

**Report on compliance for each major federal program**

We have audited Cochise 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, Cochise 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, 2016.

### ***Other matters***

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2016-101 and 2016-102. Our opinion on each major federal program is not modified with respect to these matters.

### **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 the Uniform Guidance, 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 2016-101 and 2016-102, that we consider to be significant deficiencies.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



## **Cochise County Community College District's response to findings**

Cochise County Community College District's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. 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 schedule of expenditures of federal awards required by the Uniform Guidance**

We have audited the financial statements of the business-type activities and discretely presented component unit of Cochise County Community College District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 12, 2016, 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 the Uniform Guidance 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 31, 2017





## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### Summary of auditors' results

#### Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles **Unmodified**

#### Internal control over financial reporting

Material weaknesses identified? **No**

Significant deficiency identified? **Yes**

Noncompliance material to the financial statements noted? **No**

#### Federal awards

#### Internal control over major programs

Material weaknesses identified? **No**

Significant deficiencies identified? **Yes**

Type of auditors' report issued on compliance for major programs **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes**

#### Identification of major programs

| CFDA number  | Name of federal program or cluster  |
|--|---|
| 84.007, 84.033,<br>84.063, 84.268,<br>93.925<br>84.048 | Student Financial Assistance Cluster<br><br>Career and Technical Education—Basic Grants to States |

|   |           |
|---|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
|---|-----------|

|  |     |
|--|-----|
| Auditee qualified as low-risk auditee? | Yes |
|--|-----|

**Other matters**

|   |     |
|---|-----|
| Auditee's summary schedule of prior audit findings required to be reported in accordance with 2 CFR 200.511(b)? | Yes |
|---|-----|

# Financial statement findings

## 2016-01

### The District should improve security over its information technology resources

**Criteria**—The District should implement internal control policies and procedures for an effective information technology (IT) security process that includes practices to help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT resources, which include its systems, network, infrastructure, and data.

**Condition and context**—The District did not monitor key user activity. Although the District had policies and procedures for monitoring key users, they were not followed after the individual responsible for monitoring retired in December 2015.

**Effect**—Inadequate monitoring of privileged or administrator accounts and functions increased the risk of unauthorized or unintentional modifications or misuse of the District’s IT resources.

**Cause**—The District did not reassign the duty to monitor key user activity.

**Recommendation**—The District should follow its established policies and procedures to ensure that the activity of personnel with heightened access to its IT resources is properly monitored.

The District’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

# Federal award findings and questioned costs

## 2016-101

|                                 |  |
|---------------------------------|--|
| <b>Cluster name:</b>            | <b>Student Financial Assistance Cluster</b>  |
| <b>CFDA nos. and names:</b>     | 84.007 <b>Federal Supplemental Educational Opportunity Grants</b><br>84.033 <b>Federal Work-Study Program</b><br>84.063 <b>Federal Pell Grant Program</b><br>84.268 <b>Federal Direct Student Loans</b><br>93.925 <b>Scholarships for Health Professions Students from Disadvantaged Backgrounds</b> |
| <b>Award numbers and years:</b> | P007A150107, P033A150107, P063P151063, P268K161063 and T08HP25221—July 1, 2015 through June 30, 2016   |
| <b>Federal agency:</b>          | <b>U.S. Department of Education</b>  |
| <b>Compliance requirement:</b>  | Special tests and provisions   |
| <b>Questioned costs:</b>        | N/A  |

**Criteria**—For the Federal Pell Grant and Federal Direct Student Loans programs, 34 Code of Federal Regulations (CFR) §§685.309(b) and 690.83(b)(2) require 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. Student enrollment status changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves of absence.

**Condition and context**—For 2 of 35 students tested, 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.

**Effect**—The District did not comply with the enrollment reporting requirements of 34 CFR §§685.309(b) and 690.83(b)(2). Consequently, student enrollment statuses in the NSLDS were not always accurate and/or reported in a timely manner. Therefore, if the NSLDS does not accurately reflect students' enrollment on a timely basis, students may not be asked to repay student financial assistance grants and loans if or when required.

**Cause**—The District did not have adequate policies and procedures in place to ensure student statuses 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 status changes are submitted to the NSLDS within 30 days or included in a response to an enrollment reporting roster file within 60 days.

The District's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year findings 2015-101 and 2014-101.

## 2016-102

|                                 |   |
|---------------------------------|---|
| <b>CFDA no. and name:</b>       | 84.048 <b>Career and Technical Education—Basic Grants to States</b>   |
| <b>Award numbers and years:</b> | 15FCTDBG-512181-20A–July 1, 2014 through September 30, 2015 and 16FCTDBG-612181-20A–July 1, 2015 through September 30, 2016 |
| <b>Federal agency:</b>          | <b>U.S. Department of Education</b>   |
| <b>Pass-through grantor:</b>    | Arizona Department of Education   |
| <b>Compliance requirement:</b>  | Procurement and suspension and debarment  |
| <b>Questioned costs:</b>        | N/A   |

**Criteria**—2 CFR §215.43 requires that all procurement transactions be conducted in a manner to provide open and free competition to the maximum extent practical and the District's *Administrative Policy 2004* requires that for purchases with an aggregate value of \$10,000 to \$49,999, at least three written price quotations need to be secured and recorded. In addition, 2 CFR §215.45 requires that some form of cost or price analysis, such as comparison of submitted price quotations, be made and documented in the procurement files in connection with every procurement action.

**Condition and context**—For one of three procurements tested with an aggregate value of \$10,000 to \$49,999, the District did not obtain three written quotations for the procurement and the contract file did not contain any form of cost or price analysis.

**Effect**—The District did not comply with federal procurement requirements or district policy and may have spent excess federal monies due to lack of open and free competition.

**Cause—**The District did not monitor compliance with its purchasing policy and federal procurement requirements.

**Recommendation—**To ensure the best value for procurements using federal monies, the District should follow its purchasing policy and federal procurement requirements.

The District's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.





# DISTRICT SECTION

**Cochise County Community College District**  
**Schedule of expenditures of federal awards**  
**Year Ended June 30, 2016**

| Federal agency/CFDA number  | Federal program name                                  | Cluster title                        | Pass-through grantor                               | Pass-through grantor's numbers  | Program expenditures |
|---|---|--------------------------------------|--|---|----------------------|
| <b>Department of Agriculture</b>  |   |                                      |  |   |                      |
| 10 Unknown  | Rural Development-Cooperative Programs                |                                      |  |   | \$ 29,582            |
| <b>Department of Labor</b>  |   |                                      |  |   |                      |
| 17 274  | YouthBuild  |                                      | Cochise County Private Industry Council            | Youth Career Connect  | 4,092                |
| <b>Institute of Museum and Library Services</b>                                     |   |                                      |  |   |                      |
| 45 310  | Grants to States                                      |                                      | Arizona State Library, Archives and Public Records | MOU-PO 82421  | 10,612               |
| <b>National Science Foundation</b>  |   |                                      |  |   |                      |
| 47 076  | Education and Human Resources                         |                                      | Science Foundation Arizona                         | STEM 606-14/DUE-1400687   | 27,567               |
| <b>Small Business Administration</b>  |   |                                      |  |   |                      |
| 59 037  | Small Business Development Centers                    |                                      | Maricopa County Community College District         | 4-603001-EZ-0025, 5-603001-EZ-0004, 6-603001-EZ-0026  | 130,428              |
| <b>Department of Education</b>  |   |                                      |  |   |                      |
| 84 002  | Adult Education—Basic Grants to States                |                                      | Arizona Department of Education                    | 16-FAEABE-612181-16B, 16FAEAPL-612181-16B, 16FAEADL-612181-16B, 16FAEAEF-612181-16B, 16FAEWIO-612181-05A, 16FAEWPL-612181-05A | 440,011              |
| 84 042  | TRIO—Student Support Services                         | TRIO Cluster                         |  |   | 193,559              |
| 84 048  | Career and Technical Education—Basic Grants to States |                                      | Arizona Department of Education                    | 15FCTDBG-512181-20A, 16FCTDBG-612181-20A, 15FCTPSG-512181-43B, 16FCTPSG-612181-43B  | 203,349              |
| <b>Total Department of Education excluding Student Financial Assistance Cluster</b> |   |                                      |  |   | <b>836,919</b>       |
| 84 007  | Federal Supplemental Educational Opportunity Grants   | Student Financial Assistance Cluster |  |   | 77,693               |
| 84 033  | Federal Work-Study Program                            | Student Financial Assistance Cluster |  |   | 85,606               |
| 84 063  | Federal Pell Grant Program                            | Student Financial Assistance Cluster |  |   | 6,656,098            |
| 84 268  | Federal Direct Student Loans                          | Student Financial Assistance Cluster |  |   | 1,815,335            |
| <b>Total Department of Education</b>  |   |                                      |  |   | <b>9,471,651</b>     |

See accompanying notes to schedule.

**Cochise County Community College District**  
**Schedule of expenditures of federal awards**  
**Year Ended June 30, 2016**

| Federal<br>agency/CFDA<br>number               | Federal program name   | Cluster title                           | Pass-through<br>grantor | Pass-through<br>grantor's<br>numbers | Program<br>expenditures |
|--|--|---|-------------------------|--------------------------------------|-------------------------|
| <b>Department of Health and Human Services</b> |  |   |                         |                                      |                         |
| 93 925   | Scholarships for Health Professions Students<br>from Disadvantaged Backgrounds | Student Financial<br>Assistance Cluster |                         |                                      | <u>160,000</u>          |
|  | <i>Total Student Financial Assistance Cluster</i>                              |   |                         |                                      | <u>8,794,732</u>        |
|  | <b>Total expenditures of federal awards</b>                                    |   |                         |                                      | <u>\$ 9,833,932</u>     |

# **Cochise County Community College District**

## **Notes to schedule of expenditures of federal awards**

### **Year ended June 30, 2016**

#### **Note 1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cochise County Community College District for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### **Note 2 - Summary of significant accounting policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

#### **Note 3 - Catalog of Federal Domestic Assistance (CFDA) numbers**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2016 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

#### **Note 4 - Indirect cost rate**

The District did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

# DISTRICT RESPONSE



## COCHISE COLLEGE

901 North Colombo Avenue • Sierra Vista, AZ 85635-2317 • 520-515-0500 • [www.cochise.edu](http://www.cochise.edu)

January 31, 2017

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding we are providing you with the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

LaMont Schiers  
Vice President for Administration

Cochise County Community College District  
Corrective action plan  
Year ended June 30, 2016

*Financial statement findings*

2016-01

The District should improve security over its information technology resources  
Carlos Cartagena, VP for Information Technologies  
Anticipated completion date: October 2016

The District agrees with this recommendation and has implemented the following course of action.

According to Policy #1016.5 Monitoring Systems Access Logs, in January 2014 the District established the process of running scripts on a regular schedule looking for unusual or suspicious activity and for data changes initiated by privileged user accounts. Due to personnel changes in January 2016, scripts were run but not reviewed in accordance with the established process. Beginning October 2016, the District has again established the checks and balances to not only run the scripts but to review the data and also have the reviewed reports double checked by another individual within the chain of responsibility for this area of security.

The District is monitoring system access logs as established by policy.

Cochise County Community College District  
Corrective action plan  
Year ended June 30, 2016

*Federal award findings and questioned costs*

2016-101

|                      |  |
|----------------------|--|
| Cluster name:        | Student Financial Assistance Cluster   |
| CFDA nos. and names: | 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  |
|                      | 93.925 Scholarships for Health Professions Students from Disadvantaged Backgrounds |

LaMont Schiers, VP of Administration

Anticipated completion date: TBD

The District agrees with this recommendation. The District continues to be unsuccessful in updating the National Roster in the required timeframe of 30 days following changes to a student's enrollment status. The District continues to seek solutions to address the finding and the concerns related to timely reporting.

In September 2015 the District elected to eliminate the National Student Clearing House (NSCH) as the third-party intermediary for student status reporting with the National Student Loan Data System (NSLDS) and to instead report to NSLDS directly on all issues. During the time period the District reported to NSLDS directly, the changes in student enrollment status were reported accurately and timely as indicated in the audit. Unfortunately, reporting directly to NSLDS was short-lived. The District learned that reporting to NSLDS through NSCH is required in order to participate in Federal funding programs utilizing the mandated, NSCH-maintained "Student Tracker" reporting process. Currently the District is again submitting all student status changes to NSCH.

The District continues to closely monitor and work with NSCH to meet the required time lines of notifying NSLDS within 30 days of all student status changes. However, as the District is again working directly with NSCH, there continues to be numerous challenges related to meeting NSLDS time-sensitive reporting deadlines. The District finds it difficult to resolve this finding when the District's changes in student status reporting discrepancies reside with NSCH and its submissions to NSLDS, all of which are outside of the District's control. To that end, the District is also seeking alternative courses of action. In conclusion, the District has every intention of fully implementing this recommendation and is continuing to work with NSCH to successfully achieve the desired outcome.



Cochise County Community College District  
Corrective action plan  
Year ended June 30, 2016

2016-102

CFDA no. and name: 84.048 Career and Technical Education—Basic Grants to States

LaMont Schiers, VP of Administration

Anticipated completion date: April 2017

The District agrees with this recommendation and will be implementing the following course of action in addressing District procurement policy adherence.

District Policy #2004.1 relates to Purchasing's thresholds and requires established procedures are followed in sourcing a vendor to provide a service or product. In all instances where District funds are committed to secure services or goods, documentation must support the policy's requirement that competitive bids were secured prior to sourcing such goods or services

Upon learning of this finding, the District has resumed its efforts in the evaluation of vendors and will solicit and secure the required documentation as stated in Policy #2004.1.



## **COCHISE COLLEGE**

901 North Colombo Avenue • Sierra Vista, AZ 85635-2317 • 520-515-0500 • [www.cochise.edu](http://www.cochise.edu)

January 31, 2017

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit' s schedule of findings and questioned costs. 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,

LaMont Schiers  
Vice President for Administration

Cochise County Community College District  
Summary schedule of prior audit findings  
Year ended June 30, 2016

*Status of federal award findings and questioned costs*

|                            |                                      |
|----------------------------|--------------------------------------|
| Cluster name:              | Student Financial Assistance Cluster |
| CFDA no. and program name: | 84.063 Federal Pell Grant Program    |
|                            | 84.268 Federal Direct Student Loans  |

Finding no.: 2015-101, 2014-101

Status: Partially corrected

In the reporting year FY2014, it was determined that the District had not been reporting all student status changes to the National Student Clearinghouse (NSCH) on a regular basis as required. This oversight was corrected immediately. Since that time, the District has been reporting student status changes within the required 30 day window for FY2015 and FY2016. In FY2016, further investigation to improve this process revealed that there was a significant disconnect between NSCH and the National Student Loan Data System (NSLDS). Upon discovering this, the District immediately initiated correspondence with both NSCH and NSLDS to determine where the break down in communications was taking place. Although the District had been reporting regularly and in a timely fashion to NSCH, the data in question was not being conveyed to NSLDS in an accurate and timely fashion by NSCH. Thus, there were continuing discrepancies between the data residing in the District's system versus that shown by NSLDS.

In September of 2015, the District elected to remove NSCH as the third party intermediary for student status reporting with NSLDS altogether, and instead dealt directly with the NSLDS. This resulted in a period of consistent reporting during the second half of FY2016 as indicated in the audit related to student status reporting. This new process was short-lived, however. In order for the District to continue to receive certain Federal funding resources, the District has been forced to return to using NSCH, which utilizes a reporting process entitled "Student Tracker" that is mandated by federally funded grant programs.

The District continues to closely monitor and work with NSCH to meet the required time lines of notifying the NSLDS within 30 days of all student status changes. However, as the District is again working directly with NSCH, there continues to be numerous challenges related to meeting time-sensitive reporting deadlines. The District has every intention of fully implementing this recommendation from prior years' audit findings and is continuing to work diligently with NSCH to successfully achieve the desired outcome.

