

# Pima 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.

## The Joint Legislative Audit Committee

Senator **Bob Worsley**, Chair

Senator **Judy Burges**

Senator **John Kavanagh**

Senator **Sean Bowie**

Senator **Lupe Contreras**

Senator **Steve Yarbrough** (ex officio)

Representative **Anthony Kern**, Vice Chair

Representative **John Allen**

Representative **Rusty Bowers**

Representative **Rebecca Rios**

Representative **Athena Salman**

Representative **J.D. Mesnard** (ex officio)

## 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)**



# TABLE OF CONTENTS

## Auditors Section

**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* 1

**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 3

## **Schedule of Findings and Questioned Costs** 7

Summary of auditors' results 7

Federal award findings and questioned costs 9

## District Section

Schedule of expenditures of federal awards 11

Notes to schedule of expenditures of federal awards 13

## District Response

Corrective action plan

Summary schedule of prior audit findings

## 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  
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, 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 22, 2016. 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 22, 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  
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, 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, 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, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2016-101 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2016-102 to be a significant deficiency.



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.

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

Pima 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 Pima 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 22, 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 deficiencies identified? None reported

Noncompliance material to the financial statements noted? No

### Federal awards

#### Internal control over major programs

Material weakness identified? Yes

Significant deficiency 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, 84.063, 84.268	Student Financial Assistance Cluster
84.002	Adult Education—Basic Grants to States
93.093	Affordable Care Act (ACA) Health Profession Opportunity Grants

Dollar threshold used to distinguish between Type A and Type B programs \$1,660,206

Auditee qualified as low-risk auditee? No

**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

None reported

## 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> 84.033 <b>Federal Work-Study Program</b> 84.063 <b>Federal Pell Grant Program</b> 84.268 <b>Federal Direct Student Loans</b>
<b>Award numbers and year:</b>	P007A150133, P033A150133, P063P150512 and P268K160512; 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 14 of 40 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 requirement 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 to NSLDS 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 enrollment 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 finding 2015-101.

## 2016-102

<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> 84.033 <b>Federal Work-Study Program</b> 84.063 <b>Federal Pell Grant Program</b> 84.268 <b>Federal Direct Student Loans</b>
<b>Award numbers and year:</b>	P007A150133, P033A150133, P063P150512 and P268K160512; July 1, 2015 through June 30, 2016
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirements:</b>	Activities allowed or unallowed, eligibility, and special tests and provisions
<b>Questioned costs:</b>	Unknown

**Criteria**—According to 34 CFR §§600.10(b)(3), 600.20(e)(4), and 600.20(c)(1), once an institution receives its eligibility designation, the eligibility does not extend to any new location that provides at least 50 percent of an education program unless the location is approved by the U.S. Department of Education (USDOE) or the location is licensed and accredited, the institution meets the criteria to not require USDOE approval, and the institution has reported the location to USDOE.

**Condition and context**—The District did not obtain USDOE approval or license and accreditation by the District’s accrediting agency for the Aviation Technology Center location. This location provided students with at least 50 percent of their education program and was added after the District received its eligibility designation. For the fiscal year ended June 30, 2016, the District awarded \$542,246 of student financial assistance to students at this location. The District self-reported this noncompliance to USDOE in February 2016 and is currently negotiating with USDOE to determine what amounts, if any, will ultimately be refunded.

**Effect**—The District did not comply with the institutional eligibility requirements of 34 CFR §§600.10(b)(3), 600.20(e)(4), and 600.20(c)(1). Consequently, the District disbursed student financial assistance to students at an ineligible location and may be required to refund the disbursements to USDOE.

**Cause**—The District did not have adequate policies and procedures in place to ensure proper approvals or license and accreditation was obtained for a new location that provided at least 50 percent of a student’s education program.

**Recommendation**—The District should implement policies and procedures to ensure that prior to disbursing student financial assistance monies, the District obtains approval from USDOE or ensures license and accreditation is received from its accrediting agency for any location added after the District’s original eligibility designation when that location provides at least 50 percent of a student’s education program.

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

**Pima 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	Amount provided to subrecipients
<b>Department of Agriculture</b>						
10 223	Hispanic Serving Institutions Education Grants				\$ 34,077	
<b>Department of Interior</b>						
15 224	Cultural Resource Management				16,008	
<b>Department of Justice</b>						
16 607	Bulletproof Vest Partnership Program				1,135	
<b>Department of Labor</b>						
17 274	Youthbuild		Pima County Community Services	YC-25417-14-60-A-4	8,902	
17 282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants				1,433,875	\$ 29,622
	<b>Total Department of Labor</b>				<u>1,442,777</u>	<u>29,622</u>
<b>Department of Transportation</b>						
20 616	National Priority Safety Programs		Governor's Office of Highway Safety	2016-405d-008	9,098	
<b>National Aeronautics and Space Administration</b>						
43 001	Science		Planetary Science Institute	NNX16AC55A	3,000	
43 008	Education		University of Arizona	NNX15AJ17H	65,275	
	<b>Total National Aeronautics and Space Administration</b>				<u>68,275</u>	
<b>National Endowment for the Humanities</b>						
45 162	Promotion Of The Humanities—Teaching and Learning Resources and Curriculum Development				25,624	
<b>National Science Foundation</b>						
47 049	Mathematical and Physical Sciences		University of Arizona	1460828	5,600	
47 050	Geosciences		University of Arizona	1540596	11,299	
	<b>Total National Science Foundation</b>				<u>16,899</u>	
<b>Department of Energy</b>						
81 087	Renewable Energy Research and Development		Salt Lake Community College	DE-EE0005677	3,153	
<b>Department of Education</b>						
84 007	Federal Supplemental Educational Opportunity Grants	Student Financial Assistance Cluster			461,640	
84 033	Federal Work-Study Program	Student Financial Assistance Cluster			422,743	
84 063	Federal Pell Grant Program	Student Financial Assistance Cluster			30,968,703	

See accompanying notes to schedule.



**Pima 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	Amount provided to subrecipients
84 268	Federal Direct Student Loans	Student Financial Assistance Cluster			12,433,987	
	<i>Total Student Financial Assistance Cluster</i>				<u>44,287,073</u>	
84 042	TRIO—Student Support Services	TRIO Cluster			514,200	
84 044	TRIO—Talent Search	TRIO Cluster			394,612	
84 047	TRIO—Upward Bound	TRIO Cluster			1,098,606	
	<i>Total TRIO Cluster</i>				<u>2,007,418</u>	
84 002	Adult Education—Basic Grants to States		Arizona Department of Education	16FAEBE-612501-16B, 16FAECIV-612501-16B, 16FAEAEF-612501-16B, 16FAEDL-612501-16B, 16FAEAEI-612501-51B, 16FAEWIO-612501-05A, 16FAEAPL-612501-16B, 16FAEWPL-612501-05A	2,311,197	
84 031	Higher Education—Institutional Aid				2,289,377	
84 048	Career and Technical Education—Basic Grants to States		Arizona Department of Education	15FCTDBG-51250-20A, 16FCTDBG-612501-20A	207,994	
	<b>Total Department of Education</b>				<u>51,103,059</u>	
<b>Department of Health and Human Services</b>						
93 093	Affordable Care Act (ACA) Health Profession Opportunity Grants				2,029,764	569,642
93 243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance				114,751	48,597
93 566	Refugee and Entrant Assistance—State Administered Programs		Arizona Department of Economic Security	DES13-038227	177,000	
93 859	Biomedical Research and Research Training		University of Arizona	5K12GMO000708, 2K12GM000708-16	141,323	
	<b>Total Department of Health and Human Services</b>				<u>2,462,838</u>	<u>618,239</u>
<b>Corporation for National and Community Service</b>						
94 006	Americorps		Arizona Governor's Office of Youth, Faith and Family	AC-VSG-13-3273-07Y2, AC-VSG-13-3273-07Y3, AC-VSG-15-090115-13	102,314	
<b>Department of Homeland Security</b>						
97 010	Citizenship Education and Training		Lutheran Social Services of the Southwest	2014-CS-010-000024	54,957	
	<b>Total expenditures of federal awards</b>				<u>\$ 55,340,214</u>	<u>\$ 647,861</u>

See accompanying notes to schedule.

**Pima 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 Pima 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*.

**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.

This page is intentionally left blank.

# DISTRICT RESPONSE



**PimaCountyCommunityCollegeDistrict**

**District Office**

---

Office of the Executive Vice Chancellor  
for Finance and Administration  
4905C East Broadway Boulevard  
Tucson, Arizona 85709-1200  
Telephone (520) 206-4519  
Fax (520) 206-4516  
[www.pima.edu](http://www.pima.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,

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

**Pima County Community College District**  
**Corrective Action Plan**  
**Year Ended June 30, 2016**

**2016-101**

CFDA Numbers: 84.007 Federal Supplemental Educational Opportunity Grants, 84.033 Federal Work-Study Program, 84.063 Federal Pell Grant Program and 84.268 Federal Direct Student Loans, Student Financial Assistance Cluster

*Contact Person:* Yolanda Espinoza, Director & Registrar, Admissions & Records

*Anticipated Completion Date:* June 30, 2017

*Corrective Action:*

The College has made significant improvements to provide timely reporting of student status changes. The remaining delay is the result of the lack of synchronization between the National Student Loan Clearinghouse (NSLCH) and the National Student Loan Data System (NSLDS). The college submitted all reports to the NSLCH in the time allotted.

PCC has researched reporting directly to NSLDS thereby eliminating the third party, NSLCH, but has determined that we will not be able to obtain valuable cohort reporting that PCC and other colleges and universities in Arizona have come to rely on. Therefore, reporting to NSLDS directly is not a viable option for all enrollment and graduation reporting rather error reporting only.

PCC has made recent improvements to ensure timely reporting between the two entities including being provided a NSLCH liaison, coordinating download and upload dates between the NSLCH and NSLDS systems also known as file submission dates, and receiving permissions to upload changes or corrections directly NSLDS when necessary to meet a timeline. PCC and other colleges and universities are also now able to upload an entire roster, excel spreadsheet, of changes to the NSLDS instead of correcting errors one-by-one which can be very time consuming when managing hundreds and sometimes thousands of reporting discrepancies.

There are remaining synchronization issues between the NSLCH and NSLDS, but we believe we have created sufficient alternatives to ensure timely reporting in the future.

We will continue to work with our State and National partners on accurate enrollment reporting as it is a common finding throughout the country.

ALL 3 ARIZONA UNIVERSITIES HAD A-133 AUDIT FINDINGS FOR ENROLLMENT REPORTING

[https://gao.az.gov/sites/default/files/StateOfArizonaJune30\\_2015SingleAudit.pdf](https://gao.az.gov/sites/default/files/StateOfArizonaJune30_2015SingleAudit.pdf)

<https://gao.az.gov/sites/default/files/Federal%20Awards%20Findings%20Questioned%20Costs%20and%20Corrective%20Action%20Plan.pdf>

MARICOPA DISTRICT A-133 AUDIT FINDINGS FOR ENROLLMENT REPORTING (AND ADDITIONAL LOCATIONS)

[https://www.maricopa.edu/sites/default/files/MaricopaCountyCommunityCollegeDistrictJune30\\_2015SingleAudit%20\(1\)\\_0.pdf](https://www.maricopa.edu/sites/default/files/MaricopaCountyCommunityCollegeDistrictJune30_2015SingleAudit%20(1)_0.pdf)

CENTRAL ARIZONA COLLEGE DISTRICT AUDIT FINDINGS FOR ENROLLMENT REPORTING

[http://www.centralaz.edu/Documents/finance/2016-17/PCCCDJune30\\_2016SingleAudit.pdf](http://www.centralaz.edu/Documents/finance/2016-17/PCCCDJune30_2016SingleAudit.pdf)

NATIONAL STUDENT CLEARINGHOUSE AUDIT CENTER

<https://studentclearinghouse.info/audit/>

## **2016-102**

CFDA Numbers: 84.007 Federal Supplemental Educational Opportunity Grants, 84.033 Federal Work-Study Program, 84.063 Federal Pell Grant Program and 84.268 Federal Direct Student Loans, Student Financial Assistance Cluster

*Contact Person:* Melissa Moser, Executive Director, Financial Aid

*Anticipated Completion Date:* Fully corrected as of September 1, 2016

### *Corrective Action:*

In February of 2016, the Financial Aid Office and the Office for Accreditation and Academic Quality Improvement discovered that the Aviation Technology Center was not an additional location that Pima Community College accrediting body, the Higher Learning Commission (HLC) had listed for Pima Community College. The Department of Education had the site listed for Pima Community College since May 02, 2001.

The Financial Aid Office immediately reported this discrepancy to the Department of Education. The Department of Education issued an off-site program review with Pima Community College. An entrance interview was conducted via telephone between the Department of Education and Pima Community College on May 16, 2016 with the corresponding exit interview being conducted on May 19, 2016.

Pima Community College received an approval letter for the Aviation Technology Center to be listed as an additional location from the Higher Learning Commission (HLC) on July 6, 2016.

The additional location letter was immediately forwarded to the Department of Education.

The Financial Aid Office received an approved Program Participation Agreement (PPA) from the Department of Education on September 1, 2016, allowing students to receive Federal Student Aid for programs provided at the Aviation Technology Center.

The Department of Education is currently evaluating the 2013-14, 2014-15 and 2015-16 award years to determine if further action is needed by the College.



**PimaCountyCommunityCollegeDistrict**

**District Office**

---

Office of the Executive Vice Chancellor  
for Finance and Administration  
4905C East Broadway Boulevard  
Tucson, Arizona 85709-1200  
Telephone (520) 206-4519  
Fax (520) 206-4516  
[www.pima.edu](http://www.pima.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,

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, 2016**

**Status of Prior Year Federal Award Findings and Questioned Costs**

**Finding Number: 11-03, 12-102 and 2014-101, 2015-101**

*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

*2015-101 CFDA Numbers:* 84.063, 84.268

*Program:* Student Financial Aid Cluster

*Status:* Partially corrected

*Corrective Action:*

The College has made significant improvements to provide timely reporting of student status changes. The remaining delay is the result of the lack of synchronization between the National Student Loan Clearinghouse (NSLCH) and the National Student Loan Data System (NSLDS). The college submitted all reports to the NSLCH in the time allotted.

PCC has researched reporting directly to NSLDS thereby eliminating the third party, NSLCH, but has determined that we will not be able to obtain valuable cohort reporting that PCC and other colleges and universities in Arizona have come to rely on. Therefore, reporting to NSLDS directly is not a viable option for all enrollment and graduation reporting rather error reporting only.

PCC has made recent improvements to ensure timely reporting between the two entities including being provided a NSLCH liaison, coordinating download and upload dates between the NSLCH and NSLDS systems also known as file submission dates, and receiving permissions to upload changes or corrections directly NSLDS when necessary to meet a timeline. PCC and other colleges and universities are also now able to upload an entire roster, excel spreadsheet, of changes to the NSLDS instead of correcting errors one-by- one which can be very time consuming when managing hundreds and sometimes thousands of reporting discrepancies.

There are remaining synchronization issues between the NSLCH and NSLDS, but we believe we have created sufficient alternatives to ensure timely reporting in the future.

We will continue to work with our State and National partners on accurate enrollment reporting as it is a common finding throughout the country.

ALL 3 ARIZONA UNIVERSITIES HAD A-133 AUDIT FINDINGS FOR ENROLLMENT REPORTING

[https://gao.az.gov/sites/default/files/StateOfArizonaJune30\\_2015SingleAudit.pdf](https://gao.az.gov/sites/default/files/StateOfArizonaJune30_2015SingleAudit.pdf)

<https://gao.az.gov/sites/default/files/Federal%20Awards%20Findings%20Questioned%20Costs%20and%20Corrective%20Action%20Plan.pdf>

MARICOPA DISTRICT A-133 AUDIT FINDINGS FOR ENROLLMENT REPORTING (AND ADDITIONAL LOCATIONS)

[https://www.maricopa.edu/sites/default/files/MaricopaCountyCommunityCollegeDistrictJune30\\_2015SingleAudit%20\(1\)\\_0.pdf](https://www.maricopa.edu/sites/default/files/MaricopaCountyCommunityCollegeDistrictJune30_2015SingleAudit%20(1)_0.pdf)

CENTRAL ARIZONA COLLEGE DISTRICT AUDIT FINDINGS FOR ENROLLMENT REPORTING

[http://www.centralaz.edu/Documents/finance/2016-17/PCCCDJune30\\_2016SingleAudit.pdf](http://www.centralaz.edu/Documents/finance/2016-17/PCCCDJune30_2016SingleAudit.pdf)

NATIONAL STUDENT CLEARINGHOUSE AUDIT CENTER

<https://studentclearinghouse.info/audit/>

**Finding Number: 2015-102**

CFDA Numbers: 84.007, 84.033, 84.063 and 84.268

*Program:* Student Financial Aid Cluster

*Status:* Fully corrected

