

**SAN LUIS OBISPO COUNTY
COMMUNITY COLLEGE DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

**SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	<u>No</u>
Identification of major Federal programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.007; 84.033; 84.063; 84.268</u>	<u>Student Financial Assistant Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	<u>Unmodified</u>
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SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2017**

None reported.

SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

None reported.

SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

None reported.

SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2017

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Audit Findings and Questioned Costs.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

2016-001 SECTION 424 - STATE GENERAL APPORTIONMENT FUNDING SYSTEM

Criteria or Specific Requirement

CCR, Title 5, Sections 58020-24, requires the District to maintain detailed documentation to substantiate the data reported on the "Apportionment Attendance Report" Form CCFS-320. FTES computation must apply the State-established Term Length Multiplier for the particular college.

Condition

The following were noted for the State General Apportionment Funding System:

Daily Contact Hours-Credit was overstated by 275.02 hours

- The District based one class hours on a term length multiplier of 18 rather than the actual number of days, which lead to an overstatement of 36.8 contact hours for the course tested.
- Two courses tested reported the wrong ending time. The District ended two courses at 12:29 pm rather than 12:30 pm and thus overstated their hours by 33.12. Course times are supposed to be based on five-minute increments for starting and ending times.
- One course's hours input was not in alignment with the course schedules. The hours were thus overstated by 205.8.

Positive Attendance-Non Credit was overstated by 1,440.58 hours

- One course tested was improperly claiming FTES for the class tutor's hours, thus overstating hours by 1,038.58.
- One class incorrectly calculated contact hours. Total hours for the class were calculated at 2,584 per the 320 report instead of 2,182 per the class syllabus/outline; thus overstating the hours by 402.

SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2017

Questioned Costs

The District had six errors noted out of a sample of 75 tested for contact hours, which represents an error rate of eight percent. Thus, if the error rate held over the total population there would be an estimated overstatement of 47.79 FTES.

The District performed a recalculation of all courses to correct this error, as well as, other changes noted which resulted in an actual reduction of approximately 10 FTES.

Context

The District claimed a total of 411.42 FTES for Daily Contact hours and 185.97 Non Credit Hours FTES for a total of 597.39 FTES. The errors noted above combined reflect an overstatement of 1716.30 contact hours.

- Out of 25 daily hour students tested, there were four errors noted.
- Out of 25 positive hours students tested, there were two errors noted.

Effect

By not claiming the correct hours, the District is incorrectly stating their FTES.

Cause

This error appears to have been a result of input errors within the Banner System.

Recommendation

The District should review all data entry related to contact hours in order to prevent any errors from occurring in the future.

Current Status

Implemented.