



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

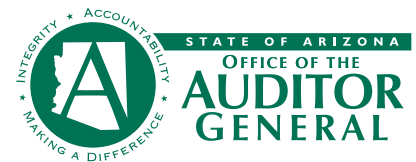
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Single Audit

**Maricopa County  
Community College  
District**

Year Ended June 30, 2014

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**Debra K. Davenport**  
Auditor General

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



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Maricopa County Community College District  
Single Audit Reporting Package  
Year Ended June 30, 2014

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Reports Issued Separately

Comprehensive Annual Financial Report

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*



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

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

Members of the Arizona State Legislature

The Governing Board of  
Maricopa County Community College District

**Report on Compliance for Each Major Federal Program**

We have audited Maricopa County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

## ***Opinion on Each Major Federal Program***

In our opinion, Maricopa 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, 2014.

## ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-101 and 2014-102. Our opinion on each major federal program is not modified with respect to these matters.

Maricopa County Community College District's responses to the noncompliance findings identified in our audit are presented on pages 15 through 17. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

## **Report on Internal Control over Compliance**

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is 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 2014-101 and 2014-102, that we consider to be significant deficiencies.

Maricopa County Community College District's responses to the internal control over compliance findings identified in our audit are presented on pages 15 through 17. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

### **Purpose of this Report**

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

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

We have audited the financial statements of the business-type activities and discretely presented component unit of Maricopa County Community College District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 16, 2014, that contained an unmodified opinion on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Jay Zsorey, CPA  
Financial Audit Director

March 31, 2015

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**Maricopa County Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014**

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>						
10 555	National School Lunch Program	Child Nutrition Cluster	Arizona Department of Education	ED09-0001	\$ 55,289	
10 223	Hispanic Serving Institutions Education Grants				109,715	\$ 13,896
10 558	Child and Adult Care Food Program		Arizona Department of Education	KR02-1170-ALS	10,172	
<b>Total Department of Agriculture</b>					<u>175,176</u>	<u>13,896</u>
<b>Department of Commerce</b>						
11 300	Investments for Public Works and Economic Development Facilities	Economic Development Cluster			913,751	
<b>Department of Defense</b>						
12 002	Procurement Technical Assistance for Business Firms				393,583	
<b>Department of the Interior</b>						
15 225	Recreation Resource Management		Arizona Bureau of Land Management	L12AC20583	6,481	
15 231	Fish, Wildlife and Plant Conservation Resource Management		Arizona Bureau of Land Management	L13AC00119	10,855	
<b>Total Department of the Interior</b>					<u>17,336</u>	
<b>Department of Labor</b>						
17 267	Incentive Grants—WIA Section 503		Arizona Department of Education	14-FAECCR-470579-05A	137,467	
17 270	Reintegration of Ex-Offenders		Arizona Women's Education and Employment (AWEE)	SGA-DFA-PY-11-02	3,754	
17 282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants				3,272,816	
<b>Total Department of Labor</b>					<u>3,414,037</u>	
<b>Department of State</b>						
19 014	One-Time International Exchange Grant Program		NOVA	S-ECAGD-13-CA-088(CB)	450,817	
<b>National Aeronautics and Space Administration</b>						
43 001	Science		University of Arizona	5400, 132941	7,985	
<b>National Endowment for the Humanities</b>						
45 162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development		AACU	None	38	
45 162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development		Gilder Lehrman Institute	None	285	
<b>Total National Endowment for the Humanities</b>					<u>323</u>	
<b>National Science Foundation</b>						
47 049	Mathematical and Physical Sciences		Arizona State University	12-928	84,132	
47 076	Education and Human Resources				3,048,880	166,965
47 076	Education and Human Resources		Arizona Board of Regents	V2014sb0011/V14 HS005	1,769	

See accompanying notes to schedule.



**Maricopa County Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014**

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
47 076	Education and Human Resources		JF Drake State Technical College	DPO-1201003	16,437	
47 076	Education and Human Resources		Northern Arizona University	SLC329X-1	49,066	
47 076	Education and Human Resources		Pennsylvania State University	3785-MATEC-NSF-2498, 4691-MATEC-NSF-5105	122,341	
47 076	Education and Human Resources		University of New Mexico	271343-87M6	4,704	
47 076	Education and Human Resources		Arizona State University	S23US003/2013us0006, 12-869, 12-794, V13HS0001/V2013sb0003, V2013sb0006/V13HS004, V2013sb0007/V13HS006, V2013sb0004/V13HS002, V14HS002/V2014sb0006	41,446	
<i>Total 47.076</i>					<u>3,284,643</u>	<u>166,965</u>
<b>Total National Science Foundation</b>					<u>3,368,775</u>	<u>166,965</u>
<b>Small Business Administration</b>						
59 037	Small Business Development Centers				2,254,005	997,057
59 037	Small Business Development Centers		Colorado Office of Economic Development and International Trade	PO EDA 13-207	20,000	20,000
<b>Total Small Business Administration</b>					<u>2,274,005</u>	<u>1,017,057</u>
<b>Department of Energy</b>						
81 123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program				480,122	
<b>Department of Education</b>						
84 007	Federal Supplemental Educational Opportunity Grants	Student Financial Assistance Cluster			2,768,423	
84 033	Federal Work-Study Program	Student Financial Assistance Cluster			2,317,258	
84 038	Federal Perkins Loan Program—Federal Capital Contributions	Student Financial Assistance Cluster			609,208	
84 063	Federal Pell Grant Program	Student Financial Assistance Cluster			164,619,165	
84 268	Federal Direct Student Loans	Student Financial Assistance Cluster			147,414,804	
<i>Total Student Financial Assistance Cluster</i>					<u>317,728,858</u>	
84 010	Title I Grants to Local Educational Agencies	Title I, Part A Cluster	Arizona Department of Education	13FT1TTI-360034-01A, 14FT1TTI-460034-01A, 14FT1TTI-470585-01A	125,751	
84 027	Special Education—Grants to States (IDEA, Part B)	Special Education Cluster (IDEA)	Arizona Department of Education	14FESCBG-460034-01A, 14FESCBG-470585-01A	46,678	
84 042	TRIO—Student Support Services	TRIO Cluster			715,439	

See accompanying notes to schedule.

**Maricopa County Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014**

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
84 047	TRIO—Upward Bound <i>Total TRIO Cluster</i>	TRIO Cluster			451,045 <u>1,166,484</u>	
84 002	Adult Education—Basic Grants to States		Arizona Department of Education	13FAEABE-370579-02A, 14FAEABE-470579-03A, 14FAECIV-470579-02A, 13FAEAEF-370579-03A, 14FAEAEF-470579-01A	1,607,942	
84 031	Higher Education—Institutional Aid				<u>2,022,799</u>	
84 048	Career and Technical Education—Basic Grants to States		Arizona Department of Education	13FCTDBG-370570-01A, 14FCTDBG-470570-01A	994,795	
84 051	Career and Technical Education—National Programs		Arizona Department of Education	None	70	
84 116	Fund for the Improvement of Postsecondary Education				226,546	
84 335	Child Care Access Means Parents in School				<u>82,666</u>	
84 365	English Language Acquisition State Grants				<u>359,757</u>	
	<b>Total Department of Education</b>				<u>324,362,346</u>	
<b>Department of Health and Human Services</b>						
93 721 ARRA	Health Information Technology Professionals in Health Care		Los Rios Community College	759107	99,884	
<b>Corporation for National and Community Service</b>						
94 006	AmeriCorps		Colorado Campus Compact	None	53	
	<b>Total expenditures of federal awards</b>				<u>\$ 335,958,193</u>	<u>\$ 1,197,918</u>

See accompanying notes to schedule.

Maricopa County Community College District  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

Note 1 - Basis of Presentation

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

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

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*.

Note 3 - Loans Outstanding

The expenditures reported on the Schedule of Expenditures of Federal Awards for the Federal Perkins Loan Program—Federal Capital Contributions (CFDA No. 84.038) included loan balances outstanding at June 30, 2014, of \$552,909.

Maricopa County Community College District  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2014

**Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified	
	<b>Yes</b>	<b>No</b>
Internal control over financial reporting:		
Material weaknesses identified?	<u>X</u>	___
Significant deficiency identified?	<u>X</u>	___
Noncompliance material to the financial statements noted?	___	<u>X</u>

**Federal Awards**

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants
47.076	Education and Human Resources
59.037	Small Business Development Centers
81.123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan Program—Federal Capital Contributions
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.048	Career and Technical Education—Basic Grants to States
84.365	English Language Acquisition State Grants

Maricopa County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

Dollar threshold used to distinguish between Type A and Type B programs: \$546,880

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

**Other Matters**

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?	<u>  X  </u>	<u>    </u>
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Maricopa County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

Financial Statement Findings

Financial statement findings were reported in the separately issued 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*.

Federal Award Findings and Questioned Costs

**2014-101**

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**CFDA No. and Name:** 17.282 **Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants**  
**Award Numbers and Years:** NISGTC-217806, 2011 through 2014;  
TC-23759-12-60-A-4, 2012 through 2016;  
TC-25185-13-60-A-4, 2013 through 2017  
**Federal Agency:** **Department of Labor**

**CFDA No. and Name:** 84.048 **Career and Technical Education—Basic Grants to States**  
**Award Numbers and Years:** 13FCTDBG-370570-01A, 2012 through 2013;  
14FCTDBG-470570-01A, 2013 through 2014  
**Federal Agency:** **Department of Education**  
**Pass-Through Grantor:** Arizona Department of Education  
**Compliance Requirements:** Procurement and Suspension and Debarment  
**Questioned Costs:** Unknown

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Criteria: In accordance with 2 Code of Federal Regulations (CFR) §215.46, the District should maintain records showing the basis for the vendor selected, justification for any lack of competition, and the basis for award cost or price. Additionally, as required by 2 CFR §180.300, the District should verify that subawards and contracts with vendors for goods and services costing more than \$25,000 are not awarded to parties who have been suspended or debarred from doing business with the federal government.

Condition and context: The District did not always follow its policies and procedures when making purchases to help ensure that they were competitive and advantageous, and for verifying that parties it does business with are not suspended or debarred. Specifically, auditors noted the following:

Maricopa County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

- For one of four Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants program purchases tested, the District did not maintain documentation evidencing that three verbal or written price quotations or sole source documentation was obtained for goods and services totaling \$27,322. The District paid for the renewal of a software license and considered the license to be a sole source procurement. However, the District did not maintain the documentation supporting the classification as sole source because the original purchase of the software license was performed over 5 years ago.
- For one of five Career and Technical Education (CTE)—Basic Grants to States program purchases tested, the District did not verify that the vendor was not suspended or debarred from doing business with the federal government for goods and services totaling \$49,550.

Effect: The District could potentially enter into a contract that is not the most advantageous to the District and could potentially make payments to suspended or debarred vendors. Auditors were able to perform tests and verified that the vendor was not excluded or debarred from doing business with the federal government. However, it was not practical to extend auditing procedures sufficiently to determine the amount of questioned costs, if any, that may have resulted from this finding. This finding has the potential to affect other federal programs the District administers.

Cause: The District did not follow its policies and procedures, or properly monitor that policies and procedures were followed, for making purchases that are competitive and advantageous and for verifying that vendors are not suspended or debarred.

Recommendation: To help ensure that it complies with 2 CFR §215.46 and §180.300, obtains the most advantageous price for goods and services purchased with federal monies, and does not do business with parties that are suspended or debarred, the District should:

- Enforce existing policies and procedures to prepare and retain all supporting documentation evidencing that purchases were made through the required competitive process.
- Verify that vendors have not been suspended or debarred prior to awarding contracts of \$25,000 or more in federal monies and retain documentation of this verification.

Maricopa County Community College District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

**2014-102**

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<b>Cluster Name:</b>	<b>Student Financial Assistance Cluster</b>
<b>CFDA No. and Name:</b>	84.007 <b>Federal Supplemental Educational Opportunity Grants</b> 84.033 <b>Federal Work-Study Program</b> 84.038 <b>Federal Perkins Loan Program—Federal Capital Contributions</b> 84.063 <b>Federal Pell Grant Program</b> 84.268 <b>Federal Direct Student Loans</b>
<b>Award Year:</b>	2013 through 2014
<b>Federal Agency:</b>	<b>Department of Education</b>
<b>Compliance Requirements:</b>	Activities Allowed/Unallowed and Special Tests and Provisions
<b>Questioned Costs:</b>	None

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Criteria: In accordance with 34 CFR §600.10, federal monies should be awarded to only those students enrolled in eligible programs included on the District's Eligibility and Certification Approval Report (ECAR). In addition, 34 CFR §§600.20(c)(1) and 600.21 require the District to list on the ECAR its main campus and each location that offers 50 percent or more of an eligible program. The District should also report changes pertaining to the addition, correction, or removal of a location to the federal awarding agency no later than 10 days after the change occurs. Finally, in accordance with 34 CFR §§600.20 and 668.8(c)(3) or (d), the District should include any self-certified programs on its next ECAR recertification application submitted to the federal awarding agency.

Condition and context: The District has ten colleges that are each required to compile a separate ECAR. The District did not have adequate policies and procedures in place to ensure that all required information was included on each college's ECAR. Specifically, for 30 of 33 academic programs tested, the colleges' self-certified programs were omitted from the colleges' next ECAR recertification application. In addition, for 1 of 4 colleges' ECARs tested, GateWay Community College did not properly identify 7 of its 23 locations on its ECAR.

Effect: The District could potentially award federal monies to students who were not eligible to receive the financial aid. Auditors performed additional tests and determined that academic programs were properly self-certified and approved by the District's accrediting agency; therefore, the students enrolled in the academic programs were eligible to receive federal financial aid.

Cause: The District's colleges did not fully understand what programs and locations should be included on the ECAR, and the colleges' reviews of the ECARs did not detect the omissions.

Recommendation: To help ensure that it complies with federal requirements for awarding financial aid to only those students enrolled in eligible programs, as reported on each college's ECAR, the District should establish policies and procedures for the colleges to follow regarding what information should be included on the ECAR. Policies and procedures should include developing a process to identify and report all eligible programs and locations. In addition, a second employee should review and approve the ECAR for accuracy.



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March 31, 2015

Debbie Davenport  
Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

Dear Ms. Davenport:

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

Sincerely,

Kimberly Brainard Granio, CPA  
Associate Vice Chancellor, Business Services & Controller

Maricopa County Community College District  
Corrective Action Plan  
Year Ended June 30, 2014

## Financial Statement Findings

The corrective action plan for financial statement findings was included in the separately issued 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*.

## Federal Award Findings and Questioned Costs

### **2014-101**

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CFDA No.: 17.282 Trade Adjustment Assistance Community College and Career Training (TAACCCT)  
Grants

84.048 Career and Technical Education – Basic Grants to States

Contact person: Richard Sauriol, Purchasing Manager

Anticipated completion date: March 31, 2015

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The TAACCCT purchase was for the renewal of a software license that was originally purchased through a competitive process that results in any future renewals being a “sole source” or “competition not practical” purchase order. The purchase order was documented as such. The original documents were maintained with the original hard copy of the order. The original order was no longer required to be retained in archives thus resulting in the supporting documentation not being available. All subsequent purchase orders have been documented indicating the sole source. Within the last two years we have started scanning all supporting documentation and electronically attaching it to the purchase order. This practice should prevent the loss of original documentation in the future. It should also be noted that with sole source purchases there is no requirement for competitive pricing.

All buyers have been reminded to document all sole source procurements and these will be approved in all cases per the Purchasing Manual.

The District has implemented an automatic notification to all Buyers and the Purchasing Manager of approved requisitions that have Federal funds associated with them and each of those vendors will be checked against the Federal debarment and suspension list. The debarred listing will continue to be monitored as outlined. Purchasing understands the importance of reviewing the debarred listing when making purchases with federal funds and believes this to be an isolated incident.

Maricopa County Community College District  
Corrective Action Plan  
Year Ended June 30, 2014

**2014-102**

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CFDA Nos.: 84.007 Federal Supplemental Educational Opportunity Grants  
84.033 Federal Work-Study Program  
84.038 Federal Perkins Loan Program – Federal Capital Contributions  
84.063 Federal Pell Grant Program  
84.268 Federal Direct Student Loans

Contact person: Michelle Paul, Manager of Grants Accounting and Student Financial Services  
Anticipated completion date: June 30, 2015 for ECAR updates and December 31, 2015 for training implementation

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In March 2015, the District Center for Transfer and Articulation (CCTA) revised the curriculum process to include a compliance approval component for modifications to existing and the implementation of new academic programs. The revised process makes the programs unavailable in the Student Information System and on the web until after the District receives confirmation that the college has the necessary approvals from the Higher Learning Commission and the United States Department of Education (USDOE).

The revised procedure includes information on USDOE program eligibility requirements related to programs and certificates and advises colleges on which programs and locations should be included on the ECAR, including locations that offer 50% or more of an eligible academic program. Additionally, the District will develop and implement training on the program and location eligibility requirements for inclusion on the ECAR recertification applications for all staff responsible for completing and reviewing the ECAR.

Finally, all colleges will review and update its ECAR for any deficiencies noted.

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March 31, 2015

Debbie Davenport  
Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

Dear Ms. Davenport:

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

Sincerely,

Kimberly Brainard Granio, CPA  
Associate Vice Chancellor, Business Services & Controller

Maricopa County Community College District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2014

Status of Federal Award Findings and Questioned Costs

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CFDA No.: 47.076 Education and Human Resources  
Finding No.: 2013-101  
Status: Fully corrected

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CFDA No.: 47.076 Education and Human Resources  
Finding No.: 2012-102  
Status: Fully corrected

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CFDA Nos.: 84.007 Federal Supplemental Educational Opportunity Grants  
84.032 Federal Family Educational Loans  
84.033 Federal Work-Study Program  
84.038 Federal Perkins Loan Program – Federal Capital Contributions  
84.063 Federal Pell Grant Program  
84.268 Federal Direct Student Loans  
84.375 Academic Competitiveness Grants  
Finding No.: 10-101  
Status: Not warranting further action

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Per OMB Circular A-133 Subpart C §.315 (b)(4), this prior-year finding is not warranting further action as two years have passed since the audit report in which the finding occurred was submitted to the Federal clearinghouse; the US DOE is not currently following up on the finding; and a decision was not issued by the US DOE. As reported previously, the District has been awarding and disbursing financial aid in accordance with a revised academic calendar since late 2010. The revised calendar was reviewed by the US DOE in a site visit conducted in November 2012. No further correspondence has been received.