

# Audits and Program Reviews – Know What to Expect?

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# Audit Objective

- To evaluate and report on the institution's administration of Commission programs.
- To ensure program compliance by postsecondary institutions participating in the Commission's Cal Grant Programs.
- To determine whether Cal Grant Program disbursements were in accordance with the following criteria:
  - Participating schools complied with state and federal laws and regulations, Commission program policies, and the Institutional Participation Agreement.
  - Timely response and recovery of liabilities in regard to program deficiencies.



# Audit Criteria

Issues that arise during the audit will be resolved by reference to:

- California Education Code
- Institutional Participation Agreement
- Cal Grant Manual
- Commission Operations Memos, Policy Bulletins and Special Alerts
- Higher Education Act of 1965, as amended
- 34 CFR: Compilation of Student Financial Assistance Regulations
- Financial Aid Handbook
- School Policies, Procedures and Catalogs
- California Code of Regulations



# CSAC's Top 10 Most Popular Audit Findings

1. Cal Grant Reconciliation
2. Education Grade Level
3. No Written Policies & Procedures
4. SAP Not in Compliance with Title IV
5. Noncompliance with Information Security and Confidentiality Agreement
6. Ineligible Student/Program
7. Unmet Need Calculated Incorrectly or Could Not Be Reconstructed
8. Incorrect Payment Amounts Due to Enrollment Status
9. Cal Grant Tuition Disbursement Exceeds Tuition Charges
10. Conflicting Information Not Resolved or Not Documented



# Areas of Compliance

- General Eligibility
- Applicant Eligibility
- Fund Disbursement and Refunds
- Rosters and Reports
- Record Retention and File Maintenance
- Fiscal Responsibility
- Auditing Findings and Reporting Process



# General Eligibility

**Objective** - *To determine whether the institution has complied with all of the requirements from the California Education Code, Institutional Participation Agreement, the Cal Grant Manual, and the Commission's policies to be eligible to participate in the Cal Grant Programs.*

- School's Policies and Procedures
- Cal Grant Institutional Participation Agreement
- FISAP
- Independent Auditor's Report
- Educational Programs
- Information Security and Confidentiality Agreement



# Applicant Eligibility

**Objectives:** *To determine whether the institution verified student eligibility according to the requirements of the California Education Code, the Cal Grant Manual, and Commission policies to be eligible to participate in Cal Grant programs.*

- Income and Asset Ceilings
- Citizenship Requirements
- California Residency
- Student Cannot Have Completed a B.S./B.A. Degree
- Valid and Completed ISIR
- Enrollment Status
- SAP
- Cal Grant Eligibility



# Fund Disbursements and Refunds

**Objectives:** *To determine whether the disbursement of awards to students complies with all of the requirements from the California Education Code and the Cal Grant Manual.*

- Enrollment Status - Number of Units
- Disbursement Policy & Dates
- Refund Policy
- Cal Grant Overawards
- Cal Grant Tuition Awards May Not Exceed Actual Tuition Charges
- Authorization – Cal Grant B and C Access Awards



# Rosters and Reports

**Objectives:** *To determine whether the institution completed the various reports, rosters and forms used to administer Cal Grant programs in an accurate and timely manner.*

- Renewal Unmet Need (COA-EFC-Pell)
- Grade Level (New Cal Grant A and B Recipients)  
(Other than Community Colleges)



# Cal Grant Exercise

Sasha is attending Success Community College. Her COA is \$12,264; her EFC is \$53; and, she is eligible for a Pell Grant of \$4,050. Success Community College's practice is to include the BOGG waiver fee of \$764 in its calculation when reporting renewal unmet need to the Commission.

What is her renewal unmet need amount?  
(COA-EFC-Pell-BOGG)



# Record Retention and File Maintenance

**Objectives:** *To determine whether the institution has a system for filing their documents and a method of retention.*

- Authorization Form / Policy
- Renewal Notification
- Document Retention:
  - 3 years (end of the award year for which the aid was awarded)
  - Records may be stored on hard paper, microfilm, CD-ROM, computer file and other media formats.



# Fiscal Responsibility

**Objectives:** *To determine whether the institution has accounting processes, procedures and controls regarding Commission funds. The appropriate accounting records must support all activity.*

- Accounting Documents – Ledgers (debits & credits) and Supporting Documentation
- Cal Grant Reconciliation (student by student)
- Reconciliation Discrepancies (excess funds, unreported payment, undisbursed funds)
- Cal Grant Interest



# Audit Findings and Reporting Process

**Objectives:** *The audit report serves to summarize the results of the review and to communicate the results to interested parties.*

- Exit Conference – Summary of All Finding/Observations Results
- Management Representation Letter
- Liabilities (questioned costs)
- Required/Corrective Actions (return funds, policies and procedures)
- Institutional Audit Response to Draft Report
- Final Report



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# Cal Grant Student Checklist/Source

## Checklist

1. Student:\_\_\_\_\_
2. SSN:\_\_\_\_\_
3. Program E/C\_\_\_\_\_
4. 5th Yr./TCP\_\_\_\_\_
5. Award\_\_\_\_\_
- 5a. T/F\_\_\_\_\_
- 5b. Access\_\_\_\_\_
- 5c. B/S\_\_\_\_\_
6. New/Renewal/EL\_\_\_\_\_
7. Citizen\_\_\_\_\_
8. CA Resident\_\_\_\_\_
9. High School Graduation\_\_\_\_\_

## Source

1. WebGrants
2. WebGrants
3. WebGrants
4. Commission List (G-42);  
Grant Services maintains a  
list of eligible students.
5. WebGrants
  - a. WebGrants
  - b. WebGrants
  - c. WebGrants
6. New – WebGrants, academic  
transcripts, school database
7. ISIR, SAR, Naturalization  
Certificate, G-845
8. ISIR, high school transcripts,  
documentation to support  
California residency
9. High school transcript, self  
certification



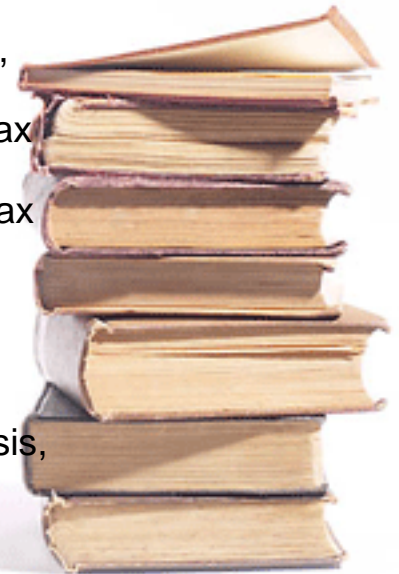
# Cal Grant Student Checklist/Source Cont'd....

## Checklist

10. D/I \_\_\_\_\_
11. D/R Edits \_\_\_\_\_
12. B.A. \_\_\_\_\_
13. Parents \$ \_\_\_\_\_
14. Student \$ \_\_\_\_\_
15. Renewal Notify \_\_\_\_\_
16. COA \_\_\_\_\_
17. EFC \_\_\_\_\_

## Source

10. ISIR, tax documents, verification documentation
11. ISIR, tax documents, verification documentation, selective service documents, drug conviction documents, default resolution, citizenship documents
12. ISIR, academic transcripts, school database, diploma
13. New – WebGrants, ISIR, tax documents
14. New - WebGrants, ISIR, tax documents
15. Award letter, renewal notification, school's database
16. School budget, college estimate form, need analysis, award letter
17. ISIR, need analysis, SAR



# Cal Grant Student Checklist/Source Cont'd....

## Checklist

18. EFA\_\_\_\_\_
19. Unmet Need\_\_\_\_\_
20. Major/Program\_\_\_\_\_
21. Length\_\_\_\_\_
22. Start Date\_\_\_\_\_
23. GPA\_\_\_\_\_
24. SAP\_\_\_\_\_
25. WD/GD/Current\_\_\_\_\_

## Source

18. Award letter, student ledger, account card, need analysis
19. New – WebGrants, ISIR, award letter, need analysis, renewal notification
20. Academic transcripts, school database, enrollment agreement
21. Academic transcripts, school database, enrollment agreement, school catalog
22. Academic transcripts, school database, enrollment agreement
23. WebGrants
24. Academic transcripts, school database, SAP reports, add/drop reports
25. Academic transcripts, school database, add/drop reports, graduation certificate



# Cal Grant Student Checklist/Source Cont'd....(Payment Section)

Type - WebGrants

Attempted/Completed - Academic transcripts; enrollment records, schools database

Adjusted Term - Verify enrollment status

CSAC Paid – WebGrants

School Paid - Student ledger, account card, school database, check copy

Date Paid - Student ledger, account card, school database, check copy

Authorization Signature - Student ledger, account card, school database, check copy, authorization form policy



# Contacts

- For procedural clarifications and/or training information:
  - School Support Services at 1-888-294-0153
  - E-Mail questions to School Support staff at [SchoolSupport@csac.ca.gov](mailto:SchoolSupport@csac.ca.gov)
- Charles Wood, Program Manager  
Compliance Office:
  - (916) 464-8912
  - E-Mail at [cwood@csac.ca.gov](mailto:cwood@csac.ca.gov)

