

December 19, 2019

20-074

RESOLUTION FOR APPROVAL OF THE 2019 FISCAL
YEAR AUDIT CORRECTIVE ACTION PLAN

PREPARED BY: Jim Crofts, Accounting Services Manager, Finance

APPROVED BY: Dina Farrell, Associate Vice President, Finance
Eric Blumenthal, Vice President, Finance and Administration
Mark Mitsui, College President

REPORT: In performing independent audit procedures required under ORS 297.425 the external auditor is required to determine if a municipal corporation has followed generally accepted accounting principles in reporting its financial condition and operations, established appropriate accounting systems and internal controls and substantially complied with legal requirements in conducting its financial affairs. PCC and other Oregon community colleges are considered municipal corporations for the purposes of the municipal audit law under the broad definition of school district.

ORS 297.466 requires the governing body to determine the measures it considers necessary to address any deficiencies disclosed in the report and to adopt and report to the Secretary of State a plan to address those deficiencies.

A deficiency was identified by auditors performing the 2019 fiscal year audit and a corrective action plan described in Exhibit A has been developed to address the deficiency. This plan has been reviewed with the Board Audit Committee.

RECOMMENDATION: That the Board of Directors approve the 2019 fiscal year audit corrective action plan in Exhibit A.

ATTEST:

APPROVED:

Mark Mitsui
College President

Jim Harper, Chair
Board of Directors

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Exhibit A

Finding 2019-001
Significant Audit Adjustments
Significant Deficiency in Internal Control

Finding Summary: During the audit, there were significant adjustments that were found as a result of audit procedures.

Responsible Individuals: Dina Farrell, Associate Vice President of Finance

Corrective Action Plan: While multiple layers of staff and management review are currently performed on the financial statements and supporting documents, not all of the review has been completed prior to commencement of audit fieldwork.

The process of preparing College entity wide financial statements is complex requiring compilation and adjustments to be made to convert budget based source financial data from the College's financial system using spreadsheets and incorporating additional required data from multiple external sources.

College will confer with the auditors to prevent these findings from occurring in the future through adjustments to the timing and levels of review and other means.

College will take additional steps to enhance the amount and timing of review of financial statements and supporting documents prior to submitting to auditor for testing.

Specific staff assignments will be made to coordinate and provide for additional review of spreadsheets and supporting schedules and data used to compile the financial statements.

College will also confer with the auditors to adjust the scheduled start of audit fieldwork to allow for additional final review of financial statements, including footnotes, by management.

Anticipated Completion Date: October 2020