

THE COLORADO COLLEGE
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2016

**THE COLORADO COLLEGE
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Audit Committee of the Board of Trustees
The Colorado College
Colorado Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Colorado College (the College), which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 19, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 entity's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a deficiency in internal controls, described in the accompanying schedule of findings and questioned costs as item 2016-001, which we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's 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*.

The College's Response to Findings

The College's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 19, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Audit Committee of the Board of Trustees
The Colorado College
Colorado Springs, Colorado

Report on Compliance for Each Major Federal Program

We have audited The Colorado College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2016. The College's major federal program is 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 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 the College's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 College'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 College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-002 through 2016-004. Our opinion on each major federal program is not modified with respect to this matter.

The College's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the College 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 College's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 College'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 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. *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 deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-002 through 2016-004, which we consider to be significant deficiencies.

The College's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Audit Committee of the Board of Trustees
The Colorado College

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 result of that testing based on the requirements of The Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the College as of and for the year ended June 30, 2016, and have issued our report thereon dated October 19, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 19, 2016

**THE COLORADO COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor Pass-Through Grantor Program/Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Student Financial Assistance Cluster</u>				
United States Department of Education				
Federal Pell Grant Program	84.063		\$ -	\$ 1,103,235
Federal Supplemental Educational Opportunity Grants	84.007		-	145,484
Federal Work-Study Program	84.033		-	131,085
Federal Perkins Loans	84.038		-	6,035,270
Federal Direct Loans	84.268		-	3,836,298
Total Student Financial Assistance Cluster			-	11,251,372
<u>Research and Development Cluster</u>				
National Science Foundation				
NSF: Col Testing Himalayan Tectonic	47.050		-	677
NSF: Collab Lab & Numerical Experiments	47.050		-	19,786
NSF: The Role of NRA Binding Protein	47.074		-	56,059
NSF: Laboratory Experiments in Mathematical Biology	47.076		-	33,242
NSF: RUI: Biology-Physics Collaboration	47.074		-	86,516
NSF: Collaborative Research: Improving the recruitment and persistence of women in the geosciences	47.076		-	11,458
NSF: Collaborative Research: Surface water-Groundwater connectivity in the Tidal Freshwater Zone	47.050		-	33,976
NSF: Rosetta ICE	47.050		-	10,055
NSF: Noyce Scholarship	47.076		-	31,798
NSF: Subaward Through University of Colorado Denver, Collaborative Research: Sustained Innovation for Linear Algebra Software	47.070	FY15.718.001	-	10,249
Total National Science Foundation			-	293,816
NASA				
NASA Subaward through The Regents of the University of California Riverside, Catching the "Second Wave" of the Ediacara Biota	43.001	5-000680	-	4,078
National Institute of Justice				
Identify Effective Counter-Trafficking	16.560		-	9,283
Department of Education				
US-Brazil Higher Education Consortium FIPSE	84.116		1,500	5,620
US Army				
Mathematics: Probability and Statistics	12.431		-	36,843
USDA Forest Service				
Hot Creek, Challenge Cost Share agreement	10.15-CS-11020900-		-	8,160
Total Research and Development Cluster			-	357,800
United States Department of Commerce				
CPB Community Service Grant	11.000		-	178,393
Corporation for National and Community Service				
Americorps Grant	94.006		-	12,838
TOTAL FEDERAL AWARDS			\$ 1,500	\$ 11,800,403

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**THE COLORADO COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of The Colorado College (the College) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

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. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 FEDERAL STUDENT LOAN PROGRAMS

The federal student loan programs listed subsequently are administered directly by the College, and balances and transactions relating to these programs are included in the College's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2016 consists of:

Program Title	CFDA Number	Amount Outstanding
Federal Perkins Loan Program	84.038	\$ 5,150,412

**THE COLORADO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.063; 84.007; 84.033; 84.038; 84.268	Student Financial Assistance Cluster
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**THE COLORADO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Section II – Financial Statement Findings

2016-001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Criteria or specific requirement: General information technology controls are policies and procedures that relate to many applications and support the functioning of application controls by helping to ensure the continued proper operation and security of information systems. Such controls commonly include controls over data center and network operations; systemic software acquisition and maintenance; access security; program change management, access controls, and application system acquisition, development and maintenance.

Condition: During testing, the following control deficiencies were noted:

1. Program Change Control – The College has a Change Management Policy. However, the programmers that are assigned as technicians to the Heat/CherWell tickets are the ones who develop the program changes as well as move them into the production environment. (Recurring)
2. Inappropriate Access – During our review of segregations of duties conflicts within the Banner system and user access rights we noted improper segregation of duties as follows (Recurring):
 - 23 employees had the ability to with respect to payroll: 1) add, change, delete an employee within the payroll system, 2) establish payment method and pay rates, 3) process payroll, and 4) update paid-time off accrual thresholds.
 - 16 employees had the ability regarding general disbursements to: 1) add vendor, 2) input an invoice, 3) approve invoice, and 4) process a payment to the vendor.
 - 18 employees had the ability to within the general ledger to: 1) add, change or delete accounts; 2) open, close a period, and 3) post a journal entry.

Context: Access rights within the Banner system were tested for any conflicts related to segregation of duties. Employees from various departments at the College were determined to have access to processes beyond the scope of their position.

Effect:

1. Program Change Control – Improper segregation of duties related to programmers could result in untested or unauthorized changes being made to production programs and/or data files. No mitigating control exists such as a review of all known changes by a person independent of the assigned technician/programmer.
2. Inappropriate Access – Inappropriate access could lead to many risks such as misappropriation of assets, misstated financial statements, inaccurate financial documentation, improper use of funds, or the modification of data could go undetected.

Cause: The causes of the items noted above varied from limited resources with knowledge and expertise, to the nature and size of the IT Department, to the lack of formalization of processes and policies that may be known by the IT Department, but not documented.

**THE COLORADO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Recommendation: We recommend The College implement the following procedures:

1. *Program Change Control* – Due to the size of the IT Department, making another individual or group responsible for moving the changed program modules into production once it has been approved may be difficult. We recommend that, on a monthly basis, someone independent of the programming process review a listing of changes made to The Colorado Colleges Banner application and compare it against a listing of known changes.
2. *Inappropriate Access* – Management should ensure proper segregation of duties is established by removing access rights so that no one employee has the ability to perform all phases of a transaction. If in the rare circumstance that access rights can not be removed for certain employees, an automated process should be implemented so that when and if these employees perform a series of transactions that violates proper segregation of duties, a supervisor is informed and must approve that the actions taken by the employee were authorized and appropriate. Lastly, the College should review access rights periodically to ensure proper segregation of duties.

Views of responsible officials and management's response:

1. *Program Change Control* – The College acknowledges the finding. The IT team has piloted a new review process, which is extremely manual and labor intensive review process. Due to the fact that the process is manual in nature, there is significant room for error in the review. The process will be executed on a monthly basis starting November 2016. The following steps describe the review process:
 - a) A spreadsheet is created on a monthly basis that compares the primary CIs (Configuration Items) in Cherwell ticketing system, against the Oracle object level changes.
 - b) Vish Paradkar, Assistant Vice President for ITS, reviews the spreadsheet on a monthly basis. An attempt is made to justify the cause of the mismatches. Note that the secondary CIs in Cherwell are not extractable due to limitations in Cherwell. Also, some of the Oracle object level changes are flagged even if the underlying code is unchanged. This causes some of the mismatches to be a challenge to reconcile.
 - c) Since the Cherwell ticket extract occurs only after the ticket is closed, the Cherwell ticket that span across multiple months are required to be closed and then reopened after the review process.
 - d) The monthly spreadsheets will be attached to a Cherwell ticket that will remain open until June 2017.
 - e) It is still undetermined as to what plan of action plan the review process will need to take if changes are not reconcilable.
2. *Inappropriate Access* – The College acknowledges the finding and agrees that Banner access should be reviewed. The College will develop a review plan and a plan to remove all unwarranted access. While individuals have unwarranted access, the College has internal control functions that occur outside of Banner which would prevent any individual from performing functions from start to finish as noted in the finding.

Contact Information: Brian Young, CTO, (719) 389-6454.

**THE COLORADO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Section III – Findings and Questioned Costs – Major Federal Programs

2016-002

Federal agency: Department of Education

Federal program title: Student Financial Assistance Cluster

CFDA Numbers: 84.007 – Federal Supplemental Education Opportunity Grants
 84.033 – Federal Work Study Program
 84.038 – Federal Perkins Loans
 84.063 – Federal Pell Grant Program
 84.268 – Federal Direct Student Loans

Award Period: July 1, 2015 to June 30, 2016

Special Tests and Provisions – Enrollment Reporting

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Per 34 CFR 685.309, and as outlined in the OMB Compliance Supplement Part 5, institutions are required to update all information included in the enrollment report from the National Student Loan Data System (NSLDS) and return the report within the prescribed timeframe (15 days). Schools are also required to make necessary corrections, and return, within the prescribed timeframe (ten days) for any report errors subsequently noted by NSLDS. In addition, enrollment information must be reported within 15 days whenever attendance changes for students, unless a roster will be submitted within 60 days.

Condition: Review of enrollment reporting data from the College showed that errors were not corrected and returned to NSLDS within the prescribed timeframe (10 days). In addition, during testing of underlying enrollment information, one student's information was not submitted to the NSLDS within the 60-day timeframe for changes in status.

Context: During our testing of enrollment submissions, it was noted that errors were not corrected within the prescribed timeframe noted above throughout the fiscal year. In addition, out of a sample of 27, one student's information was not submitted within the 60-day timeframe noted above for changes in status.

Cause: The College utilizes the National Student Clearinghouse (NSC) to report student information to NSLDS. After uploading batch roster updates to NSLDS within the required timeframe, the University's error/acknowledgment file from NSLDS is available to them via their NSC services. In an attempt to correct the errors, NSC resubmitted the files within the required 10 days but unfortunately, some of those records continued to not pass the NSLDS enrollment reporting edits and we noted no additional uploads by NSC to correct these errors until the next enrollment roster request from NSLDS. In addition, it was discovered that the student whose information was not submitted within the 60-day timeframe was not included on the original data file submitted to the Clearinghouse.

**THE COLORADO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Effect: The NSLDS system may not be updated with current student information, which can cause over-awarding should the student transfer to another institution. In addition, students may not properly enter the repayment period upon withdrawal or graduation if inaccurate information is maintained at the NSLDS.

Repeat Finding: Yes, Prior year finding 2015-004.

Recommendation: We recommend that the College implement a process to ensure that all rosters are accurately uploaded, or corrected, in a timely manner to NSLDS.

Views of responsible officials and management's response: The College has expressed the importance of timely submissions of the correction files received from the Clearinghouse with representatives from that organization and has suggested corrective measures to this process be implemented as quickly as possible. The College has been monitoring NSLDS reports to ensure that NSC is uploading the proper data to remain in compliance with Federal Regulations. Once the correction file is received from the Clearinghouse, it is revised and sent within the allowable timeframe. This issue is receiving the correction file in a timely manner from the Clearinghouse. The College has also, in an attempt to solve any issues regarding student status change issues, has begun reporting all students with a filed FAFSA to the Clearinghouse.

Contact Information: Shannon Amundson, Director of Financial Aid (719) 389-6651.

2016-003

Federal agency: Department of Education

Federal program title: Student Financial Assistance Cluster

CFDA Number: 84.007 – Federal Supplemental Education Opportunity Grants
 84.033 – Federal Work Study Program
 84.038 – Federal Perkins Loans
 84.063 – Federal Pell Grant Program
 84.268 – Federal Direct Student Loans

Award Period: July 1, 2015 to June 30, 2016

Special Tests and Provisions – Return of Title IV Funds

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Per 34 CFR section 668, and the OMB Compliance Supplement Part 5, returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers need to be initiated to the Department of Education or appropriate lender no later than 45 days after the date the institution determines that the student withdrew.

**THE COLORADO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Condition: Per review of the Common Origination Disbursement screen and review of the student's account, deposits or transfers of funds to be returned were not made within 45 days of the institutional date of determination of withdrawal.

Questioned costs: None

Context: Two students were tested for this requirement, and one student was determined to have his funds returned 49 days after withdrawing from the College, which is outside the prescribed timeframe noted above (45 days).

Cause: The student originally filed for a leave of absence, later officially withdrew from school. Because a "Leave of Absence" and a "Withdrawal" are submitted on separate forms, the College was behind in isolating the date of determination. After the official withdrawal and date of determination had been set, the College returned the funds, but the return was not within the prescribed 45-day window.

Effect: The College is not complying with internal policy and federal requirements to ensure that Title IV Funds are returned within the prescribed timeframe.

Repeat Finding: No.

Recommendation: We recommend that the College return all Title IV funds as soon as it becomes aware of such a situation in order to avoid any administrative issues that may then extend the return beyond the prescribed timeframe.

Views of responsible officials and management's response: The Financial Aid Department has begun conversations with other departments on campus to ensure that the College is tracking students in an efficient manner, students are reported as withdrawn as soon as possible so that funds can be processed within the required timeframe, and that there is sufficient reporting to allow processes to happen within appropriate timeframes.

Contact Information: Shannon Amundson, Director of Student Financial Aid (719) 389-6651.

2016-004

Federal agency: Department of Education

Federal program title: Student Financial Assistance Cluster

CFDA Number: 84.063 – Federal Pell Grant Program

Award Period: July 1, 2015 to June 30, 2016

Eligibility

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

**THE COLORADO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 690.62 states the Pell grant for an academic year is based upon the payment and disbursement scheduled published by the Secretary for each award year. The payment schedules take into account the cost of attendance, the student's EFC and the enrollment status of the student.

Condition: Per review of one student's award package, the disbursements made to that student and other supporting student account information, an erroneous computation of the student's award amount, based on eligibility factors, resulted in an under-award Federal Pell Grant funds.

Questioned costs: None.

Context: Out of 13 students tested for Pell eligibility and awarding, we noted that one student was under-awarded their possible Pell award by \$7.

Cause: The student's enrollment status changed from full-time to half time prior to the start of the spring term. A change in Federal Pell Grant calculation was made manually to adjust the student's award package as part of a Return of Title IV funds calculation, but the change did not match the amounts per Federal Pell Tables for the relevant enrollment status and Expected Family Contribution (EFC).

Recommendation: We recommend that a review is implemented which compares enrolled credits to Pell award to ensure all Pell funds are awarded at proper amounts.

Views of responsible officials and management's response: Financial Aid Employees will have all return of Title IV adjustments and entries reviewed by the Associate Director or Director of Financial Aid to ensure that there is a quality assurance process on calculation adjustments for accuracy and consistency purposes.

Contact Information: Shannon Amundson, Director of Student Financial Aid (719) 389-6651.

**THE COLORADO COLLEGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

Section IV – Prior Year Findings

2015-001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Summary: The College did not ensure adequate information technology general controls were in place and operating effectively, which could impact proper operation of information systems, including improper access and changes to program data.

Recommendation: We recommended that someone independent of the programming process review, on a monthly basis, a listing of changes made to the Banner application and compare those changes against a listing of known changes to ensure changes made were proper and authorized. Also, we recommended that the Help Desk Ticketing system be updated. The ticketing system software that was used by the College was called Heat, which was no longer supported by the vendor, Front Range Solution, nor were they performing any upgrades. It would have been beneficial to the College to begin using a new ticketing system that would be a better fit for their usage, with the ability to more efficiently track Help Desk Requests

Status: Partially Implemented. See finding 2016-001 for current year status.

2015-002

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

CFDA Numbers: 84.007 – Federal Supplemental Education Opportunity Grants
 84.033 – Federal Work Study Program
 84.038 – Federal Perkins Loans
 84.063 – Federal Pell Grant Program
 84.268 – Federal Direct Student Loans

Eligibility

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Summary: One student was determined to have incorrect Free Application for Federal Student Aid (FAFSA) information per review of their Institutional Student Information Record. This information was corrected by the institution, but was determined to have not have been submitted to the central processor.

Recommendation: We recommended that the College establish controls to ensure that any changes made to students' Institutional Student Information Records are reported back to the central processor in a timely manner.

Status: Implemented.

**THE COLORADO COLLEGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

2015-003

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

CFDA Number: 84.268 – Federal Direct Student Loans

Special Tests and Provisions – Student Account Statement Reconciliations

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Summary: Institutions receiving Title IV funding are required to reconcile Federal Direct Loan Program Student Account Statements to institution records each month. During our audit, we noted that specific monthly Student Account Statements selected for testing were determined not to have been completed.

Recommendation: We recommended that the College establish a system in which performance of monthly reconciliations is completed as required and maintained to ensure compliance with Federal requirements.

Status: Implemented.

2015-004

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

CFDA Numbers: 84.007 – Federal Supplemental Education Opportunity Grants
 84.033 – Federal Work Study Program
 84.038 – Federal Perkins Loans
 84.063 – Federal Pell Grant Program
 84.268 – Federal Direct Student Loans

Special Tests and Provisions – Enrollment Reporting

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Summary: Institutions receiving Title IV funding are required to update all information included in the enrollment report from the National Student Loan Data System (NSLDS) and return the report within the prescribed timeframe (10 days). Review of enrollment reporting data from the institution showed that errors were not corrected and returned to NSLDS within the prescribed timeframe.

Recommendation: We recommended that the College establish a process to monitor its third party servicer, the National Student Clearinghouse (NSC), and ensure it was performing the duties outlined in its contract with the College. In addition, we recommended that the College monitor, in a similar fashion, any updates pertaining to student status changes are completed within the required timeframes, which are 15 days, unless a roster is expected to be submitted within 60 days.

Status: See finding 2016-002 for current year status.

**THE COLORADO COLLEGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

2015-005

Federal Agency: National Science Foundation

Federal Program Title: Research and Development Cluster

Program Title: RUI: Biology-Physics Collaboration

CFDA Number: 47.074

Procurement, Suspension and Debarment

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Summary: Institutions are required to have procedures in place for verifying that an entity with which it plans to enter into a covered transaction is not debarred, suspended or otherwise excluded. Documentation supporting institutional policy for noting vendor suspension, debarment or exclusion status was not provided when requested during testing of this compliance requirement.

Recommendation: We recommended that the College retain all documentation supporting its compliance with its own institutional policy and those required by the Uniform Guidance.

Status: Implemented.