

**American Samoa Community College Corrective Action Plan - USDOE**

<b>A-133 Audit Finding #</b>	<b>A-133 Single Audit Finding Description</b>	<b>ASCC Corrective Action Plan</b>	<b>Meet (√) Does Not Meet (X)</b>	<b>Additional Details</b>
<b>11-3</b>	<b><u>Cash Management – Noted as Material Weakness</u></b> – The College does not put advances into interest bearing accounts. We also noted that the College has approximately \$989,400 in advance funds from federal agencies.	(1) Our Cash Flow is being monitored on a daily basis. Our staff accountants are reconciling our bank accounts daily to assist in this process.  (2) The approval of the drawdown requests are being scrutinized very closely. We are reviewing our grant drawdown to ensure that all of our grant expenditures and revenue have been taken into consideration. This will ensure that our grants are not being drawn down in excess. If funds are being drawn in advance, we are also monitoring the funds to ensure that our payments are released in a timely manner in accordance with Federal Regulation.		<b><u>Additional Details for procedures of drawdown procedure:</u></b>  a) A statement of expenditures is prepared by Grant Accountant to justify drawdown request. b) The statement is forward to General Accounting Manager for review for accuracy and then forward to CFO for final approval. c) CFO reviews for approval. The CFO must ensure that the funds being drawdown are either reimbursements or funds are set to be disbursed within 3 working days for the program approved expenditures. d) The approved statement is attached to drawdown documents.
<b>11-7</b>	Department of Education Liability – ASCC has a liability of approximately \$62,000 of staled dated checks from 2007-2010 of students that have not cashed nor been returned back to Department of Education	<ul style="list-style-type: none"> <li>• The ASCC Business Office has already refunded back \$61,399.78 back to USDOE on 06/13/12. This information was forward to Region IX of USDOE.</li> <li>• The ASCC Business is to document in writing our procedure in</li> </ul>		<b><u>Procedures for Releasing &amp; Returning Pell Refund Checks:</u></b>  1. Currently, once the Pell refund checks for a specific batch are ready for disbursement, notification flyers are posted

		<p>contacting the student to pick up their refund financial checks. All attempts are logged on a spreadsheet. In addition, monthly communications are to be made between the Business Office and the Financial Aid office in regards to this process. Please refer below are our written procedures.</p> <ul style="list-style-type: none"> <li>○ Our intention is to give a chance to these students to collect their refund checks.</li> <li>○ After the 28 business days, we are to refund the funds back immediately to USDOE.</li> </ul>		<p>immediately to inform our students.</p> <ol style="list-style-type: none"> <li>2. After 14 business days of the notification date in Step #1, our ASCC Business Office immediately identifies the checks that have not been picked up. This is monitored closely through our weekly check report. Our ASCC Business Office must also contact our Financial Aid Office via email, to assist in contacting the students.</li> <li>3. Second notifications are sent via email and contact by telephone. This process will take an additional 14 business days.</li> <li>4. If Step #3 is unsuccessful, by the end of 28 business days, ASCC will return the funds immediately back to USDOE via G5 and COD will be notified.</li> </ol>
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American Samoa Community College Corrective Action Plan To Address FY2012 Audit Findings - ACCJC

Audit Finding #	Audit Finding Description	ASCC Corrective Action Plan	Meet (√) Does Not Meet (X)	Additional Details
12-1	<b>Payroll Taxes:</b> This finding was partially implemented. It was still noted that taxes were not being made on time and as a result \$364,000 tax penalties & interest were paid out during 2012	Management currently submits our tax payments on time and will continue to file our tax returns in a timely manner. This has been implemented since Third Quarter of 2012.		<b>Evidence:</b> Attached is our EFTPS payment schedule showing our payment being made in a timely manner since the third quarter of 2012. This report reflects our FICA and local American Samoa Government tax payments.
12-2	<b>Equipment Management:</b> It was noted that the physical inventory for the fixed asset was taken but the reconciliation requirement was not completed.	Management acknowledges the recommendation. The physical inventory of our fixed asset is being done but the following actions have been taken to address the reconciliation requirement. (1) Management has reformatted the Fixed Asset Accounting Report by integrating the inventory information. The fixed asset items are listed one by one, rather than in a summary format. The Accounting information included are the date purchased, GL cost center, description of item where as the inventory information are ASCC tag #, current location, inventory date, inventory taken by, and condition. This new format enables		<b>Evidence: (1)</b> Attached is a copy of our reformatted general accounting fixed report. This reformatted report will address the physical inventory and reconciliation requirements simultaneously. The reformatted report also includes our new Fixed Asset items for FY2013. It is ready for our scheduled physical inventory <b>(2)</b> We have also attached our standard operating procedures to address this finding. They are as follows: (a) Receiving & Record of Fixed Assets (b) Fixed Asset Inventory

		management to easily trace and reconcile the physical inventory to our general accounting report. (2) The physical count for FY2013 is scheduled to begin April 15 <sup>th</sup> , 2013. The new formatted report will be used. This report must be updated monthly as new fixed asset items are being added.		
<b>12-3</b>	<b>Activities Allowed or Unallowed -</b> Federal Work Study. During the audit, it was noted that two instances out of 28 students tested for field work study where the student work schedule conflicted with their class schedule	Management acknowledges this recommendation and has implemented supervisor orientation and training to ensure that this does not occur again.		The training will be held at the beginning of every semester and bi-weekly reminders will be sent out to all supervisors that students are not allowed to work during their scheduled classes.

<b>Division SOP:</b>	Finance	<b>Reference</b>	Governance Policy Manual 7100.4, (Federal Direct Cost Expenditure) ASCC Policies & Procedures Manual, Specific Grant
<b>Title</b>	<b>Grant Drawdown Process (Cash Management)</b>	<b>Objective</b>	To ensure that all expenses are properly documented and in compliance for reimbursement purposes and to eliminate excess cash
<b>Responsibility</b>	Accountants, GAM, CFO	<b>Turn Around Time</b>	2 Business Days

Step 1	Accountant to print out a particular Grants Income Statement from General Ledger Statement of Activity (GLSA) of the Datatel System and Account Detail Activity (ADA)
Step 2	Calculate actual expenses for the grant to be billed
Step 3	Prepare Statement of expense of actual expenditures.
Step 4	Prepare drawdown for reimbursement requests.
Step 5	Forward drawdown to GAM for review and approval.
Step 6	Forward approved drawdown requests to CFO for review and approval. If applicable, forward to Program Director for review and signature.
Step 7	Signed and Approved drawdown request is received/returned to Accountant
Step 8	Process drawdown by mailing US Postal Service, fax, electronic or any means acceptable by the grantor.
Step 9	Prepare Journal entry to record drawdown.
Step 10	Prepare copies of drawdown for General Accounting Staff for supporting documents when funds are received.
Step 11	Accountant to file drawdown documents.

<b>Division SOP:</b>	Procurement	<b>Reference</b>	ASCC Policies & Procedures Manual, ASCC Procurement Rules & Regulations Manual,
<b>Title</b>	<b>Receiving &amp; Recording Fixed Assets</b>	<b>Objective</b>	To ensure that fixed assets/real property of ASCC are properly documented and tagged.
<b>Responsibility</b>	Procurement Staff and General Accounting Staff	<b>Turn Around Time</b>	1 Business Day

**OBJECTIVE:**

To ensure that fixed assets or real property of ASCC are properly documented and tagged. These documents as well as any activities of the fixed assets or real property must be maintained and updated through quarterly inventory both manually and in accounting books.

Fixed assets are equipment, tools, vehicles, buildings, (tangible items) that are legitimate properties of the college and have a shelf life of 1-30 years and are valued at \$5,000 per or combined total of the Purchase Order.

The Procurement Buyer works with Property Management Clerk to ensure that all received fixed assets have pre-approved Purchase Orders that are properly received, tagged and entered into the inventory listing of all ASCC fixed Assets and Real Properties.

Step 1	Property Management Clerk is notified by Procurement Buyer of order(s) of equipment, tools, vehicle, etc. exceeding \$5,000.
Step 2	Procurement Buyer to provide a copy of the Purchase Order for said fixed asset or real property for inspection and receiving purposes.
Step 3	Property Management Clerk will inspect and determine if items of said Purchase Order qualifies as fixed asset or real property.
Step 4	Once the items of the said Purchase Order is deemed as fixed assets or real property, than the Property Management Clerk will tag the item(s).
Step 5	Property Management Clerk will remove fixed asset or real property manual for filing and reference purposes.
Step 6	Property Management Clerk will make arrangements to move the fixed asset(s) or real property to its new location.
Step 7	Property Management Clerk will data entry information of received fixed assets or real property into the college database system.
Step 8	Property Management Clerk will forward fixed asset data to General Accounting Staff to update accounting records

<b>Division SOP:</b>	Procurement	<b>Reference</b>	ASCC Policies & Procedures Manual, ASCC Procurement Rules & Regulations Manual, Federal OMB Circular A-110 guidelines
<b>Title</b>	<b>Fixed Assets Inventory Process</b>	<b>Objective</b>	To ensure that all ASCC fixed assets and real properties are accounted for, are properly received, recorded, tagged, maintained, and are inventoried quarterly.
<b>Responsibility</b>	Procurement officer, receivers, buyers & General Accounting Staff & CFO.	<b>Turn Around Time</b>	30 Business Days

**OBJECTIVE:**

To ensure that all ASCC Fixed Assets and Real Properties are accounted for, are properly received, recorded, tagged, maintained (excellent or in good condition) and are inventoried . To ensure that compliance with policies and audit requirement are met.

Fixed Assets Inventory items are those items having either or (individual or combined) dollar value of \$5000.00 and up in a Purchase Order (PO). For example items such as:

- Computers & Accessories
- Office & Lab Equipment
- Vehicles
- Backup generators
- Software Purchase

**CAUTION:**

Physical inventory count of all Fixed and Real Properties must be performed every year; not doing so will result in records and information of each items becoming obsolete, too huge to handle and items may be lost and moved without proper documentation, this will subsequently become a



problem for ASCC and will result in an audit finding.

Step 1	Procurement Officer receives the updated Fixed Asset report from General Accounting staff a week before the scheduled date for physical inventory
Step 2	Procurement officer separates listing by department and assigns/divides inventory teams for each department. Inventory teams must consist of at least 2 or more people. This is to ensure that there is a writer to record data and counter to verify. <i>In addition, the Procurement Officer assigns the <b>specific dates</b> for each department for our inventory teams.</i>
Step 3	Procurement Officer distributes Fixed Assets inventory count sheets to team members.
Step 4	Procurement Officer reminds team members of what is needed to be done to complete our physical inventory process: <ul style="list-style-type: none"> <li>• Staff must check for product's condition (Excellent, good, fair or poor) and make notation of such on count sheet.</li> <li>• Check that tags are intact and that products are all accounted for and makes notation of these on inventory sheet.</li> <li>• Complete the Date the physical inventory was conducted</li> <li>• Update and/or complete the box of location of the items in detail. (I.E. – located in the Dean of Student Service's conference room)</li> <li>• If an item is missing, this must be documented right away.</li> <li>• Complete and sign inventory taken by.</li> </ul>
Step 7	Upon completion of Fixed Asset inventory, team leader will submit original count sheets to Procurement Officer. <i>NOTE: Count sheets must be dated, signed by writer as well as team members. Notations must also be legible so that data entry is correct and recorded promptly.</i>
Step 8	Procurement Officer updates the inventory portion of our General Accounting Fixed Asset Report. Upon completion, the Procurement officer forwards the updated report to the CFO for review and approval.
Step 9	Procurement Office files away the original copies of all the count sheets and forward copies to the CFO for review.
Step 10	CFO receives the Final Fixed Asset report with the inventory information completed. Upon his/her review and approval, this final report is forward to the Administration and Deans & Directors for their files.
Step 11	The Final Fixed Asset General Accounting Inventory Report is filed away.