UNIVERSITY OF HAWAI‘I

INSTITUTIONAL CORRECTIVE ACTION RESPONSES FOR
THE A-133 FINDINGS AND QUESTIONED COSTS
AND STATUS OF PRIOR YEAR CORRECTIVE ACTION FOR PRIOR
YEAR FINDINGS AND QUESTIONED COSTS

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Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006
Research and Development Cluster
Title III Higher Education – Institutional Aid
Gaining Early Awareness and Readiness for Undergraduate Programs

Finding No. 06-01: Untimely Cost Sharing Certification Reports (Reportable Condition)

Individual Responsible: ORS Cost Studies Section
Date Action to be Taken: On-going

ORS developed and implemented a Grant & Contract Certification Program in Fall 2006. The training program is designed to enhance research administrators’ and fiscal officers’ (FO) knowledge of grant and contract administration at UH. ORS has included cost sharing definitions and requirements in module 3 of the certification program. A total of 120 FOs and research administrators have gone through the certification program in fiscal year 2007. This has significantly increased the awareness of the FOs in the field for cost sharing requirements.

Furthermore at a February 21, 2007 meeting with administrative and fiscal officers, ORS clarified the cost sharing reporting deadlines for both fiscal year end and project termination. ORS also emphasized the importance of submitting the cost sharing report on time in order to comply with federal regulations.

In addition, ORS reminded attendees at the February 21, 2007 meeting that current procedure requires the creation of the cost sharing account at the time a project account is opened. ORS discussed a workaround for situations where the cost sharing data is not available during project account creation, which in the past has led units to skip creation of the cost sharing account until the data was available. This workaround should ensure that records are created and “no activity” reports are timely certified in compliance with the applicable guidelines until the data becomes available. Over 100 FO’s attended the meeting.

The ORS Cost Studies Section will monitor the reporting closely and continue to issue monthly email reminders to administrators and FOs of upcoming report deadlines, maintain a submission log and will report habitually delinquent units to the ORS Director for follow-up with the respective Dean/Director.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006
Workforce Investment Act – Rural Development Project
Area Health Education Centers

Finding No. 06-02:  Late FTE Certifications

Individuals Responsible:  ORS Compliance Section
Date Action Taken:  On-going

The ORS Compliance Section will continue the practice that was put in place in fall 2006 and work with the fiscal officers to ensure compliance in collaboration with the administrators and FOs.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006
Student Financial Assistance Cluster
University of Hawai‘i – System-wide

Finding No. 06-03:  **Student Status Confirmation Report (“SSCR”)**

**Individual Responsible:** National Student Clearinghouse Coordinator for the
University of Hawai‘i

**Date Action Taken:** January 2007

To prevent a recurrence of the University failing to update the National Student Clearinghouse
with student status changes of students graduating in spring semester within 60 days of the term
end date, the University has moved up its spring 2007 graduate submission date from July 13 to
July 8. The earlier submission date will enable the University to fulfill its 60-day reporting
requirement based on a May 11, 2007 term end date.

Campuses will be reminded prior to the term end date that delays in their submissions may result
in non-compliance with the 60-day reporting requirement.

Future submission schedules will be monitored to ensure that graduation information is submitted
within 60 days of the term end date.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006
Student Financial Assistance Cluster
University of Hawai‘i – Mānoa

Finding No. 06-04: Return of Title IV Funds

Individual Responsible: Financial Aid Services Director
Date Action Taken: July 2006

The Financial Aid Services Director will ensure that the Return of Title IV Funds calculations are completed for student records at an advanced point which will allow for the timely remission of the institutional portion of unearned Title IV funds to the Pell program and to the FFEL Lender within 30 days after the institution determines that the student withdrew.

The Financial Aid Services Director will ensure that the institution reports adjustments to Pell payment data via the COD system within 30 calendar days after the institution determines that an adjustment is necessary.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006
Student Financial Assistance Cluster
Hawai‘i Community College

Finding No. 06-05: Return of Title IV Funds

Individual Responsible: Financial Aid Officer
Date Action Taken: March 6, 2007

The funds have been returned to the Pell program, all reporting has been completed, and the student has been notified of her correct repayment amount.

The student charges screen (TSIAREV), which shows all student charges for the period, are now being printed. All institutional charges for the period will be highlighted. All institutional charges are totaled and used in the Refund/Repayment calculation. The tape is attached to the Refund/Repayment calculation and retained in the student record. This process ensures that all institutional charges for the period are included in the calculation and non-institutional charges are excluded from the calculation.
Corrective Action Plan Related to  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2006  
Student Financial Assistance Cluster  
Kaua‘i Community College

Finding No. 06-06: Fiscal Operations Report and Application to Participate ("FISAP")

Individual Responsible: Financial Aid Officer  
Date Action Taken: December 5, 2006

The Financial Aid Officer has corrected the data entry error in Part V, Section G, line 23, and reported the number of students in community service employment. The Financial Aid Officer transmitted FISAP corrections via the edit process in December 2006. The Financial Aid Officer will exercise greater care in entering data electronically to complete Federal Work Study information accurately.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006
Student Financial Assistance Cluster
Maui Community College

Finding No. 06-07: Return of Title IV Funds

Individual Responsible: Financial Aid Administrator and Fiscal Officer
Date Action Taken: December 2006 and March 2007

The Financial Aid Office and Business Office will develop a timeline and due date schedule in accordance with the required 45-day remittance regulation:

1. Effective December 2006, the Financial Aid Office began monitoring and tracking withdrawal dates and performing the appropriate calculations within a designated timeframe to allow the Business Office sufficient time to process returned checks.

2. Effective March 2007, the Business Office will monitor and track the date when return checks need to be cut in conjunction with the required 45-day remittance regulation. The Financial Aid Office will attach a memo to each Return Funds log noting the scheduled due date for the Business Office to follow.
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PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Research and Development Cluster
Office of Research Services
Research Corporation of the University of Hawai‘i

Finding No. 05-01: Subrecipient Monitoring

Individual Responsible: ORS Compliance Section
Date Action to be Taken: On-going

- ORS is currently undergoing a reorganization plan which proposed to add a senior subject matter expert as a head for the compliance section and one additional staff in the Compliance Section.
- ORS-Compliance will arrange to obtain periodic updates of sub-recipient monitoring efforts performed at the program and fiscal levels by scheduling meetings and interviews, on a test basis, with personnel engaged in those activities (similar to the procedures conducted by auditors during their most recent testing). The sub-recipient database will be updated monthly.
- ORS-Compliance, in concert with RCUH, has developed a process to ensure that sub-recipient audit information is received prior to the execution of a new sub-recipient agreement and purchase order. Periodic testing will be performed to ascertain compliance with this new process. In addition ORS will consider site visits to the random selected “high risk” entity if the resources permit. In general, public entities/institution is considered to be “low risk” entities.
- ORS will remind sub-recipients that their audits are to be completed within 9 months of their fiscal year by including a statement on the University’s A-133 Compliance Confirmation letter quoting the OMB Circular A-133 requirement.
- The ORS sub-recipient database will be updated with the date and management decisions issued in relation to pass-through awards related to the University of Hawaii.
- In the case of sub-recipient audit findings related to the University of Hawaii, ORS will continue to follow up with review and request for documentation to ensure appropriate and timely corrective action.
- ORS-Compliance has included the sub-recipient monitoring responsibilities of the research administrators and fiscal personnel in the on-going ORS Grant & Contract Certification program. The sub-recipient monitoring Guidelines and Procedures were also presented at a February 21, 2007 meeting with administrative and fiscal officers (FOs). The guidelines and procedures for monitoring sub-recipients is posted on the ORS web site to enhance the awareness of sub-recipients monitoring requirements to the PIs and FOs. ORS-Compliance will continue to ensure that all required sub-recipient A-133 audits are completed on time and will follow-up as appropriate and promptly, if findings related to the University’s sub-awards are encountered. ORS will also advise the PI and departmental support staff to exercise internal monitoring procedures if warranted by sub-recipient audit findings. Appropriate correspondence
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Research and Development Cluster
Office of Research Services
Research Corporation of the University of Hawai‘i

Finding No. 05-01: Sub-recipient Monitoring (continued)

and documentation will be retained to evidence the resolution of the sub-recipient noncompliance. ORS-Compliance will also review national publications to identify sub-recipients who have audit findings, cited by Federal agencies, with a potential impact on our University’s sub-awards. Appropriate correspondence will be generated to obtain clarification whether the finding affects our sub-awards or a certification that it does not.

Individual Responsible: RCUH Hilo Office
Date Action to be Taken: March 2007

- Create database into which subrecipient monitoring activities may be inputted so that a hard copy report may be easily generated
- Prior to issuance of any subawards, our office will require a completed Financial Systems Questionnaire, Audit Form, and a copy of the subrecipient’s most recent A133 or financial report. Any audit findings and corrective actions noted on the A133/financial report will be reviewed and subrecipient will be notified of any management decisions (e.g. acceptance of the corrective action)
- Obtain quotes for the services of an external auditor to conduct periodic site visits – will incorporate expenses for site visits into the program budget for approval by sponsoring agency
- Conduct monthly audit of subrecipient invoices to ensure (1) adherence to respective budgets and (2) allowability and allocability of expenditures – invoices will be selected randomly. Copies of invoices to be incorporated into the procurement file.
- Require PI’s to provide monthly status reports on subrecipient’s activities/progress
- Require PI’s to provide reports upon PI’s return from site visit(s) with subrecipient
- Obtain updated Audit Forms and A133/financial reports annually as well as prior to approval of subrecipient’s final invoice
- Require subrecipient’s to provide final financial and progress reports before processing final invoice. Reports to be reviewed to ensure compliance with federal and award requirements.
- Enlist PI’s assistance in obtaining completed Audit Forms and copies of A133/financial reports. Apprise PI’s of sanctions for non-compliance including withholding payment to subrecipient.
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Research and Development Cluster
TRIO Cluster
Workforce Investment Act – Rural Development Project
Vocational Education
Title III Higher Education – Institutional Aid
Title VII Native Hawaiian Education

Finding No. 05-02: Late ETE Certifications

See response to Finding No. 06-02
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Research and Development Cluster
Institute for Astronomy

Finding No. 05-04: Job Order System Billing Rates

Individuals Responsible: IFA Fiscal Office
Date Action to be Taken: On-going

The Institute for Astronomy acknowledges the one month delay in billings to users of the IFA Job Order System (Specialized Service Facility). IFA does not expect this problem to recur in FY 2007. The IFA will adhere to the recommended internal policies and procedures and federal regulations over the operation of the JOS specialized service facility.
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Prior Year Findings and Questioned Costs
Research and Development Cluster
Title III Higher Education – Institutional Aid

Finding No. 05-05:  Untimely Cost Sharing Certification Reports

See response to Finding No. 06-01
Finding No. 05-07: Student Status Confirmation Report ("SSCR")

See response to Finding No. 06-03
Finding No. 05-12: Return of Title IV Funds and Pell Payment Data

See response to Finding No. 06-07