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

FISCAL YEAR ENDED JUNE 30, 2007
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Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007
Financial Statement Findings

Finding No. 07-01: Lack of Monitoring Over Long Standing Receivables (Significant Deficiency)

Individual Responsible: JABSOM Fiscal Office
Date Action Taken: Immediately

We agree with the recommendations in this area. We believe the main factor that contributed to the deficiency cited is the relationship between JABSOM and the organization that encompasses the practice plan for the faculty of JABSOM. The following steps have been implemented to ensure that JABSOM will be more rigorous in the collection of all outstanding receivables:

• Fiscal staff have been assigned for the oversight of all receivables on a monthly basis; and will utilize the recently completed new Fiscal Accounting System to enable a monthly reconciliation process which will reduce the lag in the follow-up of all outstanding receivables.

• The Chief Fiscal Officer at JABSOM will review all future contracts with entities or accounts with long standing debt balances, and management will include stronger language related to governance and payments from these affiliated organizations.

• The Chief Fiscal Officer at JABSOM will collect the FY 2007 outstanding balance of $1.2 million in increments of fifty (50) thousand dollars per month over a period of 24 months beginning March 2008.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007
Research and Development Cluster
Title III Higher Education - Institutional Aid
Title IV Native Hawaiian Education
TRIO Cluster
Gaining Early Awareness and Readiness for Undergraduate Programs

Finding No. 07-02: Improper Preparation and Untimely Submission of Cost Sharing Reports (Significant Deficiency)

Individuals Responsible: ORS Cost Studies Section
Date Action Taken: On-going

There was confusion in the past as to whether cost sharing records should be established for voluntary cost sharing. Hence, training was added to the ORS Grants & Contracts Certification Program last spring to educate research administrative staff to set up a cost sharing account whether there is mandatory or voluntary committed cost sharing.

In February 2008, ORS Cost Studies Section began following up on delinquent cost sharing reports for terminated accounts over 60 days old. Fiscal officers are asked to provide copies of the report and provide information about why the report was not submitted or will not be submitted. For example, in one case the reports were submitted to ORS Accounting for final reporting, but not to ORS Cost Studies Section, which is the repository for terminated reports. In another case, a no cost extension extended the termination date, but was not reflected in the cost sharing system. The first situation will be addressed via training and the latter may require a process or software change.

In March 2008, ORS Cost Studies Section will match FMIS accounts that have cost sharing to the cost sharing system to ensure that the required accounts have been set up. Also, in Spring 2008, ORS Compliance will conduct sample testing to ensure that PI’s and FO’s are in compliance with the quarterly cost sharing requirements.

In July/August 2008, ORS Cost Studies Section will follow-up on year end cost sharing certification reports that are over 30 days old.

ORS has assembled a task force to discuss improving and strengthening the cost sharing system and internal procedures. One of the goals is to identify ways to streamline the process and perhaps reduce the need for separate certifications.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007
Mauna Kea Astronomy Education Center
Workforce Investment Act - Rural Development Project

Finding No. 07-03: Untimely Submission of Report (Significant Deficiency)

Individuals Responsible: ORS Project Fiscal Accounting Section
Date Action Taken: On-going

The ORS Accounting Department experienced significant staff turnover during the fiscal year. The remaining staff was required to cover the workload of other positions within the department that resulted in the delay of filing certain reports. ORS is in the process of recruiting and training staff to ensure timely and accurate processing of required filings and also strengthen and increase the monitoring efforts.
Corrective Action Plan Related to  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2007  
Office of Research Services  
Research Corporation of the University of Hawai‘i  

Finding No. 07-04:  Subrecipient Monitoring (Significant Deficiency)  

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

The decision to place a heavier reliance on the Harvester website in FY2007 was based on the on-going under-staffing of the ORS-Compliance section. Our intent was to rely on the completed A-133 audit information available on the website to minimize the volume of correspondence work. Those limited resources also restricted engaging in site visits. The recent addition of a third individual to the Compliance staff in December 2007 will improve our opportunity to develop and implement a year-round, system-wide subrecipient monitoring process.  

We will be developing a system to obtain a quarterly document from Fiscal Officers and Principal Investigators to verify program/field level subrecipient monitoring processes. This document will provide evidence of monitoring activities and serve as a pool of data from which ORS-Compliance can test check (oversight monitoring) financial and performance reports.  

We anticipate, with the recent increase of Compliance section staffing, to perform a limited number of subrecipient site visits. The site visits will initially be limited to local-based (Hawai‘i) entities due to our limited financial resources, as staffing workload permits.  

Arranging for agreed-upon procedures engagements will be considered, but will ultimately depend on the availability of additional financial resources to procure external auditors.  

Individuals Responsible:  RCUH-Hilo  
Date Action Taken:  On-going  

RCUH-Hilo will  
- Continue to maintain a database with subrecipient information as well as annotate database with specific monitoring activities undertaken  
- Will request quarterly reports form Principal Investigators as to progress of subawards  
- Will conduct periodic audits of invoices received to ensure adherence to subawardee’s budgets  
- When allowable during the pre-award phase (proposal submission), will build into PI’s budget the cost of an external auditor for the purpose of conducting site visits on behalf of RCUH Hilo
Finding No. 07-05:  Job Order System Billing Rates (Significant Deficiency)

Individual Responsible:  Lauren Anzai, IFA Administrative Officer
Date Action to be Taken:  By September 30, 2008

The Institute for Astronomy expects to complete the Final Cost Report for FY 2008 by September 30, 2008. This past year, our Director of Administrative Services left for a higher position on the Mānoa Campus on August 31, 2007. This hampered our ability to complete the necessary reports on a timely basis.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007
Student Financial Aid
University of Hawai‘i - West O‘ahu

Finding No. 07-06: Fiscal Operations Report and Application to Participate (“FISAP”)

Individual Responsible: Jodie Kuba, UH-WO Financial Aid Officer
Date Action Taken: December 10, 2007

The institution will have both the Financial Aid Officer and at least one other person, review the FISAP for accuracy prior to submission.
Corrective Action Plan Related to  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2007  
Student Financial Assistance Cluster  
Kapi'o'olani Community College

Finding No. 07-07:  Earmarking

Individual Responsible:  Jennifer Bradley and Jenny Kwan, KCC Financial Aid Office Staff  
Date Action Taken:  October 1, 2007

The seven percent community service expenditures and employment of a reading tutor/family literacy project was always earmarked. But the assurance of placing students in those types of positions was reliant on the UH systems SECE Online employment system. The institution has implemented a corrective action plan that monitors Federal Work Study earnings within the FWS jobs/positions. Monitoring of student positions and their job descriptions/duties occur during the reconciliation of the fund. Additionally, we re-iterate to students that community service, tutoring, and family literacy program positions are a priority before being accepted to a FWS position.

We are also identifying different departments on campus in attempting to create community service positions. Kapi'o'olani Community College does not have a student employment/placement office that can assist in creating FWS positions or work with FWS awarded students. We are working on a process that allows FWS awarded students more direction in selecting positions.
Corrective Action Plan Related to  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2007  
Student Financial Aid  
Maui Community College

Finding No. 07-08: FFEL Disbursements

Individual Responsible: Catherine Bio, Maui CC Financial Aid Officer  
Date Action Taken: August 21, 2007

There is a 30-day delay for first-time borrowers who are first-year students. The 30 days should be calculated from the first day of the semester. The Financial Aid Office was calculating the 30 days from 10 days prior to the first day of the term. The error was due to a training issue, as loan certification and processing responsibilities changed hands during the year. The Financial Aid Office was also unaware of a feature in Banner that would have prevented this error.

1. The Financial Aid Office Policies and Procedures have been updated to specify that the 30-day calculation begin from the first day of the semester.  
2. The Financial Aid Office is now utilizing a field in Banner that automatically identifies 30-day delay students. By using this feature, the disbursement date is automatically calculated and entered as the disbursement date in the loan certification record.
STATUS OF PRIOR YEAR CORRECTIVE ACTION FOR PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
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)

See response to Finding no. 07-02.
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Workforce Investment Act - Rural Development Project
Area Health Education Centers

Finding No. 06-02: Late FTE Certifications

Resolved.
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Student Financial Assistance Cluster
University of Hawai‘i - System-wide

Finding No. 06-03: Student Status Confirmation Report ("SSCR")

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

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

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

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

Resolved.
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

See response to Finding no. 07-04.
Finding No. 05-04: Job Order System Billing Rates

See response to Finding no. 07-05.