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, 2008
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Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008
Financial Statement Findings

Finding No. 08-01: Financial Accounting, Reporting and Oversight (Significant Deficiency)

Individual Responsible: Director of General Accounting, Eric Hiyoto
Date Action Taken: On-going

The General Accounting and Loan Collections (GALC) Office will continue to emphasize the importance of ensuring the accuracy, completeness, and timeliness of the financial statements. The Director of GALC will continuously monitor the financial statement preparation process and assign resources as appropriate.

GALC will continue to conduct necessary GALC staff and Departmental personnel training and mentoring. Of the current eleven GALC staff members, eight members have about a year or less of experience in their assigned position. GALC’s senior staff member assigned to the Kuali project will be training and mentoring current GALC staff members on the fiscal year-end process. The Director of GALC will continue to monitor the year-end process and financial statement preparation to ensure that accounting data is timely, accurate, and complete. The Bond System Controller will be conducting an assessment of the project’s staff responsible for year-end closing and financial statement preparation and providing necessary training and assistance. In addition, GALC will be implementing cross training through rotation of job responsibilities among the current staff.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008
Research and Development Cluster
Title III Higher Education - Institutional Aid

Finding No. 08-02: Untimely Submission of Disposal Application Form (Significant Deficiency)

Questioned Costs: $16,303

Individuals Responsible: Susan Horimoto, Hawai‘i CC Administrative Officer
Date Action Taken: February 3, 2009

The two Disposal Applications in question were submitted to PFMO on 8/27/08 as soon as it was discovered. The employee responsible for reviewing, submitting, and follow-up on inventory matters was reminded that these documents are important and must be processed as soon as possible so that this type of situation does not happen again.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008
University of Hawai‘i at Mānoa – Student Equity, Excellence and Diversity
University of Hawai‘i at Mānoa – Languages, Linguistics and Literature

Finding No. 08-03:  Improper Categorization of Expenditure (Significant Deficiency)

Questioned Costs:  $10,017

Individual Responsible:  Christine Quemuel, Coordinator - Women’s Center; Principal Investigator - PAVE (Prevention Against Violence to Women)
Date Action Taken:  01/08/09 and 05/06/09

Initially when contracting for services with the Hawai‘i State Coalition Against Domestic Violence, an incorrect object code was inadvertently used. It was subsequently changed to reflect personal services instead of subcontracts less than $25,000. Journal Vouchers JG40521 dated 01/08/09 and JG 42525 dated 05/06/09 reflects the changes to the object codes.

Individual Responsible:  John Kawahara, Fiscal Officer of the College of Languages, Linguistics & Literature
Date Action Taken:  September 23, 2008

The expenditure in question was a purchase order done to De La Salle University in the Philippines. I accidentally used sub-code 7150 for the purchase order because I mixed up that purchase order with another project that required subrecipient monitoring. Journal voucher number J079572 was done on 9/23/08 to correct the sub-code. Subsequently, the correct sub-code 7100 was used on another purchase order to De La Salle University for the 2008-09 fiscal year. Sub-codes used will be double checked to ensure correctness.
Finding No. 08-04: Return of Title IV Funds

Questioned Costs: $895

Individuals Responsible: Jodie Kuba, Director, Financial Aid Services
Date Action Taken: Immediately

In regards to the Return of Title IV Funds, Jodie Kuba, Financial Aid Services Director, will ensure that the calculations are completed within 30 days after the institution determines that the student withdrew, which will allow for the timely remission of the institutional portion of the unearned Title IV funds. In addition, she will ensure the correct tuition and fees and any institutional charges are included and that the correct amount of Title IV funds will be returned to its respective programs in a timely manner. Any adjustments to the Pell grant fund will be reported 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, 2008
Student Financial Assistance Cluster
University of Hawai‘i - West O‘ahu

Finding No. 08-05:  Earmarking

Questioned Costs:   $153

Individual Responsible:  UHWO Financial Aid Officers
Date Action Taken:  July 1, 2008

The Financial Aid Officers at the University of Hawai‘i - West O‘ahu, will ensure that the institution will use at least seven percent of its total FWS Federal funds to pay students employed in community services jobs, including at least one student as a reading tutor of children or in a family literacy project. However, due to the limited funding of the Federal Work Study program at the University of Hawai‘i – West O‘ahu, the institution will request from the U.S. Department of Education a Community Service Waiver, based on the difficulty of placing a student in a Community Service position for a very short period of time. If approved, the institution will not be required to meet the seven percent Community Service requirement. If the institution is not approved, we will work closely with the faculty of our Bachelor of Education program to solicit eligible candidates who we may place as reading tutors in nearby elementary schools to meet the minimum requirement.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008
Student Financial Assistance Cluster
Honolulu Community College

Finding No. 08-06: Fiscal Operations Report and Application to Participate (‘‘FISAP’’)

Individual Responsible: Derick Pang, HCC Financial Aid Officer
Date Action Taken: Completed on December 15, 2008 FISAP Edit Submission

Derick Pang, Financial Aid Officer at Honolulu Community College will ensure that all Federal Work Study (FWS) students who were employed in community service will be incorporated in the total FWS dollars expended in Community Service (Part V, Section G, Line 24). Jannine Oyama, Financial Aid Administrator will double check all reports used to determine the figures on the FISAP. After all figures are entered into the FISAP, Derick Pang, Financial Aid Officer will check to ensure that figures were not transposed.
Finding No. 08-07: Verification – Input Error

Questioned Costs: $350

Individual Responsible: Derick Pang, HCC Financial Aid Officer
Terence Shima, HCC Financial Aid Officer
Jannine Oyama, HCC Financial Aid Administrator

Date Action Taken: July 2008

All financial aid professional staff (listed above) that conducts the verification process on the students’ Institutional Student Information Records (ISIR) in conjunction with other documents will ensure that the correct figures are being entered correctly.
Corrective Action Plan Related to  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2008  
Student Financial Assistance Cluster  
Kapi‘olani Community College

Finding No. 08-08:  Earmarking

Individual Responsible:  Jennifer Bradley, KCC Financial Aid Office  
Date Action Taken:  October 1, 2008

It was noted that the institution did not fulfill the federal requirement of using at least seven percent of its total FWS Federal funds to pay students employed in community service jobs and that of the monies expended for community service activities there were no students employed as a reading tutor of children or in family literacy project.

In fact the institution did pay at least seven percent of its FWS federal funds in community service positions but was unable to obtain a reading tutor. Title 34, Section 675.18(g) of the CFR requires an institution to meet both criteria (community service and reading tutor). Kapi‘olani Community College always earmarks seven percent of its FWS allocation to community service/reading tutors.

The financial aid office has been working with the campus Service Learning office to more easily identify community service positions including reading tutors within the community. For the 2009-10 school year we are working to include a flyer to all FWS awardees that will steer them to community service options that may be available for FWS work. For the 2008-09 school year we have been working with the Service Learning office to identify financial aid students who are already in community service to consider FWS to extend any community service learning activities. This work has been in place since the beginning of the school year.

Kapi‘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 continue to work on a process that allows FWS awarded students more direction in selecting positions.

Jennifer Bradley and Jenny Kwan have been working on this FWS problem for the past two years.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008
Student Financial Assistance Cluster
Kaua‘i Community College

Finding No. 08-09: Earmarking

Questioned Costs: $857

Individual Responsible: Edward Sanchez, Kaua‘i CC FAO as of March 2, 2009
Date Action Taken: September 2008

Kaua‘i CC recognizes the administrative difficulties it has had with the Federal Work Study Program. Therefore, in September 2008, when completing the most recent Federal FISAP report, the institution did not request Federal Work-study Funds.

After the new financial aid officer has stabilized the financial aid office the institution may consider requesting permission to again participate in the FWS program. We do not anticipate requesting funds for a minimum of two years.

As part of the September 2008 FISAP submission, the institution already returned $9,307 to the FWS program (please see following page for ED Form 646-1).
Fiscal Operations Report, Part V

Name of school: Kauai Community College
OPEID Number: 00161400
State: HI

Part V. Federal Work-Study (FWS) Program for Award Year July 1, 2007 through June 30, 2008

Section A. Federal Funds Authorized for FWS

1. Final adjusted FWS authorization $ 12,243

Section B. Federal Funds Available for FWS Expenditures

2. Federal Perkins Federal Capital Contribution funds transferred to and spent in FWS $ 0
3. FWS funds transferred to and spent in FSEOG -$ 3060
4. 2006-2007 FWS funds carried back and spent in 2007-2008 $ 0
5. Additional 2006-2007 FWS funds carried back and spent for 2008 summer employment $ 0
7. 2007-2008 funds carried forward to be spent in 2008-2009 $ 0
8. 2007-2008 funds carried back and spent in 2006-2007 -$ 0
9. Additional 2007-2008 funds carried back and spent for 2007 summer employment -$ 0
10. Total federal funds available for 2007-2008 FWS (fields 1 + 2 - 3 + 4 + 5 + 6 - 7 - 8 - 9) $ 9,307

Section C. Total Compensation for FWS

11. Total earned compensation for FWS Program $ 0
   (a) On-campus earned compensation $ 0
   (b) Off-campus earned compensation for public or private non-profit agencies, excluding amounts reported in Field 11c $ 0
   (c) Off-campus earned compensation for agencies that were unable to pay regular nonfederal share and had a federal share up to 50 percent $ 0
   (d) Off-campus earned compensation for private for-profit organizations $ 0
12. Total institutional share of earned compensation (see instructions) $ 0

Section D. Funds Spent from Federal Share of FWS

13. Total federal share of FWS earned compensation $ 0
   (a) Federal share paid at a rate up to 75 percent $ 0
   (b) Federal share paid at a rate up to 100 percent for waivers of nonfederal share $ 0
   (c) Federal share paid at a rate up to 50 percent for agencies that were unable to pay regular nonfederal share $ 0
   (d) Federal share paid at a rate up to 50 percent for off-campus, private for-profit organizations $ 0
14. Administrative cost allowance claimed +$ 0
15. Federal share of Job Location and Development (JLD) Program expenditures +$ 0
16. Total federal funds spent for FWS (fields 13 + 14 + 15) $ 0

Section E. Use of FWS Authorization

17. Expended FWS authorization (fields 3 + 7 + 8 + 9 + 16) minus (fields 2 + 4 + 5 + 6) $ 2936
18. Unexpended FWS authorization (Field 1 - Field 17) $ 9,307

Section F. Information About the Job Location and Development (JLD) Program

19. Total expenditures for the JLD Program $ 0
20. Institutional expenditures for the JLD Program (see instructions) $ 0
21. Number of students for whom jobs were located or developed $ 0
22. Total earnings of the students in Field 21 above $ 0

FISAP Version: Submitted Version

DO NOT SEND THESE PAGES TO THE DEPARTMENT
Finding No. 08-10: FFEL Disbursements

Individual Responsible: Steven Chigawa, WCC Financial Aid Administrator
Date Action Taken: 8/1/2008

The Financial Aid Administrator will ensure that disbursements of Title IV funds are not made prior to the tenth day before the first day of class. Upon setting up the disbursement date profile for each new award (by the Financial Aid Administrator), the Financial Aid Officer will verify the accuracy of the disbursement date inputted in the system.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008
Student Financial Assistance Cluster
Windward Community College

Finding No. 08-11: Pell Payment Data

Individual Responsible: Steven Chigawa, WCC Financial Aid Administrator
Date Action Taken: 8/1/2008

The Financial Aid Administrator will ensure the timely submission of unearned Title IV Pell payments within the 45-day required time period. The Financial Aid Administrator will monitor the Complete Withdrawal Report in a timely manner to identify and return unearned Title IV Pell payments. In addition, the Financial Aid Administrator will ensure timely reconciliation of Pell data to resolve rejected payments.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008
Student Financial Assistance Cluster
Windward Community College

Finding No. 08-12:  Grace Period Notification

**Individual Responsible:** Steven Chigawa, WCC Financial Aid Administrator  
**Date Action Taken:** 8/1/2008

The Financial Aid Administrator will ensure that Perkins Loan recipients are identified and exited in a timely manner. All active Perkins Loan recipients will be sent a mid-semester letter reminding them to schedule a loan exit interview appointment if they are not returning. The Financial Aid Clerk will also monitor the enrollment level of all active Perkins Loan recipients twice a month to identify students requiring an exit.
Corrective Action Plan Related to
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008
Student Financial Aid
University of Hawai‘i - General Accounting and Loan Collection

Finding No. 08-13: Grace Period Notification

**Individual Responsible:** Susan Mabe, GALC
**Date Action Taken:** May 1, 2009

The General Accounting & Loan Collection Office will scan the lists received from the Financial Aid Departments and check for those borrowers whose separation dates need to be updated to ensure that grace period notices are sent within the required time frames in accordance with federal regulations.

Susan Mabe of the General Accounting & Loan Collection Office has been working on the process of updating the borrowers’ separation dates on a timely basis. This process was completed on April 30, 2009.
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
Financial Statement

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

Resolved.
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
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

In March 2008, ORS Accounting performed a review of FMIS accounts that require cost sharing. These accounts were matched against the cost sharing system to ensure that required accounts were established. This review will be conducted annually.

In March 2008, ORS Compliance conducted a random sampling of 50 accounts with cost sharing requirements for the quarters ended 9/30/07 and 12/31/07. The quarterly cost sharing reports were selected to ensure that PI’s and FO’s are complying with internal certification requirements. FOs with exceptions were notified to comply with the quarterly requirements. A similar review will be conducted in FY 2009.

In May 2008, ORS Accounting performed an analysis of all delinquent (60 days past termination date) final cost sharing reports on terminated awards. FOs were notified of any past due cost sharing reports. The exceptions related to the final cost sharing reports occurred prior to this review. ORS has since implemented a process to track delinquent final cost sharing reports as part of its Project Closeout procedures and halt the processing of any new proposals until the reports are submitted. To test the effectiveness of this control, an additional sample of five cost sharing reports on awards terminated between April and June 2008 were selected for the audit. All of these reports were certified and submitted in a timely manner.

In July/August 2008, ORS Cost Studies Section performed a follow-up on yearend cost sharing certification reports that were over 30 days old. Responsible units were contacted to complete and submit any outstanding cost sharing certifications. Follow-up on yearend cost sharing certifications will be performed annually.

In April 2009, system-wide procedures (APM A8.947 – Accounting for Cost Sharing) were revised to ensure that the yearend and final Cost Sharing reports are certified in a timely manner to ORS. The quarterly certification reports are no longer required but could be used as one of the internal monitoring tools for the PIs and FOs to manage their cost sharing records.
Status of Prior Year Corrective Action for Prior Year Findings and Questioned Costs
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

Enhancements to the current reporting tracking system were implemented in March 2009. Each accountant is now responsible to update specified fields in the financial management system with reporting deadlines for their assigned awards. A monthly tracking report is generated for each accountant to use as a tool for meeting reporting deadlines.

Internal policies and procedures for tracking reporting deadlines will be documented. Oversight of this tracking system will be assigned and monitored on an ongoing basis. An internal review will also be performed periodically to verify the accuracy of the tracking system and the timeliness of report filings.

A new financial management system is currently being developed with a targeted implementation date of July 2011. Report tracking mechanisms under this system will be addressed.
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Office of Research Services
Research Corporation of the University of Hawai‘i

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

Individuals Responsible: Office of Research Services (ORS) Compliance
Date Action Taken: On-going

To strengthen sub-recipient monitoring procedures performed in FY 2008, ORS Compliance has performed the following:

- Staffing in ORS Compliance was increased. A Compliance Officer and a Compliance Manager were hired in late 2007 and early 2009, respectively.

- System-wide procedures have been developed to address responsibilities and procedures, including sub-recipient monitoring procedures to be performed by program and fiscal personnel. Requirements to inform ORS Compliance of any deficiencies or instances of noncompliance are included.

- ORS Compliance has developed a year-round, system-wide sub-recipient monitoring process, which have been documented in departmental policies and procedures. (This process will include sub-recipients of UH-Hilo, which were previously monitored by RCUH-Hilo.) If any findings are identified, recommendations for corrective action will be made to program and fiscal personnel. Follow up procedures will also be conducted to ensure that corrective action has been made in a timely manner. This process has been implemented in place of obtaining a quarterly certification from the Principal Investigator and Fiscal Officer for sub-recipient monitoring.

- ORS Compliance continues to obtain the sub-recipient’s A-133 or status of the most recent report. During the award period, ORS Compliance requests the sub-recipient’s A-133 annually and also uses the Harvester website to augment this process. These reports are reviewed to ensure that there are no material weaknesses or instances of noncompliance related to the University. ORS has implemented a new policy to withhold reimbursements for sub-recipients who fail to provide sufficient audit documentation as requested by the University.

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

- Documentation requirements to evidence monitoring activities are addressed in both system-wide and departmental policies and procedures.
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Office of Research Services
Research Corporation of the University of Hawai‘i

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

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

UH-Hilo’s sub-recipients will be included in the ORS sub-recipient monitoring process. RCUH-Hilo will be handled as any other University department.
Status of Prior Year Corrective Action for
Prior Year Findings and Questioned Costs
Research and Development Cluster
Institute for Astronomy

**Finding No. 07-05:** Job Order System Billing Rates (Significant Deficiency)

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

Resolved.
Finding No. 07-07: Earmarking

See response to Finding no. 08-08.
Finding No. 07-08: FFEL Disbursements

Resolved.