INSTITUTIONAL CORRECTIVE ACTION RESPONSES FOR THE A-133 FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED JUNE 30, 2009
Corrective Action Plan Related to the Schedule of Findings and Questioned Costs
Financial Statement Findings
Year Ended June 30, 2009

Finding No. 09-01: Financial Accounting, Reporting and Oversight (Significant Deficiency)

Responsible Individual: Director – Financial Management and Controller
Date Action Taken: On-going

The General Accounting and Loan Collection (GALC) Office has and will continue to emphasize the importance of ensuring the timeliness, accuracy and completeness in the recognition and reporting of financial accounting information. Prior to 2009, GALC has been aware of the need to adequately train and cross-train staff, especially after departures of senior staff members in recent years, in order to maintain performance and timely completion of specialized accounting tasks, improve the inherent level of competency and accounting knowledge within the department, and to meet established reporting deadlines and milestones.

In 2009, the effort to complete and produce timely and comprehensive financial information was challenged by the voluntary departures of over 20% of the accounting staff which included the Director – Financial Management and Controller and Assistant Director-General Accounting. This was further exacerbated with the downturn in the economy which led to internally imposed staffing reductions in the use of student assistants and consultants and a University-wide freeze on staff hiring. Initial efforts to implement cross-training programs were immediately suspended out of necessity. With limited success, lost man hours in productivity were supplemented by increases in authorized overtime, and deferral of non-critical, lower priority accounting tasks.

A new Director - Financial Management and Controller has been hired and efforts have begun in earnest to replace core accounting staff personnel along with an increase in the level of accounting experience and minimum requirements. Additionally, GALC will be reviewing existing processes and procedures, with a focus upon the financial close process and past noted deficiencies, to ensure adequate and appropriate financial management resources are applied in the preparation and reporting of accurate, complete and timely financial statements.
Corrective Action Plan Related to the Schedule of Findings and Questioned Costs
Student Financial Assistance Cluster
University of Hawai‘i – General Accounting and Loan Collection Office
Year Ended June 30, 2009

Finding No. 09-02: Grace Period Notification (Control Deficiency)

Responsible Individual: Susan Mabe, General Accounting and Loan Collection Office
Date Action Taken: December 1, 2009

The General Accounting and Loan Collection (GALC) Office will assess the impact of changes to the federal reporting requirements as they occur. GALC will work with other departments to implement the changes needed to comply with the regulatory requirements. GALC will modify its procedures in a timely manner to ensure that the grace notices are sent to the borrowers within the required time frames.

Susan Mabe of GALC has been monitoring the reporting requirements for the Federal Perkins Loan Program. As of December 1, 2009, there have been no recent changes to the federal reporting requirements.
Finding No. 09-03: Return of Title IV Funds (Control Deficiency)

Responsible Individual: Jodie Kuba, Director, University of Hawai‘i at Mānoa Financial Aid Services

Date Action Taken: Immediately

Many of the issues from fiscal year 2008 carried over into fiscal year 2009, including the untimely calculations of Title IV funds during Fall 2008.

On January 20, 2009, Jodie Kuba was appointed the Director of Financial Aid Services. Every effort was made to correct and properly administer the federal aid programs, including the hiring of a knowledgeable and experienced Assistant Director. The department implemented procedures to correct the problems for the remainder of fiscal year 2009. The Assistant Director will reinstitute the monitoring and performance of the necessary procedures to ensure the accuracy of Title IV calculations and timeliness of required adjustments.
Finding No. 09-04: Earmarking (Control Deficiency)

Responsible Individual: Jennifer Bradley, Kapi‘olani Community College Financial Aid Office
Date Action Taken: On-going since October 1, 2008

The Financial Aid Office has been working with the Service Learning Office to create a reading tutor position in addition to identifying students in community service positions that may be eligible for Federal Work Study (FWS). This has been occurring since October 2008.

The Reading Tutor position has recently been approved (December 2009) and three students have already been identified and are in the hiring process to commence work in February 2010. Additionally, two more students have been identified and are working with the Service Learning Office in hopes to hiring and working within the community.

With the creation of the Service Learning Tutoring position also comes the opportunity to increase other community service FWS opportunities for the students of Kapi‘olani Community College. This will strengthen our FWS program.

Jennifer Bradley continues to work on this action. She will work closely with the Service Learning Office to strengthen community service positions available to FWS awarded students.
Finding No. 09-05: Earmarking (Control Deficiency)

**Questioned Costs:** $1,143

**Responsible Individual:** Edward Sanchez, Kaua‘i Community College Financial Aid Office

**Date Action Taken:** September 2008

Kaua‘i Community College is not participating in the Federal Work Study program in 2009-2010 or 2010-2011 and has not received a budget for the program.

Kaua‘i Community College is currently working on the questioned cost of $1,143.