

Audit Report	Finding Number	Finding and Corrective Action Status	
1020970	2017-001	<p>Finding:</p> <p>Corrective Action:</p>	<p>The College did not have adequate internal controls in place to ensure it accurately reported its financial statements and notes.</p> <p>The errors identified by the auditors were corrected in the College’s final financial statements.</p> <p>College staff had to prepare two sets of financial statements with an extremely short turn-around in time for the fiscal year 2016 and 2017 audits. The back-to-back audits were necessary to bring the College into compliance with the Northwest Commission on Colleges and Universities Accreditation requirements to have annual financial statement audits in accordance with generally accepted auditing standards. This short preparation timeframe also adversely impacted the ability of management to perform timely review of the financial statements prior to submitting for audit.</p> <p>The College has since established the correct reporting timeline. To prepare for the fiscal year 2018 financial statements cycle, the College will continue to work with the State Board for Community and Technical College for guidance and participate in training opportunities. In addition, the Chief Enterprise Services Officer will continue to:</p> <ul style="list-style-type: none"> <li>• Perform thorough review of year-end financial information on statement templates to verify the accuracy of extracted data from the financial system.</li> <li>• Identify and perform normal annual adjustments.</li> <li>• Review prior year report adjustments to assess the impact on the current year’s accounting, and perform necessary adjustments.</li> <li>• Document all adjustments to the financial statements on an adjustment form.</li> <li>• Submit a copy of the adjustment form with backup documentation to the Vice President for Administrative Services (VP) for review.</li> </ul> <p>To ensure statements and footnotes are prepared accurately and in accordance with all reporting standards and principles, all financial statements and the complete financial report will be reviewed by the VP. Additionally, backup documentation will be maintained and submitted for the review process.</p> <p>As of September 2018, the College has taken the following actions to strengthen controls over the process of implementing new Governmental Accounting Standards Board (GASB) standards:</p> <ul style="list-style-type: none"> <li>• Incorporated resources and templates available on the website of the State Auditor’s Office (SAO).</li> <li>• Subscribed to publications for new GASB standard announcements.</li> <li>• Maintained a checklist for accounting standards changes, available on the SAO website, for each new GASB pronouncement.</li> <li>• Assigned staff for the review and interpretation of new GASB statements, and ensure staff attend available training.</li> </ul>

State of Washington  
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South Puget Sound Community College

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1020970	2017-001 (cont'd)	<ul style="list-style-type: none"> <li>• Developed implementation plans for new GASB statements that have significant impact on the College's accounting or financial reporting process.</li> <li>• Maintained an annual summary log of all current and upcoming GASB accounting standard changes.</li> </ul> <p>Completion Date: September 2018, subject to audit follow-up</p> <p>Agency Contact: Mary An. Schmidt            Chief Enterprise Services Officer            2011 Mottman Rd SW            Olympia, WA 98512            (360) 596-5372  <a href="mailto:mschmidt@spscc.edu">mschmidt@spscc.edu</a></p>