



***Program Compliance Office
Cal Grant Program Review Report***

2003-04 Award Year

**East Los Angeles College
Program Review ID#80502226000**

**1301 Avenida Cesar Chavez
Monterey Park, CA 91754**

Program Review Dates: September 19, 2005 – September 22, 2005

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AUDITOR'S REPORT

SUMMARY We reviewed East Los Angeles College's administration of California Student Aid Commission (Commission) programs for the 2003-04 award year.

The institution's records disclosed the following deficiencies:

- Student Education Level Reported Incorrectly

BACKGROUND Through institution compliance reviews, the administration of Commission programs is evaluated to ensure program integrity with applicable laws, policies, contracts and institutional agreements as they pertain to the following grant programs administered by the Commission:

Cal Grants

B and C

The following information, obtained from the institution and Commission database, is provided as background on the institution:

A. Institution

- Type of Organization: Public Institution of Higher Education
- President: Ernest H. Moreno
- Accrediting Body: Western Association of Schools & Colleges
- Size of Student Body: 24,000

B. Institutional Persons Contacted

- Oscar Valeriano: Associate Dean of Student Services
- Gavino Herrera: Financial Aid Supervisor
- Maria Cheikasman: Financial Aid Supervisor
- Esther Ramirez: Financial Aid Technician
- Stacy Sun: District Accountant

C. Financial Aid

- Date of Prior Commission Program Review: October 1998
- Branches: Southeast Educational Center
- Financial Aid Programs: Federal: Pell, Workstudy, SEOG, and Perkins
State: Cal Grant B and C and Law Enforcement Personnel Dependents Grant
Other: EOP&S, CARE, GAIN/CalWORKs
- Financial Aid Consultant: None

AUDITOR'S REPORT (continued)

OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered the Commission programs and their compliance with applicable laws, policies, contracts and institutional agreements as they pertain to the grant programs administered by the Commission.

The review focused on, but was not limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. Roster and Reports
- E. File Maintenance and Records Retention
- F. Fiscal Responsibility for Program Funds

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in conducting this review included:

- Evaluating the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluating the current payment procedures through interviews and reviews of student records, forms and procedures.
- Reviewing the records and grant payment transactions from a sample of 40 students who received a total of 38 Cal Grant B awards and 2 Cal Grant C awards within the review period. The program review sample was randomly selected from the total population of 1,106 recipients.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

This report is written using the exception-reporting format, which excludes the positive aspects of the institution's administration of the California grant programs.

AUDITOR'S REPORT (continued)

**OBJECTIVES,
SCOPE AND
METHODOLOGY
(continued)**

The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers. Attachment A is a listing of the students by name, social security number and grant type.

CONCLUSION

In conclusion, except for the deficiencies cited in the Findings and Required Actions section of this report, the institution administrated the Commission grant programs in accordance with the applicable laws, policies, contracts and institutional agreements as they pertain to the Commissions grant programs.

**VIEWS OF
RESPONSIBLE
OFFICIALS**

The review was discussed with agency representatives in an exit conference held on September 22, 2005.

September 22, 2005

Charles Wood, Manager
Program Compliance Office

FINDINGS AND REQUIRED ACTION

**B. APPLICANT
ELIGIBILITY:**

FINDING: Student Education Level Reported Incorrectly

A review of 40 student files disclosed 1 instance where the institution verified and reported an incorrect education level.

DISCUSSION:

The Educational Level (EL) Report is used to verify a new recipient's educational level. A recipient's EL determines the number of years a student will be eligible to receive Cal Grant benefits. Institutions verify each recipient's EL based on the recipient's EL at the time the student receives the initial payment. The verification should not be based on the EL of the recipient at the time the report is received and/or completed.

The institution verified student No. 4 as an EL 2. . Upon review of the student's academic file, the student graduated from high school June 2003 and did not attend college until Fall 2003. The student should have been verified as an EL1.

REFERENCES:

Cal Grant Manual, June 1997, Chapter 7, page 7-3 thru 7-6

REQUIRED ACTION:

The institution must submit the procedures implemented to ensure that student EL's are reported correctly to maximize student awards. The Commission will correct the student's EL.

INSTITUTION RESPONSE:

Currently the Educational Level is verified at the time that payment is reported on the WebGrant System. We review units completed at our campus as well as units taken at other institutions in order to determine the educational level. Be advised that the "error reporting" was a human error and not a procedural error. We will continue to follow the same procedures as we have been doing in the past. We will exercise extra caution when posting the educational level information.

AUDITOR REPLY:

This action is deemed acceptable and no further action is required.

<i>ID</i>	<i>Student Name</i>	<i>Program & E/C</i>	<i>New/Renewal</i>
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