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Information Item

Audit Committee

Audit Update

External Audit Update

On March 30, 2006, KPMG issued its independent audit opinions on The Operating Fund and Federal Fund of the California Student Aid Commission for the year ended June 30, 2005 and EDFUND for the year ended September 30, 2005.

BSA recently completed its annual compliance audit of the Federal Family Education Loan (FFEL) program as part of the federal compliance component of the California Statewide Single Audit, conducted pursuant to the Single Audit Act. The final report is expected to be made public by the end of April.

The auditors from USED Region 9 will be onsite beginning in August 2006 to perform a limited review of loan program activities.

CSAC Internal Audit Update

Update on CSAC internal audits currently underway.

Legal Proceedings

The Committee has requested that they be briefed at each Committee meeting regarding any legal matters resulting from the normal course of business that may be pending.

An oral report will be made at the hearing.

Recommended Action: Informational item only. No action required.

Responsible Staff: Diane Manning,
Chief Audit Executive
Audit Services Department

Cal Grant Grade Point Average Collection Internal Audit

An audit of the Cal Grant Grade Point Average (GPA) Collection activities is currently underway. This review is focused on the activities performed by Commission staff in processing manual and electronic GPA data. The purpose of Internal Audit's review is to test GPA data submitted to the Commission, which the basis for issuing Cal Grants, for accuracy in the Grant Delivery System (GDS). Internal Audit is also testing compliance with documented procedures for processing GPA data, evaluating the processes in place to communicate and follow-up with schools and student regarding missing or incomplete GPA data, and evaluating the processes in place to secure confidential student information submitted along with GPA data.

Internal Audit recently completed the planning activities associated with this audit, including performing a walk through of the manual data collection process in order to gain an understanding of the process and identify existing internal controls. Internal Audit is currently executing its audit test procedures. The anticipated completion date of this audit is June 2006.