

**Action /Information Item**

***Audit Committee***

Report on CSAC's Program Compliance Review  
and Site Visits of the Cal-SOAP Consortia

---

CSAC Program Compliance staff conducted program reviews of all Cal-SOAP Consortia starting in January 2002 and ending in July 2005. Follow-up site visits by the managers of Program Compliance and Outreach took place from June 2005 through July 2006. The enclosed material provides summary level information on the program reviews, audit findings, and site visit observations on implementation of audit recommendations and improved accountability. The site visits also provided an opportunity to gather information to assess statewide program implementation and develop recommendations for improvement. A preliminary report on this information is enclosed.

***Recommended Action:*** For information only. No action is required.

***Responsible Staff:*** Charles Wood, Manager  
Program Compliance Branch

Kim Taylor, Manager  
Outreach Unit

# Cal-SOAP Compliance Review Summary Report

During the 2000-01 award year, the California Student Aid Commission (CSAC) determined that the California Student Opportunity and Access Program (Cal-SOAP) warranted greater fiscal and programmatic accountability due to the increase in the number of consortia and the increase of program funds. A five-member Cal-SOAP Compliance Review committee was created to establish program compliance review guidelines and standards.

Using the committee's review guidelines and standards, the 15 Cal-SOAP reviews began in January 2002 and were completed in November 2004. Subsequently, the South County Gilroy Consortium was added to the program at the start of the 2003-04 award year and was completed July 2005.

Based upon the compliance reviews, the actual findings have been categorized into the following three major areas of non-compliance. Under each category is a listing of the types of findings identified through the review has been developed with the number of consortiums sited in parenthesis that follows.

## **PROJECT GOVERNANCE**

- The consortium board was not acting as a governing board. (7)
- Consortium board meeting minutes do not reflect formal governing decisions. (5)
- Written Cal-SOAP procedures were not developed. (9)
- There was no written agreement between the Consortium and the Fiscal Agent defining their duties. (8)
- By-Laws need strengthening. (5)

## **PROJECT (CAL-SOAP) FUND ACCOUNTABILITY**

- Travel reimbursements exceed the amounts approved in the contract. (9)
- Actual in-kind match amounts were not properly documented. (12)
- Equipment was not properly identified as property of the State of California. (8)
- Reimbursement requests exceeded actual expenditures. (4)
- Non-educational site visits. (3)

## **REPORTING REQUIREMENTS**

- Reimbursement requests were not submitted to the Commission as per the requirements of the agreement. (5)
- In-Kind contribution not reported to the Commission. (3)

For each of these findings, the consortiums supplied responses that, at the time, were deemed as satisfactorily responses.

From July 2005 through July 2006 Kim Taylor, the Outreach Manager, and Charles Wood, the Program Compliance Manager, conducted limited one day on-site visits of each consortia. The Program Compliance Office's purpose of the on-site visits was to ensure 1) that each consortium had actually implemented the actions that they had outlined in their response to the findings identified in the report and 2) to learn more about the consortia program operations.

Discussions with the consortium staff revealed that four consortia's have not implemented all of the actions that they had outlined in their response to the review report. Listed below are the findings, the number of consortiums sited in the parenthesis and our findings.

**PROJECT GOVERNANCE**

- There was no written agreement between the Consortium and the Fiscal Agent defining their duties. (1) - this consortia now has a new fiscal agent and an agreement
- Written Cal-SOAP procedures were not developed. (2) – one consortia may have had a misinterpretation of what the report required, both are working on their procedures

**PROJECT (CAL-SOAP) FUND ACCOUNTABILITY**

- Travel reimbursements exceed the amounts approved in the contract. (1) – corrected during the 2005-06 award year
- Actual in-kind match amounts were not properly documented. (2) – in process of developing documentation for 2006-07 award year

**REPORTING REQUIREMENTS**

- Reimbursement requests were not submitted to the Commission as per the requirements of the agreement. (1) – in compliance for 2005-06 award year

A follow-up letter will be sent to the four consortia concerning the outstanding findings. It will require the consortia to address the findings, develop a course of action to correct these findings and submit documentation verifying the issues have been resolved. Also, these findings will be reviewed in future Cal-SOAP program reviews.

In evaluating the fiscal and programmatic accountability through the review and on-site visit process the following conclusions were noted:

- 1) The governance of the projects have greatly improved with current By-Laws, governing board meetings and their managing of the operation of the Consortium.
- 2) The Consortia and Fiscal Agent have defined duties and responsibilities.
- 3) The Consortia's are accounting for Commission funds and equipment according to accounting standards.
- 4) The In-kind amounts are defined and documented.
- 5) Current reporting of consortia expenditures are timely and backed up by appropriate documentation.

Information gathered from these on-site visits will be included as a factor in determining the scheduling of the next Cal-SOAP reviews. These administrative and operational reviews are tentatively scheduled to commence in February 2007 with one scheduled every other month. The initial schedule has not been determined at this date, however, when a consortium is selected for review, they will be notified at least 60 days prior to the on-site program review.

## Cal-SOAP Site Visits Preliminary Information

With the 2006-2007 award year, the California Student Opportunity and Access Program (Cal-SOAP) will enter its 28<sup>th</sup> year of operation. The program continues to operate through reimbursement contracts with the Student Aid Commission and each of the current 16 regional consortia is administered by a local governing board. State contracts for the Cal-SOAP program currently total \$8,567,000 annually. In addition, each Cal-SOAP project solicits required matching resources. These matching resources can be cash or in-kind. For the 2004-2005 award year, matching resources for the Cal-SOAP program totaled \$14,850,000.

At the request of Cal-SOAP Project Directors and as follow up to the Cal-SOAP compliance reviews, staff has completed a visit to each Cal-SOAP project location. In addition to the compliance review follow-up, each Project Director was interviewed along with various project staff or consortium members who joined the interview meeting. Through these interviews, the Project Directors provided detailed information about the operation and implementation of their projects. Information gathered in the site visits will help determine project implementation in areas including:

- Student access strategies
- Models of student contact in providing services
- Types of student and program data
- Data collection capabilities
- Staffing resources
- Governing Board participation and support
- Regional collaboration and resources

While each project submits an Annual Program Plan to request funding each year, the written plan is an insufficient source for understanding the physical and unique conditions under which each project operates. From the project perspective, the visits from CSAC staff (apart from the compliance aspect) were a visible act of continued support and interest in their programs and the challenges each project faces in their operations.

The site visits are the first step in gathering information to assess the statewide program implementation and develop recommendations for improvement. In consultation with the Cal-SOAP Advisory Committee and with input from the Project Directors, staff will develop recommendations to clarify the statutory requirements of the program, develop criteria for continued program monitoring and evaluation, develop guidelines for consistent and pertinent program services, and assess project funding.

Recommendations for any changes to the Cal-SOAP program will be brought to the Commission's Outreach Committee for discussion and approval.