

**Information/Action Item**

***CAL-SOAP Advisory Committee***

***Compliance Report***

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Throughout 2005-2006 the Compliance Manager has conducted site visits to each of the Cal-SOAP projects to follow up on the Compliance reviews that were completed last year. The follow up visits revealed that four of the Cal-SOAP projects had not completely implemented corrective actions in response to Compliance review findings.

Enclosed is a summary report on the compliance follow-up site visits and detail on the status of the four projects that still need to implement corrective actions.

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

# Cal-SOAP Compliance Review Summary Report

Early in 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, Cal-SOAP reviews began in January 2002 and staff completed the original 15 reviews by November 2004. South County Gilroy Consortium was added to the program in 2003-04 and their review was completed July 2005.

From these compliance reviews, the actual findings have been categorized into the following three major areas of non-compliance. Under each category a listing of the type of finding found through the review has been developed with the number of consortiums sited in the 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 reviews, the consortiums supplied responses that, at the time, satisfactorily corrected all of the program review findings.

During the 2005-06 fiscal year Kim Taylor, Outreach Manager, and Charles Wood, Program Compliance Manager, conducted limited one day site visits of fifteen consortia. The Program Compliance Office reason for conducting these site visits was 1) to verify that each consortium had actually implemented the actions that they had outlined in their response concerning the different findings and 2) to learn more on the consortia operation. These site visits involved discussions with project staff and did not include verification of any of the information gathered.

Information gathered from these site visits will be included in the development of a schedule of administrative and operational reviews of the consortia. These reviews are tentatively scheduled to start around February 2007. The initial schedule has not been developed at this date, however, when consortia are selected for review, they will normally be notified at least 60 days prior to the scheduled field work.

Discussion with the consortium staff during our site visits revealed four consortia have not implemented all of the actions that they had outlined in their response to our review. The attached table provides a detail of the outstanding findings.

A follow-up letter will be sent to the four consortia concerning the outstanding findings. It will require the consortia to address the outstanding findings and develop a course of action to correct these findings. A copy of the action will be required to verify that the findings have been resolved. Also, these actions will be reviewed as part of the next review that is conducted.

### OUTSTANDING FINDINGS

Consortium	Report Date	Site Visit	Outstanding Findings	Site Visit / Follow-up
Merced County Consortium	2/03	4/06	1) Written Cal-SOAP procedures were not developed  2) Cal-SOAP travel reimbursements exceeded the Cal-SOAP Agreement allowances  3) Quarterly Matching Resources Report Forms were not collected	1) Cal-SOAP Operational procedures have not been developed (Fiscal operations OK)  2) Corrected in 2005-06 (2qtr)  3) Thru 2005-06 not documented, new process for 2006-07
Sacramento Consortium	7/04	5/05	Written Cal-SOAP procedures not completed	Did not develop Cal-SOAP procedures as per response timetable
SUCCESS (Solano University and Community College Educational Support Services Consortium)	10/03	12/05	1) Continuing non-compliance with quarterly and annual reporting requirements  2) No written agreement between the Consortium and the Fiscal Agent	1a) Continuing non-compliance with quarterly and annual reporting requirements thru 2004-05 1b) 2005-06 compliance with quarterly reporting requirements  2a) Thru 2004-05 - developed new agreement – was not working (prior fiscal agent) 2b) 2005-06 New fiscal agent & new agreement  <b>Consortia has new fiscal agent for 2005-06</b>
Southern San Joaquin Valley Consortium	11/04	4/06	Actual In-Kind Match Amounts Were Not Properly Documented	In process