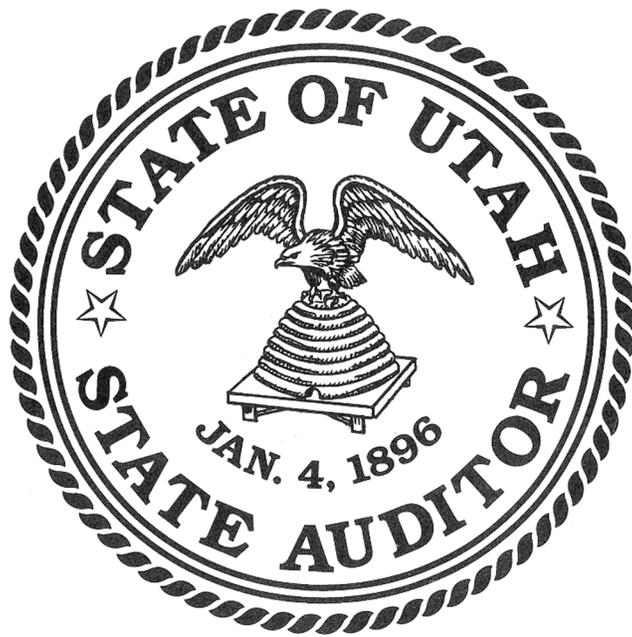


Salt Lake Community College

Management Letter
For the Year Ended June 30, 2020

Report No. 20-41



OFFICE OF THE STATE AUDITOR

AUDIT LEADERSHIP:

John Dougall, State Auditor
Bertha Lui, CPA, Senior Audit Manager
Ryan Roberts, CPA, Audit Supervisor

SALT LAKE COMMUNITY COLLEGE
FOR THE YEAR ENDED JUNE 30, 2020

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<u>Finding Type:</u>	<u>Applicable To:</u>
MW Material Internal Control Weakness	s State Financial Statements
SD Significant Deficiency of Internal Control	f Federal Program
MN Material Noncompliance	e Entity Financial Statements
RN Reportable Noncompliance or Illegal Acts	



OFFICE OF THE
STATE AUDITOR

MANAGEMENT LETTER NO. 20-41

May 26, 2021

Dr. Denece Huftalin, President
Salt Lake Community College
P.O. Box 30808
SLC, Utah 84130

Dear Dr. Huftalin:

This management letter is issued as a result of our audit of Salt Lake Community College's (the College's) portion of the statewide federal compliance audit (Single Audit) for the year ended June 30, 2020. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Our final reports on internal controls and on compliance required under *Government Auditing Standards* and federal *Uniform Guidance* will be issued under separate cover. These reports will also provide further detail as to considerations made during the course of the audit regarding internal controls and compliance, both at the financial statement and at the federal program level, and the limited purposes of those considerations. The purpose of this letter is to communicate with College management concerns identified during the course of our audit.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees to prevent or to detect and correct on a timely basis misstatements, errors, or instances of noncompliance. *A material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements, errors, or noncompliance are not prevented or are not detected and corrected on a timely basis.

During our audit, we became aware of a certain deficiency in internal control (Finding 1) that an opportunity for strengthening internal controls and operating efficiencies.

The purpose of this communication is solely to describe the scope of our testing of internal control over compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's internal control over compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this letter is a matter of public record, and as such, its distribution is not limited.

We appreciate the courtesy and assistance extended to us by the College's personnel during the course of our audit, and we look forward to a continuing professional relationship. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Bertha Lui".

Bertha Lui, CPA
Senior Audit Manager
801-808-0481
blui@utah.gov

cc: Jeff West, Vice President of Finance and Administration
Debra Glenn, Controller
Cristi Millard, Student Financial Aid Director

Finding and Recommendation

1. Lack of Independent Review of Block Student Aid Disbursements

The College did not have an independent review of the results provided by the scripts used to generate the block disbursements of student aid under the Higher Education Emergency Relief Fund (HEERF). 2 CFR 200.303 requires non-federal entities to “establish and maintain effective internal control...that provides reasonable assurance that the non-federal entity is managing the federal program in compliance with...terms and conditions of the federal award.”

The lack of an independent review was due to a deficiency in management oversight. Although we did not detect noncompliance, inadequate oversight by knowledgeable personnel could result in the disbursement of federal funding to ineligible recipients.

Recommendation:

We recommend the College implement an independent review of the results provided by the scripts used to generate block disbursements of student aid under HEERF prior to disbursing funds in order to prevent disbursements to ineligible recipients.

College's Response:

SLCC agrees with the finding.

Corrective Action Plan:

The Office of Financial Aid and Scholarships will implement an independent and secondary review of the results provided by the scripts used to generate the block disbursements of student aid under the Higher Education Relief Fund. As part of this process and as a preventative control, a random sample of students will be selected and individually reviewed to ensure eligibility and accuracy. Results of the review will be documented and retained for audit support.

SLCC has implemented this change as part of the spring 2021 block disbursements.

*Contact Person: Cristi Millard, Director of the Office of Financial Aid and Scholarships
Anticipated Correction Date: January 2021*