



WEST GEORGIA TECHNICAL COLLEGE WACO, GEORGIA

**INDEPENDENT ACCOUNTANTS
REPORT ON APPLYING AGREED-
UPON PROCEDURES
FOR FISCAL YEAR ENDED
JUNE 30, 2017**

**A Member Institution of the
Technical College System of Georgia**



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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

GREG S. GRIFFIN
STATE AUDITOR
(404) 656-2174

June 18, 2018

Members of the State Board of the Technical College System of Georgia
Members of the Local Board of Directors of
West Georgia Technical College
and
Dr. Scott Rule, President
West Georgia Technical College

Independent Accountant's Report on Applying Agreed-Upon Procedures

Ladies and Gentlemen:

We have performed the procedures enumerated below, which were agreed to by the West Georgia Technical College (College), solely to assist you in evaluating compliance with Federal Student Aid programs and meeting the requirements of COC Comprehensive Standard 13.6 for the year ended June 30, 2017. Included in this report is a section on findings and other items for any matters that came to our attention during our engagement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures for each Student Financial Assistance Cluster (SFA) compliance requirement and the associated findings are as follows:

1. Complete selected procedures for the General Matters compliance requirement.

We did not note any exceptions as a result of our procedures.

2. Complete selected procedures for the Activities Allowed or Unallowed (AAU) compliance requirement.

We did not note any exceptions as a result of our procedures.

3. Complete selected procedures for the Cash Management (CM) compliance requirement.

We did not note any exceptions as a result of our procedures.

4. Complete selected procedures for the Eligibility (EL) compliance requirement.

See FA 2017-001 and FA 2017-002 in the Schedule of Findings and Questioned Costs for a detail of exceptions noted.

5. Complete selected procedures for the Matching, Level of Effort and/or Earmarking (MLE) compliance requirement.

We did not note any exceptions as a result of our procedures.

6. Complete selected procedures for the Program Income (PI) compliance requirement.

We did not note any exceptions as a result of our procedures.

7. Complete selected procedures for the Reporting (RPT) compliance requirement.

We did not note any exceptions as a result of our procedures.

8. Complete selected procedures for the Special Tests and Provisions (STP) compliance requirement.

We did not note any exceptions as a result of our procedures.

We were not engaged to, and did not, conduct an examination, the objective of which is to express an opinion on the Federal Student Aid compliance requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Greg S. Griffin
State Auditor

WEST GEORGIA TECHNICAL COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2017-001 Overpayment of Student Financial Assistance

Compliance Requirement:	Eligibility
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U. S. Department of Education
Pass-Through Entity:	None
CFDA Number and Title:	84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P268K173348 (Year: 2017), P063P163348 (Year: 2017), P007A160980 (Year: 2017)
Questioned Costs:	\$1,369,932.18

Description:

The Institution's Student Financial Assistance Office improperly determined the financial need of eligible students.

Criteria:

Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Assistance (SFA) programs and 34 CFR 675, 676, 685, and 690 provide eligibility and other related program requirements that are specific to the Federal Work-Study program, Federal Supplemental Educational Opportunity Grant (FSEOG) Program, Federal Direct Loan Program, and Federal Pell Grant Program, respectively.

Condition:

A sample of 40 financial assistance files was selected to determine if financial assistance was properly calculated and disbursed to eligible students. The following deficiencies were noted:

1. One student in the sample received Direct Unsubsidized Student Loans before the Subsidized need-based loan limit was reached.
2. Two students in the sample were awarded more Pell Grant funds than they were eligible to receive based upon their Expected Family Contribution and attempted credit hours. Over disbursements totaling \$2,136.00 were noted.

In addition, the entity disbursed \$1,367,796.18 in aid to students enrolled in programs that were not eligible to receive Federal financial assistance.

Furthermore, the Institution did not have an approved awarding or disbursement policy in effect for the year under review.

Questioned Cost:

Questioned costs of \$1,369,932.18, with likely questioned costs of \$1,533,400.28, were identified for the students who received student financial assistance in excess of their eligible need. The following CFDA numbers are affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:

In discussing these deficiencies with management, they stated that turnover within the Student Financial Aid Office and inadequate policies and procedures led to these problems.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Effect or Potential Effect:

The Institution was not in compliance with Federal regulations concerning awarding of SFA funds to students.

Recommendation:

The Institution should review its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the Institution should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with financial need requirements. Additionally, the Institution should develop and implement a monitoring process to ensure that controls are properly implemented. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials and Corrective Action Plans:

We concur with this finding. West Georgia Technical College established new procedures in April 2017 to prevent over awards of federal Pell Grant funds and provide a more accurate determination of unmet need when calculating eligibility of subsidized and unsubsidized loans. Please note that the excess award for one of the students indicated in Item 2 was adjusted and corrected on September 19, 2017. In addition, upon discovery of learning some programs had been mistakenly removed from the ECAR in March of 2017, West Georgia Technical College immediately took steps to resubmit the programs for approval from the Department of Education/Federal Student Aid. West Georgia Technical College has disclosed the incident to the Department of Education/Federal Student Aid.

Estimated Completion Date: June 30. 2018

Contact Person: Kim Kelley, Executive Director, Student Financial Aid
Telephone: (770) 947-7256
Email: kim.kelley@westgatech.edu

FA 2017-002 Undocumented Cost of Attendance Budgets

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
Pass-Through Entity:	None
CFDA Number and Title:	84.007 – Federal Supplemental Education Opportunity Grant 84.033 – Federal Work Study 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Number:	P268K173348 (Fiscal Year: 2017), P063P163348 (Fiscal Year: 2017), P007A160980 (Fiscal Year: 2017), P033A160980 (Fiscal Year: 2017)
Questioned Cost:	None Identified

Description:

The Institution's Student Financial Aid Office did not document the procedures used to establish Cost of Attendance budgets.

Criteria:

Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs.

WEST GEORGIA TECHNICAL COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Condition:

Upon review of the Institution's Cost of Attendance (COA) budgets, it was noted that Institution personnel could not provide supporting documentation or explanations for the calculation of any components of the COA budgets, including Tuition and Fees, Room and Board, Books and Supplies, Miscellaneous Expenses or Transportation.

Cause:

In discussing these deficiencies with management, they stated the previous Director did not keep documentation to support the amounts located on the COA budgets.

Effect or Potential Effect:

The Institution was not in compliance with Federal regulations concerning the COA budgets used as the basis for determining SFA eligibility. The COA is the cornerstone of establishing a student's financial need and sets a limit on the total aid a student may receive. If the estimated costs used for components in the COA budget are unreasonable and do not represent average costs for students at the Institution, a majority of the student population may have been significantly overawarded.

Recommendation:

The Institution should reevaluate the components used in the COA budgets and document that these costs represent average costs for students enrolled at the Institution. The Institution should modify its procedures to ensure that any future changes to the COA budgets are reasonable and based on documented average costs for students. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials and Corrective Action Plans:

We concur with this finding. West Georgia Technical College will establish procedures to ensure components used in determining the COA budgets are reasonable and justified in establishing a student's financial need. All components will be documented.

Estimated Completion Date: June 30, 2018

Contact Person: Kim Kelley, Executive Director, Student Financial Aid
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