



# **NORTH GEORGIA TECHNICAL COLLEGE CLARKSVILLE, 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

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Atlanta, Georgia 30334-8400

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

April 23, 2018

Members of the State Board of the Technical College System of Georgia  
Members of the Local Board of Directors of  
North Georgia Technical College  
and  
Dr. Mark Ivester, President  
North 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 North 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.

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

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.

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

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

NORTH GEORGIA TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER ITEMS  
YEAR ENDED JUNE 30, 2017

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**FA-2017-001 Unofficial Withdrawals**

<b>Compliance Requirement:</b>	Special Tests and Provisions
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U. S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>CFDA Number and Title:</b>	84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
<b>Federal Award Number:</b>	P268K172759 (Fiscal Year: 2017), P063P162759 (Fiscal Year: 2017)
<b>Questioned Cost:</b>	\$9,965.17

**Description:**

Unearned Title IV funds were not identified and returned for students who unofficially withdrew from the Institution.

**Criteria:**

The provisions in 34 CFR 668.22 provides requirements over the treatment of Title IV funds when a student withdraws. The Institution is required to determine the amount of Title IV grant that the student earned as of the student's withdrawal date when a recipient of a Title IV grant withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. A refund must be returned to Title IV programs when the total amount of Title IV grant or loan assistance, or both, that the student earned is less than the amount of the Title IV grant or loan assistance that was disbursed to the student as of the withdrawal date.

**Condition:**

Nineteen students who received Federal financial assistance for the Fall 2016 and Spring 2017 semesters and withdrew from the Institution but for whom no Return of Title IV calculation was performed were selected to determine if a refund should have been calculated. Our examination revealed that refund calculations were not performed for four of these students who unofficially withdrew during the Fall 2016 and Spring 2017 semesters.

**Questioned Cost:**

Questioned costs of \$9,965.17, with likely questioned cost of \$61,935.06, were identified for refunds calculated incorrectly.

**Cause:**

In discussing these deficiencies with management, they stated the deficiency was caused by a breakdown in procedures and insufficient controls during the first year implementation of new attendance software. Procedures have been revised and will be monitored to prevent the action being repeated in future years.

**Effect or Potential Effect:**

The Office of Financial Aid did not calculate the correct amount of refunds for the Title IV Federal program.

NORTH GEORGIA TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER ITEMS  
YEAR ENDED JUNE 30, 2017

**Recommendation:**

The Institution should implement policies and procedures to ensure that students who unofficially withdrew and received Title IV funds are identified and the required refund calculation is performed. 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. In order to maintain future compliance, new processes and procedures have been created to ensure that unofficial withdrawals are reported to the Financial Aid Office, and the Return to Title IV calculations are run in a timely manner. The Financial Aid Department, the Registrar's Office, Academic Affairs, and the IT Department have been working together to develop a script to pull a report that will list all of the students, who have unofficially withdrawn from school during a specific term. This script will look for students with all W's and/or all F's and it will pull their last date of attendance from the Banner Attendance Module. This script will be run at the end of each semester, after grades have been reported and rolled. The Registrar's office will enter the student's last date of attendance in the appropriate screens in BANNER. The Financial Aid Office will run the Return to Title IV processes in BANNER. Student awards will be updated in BANNER and COD, if required. The Business Office will return the funds to the Department of Education via G5. The Financial Aid Office will notify the student.

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