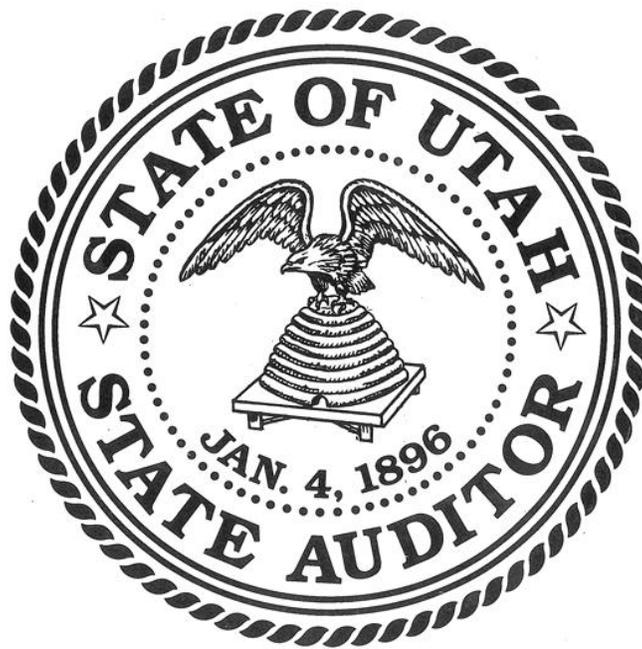


SNOW COLLEGE

Single Audit Management Letter
For the Year Ended June 30, 2016

Report No. 16-25



OFFICE OF THE STATE AUDITOR

AUDIT LEADERSHIP:

John Dougall, State Auditor
Van Christensen, CPA, Audit Director
Ariane Gibson, CPA, Audit Supervisor



OFFICE OF THE
UTAH STATE AUDITOR

SINGLE AUDIT MANAGEMENT LETTER NO. 16-25

November 10, 2016

To the Board of Trustees, Audit Committee,
and
Gary L. Carlston, President
Snow College

This management letter is issued as a result of Snow College's (the College's) portion of the statewide federal compliance audit for the year ended June 30, 2016. Our final report on compliance and internal control over compliance issued to meet the reporting requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is issued under separate cover. We tested the following federal programs as major programs on a statewide level:

- Student Financial Assistance Cluster
- Career & Technical Education Program
- TRIO Cluster

In planning and performing our statewide compliance audit of the programs listed above, we considered the College's compliance with the applicable types of compliance requirements as described in the *OMB Compliance Supplement* for the year ended June 30, 2016. We also considered the College's internal control over compliance with the types of requirements described above that could have a direct and material effect on the major programs tested in order to determine the auditing procedures that were appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct on a timely basis noncompliance with a type of compliance requirement of a federal program. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purposes described in the second paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

We did not identify any deficiencies in the College's internal control that we consider to be material weaknesses. However, we consider the deficiency in internal control over compliance presented in the accompanying finding and recommendation to be a significant deficiency.

The College's written response to and Corrective Action Plan for the finding identified in our audit were not subjected to the audit procedures applied in our audit and, accordingly, we express no opinion on them.

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. Accordingly, this communication is not suitable for any other purpose.

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

Sincerely,



Van Christensen, CPA
Audit Director
801-538-1394
vchristensen@utah.gov

cc: Jacob Dettinger, Vice President of Finance and Administrative Services
Meagan White, CPA, Controller
Jack Dalene, Director of Student Financial Services
Michael Medley, Director, Career and Technical Education
Mike Anderson, Director, Student Support Services, TRIO
Diane Gardner, Director, TRIO Upward Bound

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FINDING AND RECOMMENDATION
FOR THE YEAR ENDED JUNE 30, 2016

NONCOMPLIANCE WITH CTE REPORTING REQUIREMENTS

(Significant Deficiency and Reportable Noncompliance to Federal Program)

Federal Agency: **Department of Education**

CFDA Number and Title: **84.048 Career and Technical Education – Carl Perkins**

Federal Award Number: **V048A150044**

Questioned Costs: N/A

Pass-through Entity: N/A

Prior Year Finding Number: N/A

Snow College (College) did not provide data to the general public regarding the level of performance for the core indicators of performance described in Section 113 (b)(4) of the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV). Federal regulations (20 USC 2323(b)(4)(C)(v)) require that the College's performance data be made available to the general public through a variety of formats, including electronically through the internet. The College's CTE program personnel were unaware of the requirement. Failure to report the required information in the proper format as described above, results in noncompliance with grant requirements.

Recommendation:

We recommend that the College improve its understanding of the CTE program requirements and establish an internal control to ensure that its data for the core indicators of performance is made available to the general public using the required formats.

College's Response:

Snow College's Director of Career and Technical Education will be attending the State CTE Directors' meeting on November 14, 2016 and will discuss with other state CTE directors how their institutions are complying with this requirement to make Perkins performance data available to the public. Snow College does have the option to make Perkins performance data publicly available on the College web site using an interactive dashboard interface. The most current data (FY16) will be made available using this interface on the Institutional Research page under the link Interactive Dashboards. The target date for this publication will be February 1, 2017. If possible, previous reports/data will also be made accessible using the same dashboard interface.

Snow College continues to pioneer verification of Perkins data with USHE. Starting June 2016, the Snow College Director of Institution Research and Effectiveness created SQL scripts that modified End of Term data submitted to USHE in order to:

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FINDING AND RECOMMENDATION
FOR THE YEAR ENDED JUNE 30, 2016

- A. *Provide internal reporting at the end of each term regarding Perkins courses, participants, and concentrators;*
- B. *Provide an internal update for General Education majors with a course load of 50% or more Perkins courses. This update would change their General Education major to the Perkins major associated with the majority of their Perkins courses (e.g., a general education major would be changed to an Industrial Mechanics major if 4 out of their 6 Perkins indicated courses had the Industrial Mechanics CIP code);*
- C. *Allow for data matching/verification with USHE Perkins report to further ensure data integrity prior to its submission to USOE for Perkins processing.*

These SQL scripts have been tested at Snow College. The reporting and matching with USHE is being conducted during the Fall 2016 and Spring 2017 semesters with the USHE office. It is anticipated that these tests will result in modifications to the End of Term reporting scripts/extracts for all USHE institutions. Such modifications will be presented in April 2017 and take effect for the 2017-2018 academic year reporting.

Corrective Action Plan:

Perkins performance data will be made publicly available on the Snow College web site using an interactive dashboard interface. The most current data (FY16) will be made available using this interface on the Institutional Research page under the link Interactive Dashboards. If possible, previous reports/data will also be made accessible using the same dashboard interface.

*Contact Person: Michael Medley, Director, Career and Technical Education, 435-893-2264
Anticipated Completion Date: February 1, 2017*