

Audit Appeals Process: Work-in-Progress
STATE BOARD OF COMMUNITY COLLEGES
POLICY COMMITTEE
SUB-COMMITTEE ON PROGRAM AUDIT APPEALS GUIDELINES

The following are “Guidelines” to be used in the process of an appeal by a community college of Program Audit findings and exceptions.

Steps to be Taken Prior to a Formal Appeal

1. On the day the auditor receives feedback from college staff regarding issues noted in the audit review, a brief discussion in regard to the audit review findings may be held with the college President or other relevant staff members. If there is no time; college staff is unavailable; or the auditor is not appropriately prepared for the discussion, the auditor will call the college President or a designee of the President when the written audit report detailing the scope of the program audit and findings has been completed, and the call will be scheduled at a time convenient to the President.
2. If there are Findings, the college has 30 days from receipt of the preliminary audit report to respond in writing. When warranted and with a written request from the college President, extensions may be granted to allow a college additional time to develop a response.
3. When submitting the written response to the Executive Director of Audit Services, the college President may also request a conference with the Executive Director of Audit Services and/or the Executive Vice President to present pertinent information regarding the finding(s). Any additional, pertinent information provided by college staff should be different documentation than that provided in the initial audit review just conducted. For example, the attendance record, verification of payment, instructor contract, etc. provided for the reporting of the class hours for budget/FTE at the time of the audit review cannot be replaced by a secondary documentation of the same nature, or in other words, attendance record “B.” It is expected that at the time of the audit review, accurate and final documentation will be provided for the class hours reported for budget/FTE which was used when the class hours were reported for budget/FTE via the ICR. If the college provides additional, different documentation, time must be allowed for a secondary audit review and written response.

4. Upon receipt of the final audit report, if there is continued disagreement as (to) the findings by the college, the System President may enter into the discussions in hopes of a resolution to the disagreement before the matter is appealed to the State Board.

If there is continued disagreement as to the findings by the college, a written appeal may be made to the State Board of Community Colleges. This written appeal must be submitted within 30 days of receipt of the final audit report. The Board's Policy Committee will review the appeal and make its recommendation to the State Board of Community Colleges."

Committee Appeals Process

I. State Board of Community College Staff Process

A. Summary report:

The SBCC staff will present to the committee members 1) a brief summary report that, in concise terms, describes the audit exception being appealed, 2) describes the measures taken to resolve the appeal, and 3) states the current opinion of staff with regard to the audit finding(s) and the appeal in question.

B. Legal or Regulatory Reference:

As background, the report should reference the legal and/or regulatory basis for which the exception has been rendered, thus allowing the committee to understand the determination of compliance failure (audit exception(s)).

C. Report Format:

Staff is requested to design a format for the report that will then be used for all such appeals being brought before the committee. This consistent structure will assist the committee members in their review and in preparation for the committee hearing process.

D. Contact Person:

The report should also provide the name of a staff contact person to assist committee members with regard to questions or any need for clarification as they prepare for the appeals hearing.

E. Documentation:

If documentation is to be presented supporting the audit findings and the appeal outcome to date, this documentation will be included with, and referenced as an attachment to, the appeal report being presented to the committee.

If documentation is such that it may preclude an attachment to the final report, such documentation should be referenced in the summary report and then brought to the committee meeting to be available during the hearing process, as/if needed.

All handout materials must be presented to the committee as an attachment to the final report (if this material is to be referenced during the hearing). No additional handout materials will be accepted during the hearing unless requested by committee members.

II. College Requesting an Appeal

A. General Information

The appealing college will submit to the Policy Committee, via staff, a concise report that provides the following information:

- 1) The audit exception or finding(s) being appealed, in brief and concise terms, and as stated in the audit report and exception submitted by SBCC staff.
- 2) The rationale for the appeal including specific points upon which the appeal is based in factual and concise terms.
- 3) The desired outcome based on the rationale for appeal.
- 4) The reason the appeal is being brought to the Policy Committee, relating efforts to date for appeal resolution.

B. Documentation

If documentation is to be presented supporting the audit findings and the appeal outcome to date, this documentation will be included as a referenced attachment to the initial report submitted to the committee.

If documentation is such that it may preclude an attachment to the initial report, such documentation should be referenced in the summary report and then brought to the committee meeting to be available during the hearing process, as/if needed.

All handout materials must be presented to the committee as an attachment to the initial report (if this material is to be referenced by the college during the hearing). No additional handout materials or data will be accepted during the hearing unless requested by committee members.

III. Hearing Process

A. General Information

The appeal report and documentation must be presented to the Policy Committee two weeks, to include a full ten working days, prior to the Policy Committee meeting date for which the appeal is to be scheduled on the agenda. No appeal hearing will be scheduled otherwise, and if scheduled and the report and data are not forthcoming as requested, the agenda item will be removed for that meeting and a hearing will not be held. The appeal will be rescheduled and placed on the committee agenda once the report and materials are provided as requested and in the time frame required.

B. Information

The appealing college will submit to the Policy Committee, via staff, a concise report that provides the following information:

- 1) The audit exception or finding(s) being appealed, in brief and concise terms, and as stated in the audit report and exception submitted by SBCC staff.
- 2) The rationale for the appeal including specific points upon which the appeal is based in factual and concise terms.
- 3) The desired outcome based on the rationale for appeal.
- 4) The reason the appeal is being brought to the Policy Committee, relating efforts to date for appeal resolution.

C. Presentation

The appealing college president or their designee from college staff will select the spokesperson to comment regarding the appeal, and will advise the Policy Committee Chair, via staff, as to the name and title of the selected spokesperson. If guests of the college are to be present, it is requested to advise the staff so sufficient accommodations can be made with regard to meeting room arrangements.

The appealing college will be given five minutes for comments to the committee, after which committee members will be given the opportunity for questions and comments.

The Executive Vice President & Chief of Staff will select a spokesperson to comment regarding the appeal and will advise the Policy Committee Chair as to the name and title of the selected spokesperson.

The SBCC staff spokesperson will be given five minutes for comments to the committee, after which committee members will be given the opportunity for questions and comments.

As a matter of courtesy and in the interest of time constraints, all attendees are requested to refrain from comments or interruptions during the presentation by the college spokesperson and SBCC staff.

IV. Decision

After hearing the appeal presentations, the Policy Committee members will have the opportunity for discussion and questions, after which the following will occur:

By request, the Committee Chair will ensure that the committee is prepared to render a decision. If so, the Chair will entertain a motion, a second, will ask for a vote and a decision will be rendered for resolution of the appeal.

If it is the determination of the committee members that further investigation and deliberation are necessary to make a decision regarding this appeal, the Chair will make a recommendation for consideration by the committee. An action will be made to allow for a final determination, deferring the decision until an agreed date.

Once a decision regarding the appeal is made and approved by the Policy Committee, the recommendation will be brought forward to the full SBCC Board for consideration and vote.

V. Special Called Meeting

The Committee that will hear the appeal will schedule a Special Called Meeting for the singular purpose of hearing the appeal. It is preferred that the Special Called meeting be held on the Thursday morning of regular State Board meeting days. This would prevent unnecessary travel by Committee members.