

**Moraine Valley Community
College – Community College
District Number 524**

Reports required by the Uniform Guidance and
Government Auditing Standards

Year Ended June 30, 2023

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**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Independent Auditor's Report

Board of Trustees
Moraine Valley Community College –
Community College District Number 524

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of Moraine Valley Community College – Community College District Number 524 (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 10, 2023. That report includes an emphasis of matter relating to restatements of beginning capital assets (subscription-based assets) and obligations (subscription-based liabilities), as of July 1, 2022, for the implementation of Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM VS LLP

Chicago, Illinois
October 10, 2023

**Report on Compliance for Each Major Federal Program; Report on Internal Control Over
Compliance; and Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Trustees
Moraine Valley Community College –
Community College District Number 524

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Moraine Valley Community College – Community College District Number 524's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004 and 2023-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004 and 2023-005, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the College as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon, dated October 10, 2023, which contained an unmodified opinion on those financial statements. That report includes an emphasis of matter relating to restatements of beginning capital assets (subscription-based assets) and obligations (subscription-based liabilities), as of July 1, 2022, for the implementation of Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements*. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
October 10, 2023

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Grantor's Identifying Number	Provided To Subrecipients	Federal Expenditures
U.S. Department of Labor:					
Pass-through programs from:					
Chicago Cook Workforce Partnership:					
Workforce Innovation and Opportunity Act (WIOA) Cluster:					
WIOA Dislocated Worker Formula Grants	17.278	2022-321		\$ -	\$ 31,827
WIOA Dislocated Worker Formula Grants	17.278	2021-321		-	86,130
Total WIOA Dislocated Worker Formula Grants				-	117,957
WIOA Adult Program	17.258	2022-221		-	35,632
WIOA Adult Program	17.258	2021-221		-	86,621
Total WIOA Adult Program				-	122,253
WIOA Youth Activities	17.259	2022-521		-	300,121
Subtotal Workforce Innovation and Opportunity Act (WIOA) Cluster:				-	540,331
Total Department of Labor				-	540,331
U.S. Department of Education:					
Direct Programs:					
Student Financial Assistance Cluster:					
Federal Pell Grant Program	84.063		P063P212988	-	219,113
Federal Pell Grant Program	84.063		P063P222988	-	14,703,975
Total Federal Pell Grant Program				-	14,923,088
Federal Supplemental Educational Opportunity Grants	84.007		P007A211227	-	29,500
Federal Supplemental Educational Opportunity Grants	84.007		P007A221227	-	157,788
Total Federal Supplemental Educational Opportunity Grants				-	187,288
Federal Work-Study Program	84.033		P033A211227	-	(1,008)
Federal Work-Study Program	84.033		P033A221227	-	257,628
Total Federal Work-Study Program				-	256,620
Federal Direct Student Loans	84.268		P268K202988	-	(743)
Federal Direct Student Loans	84.268		P268K222988	-	864
Federal Direct Student Loans	84.268		P268K232988	-	1,865,735
Total Federal Direct Student Loans				-	1,865,856
Total Student Financial Assistance Cluster				-	17,232,852
Higher Education Programs:					
Higher Education Institutional Aid	84.031A		P031A160217	-	33,657
Postsecondary Education:					
TRIO Cluster:					
TRIO Upward Bound	84.047A		P047A170535	-	132,607
TRIO Upward Bound (Eisenhower High School)	84.047A		P047A221296	-	161,739
TRIO Upward Bound (Richards High School)	84.047A		P047A220761	-	48,449
Total TRIO Upward Bound				-	342,795
TRIO Student Support Services	84.042A		P042A200555	-	311,071
TRIO Talent Search	84.044A		P044A210305	-	241,612
Total TRIO Cluster				-	895,478
Total Direct Programs				-	18,161,987
Pass-through programs from:					
Illinois Community College Board:					
Career and Technical Education - Basic Grants to States	84.048	CTE52421		-	605,915
Adult Education - Basic Grants to States	84.002	524021		-	722,494
Education Stabilization Fund:					
COVID-19: Governor's Emergency Education Relief Fund (GEER II)	84.425C	GEERII-52422		-	218,822
University of Illinois Urbana Champaign					
Open Textbooks Pilot Program					
Fund for the Improvement of Postsecondary Education	84.116T	104953-19312		-	9,407
Total Pass-through programs				-	1,556,638
Total Department of Education				-	19,718,625
U.S. Department of Veterans Affairs					
Veterans Benefits Administration					
Post-9/11 Veterans Educational Assistance	64.028		N/A	-	166,530
Vocational Rehabilitation for Disabled Veterans	64.116		N/A	-	12,315
Total Department of Veterans Affairs				-	178,845

(Continued)

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Grantor's Identifying Number	Provided To Subrecipients	Federal Expenditures
National Science Foundation:					
Research and Development Cluster					
Direct Programs:					
Education and Human Resources:					
STEM Education	47.076		DUE - 1801007	\$ -	\$ 5,560
STEM Education	47.076		DGE - 1842077	-	20,312
Subtotal Direct Programs				-	25,872
Pass-through programs from:					
Education and Human Resources:					
Whatcom Community College					
STEM Education	47.076	DUE-1937905		-	7,311
Whatcom College					
STEM Education	47.076	DUE-2054724		-	178,770
Subtotal Pass-through programs				-	186,081
Total National Science Foundation - Research and Development Cluster - STEM Education				-	211,953
Department of Defense:					
Direct Programs					
CyberSecurity Core Curriculum					
2020 CAE Moraine Valley Community College/K-12 Pipeline	12.905		H98230-20-1-0356	54,335	506,364
Cyber Ed Innovations	12.905		H98230-21-1-0152	-	177,075
Educational Pathways National Center	12.905		H98230-20-1-0356	53,078	313,332
Subtotal Direct Programs				107,413	996,771
Pass-through programs from:					
CyberSecurity Core Curriculum					
Dakota State University					
Centers of Academic Excellence in Cybersecurity program	12.905	266-840271		-	101,789
CyberSecurity Core Curriculum					
The Regents of the University of Colorado					
NCAE-C Grant	12.905	20-144-10		-	10,728
Total CyberSecurity Core Curriculum				107,413	1,109,288
Pass-through programs from:					
University Enterprises Corporation at CSUSB					
Information Security Grants	12.902	SA20133		12,153	158,200
National Cryptologic Museum Foundation					
Information Security Grants	12.902	SA20137		-	22,298
Subtotal Pass-through programs - Information Security Grants				12,153	180,498
Total Department of Defense				119,566	1,289,786
Department of Health and Human Services					
Pass-through programs from:					
Illinois Dept of Human Services					
Social Services Block Grant	93.667	46CBD03601		-	29,991
Illinois Community College Board					
COVID-19: Child Care and Development Block Grant	93.575	ECE-524-01-22		-	261,449
Total Department of Human Services				-	291,440
Department of The Treasury					
Pass-through programs from:					
Coronavirus State and Local Fiscal Recovery Funds					
COVID-19: Social Impact Partnerships to Pay for Results Act	21.017	CB-524-01-22		-	320,000
Total Department of The Treasury				-	320,000
National Endowment for the Arts					
Direct Programs					
Promotion of the Arts Partnership Agreements	45.025		1884975-54-21	-	14,400
Total National Endowment for the Arts				-	14,400
Total Expenditures of Federal Awards				\$ 119,566	\$ 22,565,380

See Notes to Schedule of Expenditures of Federal Awards.

**Moraine Valley Community College –
Community College District Number 524**

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Moraine Valley Community College – Community College District Number 524 (the College) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The College has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Federal Direct Student Loan Program

During the fiscal year ended June 30, 2023, the College issued new loans to students under the Federal Direct Student Loan Program (FDLP) Assistance Listing Number 84.268. The loan program includes subsidized and unsubsidized Stafford Loans and Parent PLUS loans for undergraduate students. The value of loans issued for the FDLP is based on disbursed amounts. The loan amounts issued during the year are disclosed on the Schedule. The College is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in the College's basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the College at June 30, 2023.

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the
financial statements audited were prepared
in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> X </u>	Yes	<u> </u>	None Reported

Type of auditor's report issued on compliance
for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	<u> X </u>	Yes	<u> </u>	No
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Identification of major program:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Programs or Clusters</u>
84.063, 84.007, 84.033, 84.268	Student Financial Assistance Cluster
84.047A, 84.042A, 84.044A 12.905	TRIO Cluster Cybersecurity Core Curriculum

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?	<u> X </u>	Yes	<u> </u>	No
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**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023**

Section II. FINANCIAL STATEMENT FINDINGS

No matters to report.

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding 2023-001 – Return of Title IV Funds – Enrollment Reporting

Repeat Finding: No

Federal Program Title – U.S. Department of Education

Student Financial Assistance Cluster

Federal Pell Grant Program: 84.063

Federal Direct Student Loans: 84.268

Federal Supplemental Educational Opportunity Grants 84.007

Federal Award Year 2022-2023

Condition

For eight out of ten students tested (80%) who withdrew from the College, the students' status change at the campus level and program level was not reported to the National Student Loan Data System (NSLDS) within the 60 day requirement.

Criteria

CFR section 685.309 and 690.83(b)(2) requires the College to notify the NSLDS within 30 days of a change in student status or include the change in status in a response to an enrollment reporting roster within 60 days of the student's date of determination of withdrawal.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure that enrollment status changes are reported timely.

Questioned Costs

There were no questioned costs related to testing of enrollment reporting.

Cause

Certain reports submitted by the College to the NSLDS contained formatting errors that needed to be cleared by the College before they could be processed. The College did not clear the errors timely and therefore missed the 60-day requirement to report students' status changes at the campus and program level.

Prevalence

Frequent. Eight out of ten students selected for testing.

Effect

Failure to report status changes timely is noncompliance with Federal regulation and could result in loss of future funding.

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023**

Recommendation

We recommend the College implement monitoring procedures which will promptly notify the financial aid office of any errors in submission of the enrollment data to the National Student Clearinghouse. A system of monitoring procedures and/or controls will ensure the College is reporting any status changes to the lender in a timely manner and resolving any errors in submissions. The College should implement a review process to ensure all submission errors are addressed by the financial aid office in a timely manner.

Views of responsible officials

We agree with this finding. See corrective action plan.

Finding 2023-002 – Cash Management – Subrecipient Payments

Repeat Finding: No

Federal Program Title – U.S. Department of Defense

Cybersecurity Core Curriculum 12.905

Condition

For one out of two subrecipient payments tested (50%), the College did not submit payment within 30 days after receipt of the billing from the subrecipient.

Criteria

Under Uniform Guidance (2 CFR 200.305(b)(3)), when the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper. The College made payment to the subrecipient 105 days after receipt of the billing from the subrecipient.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure subrecipient payments are made timely.

Questioned Costs

There were no questioned costs related to testing of subrecipient payments.

Cause

To ensure the College is fully monitoring both programmatic activities and financial compliance with Uniform Guidance cost principles of its subrecipients, the College's internal control procedure requires signatures from the Principal Investigator (PI), Director of Resource Development, and the Manager of Grants Accounting and Compliance. Delays in the internal approval process caused the delay in payment of the sampled invoice.

Prevalence

Frequent. One out of two payments selected for testing.

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023**

Effect

Without proper program cash management policies and procedures, late subrecipient payments could result in the loss of future funding.

Recommendation

We recommend the College review current processes, policies and procedures to ensure that payments to subrecipients minimize the time elapsing between transfer of federal funds from the pass-through entity to the subrecipient.

Views of responsible officials

We agree with this finding. See corrective action plan.

Finding 2023-003 – Reporting – Federal Accountability and Transparency Act Subaward Reporting System (FFATA)

Repeat Finding: No

Federal Program Title – U.S. Department of Defense
Cybersecurity Core Curriculum 12.905

Condition

For one out of one subawards tested (100%), the College did not report subaward data to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
1	1	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$ 75,000	\$ 75,000	\$ 0	\$ 0	\$ 0

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by section 6202 of Public Law 110-252, hereafter referred as the “Transparency Act” that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). The non-federal entity is required to report each obligating action to FSRS. The action must be reported in FSRS no later than the last day of the month following the month in which the subaward/subaward amendment was made.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure reports are submitted timely.

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023**

Questioned Costs

There were no questioned costs related to reporting.

Cause

The College misinterpreted the absence of Department of Defense NSA CFDA # / ALN # 12.905 from the Compliance Supplement Compliance Matrix as an indication that this award was not subject to the subrecipient monitoring components of the Uniform Guidance and the Compliance Supplement.

Prevalence

Frequent. One out of one subawards selected for testing.

Effect

Without proper program reporting policies and procedures, the submission of late reports is noncompliance with Federal regulation and could result in the loss of future funding.

Recommendation

We recommend the College review current processes, policies and procedures to ensure Federal Funding Accountability and Transparency Act reporting requirements are completed timely.

Views of responsible officials

We agree with this finding. See corrective action plan.

Finding 2023-004 – Internal Controls for Subrecipient Monitoring

Repeat Finding: No

Federal Program Title – U.S. Department of Defense
Cybersecurity Core Curriculum 12.905

Condition

The College did not have sufficient documentation that internal controls were in place and operating effectively over risk assessment procedures required by the subrecipient monitoring compliance requirement. Although the College was able to provide a timeline noting a risk assessment took place and ongoing monitoring was occurring, there was no formal documentation of the risk assessment.

Criteria

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure that reviews are formally documented over subrecipient monitoring.

Questioned Costs

There were no questioned costs related to subrecipient monitoring.

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023**

Cause

The National Security Agency pre-selected the subrecipient college for this grant. As a result, the College did not fully utilize its subrecipient monitoring tool to document its rigorous subrecipient risk assessment and monitoring process.

Prevalence

Frequent. One out of one subawards selected for testing.

Effect

Lack of properly documented evidence of subrecipient monitoring policies and procedures could result in the loss of future funding.

Recommendation

We recommend the College review current processes, policies and procedures to ensure that subrecipient monitoring policies and procedures are properly documented for each subaward.

Views of responsible officials

We agree with this finding. See corrective action plan.

Finding 2023-005 – Program Eligibility – Clock to Credit Hour Conversion

Repeat Finding: No

Federal Program Title – U.S. Department of Education

Student Financial Assistance Cluster

Federal Pell Grant Program: 84.063

Federal Direct Student Loans: 84.268

Federal Supplemental Educational Opportunity Grants 84.007

Federal Award Year 2022-2023

Condition

The College did not apply the appropriate clock to credit hour conversion formula for certain applicable financial aid eligible programs. The College also did not have sufficient evidence of controls being in place to ensure compliance with this requirement.

Criteria

Under Uniform Grant Guidance (34 CFR 688.8) if the institution offers an undergraduate educational program in credit hours in what is considered a non-degree program, the appropriate conversion formula must be applied unless:

- The program is at least two academic years in length and provides an associate degree, a bachelor's degree, a professional degree, or an equivalent as determined by the Department (Note that this does not permit an institution to ask for a determination that a non-degree program is equivalent to a degree program); or

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023**

- Each course within the program is acceptable for full credit toward a single associate degree, bachelor's degree, or professional degree provided by that institution, or equivalent degree as determined by the Department, provided that the institution's degree requires at least two academic years of study and the institution can demonstrate that students enroll in, and graduate from the degree program.

The formula will determine if, after the conversion, the program includes the minimum number of credit hours to qualify as an eligible program for financial aid purposes. The formula also determines the number of Title IV credit hours associated with each class that an institution can use to determine a student's enrollment status during the program.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure that the appropriate clock to credit hour conversion formula is applied to applicable programs.

Questioned Costs

Unknown

Cause

The College failed to identify certain applicable requirements and therefore did not perform this calculation.

Prevalence

Frequent. Five out of five programs selected for testing.

Effect

Lack of proper clock to credit hour conversions could result in the over awarding of financial aid to students enrolled in certain programs.

Recommendation

We recommend the College review current processes, policies and procedures to ensure that clock to credit hour conversion formulas are being properly applied and documentation is being retained by the College.

Views of responsible officials

We agree with this finding. See corrective action plan.

**Moraine Valley Community College –
Community College District Number 524**

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023**

No prior financial statement findings and no findings or questioned costs for federal awards.

Moraine Valley Community College

CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2023

Identifying Number: 2023-001

Finding: For eight out of ten students tested (80%) who withdrew from the College, the students' status change at the campus level and program level was not reported to the National Student Loan Data System (NSLDS) within the 60-day requirement.

Corrective Action Planned: Enrollment Services staff have created a shared logbook that will track and compile NSC transactions. This logbook is saved to a shared drive with access given to appropriate staff, VP of Student Development and Dean of Enrollment Services. Additionally, any extended gaps in reports being verified, submitted and/or responses by either College staff or NSC staff will be followed up with by the Assistant Dean of Enrollment Services and logged in the NSC logbook for audit purposes.

Anticipated Completion Date: June 30, 2024

Responsible Person:

Tasha Campbell, Director of Financial Aid
campbellt68@morainevalley.edu



Moraine Valley Community College

CORRECTIVE ACTION PLAN (continued) YEAR ENDED JUNE 30, 2023

Identifying Number: 2023-002

Finding: For one out of two subrecipient payments tested, the College did not submit payment within 30 days after receipt of the billing from the subrecipient.

Corrective Action Planned: The College will update its subrecipient invoice payment procedure to establish stronger internal controls related to tracking subrecipient invoice approval routing. The College will ask each subrecipient to include the Manager of Grants Accounting and Compliance on any requests for reimbursements.

If a subrecipient's invoice meets Moraine Valley's criteria for performance and fiscal compliance, the Manager of Grants Accounting and Compliance will monitor the approval process to make sure it is properly approved by the grant's Principal Investigator, the Director of Resource Development, and the Manager of Grants Accounting and Compliance. This additional monitoring will help ensure all subrecipient invoices are paid within 30 days of receipt. If the invoice does not meet the College's criteria including all proper supporting documentation, the invoice will be returned to the subrecipient for corrections.

Anticipated Completion Date: June 30, 2024

Responsible Person:

Darren Howard, Manager of Grants Accounting and Compliance
Howard46@morainevalley.edu



Moraine Valley Community College

CORRECTIVE ACTION PLAN (continued) YEAR ENDED JUNE 30, 2023

Identifying Number: 2023-003

Finding: For one out of one subawards tested, the College did not report subaward data to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Corrective Action Planned: The Director of Resource Development will collect from each subrecipient all required data needed for the Federal Funding Accountability and Transparency Act and report the information on the FSRS website at the time the subaward is being issued. The Manager of Grants Accounting and Compliance will submit any changes needed to subrecipient data on the FSRS website.

Anticipated Completion Date: June 30, 2024

Responsible Persons:

Theresa Pallanti, Director of Resource Development

Pallantit@morainevalley.edu

Darren Howard, Manager of Grants Accounting and Compliance

Howard46@morainevalley.edu



Moraine Valley Community College

CORRECTIVE ACTION PLAN (continued) YEAR ENDED JUNE 30, 2023

Identifying Number: 2023-004

Finding: The College did not have sufficient documentation that internal controls were in place and operating effectively over risk assessment procedures required by the subrecipient monitoring compliance requirement. Although the College was able to provide a timeline noting a risk assessment took place and ongoing monitoring was occurring, there was no formal documentation of the risk assessment.

Corrective Action Planned: The grant team consisting of Grant Accounting, Resource Development, and the Grant Manager will meet to discuss the proposed sub-recipient's risk prior to issuing a proposal to the subrecipient. The team will utilize the current version of Moraine Valley's subrecipient monitoring tool before issuing future subawards and ensure all risk assessment forms are completed. In addition, the College will monitor compliance of spending activity monthly by review of the subrecipient's invoices sent to the College. This will ensure the subrecipient is monitored throughout the contract.

Anticipated Completion Date: June 30, 2024

Responsible Persons:

Darren Howard, Manager of Grants Accounting and Compliance

Howard46@morainevalley.edu

Theresa Pallanti, Director of Resource Development

Pallanti@morainevalley.edu

John Sands, Professor and Department Chair – Computer Integrated Technologies

Sands@morainevalley.edu



Moraine Valley Community College

CORRECTIVE ACTION PLAN (continued) YEAR ENDED JUNE 30, 2023

Identifying Number: 2023-005

Finding: The College did not apply the appropriate clock to credit hour conversion formula for certain applicable financial aid eligible programs. The College also did not have sufficient evidence of controls being in place to ensure compliance with this requirement.

Corrective Action Planned: Moraine Valley Community College will evaluate all certificates that are standalone programs. Financial Aid will receive a list of these programs and work with IT to identify students enrolled in those programs. Financial Aid will also update our policies and procedures to ensure that all clock to credit hour conversion formulas are being applied and documented per Uniform Grant Guidance (34 CFR 688.8).

Anticipated Completion Date: June 30, 2024

Responsible Person:

Tasha Campbell, Director of Financial Aid
campbellt68@morainevalley.edu

