

Status of Audit Resolution

December 2015

Whatcom Community College (WHC)

Agency: 621

Audit Report: 1014543

Finding Number: 001

Finding: The College's controls over financial reporting are inadequate to ensure accurate financial reporting.

Resolution: The errors identified in the finding were a result of misclassification of certain revenues, expenses and fund balances. To ensure veracity of coding transactions, the College implemented system oversight through regular internal meetings, as well as review by an external consultant. The process calls for statements and schedules, prepared by the fiscal analyst, to be reviewed by both the senior accountant and the finance director. When financials are nearing completion, the vice president of Administrative Services will review them before they are reviewed by a qualified external consultant.

All staff involved in preparing the College's financial statements received training regarding proper classification, including initial financial statement development training by the State Board for Community and Technical College staff in fall 2014. In addition, College staff continue to participate in the financial statements work group comprised of staff members from the other 34 Washington state community and technical colleges to stay abreast of best practices and system modifications to financial reporting.

Ongoing education and staff development in this area are important to the College. Most recently, in October 2015, College staff attended a two-day training on current Governmental Accounting Standard Board statements provided by the National Association of College and University Business Officers.

Completion Date: June 2015, subject to audit follow-up

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