
Higher Education Coordinating Board (HECB)

Agency: 343

Audit Report: 1003470

Finding Number: 001

Finding: The Higher Education Coordinating Board's internal controls are inadequate to ensure grant recipients comply with grant requirements prior to issuing payment.

Resolution: In response to this finding, the Board took or will take the following actions:

- The Board developed detailed written policies and procedures on service obligations which are consistent with state and federal requirements to ensure there is clarity on how vacation, sick, and holiday hours are treated and reported.
- The Board developed and distributed written instructions and guidance for grant recipients and facility administrators on how to properly complete the quarterly service verification form and on the consequences of fraudulent reporting. The form was revised, consistent with the new policies, procedures, and instructions.
- During the site application process, facility administrators are now required to certify their willingness to verify quarterly service and to ensure grant recipients comply with the program requirements.
- Facilities administrators are provided guidance on how to review time sheets or other supporting records prior to certifying the time reported by the grant recipient. Facilities administrators are asked to designate appropriate facilities personnel that are authorized to verify quarterly service and ensure grant recipients comply with the program requirements.
- The Board's program staff monitors questions and issues related to service verification to ensure effective communication with grant recipients and facility staff. As needed, program staff discusses policy and procedure changes with management. Program staff then updates the agreed upon policies and procedures and gives them to management for final approval.
- Program staff advises facility administrators they are required to retain a copy of the quarterly service verification form and supporting documentation as these records will be reviewed on both a random and targeted basis to help ensure the service obligations are being met.
- Program staff has not started this review process yet because there is no money in the budget for travel. As funding allows, the plan is to visit ten sites per quarter.

Prior to implementation, Accounting and Budget reviewed and approved the new forms, procedures, and instructions to ensure they meet internal control requirements.

Agency Contact: Pam Haggard
Higher Education Coordinating Board
PO Box 43430
Olympia WA 98504-4340
(360) 753-7882
pamh@hecb.wa.gov