
AUDIT AND BUDGET COMMITTEE AGENDA

**Coast Community College District
Audit and Budget Committee Special Meeting
Wednesday, August 27, 2025 at 2:00 p.m.**

**Chancellor's Conference Room
1370 Adams Avenue, Costa Mesa, CA 92626**

- 1. Call to Order**
- 2. Roll Call**
- 3. Opportunity for Public Comment**

Members of the public have the opportunity to address the Audit and Budget Committee on any item that has been described in this notice. Persons wishing to make comments will be recognized at this point in the meeting. Individuals will have up to five minutes per agenda item, and there is a 20-minutes total limit per item. These time limitations may be extended by the Committee.

It is the intention of the Coast Community College District to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Coast Community College District will attempt to accommodate you in every reasonable manner. Please contact the Secretary of the Board to inform us of your particular needs so that appropriate accommodations may be made.

- 4. Approval of Minutes: Meeting of June 11, 2025 (Attachment #1)**
- 5. Internal Audit Quarterly Report (Rachel Snell) (Attachment #2)**
- 6. District and State Budget Updates**
- 7. Future Agenda Items**
- 8. Next Meeting Date**
- 9. Adjournment**

The Committee may take action on any item listed on this agenda. Under the Brown Act, the Public has the right to receive copies of any non-exempt public documents relating to an agenda item that are distributed to the committee members. Please contact the Office of the Board of Trustees prior to the meeting to facilitate the distribution of these documents.

AUDIT AND BUDGET COMMITTEE MINUTES

**Coast Community College District
Audit and Budget Committee
June 11, 2025
Chancellor's Conference Room**

1. Call to Order

The meeting was called to order at 2:01 p.m.

2. Roll Call

Trustees Present: Trustee Elizabeth Dorn Parker
Trustee Jim Moreno

In Attendance

Whitney Yamamura, Chancellor
Marlene Drinkwine, Vice Chancellor of Finance and Administrative Services
Andreea Serban, Vice Chancellor of Ed Services & Technology
Christine Nguyen, Vice President of Administrative Services, CCC
Rich Pagel, Vice President of Administrative Services, OCC
Rick Hicks, Acting Vice President of Administrative Services, GWC
Rachel Kubic, Director of Business Services, OCC
Rachel Snell, Director of Internal Audit
Steve Kim, District Controller
Araceli Alvarez, District Budget Director
Ricky Goetz, Board Secretary
Alicia Herrera, Partner, Eide Bailly
Anna Krdilyan, Manager Eide Bailly

3. Opportunity for Public Comment

There were no requests to address the Audit and Budget Committee.

4. Approval of Minutes: February 25, 2025

On a motion by Trustee Parker, seconded by Trustee Moreno, the Committee voted to approve the minutes of the February 25, 2025 meeting.

Motion carried with the following vote:

Aye:	Trustees Dorn Parker and Moreno
No:	None
Abstain:	None
Absent:	None

5. Internal Audit Quarterly Report

District Director of Internal Audit Rachell Snell provided the Internal Audit Report. The Standards Review checklist was reviewed, a tool developed to help support organizations aligning their use of TeamMate+ with internal audit standards. The Self-Reported Status of Recommendations Follow Up Report, a District Human Resources Report describing Implementation Status Guidelines, was also reviewed. A dashboard for outstanding projects and follow-up would be implemented next year.

Projects completed were the OCC Veteran's Resource Center: Object 3 Environmental Health and Safety and Physical Security, Fixed Assets Self-Report Follow Up: Implementation Status of 5 outstanding recommendations remains incomplete for more than 10 years, FY 2024-25 Strategic Audit Plan with added features and clarity on an updated format.

Other projects in progress were the Districtwide Foundation Operations Review reporting, CCC Gift Cards – Student Services reporting, OCC Veteran's Resource Center intake process and grants/budget/funding, CCC EOPS planning, facility fee waivers, external audit liaison, record management, internal audit files.

Other Services were Retirement Board, Vice Chair, and DCC-BP/AP Subcommittee (advisory).

6. External Audit Progress Report (Eide Bailly)

The Coast Colleges District Controller Steve Kim introduced Alicia Herrera, Partner from Eide Bailly and Anna Krdilyan, Manager from Eide Bailly.

The External Audit was primarily focused on the financials for specific Federal compliance and specific State compliance. The District Office and all three college campuses had already received a visit from the Auditors, and work was in progress for all three Foundations and Enterprise Corp. The Student Financial Aid and Admission & Records Departments would be next on the list for the Auditors to visit. The Auditors were on schedule to report back to the Audit Committee in November and as of the date of this meeting there were no findings to report.

Alicia Herrera explained there was a new accounting standard for vacation and sick time reporting with liabilities associated that would affect the District Financial Statements.

The Annual Federal Audit Requirements for the current year were not yet received. The "Annual Federal Audit Requirements" is the compliance supplement released by the Office of Management and Budgeting under the Administrative branch of government every year.

7. District and State Budget Updates

Vice Chancellor Marlene Drinkwine provided an overview of the State Budget presentation. The May Revised Budget was significantly different from the Governor's January Budget.

2025-26 State Budget: Governor's January Proposal vs. May Revision



Budget Item	January		May	
General Fund Revenues 2024-25	\$10.4B higher than 24-25 Enacted	↑	\$3.2B higher than January	↑
General Fund Revenues 2025-26	\$10.4B higher than 24-25 Enacted	↑	\$10.5B lower than January	↓
General Fund Non-Prop 98 Expenditures	\$15.4B higher than 24-25 Enacted	↑	\$1.4B higher than January	↑
General Fund Prop 98 Expenditures	\$2B higher than 24-25 Enacted	↑	\$3.9B lower than January	↓
Budget Deficit	Nominal Balance		\$12B	↓

- Equity pay at 4 tech companies responsible for surge in state revenue in 2024-25: Nvidia, Google, Meta, Apple
- Non-Prop 98 "Base-line" increase over January is \$12B
- Non-Prop 98 increase driven by Medi-Cal increases of \$10B

Proposition 98:

- Full Baseline funding
- Prop 98 expenditures decline by \$4.6B over 2024-25 to 2025-26
- CC's Prop 98 decline by total \$492M, \$230M ongoing perm Shift of transitional Kindergarten (TK) entirely to K-12 impact
- The K-14 Rainy Day Fund will be fully depleted with the w/d of \$540M in 2025-26 – future deposits will occur when revenues are sufficient
- \$531.6M of SCCF will be deferred from 2025-26 to 2026-27 – the District has sufficient cash to manage the deferrals.

New one-time funding proposals included:

- \$210.10M to backfill the shortfall in 2024-25 SCCF funding that would otherwise result in a revenue deficit.
- \$11.8M for community colleges affected by the LA wildfires (2024-25 and 2025-26)

For community colleges the baseline funding and ongoing funding would be protected.

Coast College's Tentative Budget 2025-2026 was reviewed. Budget Assumptions were discussed.

	January-25	May-25
Salary Increases		
Statutory COLA (COLA is NOT Proposed for all Categorical Programs)	2.43%	2.30%
'Effective' COLA (Actual SCFF Increase from Guarantee)	0.00%	0.74%
Step/Column	1.00%	1.00%
Health & Welfare		
Per Employee Cost	\$22,300	\$25,270
Cost Increase Percentage	4%	12%
Payroll Taxes	CalSTRS – 3.2%	CalSTRS – 3.2%
	CalPERS – 9.4%	CalPERS – 9.4%
Pension		
CalSTRS Employer Contribution	19.10%	19.10%
CalPERS Employer Contribution	27.40%	27.40%
Vacancies		
Assumed filled/budgeted	✓	✓
Hiring Freeze (thru June 30, 2025)	✓	✓
California CPI (applied to non-labor cost)	2.92%	2.92%

	January-25	May-25
Budget Formula		
SCFF Funding Status	Funding Floor	Stability Adjustment
Supplemental & Success (3-Year Average)	✓	✓
SCFF Deficit Factor (FY 24-25 P1 Projected @ 7.1165%)	0.50%	0.50%
Enrollment		
Reported FTES	26,046.05 (@ P1)	26,147.84 (@ P2)
Funded FTES (3-Year Average)	27,447	27,170
Funded Growth (FY 24-25 State @ 0.5%)	Local 0%	Local 0%
Budget Basis	27,447 (3-Year Rolling Average)	27,170 (3-Year Rolling Average)
Non-Resident Tuition (\$402 + \$44 Capital Outlay) FY 25/26	\$446	\$446
Compliance		
Reserve per Board Policy BP6300	16.70%	16.70%
50% Law	✓	✓
FON Strategic Plan	✓	✓

The P-2 Annual Enrollment Report could impact the final COLA. The 2025-2026 District SCFF was projected to be funded at the Stability Guarantee.

The Stability Guarantee was higher than the Hold Harmless for the District in 2023-24 and was projected to be so again in 2025-26.

8. FCMAT Report Update

The FCMAT Report was reviewed. It was noted that contingency plans outside of the reserves would be necessary. The Fiscal Stability Plan (FSP) implementation had greatly improved reserves.

9. Future Agenda Items

- Internal Audit Report
- Budget Update

10. Next Meeting Date

The next meeting was scheduled for August 27, 2025 at 2:00 p.m.

11. Adjournment

On a motion by Trustee Parker, seconded by Trustee Moreno, the Committee voted to adjourn the meeting at 3:32 p.m.

Motion carried with the following vote:

Aye:	Trustees Dorn Parker and Moreno
No:	None
Abstain:	None

Richard Goetz
Secretary of the Board

Districtwide Audit of the Student Intake Process at College Veteran Resource Centers

**Rachel A. Snell, MPA
Internal Audit Director
CIA, CFE, CRMA, CICA**

June 2025

*Providing value-added services in an independent,
ethical, and collaborative environment*

Districtwide Audit of the Intake Process at College Veteran Resource Centers

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Chancellor Yamamura,

Internal Audit reviewed the Intake Process for Veteran students at three college's Veteran Resource Centers (VRCs). The objective was to determine whether each college established processes for ensuring eligible students receive VRC services in a timely and equitable manner.

To accomplish this task, we performed the following work:

- Reviewed relevant criteria and interviewed relevant stakeholders;
- Reviewed college VRC websites, and analyzed relevant documentation and information systems; and
- Assessed risk and controls, including the potential for fraud, waste, and abuse.

While all three colleges have similar intake processes that ensure eligible students receive services in a timely and equitable manner, some process differences exist. Veteran students may receive information related to benefits and services either timelier or more efficiently at one college versus another. This is primarily due to:

- CCC proactively offers staff training, welcome packets, and community outreach efforts not in place at the other two colleges;
- GWC offers a check-in process via Slate, and both GWC and CCC offer personalized check-in as soon as a student enters the VRC. OCC offers QR code or manual check-in;
- CCC VRC website provides information that is either not available on the other college VRC sites, or is not easy to locate;
- OCC and GWC require document submissions for certain benefits, whereas CCC does not have the same requirement; and
- CCC does not have vacant staff positions, and organization of the VRC is more structured than at OCC and GWC.

Internal Audit made recommendations geared toward improving consistency across each college VRC. If you have any questions, I can be contacted at (714) 438-4602 or rsnell1@ccd.edu.

Rachel Snell, MPA, Director
CIA, CFE, CRMA, CICA

Objective, Scope, and Methodology

At the request of the Board of Trustees, Internal Audit reviewed the Intake Process for Veteran students at the college Veteran Resource Centers (VRCs).

As per Board Policy, Internal Audit uses the International Professional Practices Framework (IPPF) to guide the performance of its activities. In accordance with IPPF Standard 1100 Independence and Objectivity, no independence or objectivity issues were noted amongst the team members. [Note: This is a legacy project that started under the 2017 audit standards].

Objectives:

- The objective was to determine whether each college established processes for ensuring eligible students receive VRC services in a timely and equitable manner.

Scope:

- July 1, 2023 to present

Methodology:

In order to perform our work, we performed the following tasks:

- Reviewed relevant criteria, including Memoranda of Understanding between the colleges and US Vets and the separate agreements between CCC, GWC, and the Assistance League of Huntington Beach;
- Conducted interviews with management (Directors and Deans) and classified professionals at each of the VRCs at Orange Coast College (OCC), Golden West College (GWC), and Coastline Community College (CCC);
- Reviewed and analyzed VRC organizational charts, job descriptions related to VRC classified professional positions, college VRC websites, and related information provided in hardcopy and/or via email;
- Assessed risk and controls surrounding the intake process, including the potential for fraud, waste, and abuse;
- Analyzed information systems used related to the audit scope, including Banner, SharePoint, and Argos reporting;
- Communicated project updates throughout the project with Vice Presidents of Student Services and Presidents at each of the Colleges.

Team Members:

- Rachel Snell, Internal Audit Director, MPA (CIA, CFE, CRMA, CICA)
- Maira de la Torre, Internal Audit Specialist, BS (CPA, CFE, CIA)

Background

The Veteran Resources Centers (VRC) offer a Veteran community on campus by providing dedicated spaces for Veteran students and Veteran-dependent students. Staff help students acclimate to a collegiate environment, identify services, and apply for benefits such as financial aid, Veteran Affairs (VA) benefits, and financial assistance for tuition, books, school and personal supplies, groceries, and transportation. For assistance beyond the VRC's capability, staff refer students to Federal, State, and/or local agencies specific to the students' needs. In addition to dedicated counselors, each college has an agreement with U.S. Vets to provide mental health services via the Outside the Wire program. The college VRC websites contain information regarding benefits, resources, counseling services, links to community organizations, and links to checklists containing the tasks necessary to begin using VA or college benefits. Eligible students receive priority registration once admitted, and the Certifying Official verifies Veteran status.

At CCC, one classified employee reports to the Vice President of Student Services (VPSS) and supervises approximately five Veteran work-study students. The main VRC (Fountain Valley campus) has a small lounge, computer stations, and a stocked kitchenette (food, snacks, and beverages). School supplies available include backpacks, notepads, and calculators, while Heroes Deserve Help donates technology-related items. The Newport Beach VRC has a lounge area, computer stations, and a stocked kitchenette. Staffed with one work-study student, the classified employee drives between the VRCs to provide supervision and support. The Garden Grove VRC closed in Fiscal Year 2023-24 due to low foot traffic.

In October 2024, GWC filled the Student Success and Equity Specialist position with an out-of-class assignment, which was permanently filled in January 2025. This employee reports to the Associate Dean of Equity and Special Programs, who in turn reports to the Dean of Enrollment and Equity, who reports to the VPSS. Approximately two to five Veteran work-study students report to the Veterans Resource Center Specialist. The VRC offers a lounge area, a quiet space for studying or downtime, access to a computer lab, and "grab and go" snacks and beverages. The Certifying Official holds office hours in the Veterans Resource Center (VRC), with a primary office within the Admissions and Records department. A second office within the VRC is designated for U.S. Vets Outside the Wire mental health counseling, GWC's veteran-specific academic counseling services as well as other community partners.

OCC's one classified employee previously reported to Student Equity and temporarily reported to the Director of Enrollment Services until this person retired. The classified employee supervises approximately seven Veteran work-study students and now reports to the Dean of Student Success and Support Services, who reports to the VPSS. The VRC offers a spacious lounge, snacks and beverages, computer stations with free printing, dedicated academic counseling, technology loan program (laptops and calculators), and emergency grants, groceries (Target Cards), gas cards, and textbook assistance via the Veterans Pirates Program. OCC offers Veteran-specific information sessions, the Vet Net Ally seminar, a weekly e-Newsletter, and events that educate the campus community on the unique needs of Veterans and military-affiliated students. The Health Center provides individual/couples counseling in addition to the services provided by U.S. Vets Outside the Wire. Through the Harbour and based upon availability, qualified student Veterans may receive housing financial support of \$700 per month, which is about \$200 more than what may be available for other students.

Project Results

Although not formally documented, each of the three college's VRCs have processes in place to ensure eligible students receive access to services and benefits timely and equitably. These processes, along with student needs and eligibility requirements, vary slightly. Veteran students may receive information related to benefits and services either timelier or more efficiently at one college versus another, but the timeliness is largely dependent upon college documentation review and responses from agencies outside the control of the college. While fraud, waste, and/or abuse may be present within the intake process, the colleges maintain the internal controls necessary to mitigate these risks.

CCC Intake Process-VRC [See Attachment A]

The CCC VRC is well organized, fully staffed, and entrenched in the Veteran community in a way that OCC and GWC are not. Staff members greet all visitors, whether they are a student or community member, upon entry to the VRC. First-time visitors receive a checklist to complete, which includes the submission of their Certificate of Eligibility (from the VA) and their Discharge Letter (DD214). This information is needed to apply for admission (if applicable) and/or register for VA benefits. The Certifying Official (CO) reviews student files and certifies enrollment. Students also receive an intake form for selecting services about which they would like to learn more. The information, which contains name and student ID number, is entered into SharePoint so that staff can follow up with the student and provide any additional assistance. The forms were stored and shredded at the end of the semester; however, CCC changed its practice to daily shredding upon learning from Internal Audit the risks associated with maintaining Personally Identifiable Information (PII). CCC is working toward implementing an electronic check-in process, similar to OCC and GWC, to streamline this process.

To maximize outreach efforts, the Veteran Services Coordinator reviews all SharePoint entries and contacts each Veteran student personally. Staff also retrieve an Argos report of students who self-identify as Veterans at the time of registration and send emails inviting them to visit and experience the VRC amenities. The Intake Form is only physically available at the VRC so that staff can connect with the student in person. CCC believes that these interactions increase the likelihood of students returning and/or reaching out in times of hardship. CCC offers training each semester, provided by Outside the Wire, to staff and work-study students, consisting of topics such as suicide prevention and peer support. New work-study students must complete this training prior to working at the VRC. All work-study students are Veterans and paid directly by the VA work-study program, and they are not required to work at the same institution they attend. Unlike OCC, work-study students do not have access to Banner, limiting their ability to assist students by creating some delays in outreach efforts to Veteran students.

Students take charge of their academic career, and assistance is available for applying to CCC, applying for VA benefits, or accessing other resources. Students meet with a dedicated Career Counselor to identify a career path and meet with a dedicated Academic Counselor to create an education plan (classes for a transferable degree, certificate, or an A.A). Some benefits may require students to meet with an academic counselor regularly. It takes approximately one to two weeks to create an official degree plan. Degree plans are submitted to the CO to complete the Veteran student file.

GWC Intake Process-VRC [See Attachment B]

GWC now offers a check-in process via Slate. While the VRC does not have a designated front desk, a VA Work-Study student is typically stationed in the lobby to greet and assist incoming students. In the absence of a Work-Study student, the classified employee provides support and assistance to students. This employee also reviews emails and answers phone calls related to the VRC, and the CO runs an Argos report before the start of each semester to locate students who self-identified as “Veteran” during the application process. The classified employee emails students introducing the VRC, the various resources and benefits available, and information on the certification process. Additional emails are sent throughout the semester to keep students informed about events, support services, and upcoming registration dates.

The VRC distributes a VA Education Benefits Checklist for New and Returning Students for those who are interested in using their VA Education benefits. New students must complete the New Student Form designating GWC as their primary institution in order to start the VA certification process. This process ensures each student receives the same information and staff follow the same process for each student.

VRC staff enroll all veteran and veteran-dependent students in an orientation course in Canvas. This course, which is refreshed each semester, contains six modules and discusses the application process, provides information on benefits and services, and offers strategies on how to be successful in college (time management, using a calendar, etc.). Veteran-dedicated Counselors, the CO, and VRC Specialist regularly review Canvas to ensure students complete the modules. The VRC offers in-person orientation in both Fall and Spring semesters, and students who attend receive backpacks and school supplies.

Students must meet with an Academic Counselor to develop an education plan, and they must provide all documents noted on the checklist including their Certificate of Eligibility, Discharge Letter (DD214), and certification request. The CO reviews student files, certifies enrollment, and maintains the records for the duration of the semester. Once complete, VRC staff periodically follow up with the student to ensure needs are being met and inquire whether additional assistance is needed. If so, the student is directed to alternate resources, whether within the college or community organizations.

OCC Intake Process-VRC [See Attachment C]

The intake process at OCC is similar to that at GWC. Visitors to the VRC use either a QR code or manual log to check-in. Staff reviews the QR scans, sign-in log, and email/phone inquiries to route students to applicable information. Students using VA benefits must complete the New Student-Getting Started Checklist, allowing staff to follow same process for each student. New students must also submit the Benefits Briefing Form to initiate the intake process. The CO runs an Argos report before the start of each semester to locate students who self-identified as “Veteran” during the application process. The CO emails new students about the VRC, available resources and benefits, including Pirates Promise, and information on the certification process. Once the student completes the certification process, the CO maintains the file for the duration of the semester. The VRC connects students to the information needed, adds them to the email list for the e-Newsletter, and periodically follow ups to inquire as to whether additional assistance is needed. If so, the student is directed to whatever applicable resources are available.

Other Observations

Websites

Each college has a VRC webpage that lists location, hours of operation, staff, and contact information. Both CCC and GWC advertise some of the resources available to students at the VRC such as supplies, laptops, and food resources. OCC does not promote these resources as being offered at the physical location. Each VRC webpage contains the respective college's checklist of tasks to complete for initiating the intake process, but the information available could seem overwhelming to the student if they do not know how to navigate the page. GWC's VRC webpage was the easiest to navigate.

CCC's VRC webpage provides the most information including information on transitioning to civilian life (Coastline Transition Program or CTP). It also features Veteran students who share their college experience and how the VRC assisted in their journey. At OCC, the majority of benefits information is shared on the "Veterans Briefing Packet" the review of which is included in OCC's Veteran Services "Getting Started Checklist." Other items on the menu include benefit types, priority registration, residency, and tuition assistance. Textbook assistance is promoted as part of the Veterans Pirates Program. GWC VRC webpage is well organized with the root menu available as you navigate through each link. Campus resources such as tutoring, counseling, and food programs are promoted. The majority of the information on benefits is presented via an FAQ found under Veterans Certification sub-menu.

Overall, CCC offers the most information; however, it could be organized to be more efficiently located and user friendly. The GWC webpage was the easiest to navigate and presents the available resources at the VRC in an organized manner; however, it could be improved by including resources available through the community. OCC's VRC webpage could be improved by including important relevant information on the website as well as promoting the resources offered at the physical location.

New Veteran Student Checklist

Each college created its own version of a process "checklist" that lists all tasks and documents which need to be completed or submitted to use obtain VA benefits. Most importantly, OCC and GWC require Veteran students to apply for the Veterans Pirates Program and the Golden Promise Program, respectively, to access certain benefits. OCC offers assistance for such as book vouchers and distributes gas/food gift cards. GWC offers similar assistance and provides students with gas and grocery cards through donations from the Assistance League of Huntington Beach. Student Veterans who have an unmet need through Financial Aid are eligible for Basic Needs Grants through the Golden West College Basic Needs Center. These grant range from \$500 for Basic living expenses and \$1000 for housing and Emergency situations.

CCC does not require students to apply for a particular program to be eligible for book assistance, and it also distributes gift cards. Some other differences include:

1. **Transcripts** - CCC and GWC specifically list obtaining an official copy of military training transcript. Although OCC does note the requirement to order official transcripts "from all prior colleges," they do not specifically make reference to military transcripts.

2. **Counseling** - CCC requires Veteran students/dependents to meet with a Career Counselor as well as an Academic Counselor. The academic counselor assists with the academic path, such as what classes to take, whereas the career counselor helps students develop a career path. At GWC, Veteran students and dependents can meet with one of three full-time academic counselors or an adjunct counselor stationed in the VRC, all of whom are knowledgeable about VA education benefits, to create a personalized Student Education Plan. At OCC, Veteran students/dependents meet with one academic counselor to develop an Education Plan.
3. **Discharge Letter (DD214)** - CCC lists this as a standalone requirement, noting submittal is necessary for priority registration. This item is also required for completion of the student's VA file. GWC requires submittal of the DD214 along with the New Student Form. OCC only references the DD214 form, in the checklist, to note that the submittal of this or the Certificate of Eligibility (COE) defers tuition payments.

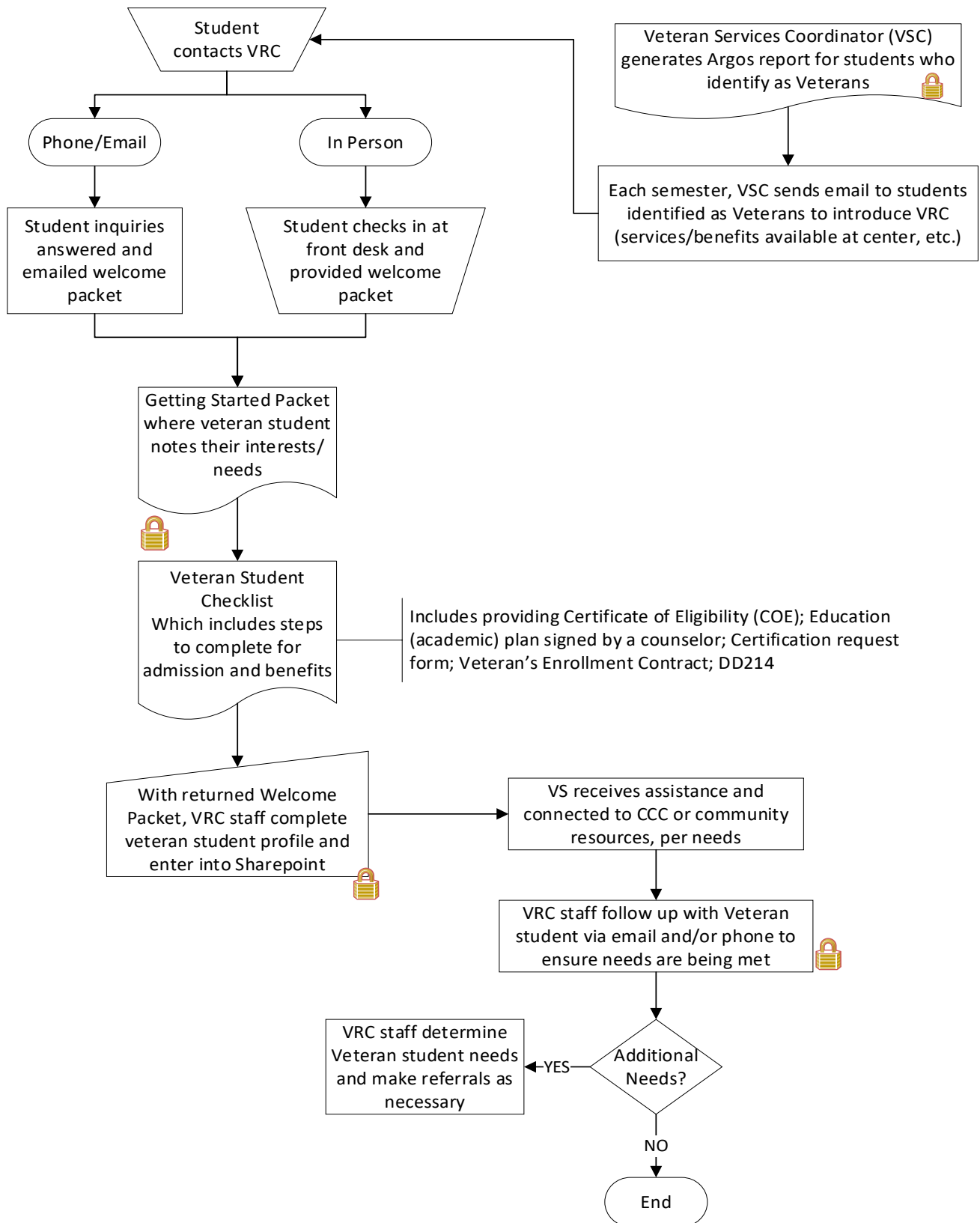
Donations

Due to the specific connections maintained with the Veteran community at CCC, the VRC receives additional donations from the Assistance League in the form of Wal-Mart gift cards with the intention that they be distributed to Veterans in the community, not limited to students. As such, the VRC account for these separately, and they do not have an impact on the VRC budget.

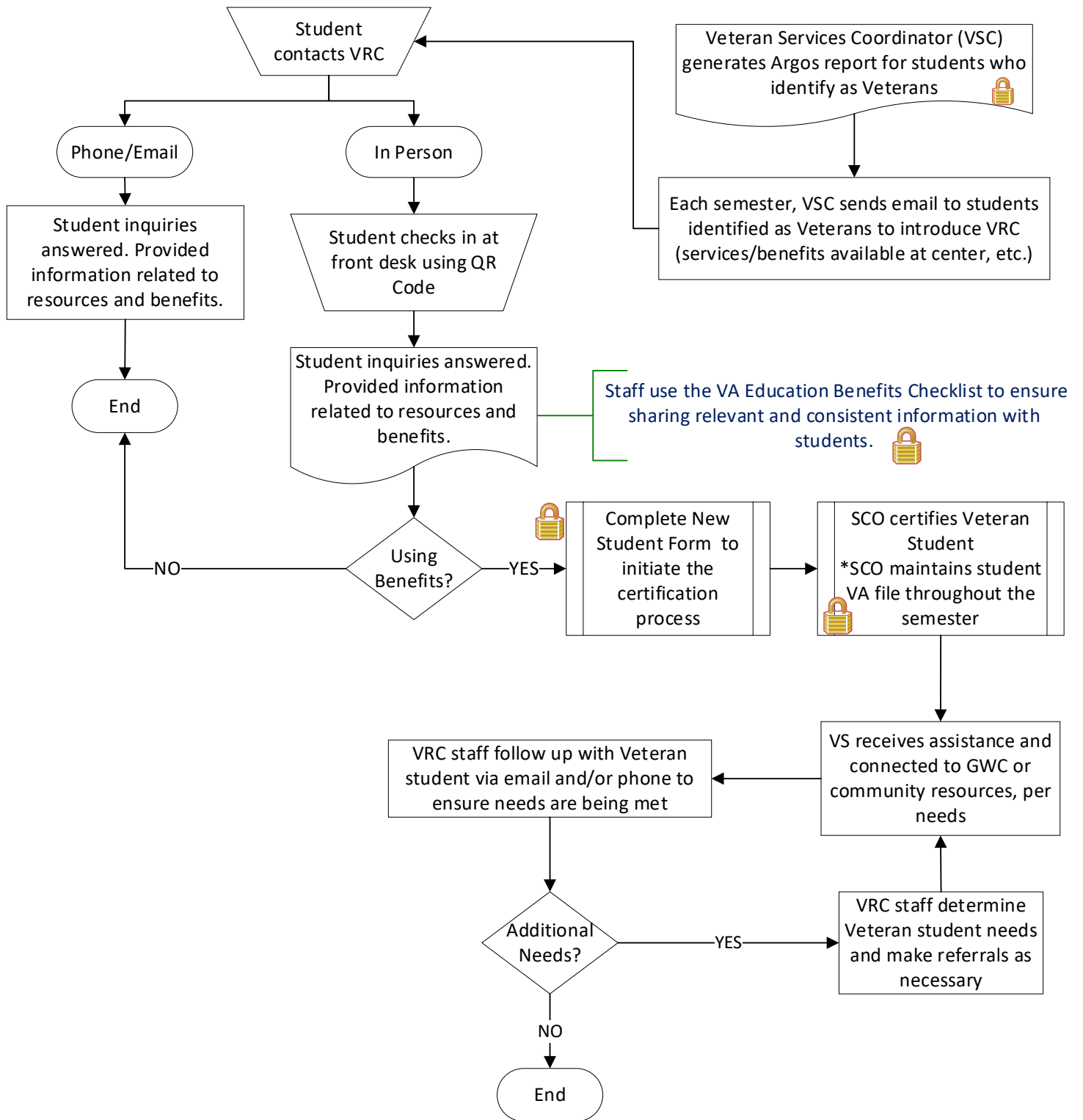
The Veterans Resource Center at Golden West College receives generous support from the Assistance League of Huntington Beach. Through their donations, enrolled student veterans receive food, groceries and gas cards, as well as scholarship opportunities to help support their academic journey. In the 2024-25 academic year, the Assistance League contributed a total of \$20,494.10 in donations. This significant support directly benefited veteran students through scholarships, food for the VRC, and essential grocery and gas gift cards.

The OCC foundation donates funding for an Emergency Loan Program to OCC Veteran students and the American Legion Post 291 donates food and snacks for the OCC VRC Lounge.

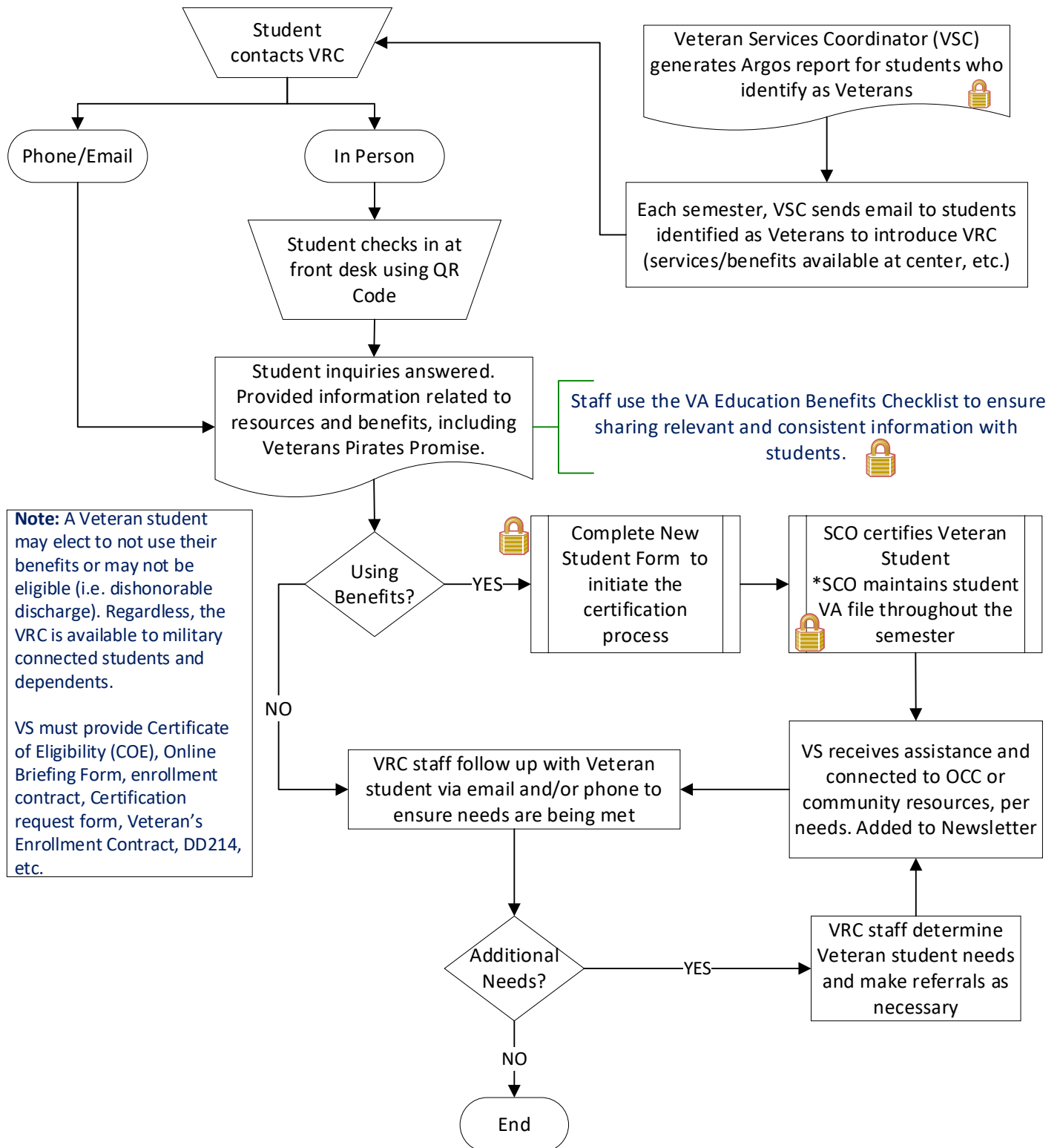
Attachment A: VRC Intake Process—CCC



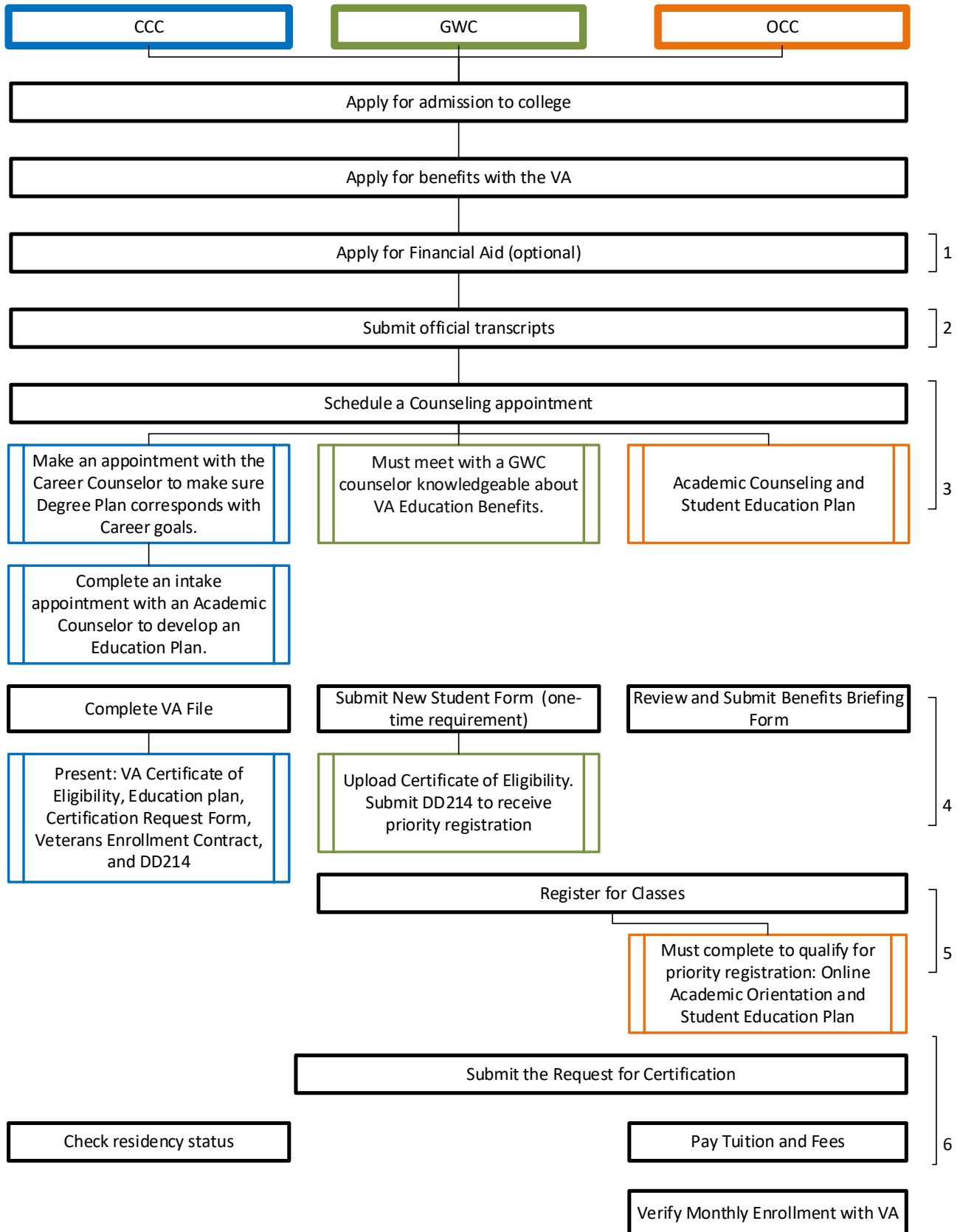
Attachment B: VRC Intake Process—GWC



Attachment C: VRC Intake Process—OCC



Attachment D: VRC Intake Process Checklists—All Colleges (See Notes page 12)



Attachment D: Notes to VRC Intake Process Checklists—All Colleges

1. **Apply for Financial Aid (optional):** In addition, OCC suggests applying for the Veterans Pirate Program. At GWC, Veteran students with an unmet need are eligible for the Golden Promise.
2. **Submit official transcripts:** CCC and GWC specifically request official copy of military training transcript.
3. **Schedule a counseling appointment:** GWC has counselors available to assist with creating an education plan. Education plans are stored within Degree Works which the Certifying Officials (CO's) have access to.
4. **Discharge Letter:** CCC lists submittal of Discharge Letter (DD214) as a standalone requirement (to request priority registration, if eligible).
5. **Register for classes:** OCC states that this can be done prior to meeting with a Counselor. GWC also makes an online orientation available but is not required to be completed to qualify for priority registration.
6. **Submit Request for certification:** Required every semester of registered enrollment. Necessary for reporting to the VA. This is a requirement under "Complete VA File" for CCC. OCC does not list submitting the DD214 as a requirement but notes submittal of DD214 or Certificate of Eligibility (COE) defers payment of fees.

Summary of Results and Action Plan

Finding 1: All three colleges have similar intake processes, but there are practices and services offered at one but not the others, allowing students to potentially receive a different experience at one college versus the other.	
Recommendation 1: The three VRCs should collaborate and enhance practices such that Veteran students receive similar intake experiences; they should also review, update, and formally document these practices to ensure information is current and complies with college/District policies, procedures, and related rules and regulations.	
Management Response/Action Plan: OCC will coordinate meetings with the team at GWC and CCC to review the intake process and make processes more consistent district-wide and revise any processes necessary to better support students. GWC is committed to fostering a high-quality, consistent intake process for our Veteran students and is currently conducting a review of intake and case management for retention purposes.	Due Date: 12/31/25 Responsible Party: Vice Presidents of Student Services at OCC, GWC, and CCC
Finding 2: The material on the VRC websites is not always presented in an optimal, user-friendly manner, and some sites provide more information than others, thus creating the potential for Veteran students to receive more information from one college than the other and/or a more efficient end-user experience.	
Recommendation 2: Each college should review its website content for accuracy and completeness and ensure information is presented in a user-friendly manner.	
Management Response/Action Plan: GWC will thoroughly review the website to improve its clarity, completeness, and overall user experience. This review will also include direct input from Veteran students to ensure the site effectively meets their needs, providing them with the most efficient access to vital resources and information. OCC is committed to providing up-to-date information to students. The team will review the website and will benchmark against other colleges to make sure information is up-to-date and available. CCC Coordinator and VPSS will review with input from Veteran Students and make changes as appropriate.	Due Date: 12/31/25 Responsible Party: Vice Presidents of Student Services at OCC, GWC, and CCC
Finding3: Although CCC performs additional outreach efforts to obtain additional resources for the VRC, none of the colleges have a formal plan in place for optimizing donations and other contributions.	
Recommendation 3: Each college should work with the respective Foundation Director to discuss wants and needs for the VRC and establish goals and plans for achieving results.	
Management Response/Action Plan: The GWC Associate Dean of Equity will establish regular meetings with the new Foundation Director to develop goals and a plan to increase philanthropic support for our Veteran students. VPSS will connect with the Foundation Director to discuss additional financial support to the VRC. Currently, the OCC Foundation provides Emergency Grants to Veteran students. CCC Coordinator and VPSS are currently working with the CCC Foundation Director on identifying needs and goals (ongoing).	Due Date: 12/31/25 Responsible Party: Vice Presidents of Student Services and Foundation Directors at OCC, GWC, and CCC

Finding 4: *Many of the work study students are paid via the VA and are considered a “volunteer” at CCCD; as such, they do not always have Banner access, limiting their ability to perform certain services to Veteran students in a more efficient and timely manner.*

Recommendation 4: Each college management team should work with Human Resources to confirm the “volunteer” assignment status and develop a process for allowing work study students to access Banner in support of the VRC and its responsibilities.

Management Response/Action Plan: CCC VPSS discuss internally and determine if this is best for CCC VRC operations. A Professional Expert is now on board who does have access to Banner. OCC will work with HR to determine the best way to ensure work study students can provide assistance to the VRCs, as Banner access would greatly help the efficiency of service to veteran students while keeping in mind the needs to maintain confidentiality. GWC work study students complete a FERPA compliance training prior to receiving access to Banner. They have appropriate viewing access in Banner to student records for critical functions, including scheduling Veterans Counselor appointments, facilitating student event follow-ups, and providing essential support to the Certifying Official for student outreach and benefit administration.

Due Date: 12/31/25

Responsible Party: Vice Presidents of Student Services at OCC, GWC, and CCC and Vice Chancellor of Human Resources

GWC Cosmetology and Esthetics Review

**Rachel A. Snell, MPA
Internal Audit Director
CIA, CFE, CRMA, CICA**

August 2025

*Providing value-added services in an independent,
ethical, and collaborative environment*

GWC Cosmetology and Esthetics Review

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Chancellor Yamamura,

Internal Audit reviewed selected operations of the Golden West College (GWC) Cosmetology and Esthetics Program. The objectives were to determine whether the GWC Esthetics has processes in place to ensure 1) compliance with State licensing standards relating to tracking of student attendance and program completion hours, and 2) internal controls exist over equipment and product inventory management.

To accomplish this task, we performed the following work:

- Reviewed criteria such as State Board of Cosmetology and Barbering guidelines and program guidance and practices;
- Interviewed relevant stakeholders and conducted on-site observations;
- Analyzed relevant documentation and information systems; and
- Assessed risk and controls, including the potential for fraud, waste, and abuse.

Although Internal Audit did not identify any instances of fraud, waste, or abuse, certain control weaknesses exist that hinder the Esthetics program's ability to operate efficiently and effectively and increase the risk for errors in calculating course completion hours and managing program assets. This is primarily due to:

- Failure to use its IT System, Guest Vision, to its optimal potential and relying upon outdated, manual tracking methods;
- Lack of centralized record-keeping and reliance on hardcopy records;
- Disconnects between program guidance and actual day-to-day practices;
- Deletion of original records/historical data preventing a formal audit trail;
- Inconsistent equipment maintenance and accountability, leading to damage, loss, and unsanitary conditions.

In pursuit of continuous improvement, Internal Audit made recommendations geared toward improving management oversight and internal controls over program operations. A summary of the results is located on page 10 of the report. If you have any questions, I can be contacted at (714) 438-4602 or rsnell1@mail.cccd.edu.

Rachel Snell, MPA, Director
CIA, CFE, CRMA, CICA

Objective, Scope, and Methodology

In August 2024 Internal Audit received a complaint, via the Anonymous Reporting Hotline, related to Golden West College's (GWC) Esthetics program. The complainant reported concerns regarding responsiveness to student complaints, faculty office hours availability, course content, sanitation, access to product/supplies, inventory, as well as cash handling. In response, GWC management requested that Internal Audit review select program processes.

As per Board Policy, Internal Audit uses the International Professional Practices Framework (IPPF) to guide the performance of its activities. In accordance with IPPF Standard 1100 Independence and Objectivity, no independence or objectivity issues were noted amongst the team members. *[Note: This is a legacy project that started under the 2017 audit standards].*

Objectives:

The objectives were to determine whether the GWC Esthetics has processes in place to ensure:

- 1) compliance with State licensing standards relating to tracking of student attendance and program completion hours, and
- 2) internal controls exist over equipment and product inventory management.

Scope:

- Fiscal Year 2024 to present. Initially, the scope focused on Esthetics due to the concern received as noted above; however, the scope expanded to include Cosmetology, since some personnel perform duties in both programs.

Methodology:

In order to perform our work, we performed the following tasks:

- Reviewed criteria, including California Board of Barbering and Cosmetology laws and regulations, department policies and procedures, and documentation related to inventory management, timekeeping for course completion documentation, and student timecards;
- Conducted interviews with stakeholders at GWC Esthetics, Cosmetology, and Human Resources;
- Conducted onsite walkthroughs and classroom observations, including clinics with clients;
- Analyzed information systems used related to the audit scope, including Guest Vision;
- Assessed risk and controls, including the potential for fraud, waste, and abuse.

Team Members:

- Rachel Snell, Internal Audit Director, MPA (CIA, CFE, CRMA, CICA)
- Maira de la Torre, Internal Audit Specialist, BA (CIA, CFE, CPA)

Background

The GWC Cosmetology and Esthetics programs have been available to students for over 40 years. GWC is an approved Board of Cosmetology provider accredited by the California Board of Barbering and Cosmetology. These programs help students develop the knowledge, skills, and techniques necessary to pass the State licensure examination. Students who achieve a C grade or better for the entire program receive a Certificate of Achievement. Students who complete the General Education requirements earn an Associate's degree in Cosmetology or Esthetics. Both Cosmetology and Esthetics offer services to the public, which resumed in Fiscal Year (FY) 2024-25 since closure due to the COVID-19 pandemic.

The Dean of Business and Career Education oversees the Cosmetology and Esthetics programs, with support from a Division Coordinator and a Department Chair. The Esthetics program has one full-time and four part-time faculty. Cosmetology has four full-time and seven part-time faculty, including a Department Chair. Each program has one Dispensary Technician. Cosmetology is funded by the General Fund, Strong Workforce Program, and California Lottery dollars. Salaries are primarily funded by the General fund and partially by Strong Workforce. Since Lottery Funds are restricted, the Department uses these dollars for instructional supplies, and supplements with Strong Workforce when needed. In 2021, Cosmetology used Strong Workforce dollars to fund major building repairs and upgrades.

Effective January 1, 2022, the State-mandated minimum hours for Cosmetology decreased to 1,000 from 1,600. The program consists of four sessions (or levels). Each session runs nine weeks, and the entire program takes approximately two semesters to complete. Enrollment in the program requires continuous attendance for the total number of program hours to become eligible for the Board of Barbering and Cosmetology examination. The Esthetics program requires completion of 600 hours and consists of two consecutive, eight-week sessions, which students may complete in one semester.

Guest Vision tracks student completion hours each day. The Esthetics program has been using this timekeeping software for approximately two years, whereas Cosmetology began using GV in June 2023 when the Esthetics Dispensary Technician took over Cosmetology timecard review responsibilities. Combined with manual timecards, Cosmetology and Esthetics record student attendance and course completion hours in order to confirm a student's eligibility to sit for the State licensing exams. In FY 2023-24, 73% of Cosmetology students and 94% of Esthetics students passed the State licensing exam.

Criteria

To make the industry more accessible and align with national standards, the California State Legislature passed Senate Bill (SB) 803 on October 7, 2021. It introduced significant changes to California's cosmetology and esthetics licensing requirements effective January 1, 2022. Cosmetology program required hours decreased from 1,600 hours to 1,000 hours and included subjects such as, 100 hours Health & Safety, 100 hours Disinfection & Sanitation, 200 hours Chemical Hair Services, 200 hours Hairstyling Services, 150 hours Skin Care, 50 hours Hair Removal and Lash/Brow Beautification, and 100 hours Manicure and Pedicure. The minimum hours requirement remained the same for Esthetics programs and included such subjects as 100 hours Health & Safety, 100 hours disinfection and sanitation, 300 hours Skin Care, and 50 hours Hair Removal Techniques.

The Board of Barbering and Cosmetology (Board) recommends institutions perform occasional self-inspections to assess compliance with Board regulations and California law. If noncompliance is noted during an onsite inspection by the Board, the institution receives a citation, and the deficiency is documented. The “Inspection Checklist” covers: Establishment License, Personal Licenses, Sanitation/Health & Safety, and Other (miscellaneous).

GWC Esthetics program utilizes a two-tiered system for student timekeeping, comprising of the digital Guest Vision (GV) software and manual timecards. The GV system serves as the official record for daily attendance hours. Concurrently, students are required to maintain a manual, weekly timecard to document hours for specific operations as mandated by the State Board. These paper records, which track hours cumulatively, must be completed legibly and certified with a daily signature from an instructor. Adherence to these policies is critical, as failure to comply with the established procedures for both systems can result in a loss of accrued hours and potential disciplinary action.

Project Results

Although Internal Audit did not identify any fraud, waste, or abuse, certain control weaknesses exist that hinder the Esthetics program's ability to operate efficiently and increase the risk for errors in calculating course completion hours. Control weaknesses also exist in the management and oversight of Cosmetology and Esthetics program assets, including inventory. The programs do not use Guest Vision, the timekeeping system, to its full potential, and rely instead on outdated, manual processes. Program employees maintain electronic records; however, only one employee has access to these records, and there is heavy reliance on hardcopy records. Furthermore, the program does not maintain audit trails of corrections to student course completion time. Disconnects between program guidance and actual day-to-day practices further complicate the program's ability to operate effectively, including inconsistent oversight of inventory and equipment, leading to damage, loss, and unsanitary conditions.

Timekeeping / Attendance

The Esthetics program's timekeeping process is susceptible to errors and manipulation due to its reliance on manual record-keeping. (See Attachment A: Timecard Completion and Review Process Map). At the start of a new cohort, students receive their first weekly timecard. Each week, students submit their timecard to the Dispensary Technician and receive next week's blank timecard. Each student completes the timecards using pencil, and the Esthetics Dispensary Technician reviews the timecards also using pencil. Guest Vision, however, only tracks the number of hours spent in class in a day and not the amount of time spent on each activity such as haircuts, facials, etc. These hours are tracked manually, but the instructor signs all timecards prior to submission. In the event of a correction, the Dispensary Technician erases any notations made by the student and replaces it with the time recorded in Guest Vision. Prior to making changes, the Dispensary Technician inquires with the student and/or instructor. Erasing original entries made by the student prevents any formal audit trail in the case a student's course completion hours are questioned.

For security purposes, students use a four-digit personal code (the last four digits of the student's Social Security Number) to log in and out of Guest Vision. However, this process does not fully deter students

from sharing codes to clock in or clock out for each other. The Esthetics Dispensary Technician needs to move back and forth between the Cosmetology and Esthetics buildings, and as such, maintains student attendance records within Excel workbooks which are stored on a personal flash drive instead of the department group share drive. Since this process fails to provide security for student records and is not centralized for access by other employees, the Dean took immediate action to ensure data storage transitioned to the group share drive. Furthermore, program management does not have access to these records for oversight or periodic review purposes. Overall, this process poses a significant risk to the integrity of student records, which are essential for meeting state licensure requirements.

Inventory

Internal Audit determined that the existing inventory tracking system is unreliable. The accuracy and completeness of records cannot be validated, since they are routinely deleted and updated. This action eliminates any historical data for review. For example, when either Cosmetology or Esthetics receives additional product, staff deletes the previous record and replaces it with a new cumulative total. This prevents management from reviewing trends or evaluating changes over the prior period. Overall, the lack of formal, documented procedures and the overwriting of records hinders management's ability to monitor for loss, waste, or misuse of supplies and inventory.

In Esthetics, product inventory is stored in the Dispensary room within locked cabinets. Other staff have access to the keys in order to provide service to faculty and students when the Dispensary Technician is unavailable. To track the removal of products, the Dispensary Technician created a tracking sheet for staff to note the date, quantity, and product taken; however, this tracking sheet is not used, which further hinders the department's ability to monitor product usage and needs. Small tools, such as brushes, glass bowls, and tools for the steamer, are susceptible to theft and require regular replacement. While these control weaknesses create the potential for loss, waste, and misuse of products and supplies, it is further exacerbated by maintaining the inventory records on a personal computer or flash drive that is not readily accessible to program management or other employees. This practice prevents other employees the ability to provide service to management or other staff and students should they need access to these records, and management also cannot readily perform its oversight responsibilities and monitor or analyze inventory records.

In Esthetics, the Dispensary Technician provides the product required for instruction as requested by the Instructor. Generally, the Instructor completes a request form and provides it to the Dispensary Technician 24 hours before class. However, instances exist where additional products may be needed if class instruction pivots or product to treat/counteract a reaction is necessary. In these instances, the instructor or students request products directly from the Dispensary Technician. In cases where the Dispensary Technician is not available, the Lead Instructor maintains a readily accessible, fully stocked "Instructors Cabinet." (See Attachment B: Classroom Instruction Product Dispensing Process Map). On client service days, students submit a service requisition form to the Esthetics Dispensary Technician who provides the products needed. Forms are provided to the Dispensary Technician at the dispensary window and Dispensary Technician places all product requested on a tray for students. (See Attachment C: Client Services Product Dispensing Process Map).

In Cosmetology, there are several spaces within the Cosmetology building where product inventory is stored. The most expensive products are hair dye and certain oils, which the program maintains in a locked storage room. Students have ready access to shampoo, conditioner, hair ties and pins, as these are not closely monitored. When shipments come in, the Dispensary Technician shifts products between these spaces depending on size (shampoo and conditioner come in gallons), weight, and accessibility. Cosmetology uses multiple funding sources, such as Strong Workforce and California Lottery dollars, which have specific spending restrictions. It is critical that inventory purchased with each fund source be tracked separately to ensure funds are used as specified and that the program remains in compliance with the applicable requirements. However, Cosmetology has not performed an inventory count since 2021.

Other Observations

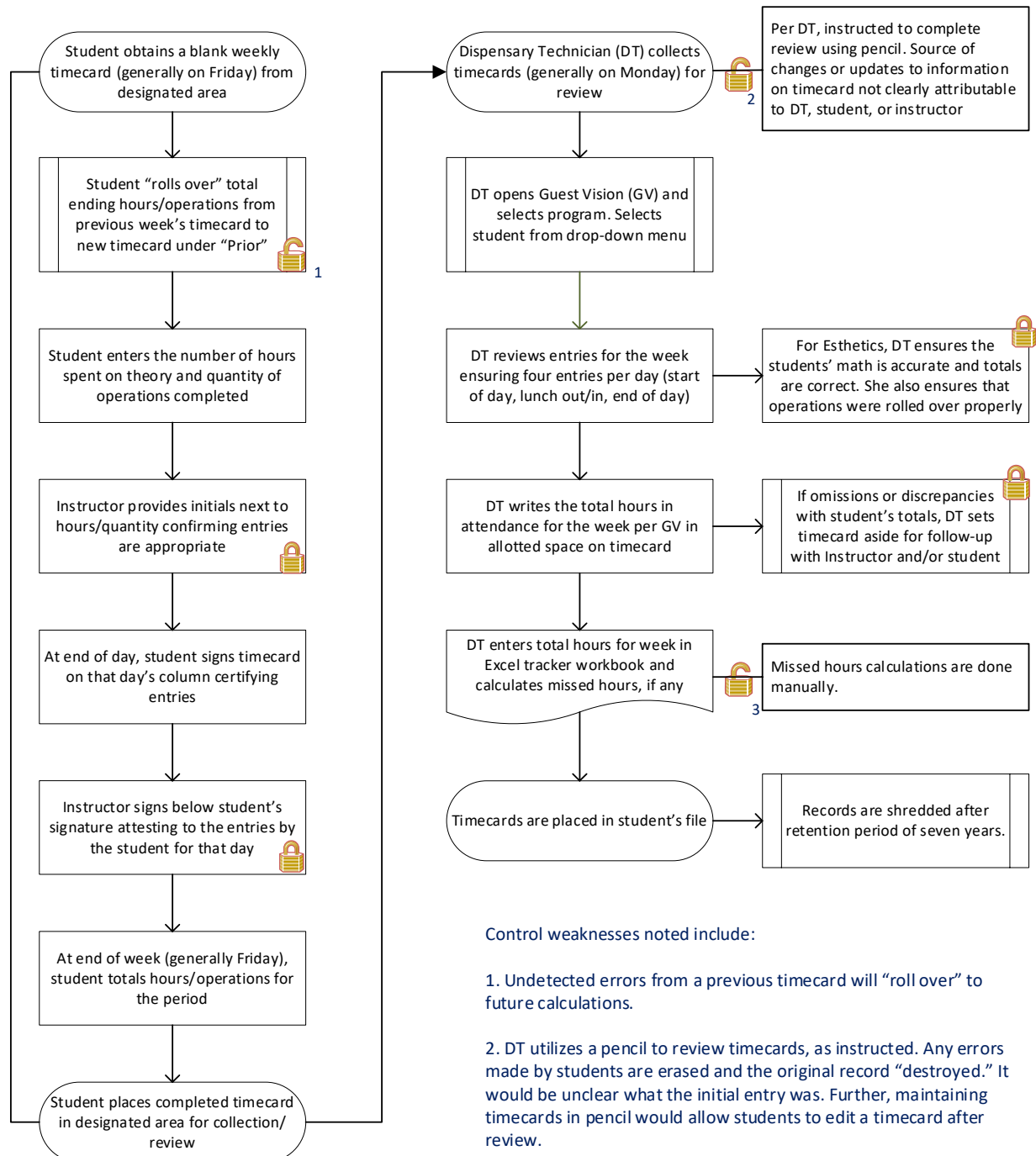
Equipment Maintenance

The Esthetics program utilizes expensive equipment, such as steamers. If not properly cared for, it could lead to rusting and require replacement. Faculty prepared a handbook detailing how to clean the equipment. While the program has formally documented procedures and expectations, these practices are not always followed. Internal Audit conducted observations in Esthetics during a client service day and noted that some steamers showed rusting. It was also observed that makeup brushes returned to the Dispensary Technician were returned uncleaned, and in some instances, the brush set was incomplete. Further, during Internal Audit's safety inspection with Environmental Health and Safety, it was noted that some hair washing bowls and adjacent surfaces showed hard water stains and some walls and furniture were stained as well. Frequent inspections are necessary to prevent equipment deterioration. It is important to maintain a clean and disinfected space and tools, as these items are used on public clients. These unsanitary conditions potentially pose a health and safety risk to these clients.

During a visit to Esthetics, Internal Audit observed that students did not always return all the makeup brushes used during client visits to the Dispensary Technician, and the students also did not always clean the brushes as required. Esthetics Program practices require the students to not only return supplies to the Dispensary Technician, but also to ensure they clean the brushes for the next use. Small tools such as these are highly susceptible to theft and require regular replacement in order to ensure supplies are available for the next client session.

Attachment A: Timecard Completion and Review Process Map

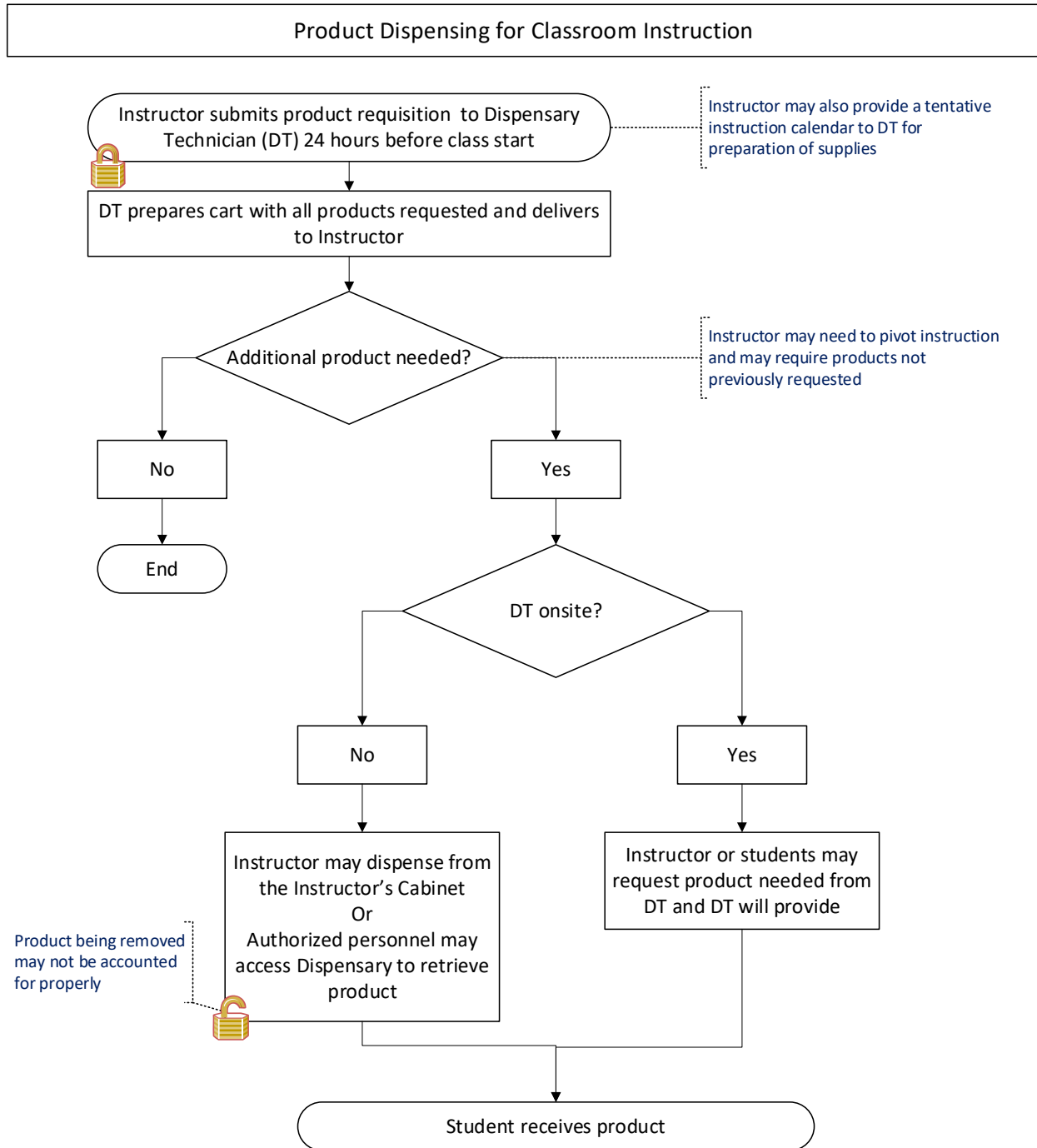
GWC Esthetics Timecard Completion and Review



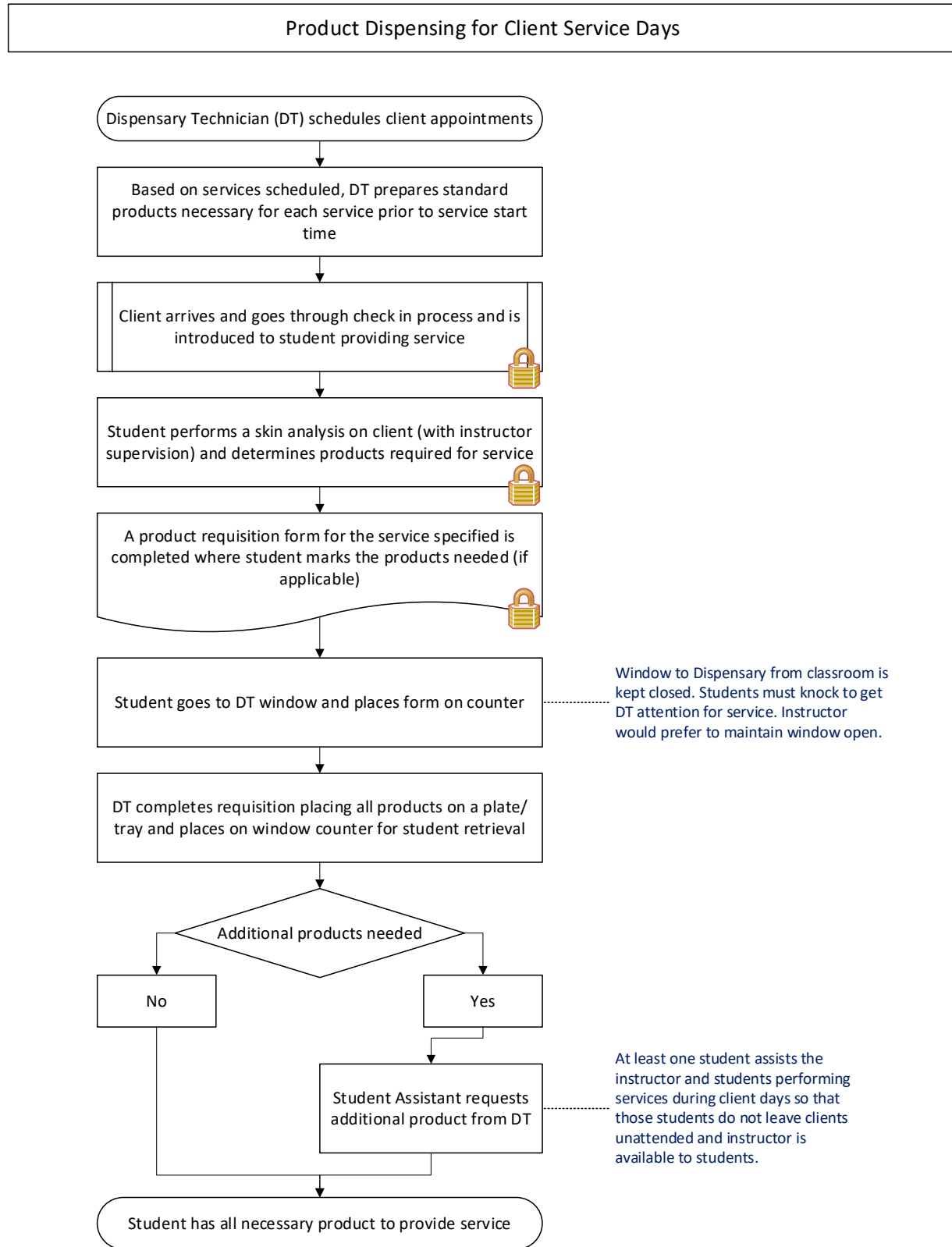
Control weaknesses noted include:

1. Undetected errors from a previous timecard will "roll over" to future calculations.
2. DT utilizes a pencil to review timecards, as instructed. Any errors made by students are erased and the original record "destroyed." It would be unclear what the initial entry was. Further, maintaining timecards in pencil would allow students to edit a timecard after review.
3. Missed hours are calculated manually by DT and tracked in an Excel worksheet. There is no secondary review to ensure calculations are proper.

Attachment B: Classroom Instruction Product Dispensing Process Map



Attachment C: Client Services Product Dispensing Process Map



Summary of Results and Action Plan

Finding 1: Student timekeeping and attendance rely upon pencil-and-paper timecards that are prone to alteration without a clear audit trail and maintained on a limited-access flash drive, hindering management's ability to perform the oversight needed to ensure compliance with State requirements and potentially creating a security risk related to the protection of student records.	
Recommendation 1: Cosmetology and Esthetics should transition to a secure, centralized and auditable system for maintaining, reviewing, and management oversight of student hours, including but not limited to transition to a fully utilized digital timekeeping system (elimination of manual timecards).	
Management Response/Action Plan: The Dean has already started reaching out to Guest Vision and other colleges with like programs to evaluate methods for transitioning to a fully digital system. In the meantime, we will eliminate the use of pencils and move toward documenting the changes made including initials of the parties who all agree to the changes. The Dean also immediately took action to ensure records were transitioned to the group share drive, and this is the course of action required going forward.	Due Date: October 31, 2025 Responsible Party: Dean of Business and Career Education and Vice President of Instruction
Finding 2: Inventory management is inconsistent, whereby records are regularly deleted and not always accessible by management, preventing historical data analysis, management oversight, and the risk for loss and misuse.	
Recommendation 2: Cosmetology and Esthetics management should review the current department procedures for inventory control and ensure consistent implementation of approved department guidance, including but not limited to establishing a centralized, accessible, and secure inventory system with approvals that maintains a permanent record of all product counts and transactions.	
Management Response/Action Plan: The Dean has already started reviewing these processes. Internal Audit also provided assistance outside of this project with review of two department handbooks with expectations that are currently under review with stakeholders. The department is committed to securing inventory and ensuring access for analysis and review. WE will also establish a process for a regular inventory.	Due Date: October 31, 2025 Responsible Party: Dean of Business and Career Education and Vice President of Instruction
Finding 3: Esthetics has inconsistent practices relating to equipment maintenance and accountability leading to a risk of damage, loss, and unsanitary conditions and creating an increased risk of premature deterioration and costly replacements and adverse effects on client health and safety.	
Recommendation 3: The department should implement a formal equipment maintenance and inspection program that includes regular inspections to ensure they are properly cleaned and maintained. A check-out/check-in process for small tools and equipment should be established and enforced.	
Management Response/Action Plan: The Dean is aware of the concerns related to equipment and sanitation and is working with faculty and staff to ensure a more consistent process is implemented for accountability and regular inspections are performed. There is an expectation for staff to report concerns and ensure students return all supplies.	Due Date: October 31, 2025 Responsible Party: Dean of Business and Career Education and Vice President of Instruction

Project Status Report: Quarterly Update—08/27/25

Completed Projects

Project Name	Project Description
Form 700 Benchmarking Review	Obtain 700 information from Orange County CCD's in order to determine if there are positions Coast could eliminate from BP 2712 Conflict of Interest
GWC Esthetics Selected Operational Processes	Review selected business processes for efficiency and alignment with best practices. (See Attached)
Veteran Resource Center—Intake Process	Review of the intake process for students eligible for VRC services. (See Attached)

Projects In Progress

Project Name	Project Description
OCC Veteran's Resource Center—Budget/Funding	Determine whether VRC funds spent in accordance with grant requirements and evaluate budget activities related to VRC funds.
Internal Audit Vacancy Recruitment	Preparing position descriptions and/or revisions to current position descriptions in preparation for recruitment.
Internal Audit Department Operational improvements	Working on developing an FAQ for the Internal Audit website and a post-audit project survey to obtain feedback following internal audit assignments.

Other Services

Services	Description
Retirement Board	Member
DCC BP/AP Subcommittee	Advisory Member
CCIA	Board Member at Large; Planning the October 2025 conference at Chaffey College