



LAUREL RIDGE COMMUNITY COLLEGE

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA

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AUDIT SUMMARY

We audited, for the fiscal year ended June 30, 2024, the adequacy of Laurel Ridge Community College's (Laurel Ridge) corrective actions for the seven audit findings identified during our prior audit of the college's compliance with Student Financial Assistance federal program requirements and included in the report titled, "[Virginia Community College System Report on Audit for the year ended June 30, 2022.](#)"

Our audit found Laurel Ridge has taken adequate corrective action for five prior audit findings identified as complete within the [Findings Summary](#) in the Appendix. Corrective action remains ongoing for the two findings identified as ongoing in the Findings Summary.

In the section titled "Audit Findings and Recommendations," we have included our assessment of the conditions and causes resulting in the internal control and compliance findings identified through our audits as well as recommendations for addressing those findings. Our assessment does not remove management's responsibility to perform a thorough assessment of the conditions and causes of the findings and develop and appropriately implement adequate corrective actions to resolve the findings. Those corrective actions may include additional items beyond our recommendations.

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AUDIT FINDINGS AND RECOMMENDATIONS

Strengthen the Schedule of Expenditures of Federal Awards Review Process

Type: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2022

Laurel Ridge Community College (Laurel Ridge) Business Office personnel did not properly prepare an accurate Schedule of Expenditures of Federal Awards (SEFA), a schedule that details the amount of federal expenditures for fiscal year 2024. Business Office personnel understated the amount of federal Direct Loan expenditures on the SEFA by \$888,542. Laurel Ridge management did not provide sufficient oversight and relied on inaccurate reports, leading to errors in compiling the SEFA.

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) § 200.510(b), “the auditee must prepare a schedule of expenditures of federal awards for the period covered by the auditee’s financial statements which must include the total federal awards expended as determined in accordance with § 200.502.” The Commonwealth of Virginia Department of Accounts (Accounts) Comptroller’s Directive 2-22 provides specific directions for compiling the SEFA and supporting schedules, including the “total amount provided to subrecipients from each federal program,” to support its preparation of the Commonwealth’s SEFA and related disclosures. Providing inaccurate schedules to Accounts could result in a misstatement of the Commonwealth’s SEFA and related disclosures.

Management should strengthen its current SEFA review process to include a comparison of the federal expenditures reported on the SEFA to the amount of completed payments and drawdowns during the fiscal year on the federal grants management system report.

Improve Reporting to National Student Loan Data System

Type: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2022

Laurel Ridge personnel did not report accurate and/or timely enrollment data to the National Student Loan Data System (NSLDS) for students that graduated, withdrew, or had an enrollment level change. The underlying cause for the untimely reporting is insufficient management oversight in the enrollment reporting process. In a review of 44 students, we noted the following noncompliance:

- Laurel Ridge reported an inaccurate enrollment status for five students (11%);
- Laurel Ridge reported an inaccurate enrollment status effective date for six students (14%);
- Laurel Ridge did not report enrollment changes timely for six students (14%); and
- Laurel Ridge reported inaccurate information in at least one campus or program level field deemed critical for six students (14%).

In accordance with 34 CFR § 685.309 and further outlined in the U.S. Department of Education's (Education) NSLDS Enrollment Guide, institutions must report enrollment changes within 30 days when attendance changes occur. The accuracy of Title IV enrollment data depends heavily on information reported by institutions. The untimely submission of inaccurate data to NSLDS can affect Education's reliance on the system for monitoring purposes. Noncompliance may result in implications for an institution's participation in Title IV programs.

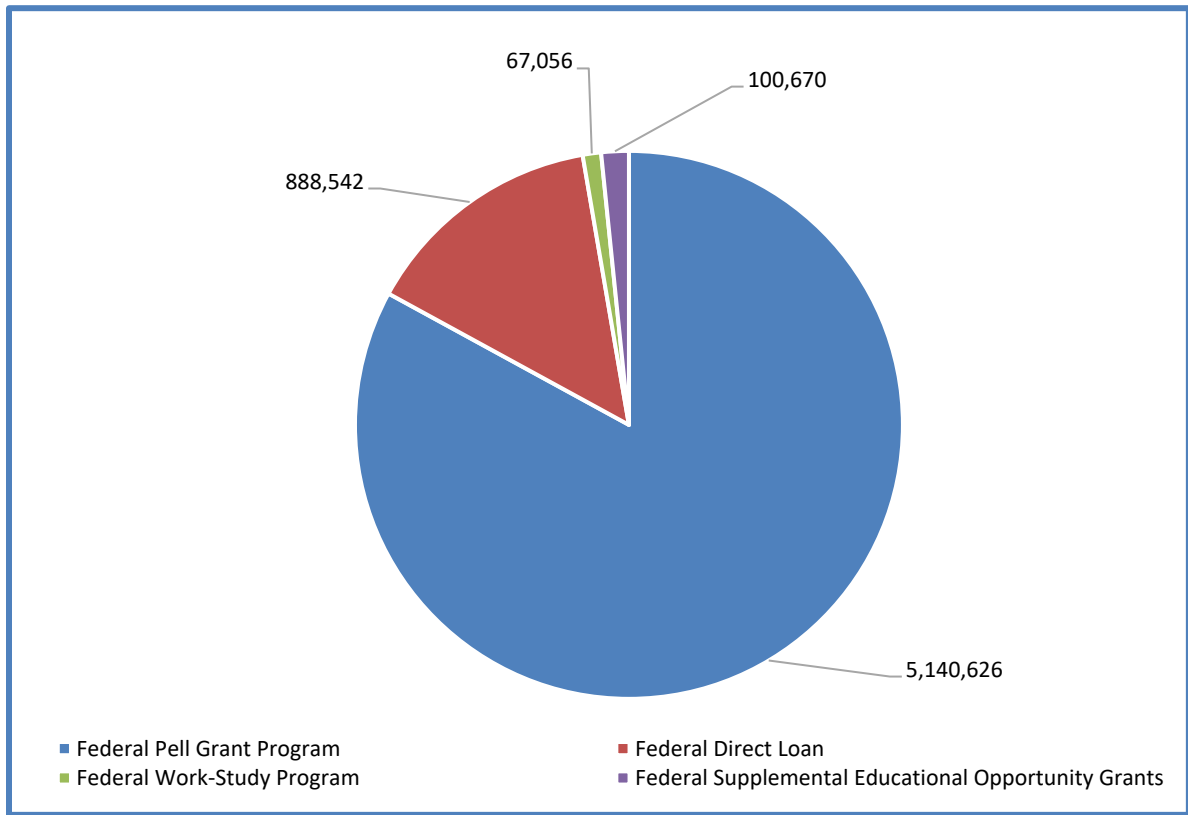
Laurel Ridge management should implement corrective action to ensure that the college is reporting accurate and/or timely student enrollment status changes to NSLDS. Management should also consider implementing a quality control review process to monitor the accuracy of campus and program-level batch submissions.

AUDIT SCOPE OVERVIEW

Laurel Ridge is part of the Virginia Community College System and serves the counties of Frederick, Clarke, Fauquier, Shenandoah, Page, Rappahannock and Warren and the city of Winchester. Laurel Ridge provides federal financial assistance through the federal Direct Loan, Pell Grant, Supplemental Education Opportunity Grant, and Work Study Programs. Chart 1 below shows the amount of federal Student Financial Assistance Program awards at Laurel Ridge.

**Student Financial Assistance Program Awards
Fiscal Year 2024**

Chart 1



For our audit, covering the fiscal year ended June 30, 2024, we evaluated the adequacy of Laurel Ridge's corrective actions for prior audit findings related to the Student Financial Assistance federal program. We performed procedures over federal Student Financial Assistance Programs as described in the U.S. Office of Management and Budget Compliance Supplement related to cash management, enrollment reporting, Gramm-Leach-Bliley Act compliance, return of Title IV funds, and system access. In addition, we reviewed the accuracy of the SEFA submitted to Accounts.



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 19, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Kimberly Blosser
President, Laurel Ridge Community College

We have audited, for the fiscal year ended June 30, 2024, the adequacy of **Laurel Ridge Community College's** (Laurel Ridge) corrective actions for prior audit findings related to the Student Financial Assistance federal program. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objectives were to evaluate the adequacy of Laurel Ridge's internal controls and corrective actions associated with prior audit findings related to the Student Financial Assistance federal program, and test corresponding compliance with applicable laws, regulations, contracts, and grant agreements. See [Findings Summary](#) included in the Appendix for a listing of prior year findings and the status of follow-up on management's corrective actions.

Audit Scope and Methodology

Laurel Ridge's management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered significance and risk in determining the nature and extent of our audit procedures. Our review encompassed controls and corrective actions over the following Student Financial Assistance federal program compliance requirements.

- Cash management
- Enrollment reporting
- Federal Title IV disbursements
- Information system security
- Return of Title IV funds
- System access

We performed audit tests to determine whether Laurel Ridge’s controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and observation of Laurel Ridge’s operations. We performed analytical procedures and tested details of transactions to achieve our objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Conclusions

We found that Lauren Ridge has taken adequate corrective action with respect to five of the seven prior audit findings identified as complete within the [Findings Summary](#) in the Appendix. We noted certain matters involving internal control and its operation and compliance with applicable laws, regulations, contracts, and grant agreements that require management’s attention and corrective action. These matters are described in the section titled “Audit Findings and Recommendations.”

Exit Conference and Report Distribution

We discussed this report with management on March 19, 2025. Management’s response to the findings identified in our audit is included in the section titled “College Response.” We did not audit management’s response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

DLR/clj

FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act	Complete	2022
Improve Notification Process for Federal Awards to Students	Complete	2022
Improve Federal Direct Loan Reconciliations	Complete	2022
Improve Return of Title IV Calculation Processes	Complete	2022
Perform an Evaluation of Student Information System Access Roles for College Personnel	Complete	2022
Improve Reporting to National Student Loan Data System	Ongoing	2022
Strengthen the Schedule of Expenditures of Federal Awards Review Process	Ongoing	2022

* A status of **Complete** indicates management has taken adequate corrective action. **Ongoing** indicates existing findings that require management's corrective action as of the date of the audit.



March 20, 2025

Ms. Staci Henshaw
Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218-1295

Dear Ms. Henshaw:

We are providing this letter in response to your report on the audit of the Student Financial Assistance Program records of Laurel Ridge Community College for the fiscal year ended June 30, 2024.

We acknowledge receipt of the audit findings and recommendations. We are pleased that the audit determined adequate corrective actions were taken on five of the seven prior audit findings. We also recognize the two ongoing findings identified in the report and confirm that we have prepared a corrective action plan to address these remaining items, which will be submitted to the Department of Accounts.

If you have any questions, please contact Cory Thompson, Vice President of Financial and Administrative Services, at cthompson@laurelridge.edu or (540) 868-7129.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Blosser".

Dr. Kimberly Blosser
President
Laurel Ridge Community College

cc: Cory Thompson, Vice President for Finance and Administration
cc: Barry Orndorff, Director of Finance
cc: Johanna Weiss, Vice President for Academics and Student Affairs
cc: Steven Wilson, Director of Financial Aid

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