

*Self Study Report 2010*

INSTITUTIONAL SELF EVALUATION

*STANDARD IIID*

**FINANCIAL RESOURCES**

*College of Micronesia – FSM*

**STANDARD IIID: FINANCIAL RESOURCES**

Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. A financial resource planning is integrated with institutional planning.

**STANDARD IIID: DESCRIPTIVE SUMMARY**

Financial resources for the operations of the college are derived from tuition and fees, and subsidy from the FSM National Government. About 60% to 65% of the total revenue is from tuition and fees and 35% to 40% is from the annual subsidy from FSM National Government.

**STANDARD IIID: SELF EVALUATION**

The budget of the college covers the provision of funding for the six college sites located in four different states of the FSM, including the budgets of the office of the president, instructional affairs, administrative services and student services. Below are the operations expenditure budgets for fiscal years 2006 through 2010.

*Table IIID.1 Operations Expenditure 2006 - 2010*

<b>Fiscal Year</b>	<b>Tuition Fee</b>	<b>FSM Appropriation</b>	<b>Total</b>
2006	\$6,084,150	\$3,856,000	\$9,940,150
2007	6,107,801	3,800,000	9,907,800
2008	6,932,524	3,897,101	10,829,715
2009	6,986,541	3,800,000	10,786,541
2010	7,684,126	3,800,000	11,584,126

The board approved a tuition increase of \$10 per credit, from \$95 to \$105 effective fall 2009. Previous increases in tuition fees of \$10 per credit were implemented in fall 2004 from \$75 to \$85, and in spring 2007 from \$85 to \$95. Tuition increases provided additional resources to supplement the costs of improving the quality of student services and programs, and student learning. About 95% of the students are eligible for scholarship assistance from the Federal Pell Grant. The annual subsidy from FSM National Government of \$3.8 Million is expected to continue for the next 17 years.

**STANDARD IIID: PLANNING AGENDA**

- Compete then implement the streamlining of operations at the college as recommend through the 2009 President's Retreat.

**STANDARD IIID1**

The institution relies upon its mission and goals as the foundation for financial planning.

#### **STANDARD IIID1: DESCRIPTIVE SUMMARY**

Financial planning is reflected and implemented in the annual budget process. Budget guidelines and institutional priorities, which are widely circulated, are developed to provide parameters in the development of budgets in consultation with a wide range of stakeholders.

#### **STANDARD IIID1: SELF EVALUATION**

The finance committee, chaired by the comptroller, is responsible for disseminating budget guidelines, budget timelines and budget templates through email. Members of the finance committee particularly the chair of the committee are available for consultation.

Office heads are responsible for preparation of their respective site or office budgets in consultation with faculty, staff and other stakeholders, and in collaboration with their respective vice presidents. The submitted budgets by state site directors are expected to be a collective and collaborative product that is consistent with the budget guidelines.

Finance committee through resource and planning committee is responsible for reviewing budgets and conducting budget hearings of all offices, and in recommending a balanced budget to cabinet. Balanced operations budgets and capital improvement budgets are approved by the board and by FSM Government.

#### **STANDARD IIID1: PLANNING AGENDA**

- To implement effective enrollment management to maximize the services provided by the college to the community and eventually generate stable financial resources for the college.
- To consider results of the assessment plan in the allocation of resources and in determining expenditure budgets of offices and campuses.

#### **STANDARD IIID1A**

Financial planning is integrated with and supports all institutional planning.

#### **STANDARD IIID1A: DESCRIPTIVE SUMMARY**

The Planning and Resources Committee (PRC) was organized to provide an overall link and coordination with different subcommittees to ensure integration and support of financial planning for all institutional planning and priorities.

#### **STANDARD IIID1: SELF EVALUATION**

In reference to prior accreditation report's planning agenda; the college filled the position of director of institutional research and planning office (IRPO) in 2006. The IRPO director acts as co-chair of the PRC with the vice president for administrative services. PRC is tasked to provide an overall link of allocating resources to programs and services in consideration of the

institutional priorities. The following committees are subcommittees of the PRC to ensure that financial planning supports all institutional planning:

- Assessment
- Endowment Fundraising Steering
- Facilities/Campus Environment
- Finance
- Information Communications Technology
- Personnel
- Sponsored Programs
- Staff Development

The annual president's retreat serves as a venue in institutional planning. The recent president's retreat participated by all stakeholders focused on streamlining and restructuring the college to meet its mission despite financial challenges and constraints.

Guidelines in the development of budgets are approved by the board during its May board meeting. The FY 2011 budget guidelines were approved in May, 2009.

#### **STANDARD IIID1A: PLANNING AGENDA**

- None

#### **STANDARD IIID1B**

Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

#### **STANDARD IIID1B: DESCRIPTIVE SUMMARY**

The Planning and Resources Committee and the Finance Committee review and assess financial resources and determine the allocation of resources in accordance with institutional priorities.

#### **STANDARD IIID1B: SELF EVALUATION**

Finance Committee and Planning and Resources Committee comprehensively handle realistic assessments of projected operating revenue budgets for every fiscal year. The office of the vice president for instructional affairs and state site directors are primarily responsible to forecast revenue budgets. The two primary sources of revenue for the college are derived from tuition and fees, and from FSM National Government.

The allocation of resources is handled by Finance Committee and Planning and Resources Committee through the annual budget process. The continuity of approved programs and services and institutional priorities are primarily considered in the approval of resource allocation and expenditure budgets.

Members of the Finance Committee are provided with copies of the revenue projections per site and expenditure budgets prepared by all offices (including worksheets of budget assumptions and lists of personnel). Budget hearings are conducted by Finance Committee with all office

heads to provide opportunities for office heads to justify their respective expenditure budgets. The results of budget hearings are seriously considered in the allocation of resources.

#### **STANDARD IIID1B: PLANNING AGENDA**

- Continue to provide budget information to appropriate college committees and offices to promote the continuous improvement cycle which incorporates both planning and resource allocation.
- To pursue the development of a policy for graduated tuition increases over the next 10 years.

#### **STANDARD IIID1C**

When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies and plans for payment of liabilities and future obligations.

#### **STANDARD IIID1C: DESCRIPTIVE SUMMARY**

The college controls and monitors expenditures in accordance with the approved budgetary accounts. In the event of revenue budget shortfalls, the college considers expenditure budget cuts and freezing the reprogramming policy option.

#### **STANDARD IIID1C: SELF EVALUATION**

Budgets for short-range or long-range financial plans are provided under the college's operations budgets and infrastructure development plan budgets.

In fiscal year 2009, the college addressed the revenue shortfall by instituting the following measures:

- Freezing the reprogramming option;
- Freezing the procurement of fixed assets until the end of fiscal year; and
- Implementing a 50% cut from the remaining budgets of supplies, printing and reference materials.

The above recommendations have been implemented but departments and offices must still ensure that the quality of services and programs are not affected. The college continues to provide supplemental budgets from reserves or fund balance to accommodate urgent financial requests. Requests for supplemental funding are reviewed on a case by case basis by Finance Committee and cabinet, and approved by the president or board of regents. The level of fund balance, sufficiency of cash reserves and urgency of the request are considered in the review and approval processes.

The college has no long-term liability and has no debts that have been outstanding for any significant period of time. Liabilities of the college are current liabilities of the regular expenditure cycle and are settled within the relevant budget period.

**STANDARD IIID1C: PLANNING AGENDA**

- To continue monitoring projected revenue budget with actual revenue, and handle appropriate actions in a timely manner if there are significant shortfalls.
- To consider enrollment trends and other related information that can provide realistic projection of revenue from tuition and fees.

**STANDARD IIID1D**

The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.

**STANDARD IIID1D: DESCRIPTIVE SUMMARY**

The college develops annual institutional priorities to guide decisions on development of budgets and allocation of resources. Institutional priorities are developed at president's retreat and Planning and Resources Committee solicits participation from all stakeholders particularly from state sites and non college participants.

**STANDARD IIID1D: SELF EVALUATION**

Annual budget guidelines are developed by the administration and approved by the board. Institutional priorities and budget guidelines are widely circulated and communicated to all office heads and directors for the development of the annual budgets.

The development of the college's budget begins 17 months before the actual fiscal year through the approval of the budget guidelines by the Board of Regents. The budget guidelines provide (1) that expenditure have to relate to strategic goals and objectives, (2) development of institutional priorities, and (3) assessment of programs and services.

**STANDARD IIID1D: PLANNING AGENDA**

- To evaluate the existing budget process to ensure efficiency of the college's planning and resource allocation.

**STANDARD IIID2**

To assure the financial integrity of the institution and responsible use of financial resources, the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.

**STANDARD IIID2A**

Financial documents, including the budget and independent audit, reflect appropriate allocation and use of financial resources to support student learning, programs and services. Institutional responses to external audit findings are comprehensive, timely and communicated appropriately.

**STANDARD IIID2A: DESCRIPTIVE SUMMARY**

The college secures the services of an independent external auditor every fiscal year to conduct an audit of the college's statements of net assets, and related statements of revenues, expenses

and changes in net assets and cash flows. The audit includes the single audit required by the US Federal Government, and performed 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.

The college's financial statements are audited externally by the auditing firm of Deloitte & Touche. From 2004 to 2008, the college received unqualified opinions from the auditor on the audit of the college's financial statements.

The percentages of allocation of resources based on the audit report indicated that financial resources are provided to support student learning, programs and services.

### STANDARD IIIID2A: SELF EVALUATION

Offices and state sites prepare their budgets based on office/campus needs and on the strategic and operational plans to properly address student learning and student support. Office heads and respective vice presidents are responsible for ensuring that uses of budgets are in accordance with the budget plans. Based on the most current financial statements and independent audit report covering fiscal year 2008, the resources of the college were allocated as follows:

• Institutional support	-	23%
• Instruction	-	34%
• Student financial assistance	-	16%
• Student services	-	8%
• Auxiliary enterprises	-	7%
• Academic support	-	3%
• Maintenance and depreciation	-	9%

The audits of the college's financial statements for four years, from 2005 through 2008 provided the following results:

- Unqualified opinion on the financial statements;
- No significant deficiencies in internal control over financial reporting were identified;
- Instances of noncompliance considered material to the financial statements were not disclosed by the audit;
- No significant deficiencies in internal control over compliance with requirements applicable to major federal awards programs were identified;
- Unqualified opinion on compliance with requirements applicable to major federal award programs;
- The audit disclosed no findings required to be reported by OMB Circular A-133; and
- The college qualified as a low risk auditee.

In 2004, though the college received an unqualified opinion on the audit of financial statements, the auditor cited a finding and questioned cost. The post audit group of the US DOE sustained the finding but did not sustain the questioned cost. The group agreed with the college's response that the corrective action was implemented, and that geographical location, limited technical services and required service warranties justified the non competitive purchases. The finding and questioned cost were resolved in a timely manner.

**STANDARD IID2A: PLANNING AGENDA**

- To complete the audit within the period of three months instead of the required timeline of six months, and to maintain the best opinion that an auditor can render in an audit of financial statement.

**STANDARD IID2B**

Appropriate financial information is provided throughout the institution.

**STANDARD IID2B: DESCRIPTIVE SUMMARY**

The college ensures that appropriate financial information is disseminated throughout the institution. The quarterly financial reports are provided to the Board of Regents during its meetings, and the budgetary, actual expenditures and encumbrance reports are disseminated to heads/directors of offices quarterly.

Audit reports are widely circulated every year. Electronic copies of the audit report are emailed to faculty and staff, and hard copies are disseminated to government agencies and other recipients.

**STANDARD IID2B: SELF EVALUATION**

The business office is responsible for the preparation, presentation and distribution of required financial reports to Board of Regents, office heads, college community, FSM government and federal government. Every quarter, the comptroller provides and reports to the board the financial performance for the current fiscal year in terms of revenues and expenditures. The comptroller's report includes analysis of students' accounts receivable, cash position, status of audit, status of endowment fund and fund raising activities and other relevant information on fiscal management.

The business office transmits via email periodic expenditure reports with budget data to each office/site directors. The reports provide comparison of budget as against actual expenditures and encumbrances to guide offices in managing their respective budgets. Office/site directors are responsible for disseminating the reports to their respective faculty and staff. Other reports such as the financial and drawdown reports for TRIO programs are also disseminated in a timely manner to program directors.

The audit reports, which present the financial condition and results of operations of the college for every fiscal year, are distributed to the college community and other stakeholders immediately following completion of the audits. Required reports, such as data collection report [Federal Audit Clearinghouse]; annual fiscal report [Accrediting Commission for Community and Junior Colleges (ACCJC)], and annual financial statements [Federal Student Aid] are submitted together with the audit report in a timely manner.

**STANDARD IID2B: PLANNING AGENDA**

- To create a Business Office webpage so that financial reports can be conveniently accessed by the college community at any time.

- To complete the audit report in coordination with the auditor from six months after the end of the fiscal year to three months.

**STANDARD IIID2C**

The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences.

**STANDARD IIID2C: DESCRIPTIVE SUMMARY**

The college has maintained sufficient available cash to settle day to day and short term obligations. The recent audit report for fiscal year 2008 indicated a balance of cash and equivalents of \$4.575 million, and the current trade liabilities for the same period were \$951k for a ratio of 4.80 to 1.

The college uses the fund balance and/or excess revenue to fund financial emergencies, unforeseen occurrences and other expenditures that are not provided for in the budget. The college purchases insurance to cover its risk of losses due to fire, lightning, and other risks normal in operating an institution of higher learning.

**STANDARD IIID2C: SELF EVALUATION**

The table below provides financial information reflecting the liquidity of the college and its capability to financially address emergencies and unforeseen occurrences:

<b>Fiscal Year</b>	<b>Cash and Equivalents</b>	<b>Unrestricted Fund Balance</b>	<b>Trade Liabilities</b>	<b>Ratio of Cash to Trade Liabilities</b>
2004	\$5,408,035	\$7,361,357	\$ 981,546	\$5.51 to \$1
2005	6,902,109	7,449,679	995,122	6.94 to 1
2006	5,969,278	7,438,251	878,692	6.80 to 1
2007	6,093,695	6,730,667	583,394	10.45 to 1
2008	4,574,692	5,574,976	951,419	4.81 to 1

The college has always paid payroll on or before the scheduled payday. Payroll is the bulk of expenditures of the college at \$500k to \$550k every month. Obligations to trade vendors are paid within two weeks from receipt of invoices and other supporting documents.

The unrestricted fund balance shows a declining trend due to several unforeseen and other expenditures that were not provided for in the budget. One of the significant items funded from fund balance was the improvement and renovation of Chuuk site at the current location. Classroom, LRC and office buildings were constructed, and furniture and fixtures including laboratory equipment such as computers were purchased using the fund balance. The policy on the use of fund balance that was approved by the Board of Regents stipulates that request for fund balance must be for an extraordinary, unanticipated, and non-recurring need, and there is sufficient available cash to cover the request.

The college implemented its planning agenda of securing cash management services to reduce the risk of uninsured amounts of cash balances, and to maximize earnings for idle cash. The

college secured the services of Citigroup for cash management services that provide higher interest yield and adequate insurance coverage. The college did not pursue the other planning agenda of obtaining a line of credit at a local bank. The college is very liquid and has not experienced any cash flow problems since 2004.

The college purchases commercial insurance to cover its potential risks from fire, typhoons and earthquakes and property damage on buildings and contents, workers compensation insurance for all its employees, fidelity guarantee insurance, automobile insurance and third party liability insurance.

#### **IIID2C. PLANNING AGENDA:**

- Refer to IIID1d

#### **STANDARD IIID2D**

The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

#### **STANDARD IIID2D: DESCRIPTIVE SUMMARY**

Audit reports of the independent auditor indicate that the college ensures effective management and administration of all its financial resources, including financial aid, grants and other externally funded programs. The audit did not identify any deficiencies in internal controls over compliance with requirements applicable to major programs.

The college's endowment fund is managed by a professional investment consultant and money managers. Investment policies are reviewed on a regular basis.

#### **STANDARD IIID2D: SELF EVALUATION**

The college's organizational structure, administrative systems, policies and procedures and internal controls ensure the effective oversight in the management of the college's finances. The comptroller reports to the vice president for administrative services who oversees the business office. The BO is responsible for the day to day operations relating to fiscal management. The financial aid office (FAO) under the supervision of the vice president for student services handles the operational side of the administration of financial aid programs, and sees to it operations are in accordance with established guidelines and procedures of the federal government. The BO is responsible for maintaining records of students' accounts, paying refunds to students and requesting payment from federal government. Other grants and programs are administered in accordance with the provisions of the grant award. The sponsored program facilitator under IRPO monitors and reviews programs to ensure compliance with the conditions of the grant.

The college's endowment fund, which was established in 1997, has the goal of growing in size, through a combination of contributions and investment return, to \$20 million in 20 years. The principal and the investment return of the endowment fund are to be maintained inviolate and in perpetuity. The administration and management of the endowment fund are provided in the investment policy, and the college secured the investment consultant services of Smith Barney. The college recognizes the difficulty in achieving the endowment's investment objectives in light

of the uncertainties and complexities of contemporary investment markets. The college experienced significant unrealized market losses after the 9/11 incident, and the recent global economic crisis; therefore, the original goal of \$20 million in 20 years may not be achieved. The college maintains fixed assets records within its accounting system. Physical inventory of assets is conducted on a regular basis at all sites.

#### **STANDARD IIID2D: PLANNING AGENDA**

- To increase fund raising activities to generate more funds for the endowment.
- To continually review and update the financial management policies and procedures.

#### **STANDARD IIID2E**

All financial resources, including those from auxiliary activities, fund – raising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.

#### **STANDARD IIID2E: DESCRIPTIVE SUMMARY**

The single audit of all major programs since 2004 to 2008 disclosed that the college complied, in all material respects, with the requirements applicable to major federal programs. Financial resources of the college are allocated to nine goals geared towards achievement of the college's mission.

The decision making, responsibilities and accountabilities of the organizational structure with regard to financial resources ensure effective oversight of the college's finances, regardless of source. Oversight by Planning and Resources Committee, Finance Committee, Cabinet and Board of Regents ensures that financial resources are appropriately allocated and consistent with the goals and mission of the college.

#### **STANDARD IIID2E: SELF EVALUATION**

The college maintains three auxiliary services which are the cafeteria, bookstore and dormitory. The three auxiliary services are nonprofit and are maintained to provide support services to students. The responsibility for bookstore and cafeteria are directly under the comptroller's office while the dormitory is under the office of the vice president for student services. Based on the goal of the endowment fund to attain a market value of \$20 million in year 2025 and on the expected return, the required annual fundraising target has been established at \$100,000. Fund raising activities for the endowment fund have been ongoing since 1997. Unfortunately, the college has not been successful in achieving the fundraising target of \$100,000 per annum.

The college receives grants from various sources. The largest grants are received from US DOE (Pell, SEOG, work study, competitive grants for student services and TRIO programs), and US DOI (Compact of Free Association II from Education Sector Grant component and Supplemental Education Grant (SEG)). Other grants are received from national and state governments and the private sector.

With regard to the integrity of using the financial resources of the grants, the audit report from 2005 through 2008 indicated the following results:

- No reportable conditions in internal control over financial reporting were identified;
- No instances of noncompliance considered material to the financial statements were disclosed by the audit;
- No reportable conditions in internal control over compliance with requirements applicable to major federal awards programs were identified;
- The Independent Auditors' Report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion;
- The audit disclosed no findings required to be reported by OMB Circular A – 133; and
- The college did qualify as a low risk auditee as that term is defined in OMB Circular A – 133.

#### **STANDARD IIID2E: PLANNING AGENDA**

- Refer to IIID2d

#### **STANDARD IIID2F**

Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution.

#### **STANDARD IIID2F: DESCRIPTIVE SUMMARY**

Existing contractual agreements with the FSM National government, state governments, federal government, colleges and universities, public and private institutions and other governments are all consistent with the goals and mission of the college, easily verified by perusing the relevant texts. Major contracts relate to providing and developing noncredit courses; tutoring; training workshops; instructional and student services programs; and related materials and other services. Contracts are reviewed and recommended for consideration by relevant stakeholders within the college community before approval by the president and Board of Regents, thus ensuring compliance with college policies and upholding the integrity of the college.

#### **STANDARD IIID2F: SELF EVALUATION**

Contractual agreements with external entities that involve the college must follow a set of procedures before they are approved for implementation. The agreement is first reviewed by the office and then transmitted to the appropriate committee for recommendation. Comprehensive discussion occurs at the standing committee level where the agreement is evaluated for consistency with the goals and mission of the college. Upon endorsement by the committee, the agreement will be transmitted to cabinet for the preliminary approval before endorsement and final approval by the board.

Following are some of the college's existing contractual agreements:

- With federal government (DOE and DOI) for the administration of financial scholarship programs (PELL, SEOG, work study), TRIO, OMIP and other programs;

- With COM for the purpose of implementing “trust/partnership relationship” to provide administration of the land grant programs;
- With FSM National Government for the administration of Fisheries and Maritime Institute, family planning program, programs related to education, health and other fields;
- With state governments for instructional and training programs ;
- With University of Guam, University of Hawaii and other institutions of higher learning regarding articulation agreements and administration of special programs and other pass on grants.

#### **STANDARD IID2F: PLANNING AGENDA**

- To review and update the agreements with COM regarding the administration of land grant programs.

#### **STANDARD IID2G**

The institution regularly evaluates its financial management processes, and the results of the evaluation are used to improve financial management systems.

#### **STANDARD IID2G: DESCRIPTIVE SUMMARY**

The Business Office, the Finance Committee and system consultants review and evaluate the fiscal management processes, accounting and recording systems, budget processes, policies and procedures and internal controls. The president, vice president for administrative services and comptroller are responsible for the college’s financial management and administrative processes. In addition, results and recommendations of the external audit are used to improve financial management. .

#### **STANDARD IID2G: SELF EVALUATION**

In the period covered by the self study report, the college revisited, reviewed, introduced and adopted several financial management processes that aimed to improve financial management. Below are some of the improvements related to financial management:

- Evaluated and updated rates of tuition and fees;
- Review and implementation of a new cash management system;
- Review and update check signatories;
- Updated the composition of the investment committee;
- Adopted a policy on use of income earned from savings accounts and general fund investments;
- Development of bookstore policies and procedures; and
- Comprehensive review of the existing fiscal policies by consultant in collaboration with the comptroller.

#### **STANDARD IID2G: PLANNING AGENDA**

- To develop a website for business office to provide easy access to all fiscal policies and procedures including templates of forms and reports to the college community.

- To have the bookstore policies and the updating of fiscal policies approved by the Board of Regents.

**STANDARD IIID3**

The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.

**STANDARD IIID3: DESCRIPTIVE SUMMARY**

The college is developing formal assessment tools to systematically test the efficiency and effectiveness of the financial services provided by the business office. Similar assessment tools are being developed for instructional and student services, to verify the effective use of those financial resources.

College sites and offices, conversely, have the responsibility to ensure that the allocated financial resources provided desired results of programs and services to students, faculty, staff and other patrons of the college.

**STANDARD IIID3: SELF EVALUATION**

Discussions and review in assessing the effective use of financial resources are comprehensively handled during the budget process. The Finance Committee holds budget hearings that allow opportunities for offices to justify their use of financial resources and for the committee to assess if the uses are consistent with the goals and mission of the college.

The formal tools to assess programs and services are still in the process of development by the assessment committee.

The college is continuously working with the external auditor in proper implementation of audit recommendations in a timely manner. Results of the evaluation by the auditor during their audit on systems and procedures relating to fiscal management are seriously considered by the college in developing appropriate improvements.

**STANDARD IIID3: PLANNING AGENDA**

- To finalize and implement the assessment tools that will be used by offices in assessing the effectiveness of respective programs and services.