

Office of the President

**Board of Trustees**

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May 12, 2016

Ms. Sandra Elman,  
Executive Director,  
Northwest Commission on  
Colleges and Universities  
8060 165<sup>th</sup> Ave. N.E., Suite 100

Re: Tacoma Community College - NWCCU Ad Hoc Report

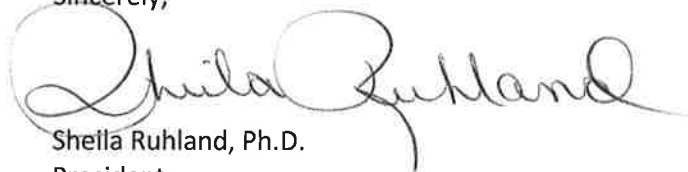
Sheila K. Ruhland, Ph.D.  
*TCC President*

Dear Ms. Elman,

This letter is in response to your letter dated February 5, 2016 requesting an Ad Hoc Report to include financial statements and the management letter from the external financial audit for 2014/15. Attached is the Ad Hoc Report along with other requested materials that follow the Ad Hoc Report preparation guidelines.

Please acknowledge receipt of this report and if you have questions please contact me directly to discuss.

Sincerely,



Sheila Ruhland, Ph.D.  
President

Cc: Dr. Tod Treat, Executive Vice President for Academic and Student Affairs  
Dr. Mecca Salahuddin, Accreditation Liaison, Dean of Organizational Learning  
& Effectiveness



**Ad Hoc Report**  
**(2<sup>nd</sup> Ad Hoc Report on Recommendation 2)**

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*Prepared for*  
*The Northwest Commission on Colleges and Universities*

**Tacoma Community College**  
**May 15, 2016**

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# **Ad Hoc Report**

## **(2<sup>nd</sup> Ad Hoc Report on Recommendation 2)**

### **Introduction**

This Ad Hoc Report is the Tacoma Community College's second report in response to Recommendation 2 as outlined in a letter dated July 17, 2014 where the Northwest Commission on College and Universities (NWCCU) reaffirmed the accreditation of Tacoma Community College (TCC) based on its spring 2014 Year Seven *Mission Fulfillment and Sustainability* Peer- Evaluation report. Also in the letter, the Commission requested the College address Recommendation 2 of the Peer Evaluation.

#### *Recommendation 2:*

“The evaluation committee recommends that for each year of operation, the College undergo an external financial audit and that the results from such audits, including findings and management letter recommendations, be considered in a timely, appropriate and comprehensive manner by the Board of Trustees (Eligibility Requirement 19 and Standard 2.F.7)”

The Commission determined that Recommendation 2 is an area where Tacoma Community College does not meet the Commission's criteria for accreditation according to U.S. Department of Education Regulation 34 CFR 602.20 and Commission Policy, *Commission Action Regarding Institutional and Sustainability*. The Commission has requested this recommendation be addressed and resolved within a two-year period.

In the September 2015 Fall Ad Hoc Report, Tacoma Community College provided a status of the College's Financial Audit (Appendix A). Stated in the report, the college indicated the financial statements were scheduled to be audited during the 2015-2016 fiscal year.

Following is an update on actions that have been taken since the Fall Ad Hoc Report to address Recommendation 2.

### **Update on Recommendation 2**

Tacoma Community College is pleased to report the auditing and completion of our 2013-2014 and 2014-2015 Financial Statements by our SAO during April and May 2016. At this time, the College has not received the official audit/management report from the SAO team.

### **Upcoming Plans to Address Recommendation 2**

Once the College has received the official Audit Report, the President and the Board of Trustees will review the findings and management letter at a Board of Trustees meetings. Upon the completion of the review by the President and Board of Trustees, we will submit an addendum report to NWCCU that will include the Audit Report findings and management letter. The addendum will also include any SAO's recommendations and the

College's plans for addressing these recommendations.

## **Conclusion**

Given the two-year time frame prescribed in the NWCCU reaffirmation letter to address and resolve Recommendation 2, TCC will provide another update on the results of both the 2013-2014 and 2014-2015 audits to ensure we remain in compliance with the Commission's *Standards* and *Eligibility Requirements*. In addition, the SAO has now scheduled regular annual audits for the College that will be completed in the Fall Quarter of each year after the end of each Fiscal Year (June 30<sup>th</sup>) to ensure we continue to comply with the Commission.

## Appendix A. Fall 2015 Ad Hoc Report submitted September 2015

### Introduction

In a letter dated July 17, 2014 the Northwest Commission on College and Universities (NWCCU) reaffirmed the accreditation of Tacoma Community College (TCC) based on its spring 2014 Year Seven *Mission Fulfillment and Sustainability* Peer- Evaluation report. Also in the letter, the Commission requested the College address Recommendation 2 of the Peer Evaluation.

#### *Recommendation 2:*

“The evaluation committee recommends that for each year of operation, the College undergo an external financial audit and that the results from such audits, including findings and management letter recommendations, be considered in a timely, appropriate and comprehensive manner by the Board of Trustees (Eligibility Requirement 19 and Standard 2.F.7)”

The Commission determined that Recommendation 2 is an area where Tacoma Community College does not meet the Commission’s criteria for accreditation according to U.S. Department of Education Regulation 34 CFR 602.20 and Commission Policy, *Commission Action Regarding Institutional and Sustainability*. The Commission has requested this recommendation be addressed and resolved within a two-year period.

Below is an update on actions that have been taken to address Recommendation 2 along with the upcoming plans to continue to address and resolve Recommendation 2.

### Update on Recommendation 2

In a letter dated March 26, 2015 Interim Accounting Services Director Joann Wiszmann for the Washington State Board for Community and Technical Colleges (SBCTC) informed the College Presidents they would be moving to an annual preparation and submission of financial statements. Based on this decision, in May 2014, along with 8 other Washington state community colleges, TCC was scheduled for an audit of our 2013-2014 financial statements during the 2015 winter quarter. Due to staffing issues the State Auditor’s Office (SAO) was unable to conduct the audit.

### Upcoming Plans to Address Recommendation 2

Since the 2013-2014 financial statement was not audited in winter quarter 2015 and the 2014-2015 financial statements are scheduled to be audited during the 2015-2016 year, the SAO requested that both the 2013-2014 and 2014 -2015 financial statements be audited together.

## Conclusion

Given the two-year timeframe prescribed in the NWCCU reaffirmation letter to address and resolve Recommendation 2, TCC will provide an update on the results both the 2013-2014 and 2014-2015 audits to ensure we remain in compliance with the Commission's *Standards* and *Eligibility Requirements*.