Item Number	Recommendation and *OCC Response*	Lead Director(s)	Target Completion Date	Status
1	**Recommendation:** 'Add OUSF Preapproval to the internal compliance review program. **Note:** PUD's compliance manager has reviewed items processed by the preapproval department since inception. However, as the process is new, the manager was working with the Director to evaluate risk and identify the specific areas in need of mandatory review. Now that the process is in place and programs should be finalized, the Compliance program steps will also be updated.	Maura Shortt Lead Debbie Prater Compliance	October 2019	In the previous year, the PUD Preapproval Team reviewed and updated the preapproval processes with the intent of formalizing the Compliance Review which will go into effect once all processes have been finalized, included in the Procedure Manual and staff training has been completed.
	'1. Define and outline the responsibilities for compliance reviews of the Preapproval process.	Debbie Prater Brandy Wreath		1. Proposals for program due by September 2019
	2. Once the process audit programs are complete, implement a compliance review of the higher risk process steps in the Preapproval process, such as accurate calculations, missing documentation, and deadline adherence.	Debbie Prater Maura Shortt		2. Official reviews begin January 2020
2	**Recommendation:** Change method of receiving and processing requests electronically. Issues with Outlook Exchange Shared Email. **Note:** PUD has worked to automate the process for the last few years. However, the change by the OCC to focus on IMS has resulted in modifications to the plan. This will greatly assist in this process but necessitates maintaining current programs to avoid developing a new process that will be replaced in Phase II IMS.	Brandy Wreath Lead	January 2021 (OMES Processing Required)	OMES has changes to receiving and processing requests under development in the IMS system
	1. Convert to Office 365.	OMES		1. Due July 2019
	2. IMS electronic forms development.	Teena May Maura Shortt		2.Under development
	3. Update processes utilizing shared document processes within Office 365 and IMS.			3.Under development

3	**Recommendation:** Update OUSF Tracking of Preapprovals and Informal Preapprovals on the PUD Cause Tracking Report.	Maura Shortt Lead Melissa Mussyal John Givens	Oct 2019	All tracking processes for Preapprovals and Informal Preapprovals were updated May 2019.
	1. Add all internal deadlines with aging formulas.			1.Completed May 2019
	2. Add all statutory and rule deadlines with aging formulas.			2.Completed May 2019
	3. Add all review process steps with aging formulas.			3. Completed May 2019
	4. Add same on informal request tracking.			4. Completed May 2019

	5. Create management reports from Tracker to identify volumes per status, aging, backlogs, upcoming critical dates, and other relevant information to help manage the process.
	   For example:
	   a. # of requests pending review
	   b. # of aged requests nearing the 10-day internal deadline
				5. Working with Bridge to update report exporting functions. Projected completion September 2019.

	6. Include post preapproval process to ensure carrier files for funding and/or the process is closed out properly. Include 60-day filing requirement for Carrier to file.			6. The Funding Letter includes the 60-day Carrier filing expectation. The report will be updated in the process above.
	7. Update process for tracking requests prior to receiving cause number from Court Clerk. .			7 Completed May 2019

| 4 | **Recommendation:** Create clear guidelines for the Management Review Process.
Note: Management has approved all funding letters and reviewed each for compliance prior to issuance. Documenting the developed process will be a part of the final Audit Program document development currently underway.

Update Audit Programs to Include Management Review Steps in the Audit Program and Manual. Including, but not limited to the following:

1. Clear and documented workflow steps, with expectations of process step completion and process step aging. Clear process on audit programs to assist in documenting review.

2. Management monitoring through Cause Reports to measure:
    a. Volume and aging by workflow step
    b. Production and Turnaround Times by workflow step

3. All applicable fields necessary in the Cause Report (such as Date Last Action Taken), to facilitate tracking and reporting.

. | Maura Shortt Lead
Melissa Mussyal | Oct 2019 | The Preapproval Audit Program and Preapproval Cause Report Tabs have consistently been reviewed as part of the Management Review. Tracking/aging formulas and additional internal deadlines have now been added to assist with documenting the Manager review.

1. Completed May 2019

2.
a. Completed May 2019
b. Completed May 2019

3. Completed May 2019 |

5	**Recommendation:** Update Preapproval and Informal Preapproval review process Audit Programs and the Process Manual. **Notes:** This process is a regular part of the PUD Change Management and Strategic Plan programs. These updates will be ongoing.	Maura Shortt Lead Melissa Mussyal John Givens	Oct 2019	The Preapproval, Informal Preapproval, Audit Programs and Procedure Manual have been updated.
	1. Remove steps no longer performed.			1. Completed 5/31/19.
	2. Use Quality, Compliance, and peer reviews to ensure changes to the programs are understandable and complete.			2. This step will be included in the Quality and Compliance processes which will be developed after all steps of this Preapproval process are completed. (See Reference #1 above.)
	3. Confirm all statutory and rule citations are complete, current, and accurate.			3. Completed 6-3-19.
	4. Have legal review to ensure statutory compliance of process. Note: PUD Attorneys are involved with all process development and application.			4. Completed 6-3-19.
	5. Include steps to verify funding request filed and/or process is closed properly.			5. This step will be included in Quality and Compliance processes which will be developed after all steps of this Preapproval process are completed. (See Reference #1 above.)
	6. Update legal disclaimers on informal request communications of non-binding issues. .			6. Completed 6-3-19.

6	**Recommendation**: Update Preapproval Acceptance and Notification Email to beneficiaries. Enhance the existing email response by adding clear language that provides: 1. The next steps of the process and what to expect. 2. A timeframe of when an OUSF response can be expected. 3. A checklist of all expected documentation.	Maura Shortt Lead Jeff Kline Rochelle Brooks	Oct 2019	The Manager and analyst have worked with the Attorney to complete updates in the Preapproval Acknowledgement Email. 1. Completed 5-31-19. 2. Completed 5-31-19. 3. Completed 5 -31-19.
7	**Recommendation:** Update Funding Letter OUSF uses to advise the Beneficiary (when they file the Form 471) **Note:** Some recommendations will be limited based on the interaction and assistance USAC will provide. Create clear, formal instructions for the Beneficiary (in regards to the 471) that it is the Beneficiary's responsibility to: 1. Include the Preapproval Funding Letter ("PFL") to ensure USAC is aware that the Beneficiary has been approved for State funding. 2. Include the name of the Provider.	Maura Shortt Jeff Kline Rochelle Brooks	July 2019	The Manager has worked with the Attorney to clarify language in the Preapproval Funding Letter ("PFL"). 1. This was an existing process prior to this recommendation. The forms used were updated and completed June 2019 2. This was an existing process prior to this recommendation. The forms used were updated and completed June 2019

3. Work with USAC on alternative wording related to estimated ranges and funding limits issues.				3. **Action:** PUD has reached out to USAC for insight into their process. We previously revised the wording and charts in the PFL to reflect the funding amount of both E-rate and OUSF resulting from the State Match Program. We have directed this question to USAC. PUD's process to determine OUSF estimated funding based upon percentages conforms best to the State Match process.
4. Discuss with consultant (Funds for Learning) to determine other possible acceptable options under the federal program.				**Action:** Discuss with consultant (Funds for Learning) to determine other possible acceptable options under the federal program. Completed Jun-19 After discussion with FFL, agreement was reached that going forward, the State Match % should be based on the USAC Committed Funding Amount