

**AUDIT COMMITTEE MEETING**  
BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 519  
Counties of Stephenson, Ogle, Jo Daviess and Carroll

**CALL TO ORDER**

A meeting of the Audit Committee of the Board of Illinois Community College District No. 519 was called to order by Mrs. Diane Gallagher, Committee Chair, at 2:00 p.m. on March 1, 2017, in the Robert J. Rimington Board Room in the Highland Community College Student/Conference Center, 2998 West Pearl City Road, Freeport, Illinois in said district.

**ROLL CALL**

Committee members present: Mrs. Diane Gallagher, Dr. Steve Jennings, and Mr. Blake Musser

Committee members absent: Mr. Jim Endress

Guests present: Mr. Dan Rowe, Wipfli

Staff present: Mr. Tim Hood, President; Ms. Chris Kuberski, Executive Vice President; Ms. Jill Janssen, Vice President, Administrative Services; and Ms. Terri Grimes, Board Secretary

**GENERAL OVERVIEW**

Mr. Rowe reviewed the audit engagement letter. He noted that in 2016, Wipfli received a pass rating on the peer review audit, which is done every three years. This year's audit team will include Mr. Rowe, Senior Manager; Matt Schueler, Audit Partner; Randy Beard, Audit Partner (reviewer) or Dick Wells, Partner (reviewer); Charlotte Severing and Taylor Dixon, Senior Associates; and an intern.

**AUDIT SERVICES FOR FY17**

Mr. Rowe reviewed the audit services for FY17, noting that GASB 77 will become effective for the College on the June 30, 2017 report, but GASB numbers 78 through 81 do not relate to the College. GASB 77 requires that Mr. Rowe be provided with a list of tax abatements.

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

Audit Committee members discussed the recent fraud case at Lincoln Land Community College, where an employee embezzled over \$700,000 in 2012. Mrs. Gallagher contacted a trustee at Lincoln Land and learned that the incident happened during a time of growth, so it was not unusual to see different vendors receiving payment for items, but it is believed that several controls failed.


to see different vendors receiving payment for items, but it is believed that several controls failed. They have since started annual fraud training for all individuals in the budget process, with all new vendors required to be authorized and complete a W-9 form. Mr. Rowe reported that Wipfli has certified fraud examiners who do training webinars. Ms. Janssen also noted that with each audit, department heads are required to disclose if they have any businesses that are closely held.

Dr. Jennings suggested that perhaps having the three Audit Committee members, not including the chair, review the bills on a regular basis might offer more consistency in the review rather than one trustee reviewing every eighth month. Mrs. Gallagher expressed her concern that the proposed process would put the liability for review of bills on fewer trustees. Dr. Jennings stated that he thinks randomness and unpredictability of the process creates a better review of the bills and proposed starting the new process in March. Audit Committee members agreed to try the new review process of three trustees reviewing the bills, one every third month. Ms. Janssen reminded Audit Committee members that trustees can ask to see documentation for any expense during the monthly review of bills.

#### **ADJOURNMENT**

Mr. Musser moved and Dr. Jennings seconded the motion to adjourn the meeting of the Audit Committee. At 2:49 p.m., the vote being unanimous, the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,

  
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Terri A. Grimes, Board Secretary  
Illinois Community College District No. 519