

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 2:01 p.m. on July 19, 2016, 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, Mr. Jim Endress, Dr. Steve Jennings, and Mr. Blake Musser

Committee members absent: None

Guests present: Mr. Dan Rowe, Wipfli

Staff present: Ms. Chris Kuberski, Executive Vice President (arrived 2:02 p.m.; departed 2:18 p.m.); Ms. Jill Janssen, Vice President, Administrative Services (departed 2:18 p.m.; returned 2:48 p.m.); and Ms. Terri Grimes, Board Secretary

PUBLIC COMMENTS

There were no public comments.

GENERAL OVERVIEW OF FY16 AUDIT PROCESS

Mr. Rowe stated that the objectives for the meeting were to go over the audit plan for the FY16 annual audit. He explained that, as part of the financial aid audit, there are 40 random financial aid files that are reviewed. This year's audit team will include Mr. Rowe, Senior Manager; Mr. Matt Schueler, Audit Partner; Mr. Dick Wells, Audit Partner and Reviewer; Ms. Rachael Graves, Senior Associate; and, Mr. Taylor Dixon, Senior Associate. Mr. Rowe reviewed the timing of the audit, noting that the bookstore inventory was completed on June 30. Dr. Jennings inquired as to why there is no inventory done on other items owned by the College, and Mr. Rowe reported that the bookstore is a proprietary fund. Ms. Janssen also reported that she keeps an updated inventory list of large ticket items. Preliminary work and planning, as well as the financial aid testing has begun, and the year-end field work begins on July 25. Mr. Wells will review the audit by September 1, with a draft of the audit to Audit Committee members by September 15. The audit is due to the Illinois Community College Board by October 15, and the Data Collection Form should be in by November 15.

Mr. Rowe reviewed potential audit issues or high risk areas, including the bookstore, due to the amount of cash that goes in and out; payroll, due to the number of employees; the cashier's office,

due to money changing hands; and the single audit. Mr. Endress inquired about the money coming in from the State, and Ms. Janssen reported that she is recommending that the money the College received in April be shown in FY16 and the new stopgap funds be shown in FY17; however, Adult Education may be different because they need the funds in FY16. A decision also needs to be made regarding how to handle the Corporate Personal Property Replacement Tax that the State overpaid, and Mr. Rowe reported that usually ICCB sends out an email with guidance on issues such as this. The internal control understandings have begun to be updated and walkthroughs will be performed next week. Other preliminary audit work includes SAS 99 procedures, Financial Aid and Enrollment audit, the bookstore inventory sample count, reading the Board minutes from FY16, and working on certain sections of the financial statements.

The Audit Committee is tentatively scheduled to meet again at 2:00 p.m. on Tuesday, September 20.

CLOSED SESSION

Mr. Endress moved and Dr. Jennings seconded the motion to move into Closed Session for the purpose of a meeting between internal or external auditors and the governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America, pursuant to the Open Meetings Act. The roll call on the motion was as follows:

AYES: Endress, Jennings, Musser, Gallagher
NAYS: None

At 2:18 p.m., the Chairperson declared the motion carried and the meeting in Closed Session.

Dr. Jennings moved and Mr. Musser seconded the motion to end the Closed Session. The roll call on the motion was as follows:

AYES: Jennings, Musser, Gallagher, Endress
NAYS: None

At 2:48 p.m., the Chairperson declared the motion carried and the Closed Session ended.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Dr. Jennings moved and Mr. Musser seconded the motion adjourn the meeting of the Audit Committee. At 2:48 p.m., the vote being unanimous, the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,

Terri A. Grimes

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