

**AUDIT & FINANCE 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 & Finance Committee of the Board of Illinois Community College District No. 519 was called to order by Mrs. Diane Gallagher, Committee Co-Chair, at 2:30 p.m. on June 20, 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, Mr. Jim Endress, Dr. Steve Jennings, and Mr. Blake Musser

Committee members absent: None

Other trustees present: Mr. David Shockey (arrived 2:59 p.m.; departed 3:01 p.m.)

Guests present: Mr. Dan Rowe, Wipfli

Staff present: Mr. Tim Hood, President (departed 3:01 p.m.); Ms. Jill Janssen, Vice President of Administrative Services (departed 2:52 p.m.; returned 2:57 p.m.); and, Ms. Terri Grimes, Board Secretary

**PUBLIC COMMENTS**

There were no public comments.

**GENERAL DISCUSSION OF FY17 AUDIT PROCESS**

Mr. Rowe reviewed the engagement letter and reported that this year's audit team will include Mr. Rowe, Senior Manager; Matt Schueler, Audit Partner; Dick Wells, Audit Partner (reviewer); Charlotte Severing and Diane Hielsberg, Senior Associates; and Taylor Dixon and Michael Wilder, staff. Preliminary work and planning began yesterday, and the bookstore inventory will be completed on June 30. Year-end field work will be done between July 24 and August 18. The audit will then be reviewed by Mr. Wells on September 1, with a draft report to management for the Audit & Finance Committee by September 15. The Audit & Finance Committee will then meet to review the audit and vote to authorize submission of the audit to ICCB by the October 15 deadline. The data collection form will be completed by November 15.

Mr. Rowe explained that potential risk areas include the bookstore and cashier's office, due to cash exchanged, payroll due to the number of employees, and the single audit. He reviewed the preliminary work that will be done on the audit, including updating internal control understandings and performing walkthroughs; SAS 99 procedures; Financial Aid and Enrollment audit; bookstore inventory sample count; reading of the Board minutes; and working on certain sections of the

Financial Statements. He noted that he will need a list of tax abatements from Ms. Janssen in order to comply with GASB 77.

Mrs. Gallagher reported that trustees will discuss the proposed new Fraudulent Conduct policy in the regular meeting later this afternoon. She noted that she received a recent email about fraud at Lincoln Land Community College and stated that she believes Highland has good internal controls. Dr. Jennings expressed his belief that it is good that only the Audit & Finance Committee members review bills because he believes those reviewing bills on a more frequent basis would find things earlier, if there was an issue. Ms. Janssen reviewed some of the College's internal controls, including the process to set up a new vendor, and the process for check requests, including signatory authority. As part of the new policy, there will be a webinar provided to all faculty and staff on fraud prevention. Mr. Rowe noted that there are also now "whistleblower hotlines" where, for a fee, the hotline takes calls regarding potential issues.

### **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 2:52 p.m., the Committee Co-Chairperson declared the motion carried and the meeting in Closed Session.

Mr. Musser moved and Mr. Endress 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 2:57 p.m., the Committee Co-Chairperson declared the motion carried and the Closed Session ended.

### **OLD BUSINESS**

Trustees discussed the review of bills, and Mr. Musser expressed his belief that the previous rotation with a different trustee reviewing the bills each month resulted in the time between an individual trustee's review being too long. Ms. Grimes reminded trustees that Mr. Block had indicated when he appointed committees that the Audit & Finance Committee members would review the bills, and that new committee members would be appointed every two years.

Mr. Endress also noted that if new trustees, such as Ms. Pennie Groezinger, wanted to sit in on the review of bills to learn more about the College's financials, they could do so when the review was being done by a committee member.


**NEW BUSINESS**

Mrs. Gallagher noted that it is timely to have the first reading on the Fraudulent Conduct policy presented for approval at today's regular Board meeting. Ms. Janssen drafted the policy after reviewing policies at other community colleges.

**ADJOURNMENT**

Mr. Endress moved and Dr. Jennings seconded the motion to adjourn the meeting of the Audit & Finance Committee. At 3:02 p.m., there being no further business, the Co-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