

**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 2:05 p.m. on March 7, 2018, 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, and Mr. Blake Musser

Committee members absent: Dr. Steve Jennings

Guests present: Mr. Dan Rowe, Wipfli

Staff present: Mr. Tim Hood, President (arrived 2:07 p.m.); Ms. Chris Kuberski, Executive Vice President (arrived 2:08 p.m.); Ms. Jill Janssen, Vice President of Administrative Services; and, Ms. Terri Grimes, Board Secretary

**PUBLIC COMMENTS**

There were no public comments.

**GENERAL DISCUSSION**

Mr. Rowe reviewed the audit engagement letter, noting that the Foundation will be listed as a component unit in the College's audit. The goal is to have a preliminary draft of the audit by September 30 in order to submit the audit to the Illinois Community College Board by their October 15 deadline. The audit engagement team will include Mr. Rowe, Senior Manager; Mr. Matt Schueler, Audit Partner; Mr. Dick Wells, Partner (reviewer); Ms. Diane Hielsberg, Manager; Mr. Taylor Dixon, Senior Associate; and Ms. Lindsey Parkinson, Intern.

**AUDIT SERVICES FOR FY18**

Mr. Rowe reviewed the audit services for FY18, noting that GASB 75 will be effective June 30, 2018, and is similar to GASB 68. GASB 75 concerns the proportionate share of the College Insurance Program (CIP) and whether the College has to pick up the liability for that. Mr. Rowe believes if the College does need to pick up the liability, it will be a small amount. GASB 83, 84, and 86 do not apply to the College. GASB 85 is effective June 30, 2019, and could affect the blending of the component unit. GASB 87 is effective June 30, 2021, and affects leases.

Mr. Rowe asked if there were any potential audit issues the committee members were aware of, and Mr. Endress noted that he does not believe the College will receive the \$355,000 that is owed from the State. Ms. Janssen also reported that the College has changed procedures due to the Business Enterprise Act and has implemented other internal controls. Mrs. Gallagher noted that in a previous audit it was written that the College should improve the payroll review, and she asked if the College performed a periodic review of payroll. Ms. Janssen will discuss this with Ms. Rose Ferguson, Associate Vice President of Human Resources, to ensure this is being done. Mr. Rowe explained that a sample of payroll is traced back to the employee's file to make sure the employee is paid what is in their file. Ms. Janssen also noted that the State conducts a SURS audit to see if all employees that should be covered by SURS are covered.

Mr. Musser asked if there are internal policies or procedures for utilizing vendors. Ms. Janssen reported that departments do their own purchasing, and the procedure is that an originator creates a purchase order or check request, which requires the additional signatures of the Vice President, Executive Vice President, and President if over \$2,000. All contracts that are of a duration of over three years or \$25,000 must be approved by the Board. Mr. Musser brought up a concern that the College could end up spending over \$25,000 on a vendor because there is not a contract. Mrs. Gallagher mentioned that there was an article on fraud at another community college that happened because no one was checking on purchases. Ms. Janssen reported that the Deans usually know what is being purchased in their area. She also noted that Mr. Pete Fink, Director of ITS, includes information on his POs that detail the expense, and Mr. Musser suggested that this practice may work well in other areas, too. Mr. Rowe stated that some unpredictability tests are conducted in various areas as part of the audit.

### **OLD BUSINESS**

There was no old business.

### **NEW BUSINESS**

There was no new business.

### **ADJOURNMENT**

Mr. Musser moved and Mr. Endress seconded the motion to adjourn the meeting of the Audit & Finance Committee. At 2:35 p.m., there being no further business, the Committee Co-Chair declared the motion carried and the meeting adjourned.

Respectfully submitted,



Terri A. Grimes, Board Secretary