

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 1:33 p.m. on March 6, 2019, 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; Ms. Chris Kuberski, Executive Vice President; Ms. Jill Janssen, Vice President of Administrative Services; and, Ms. Terri Grimes, Board Secretary

PUBLIC COMMENTS

There were no public comments.

GENERAL DISCUSSION (Handouts #1, #2, and #3)

Mr. Rowe reviewed the audit engagement letter. Wipfli also does the audit for the HCC Foundation but the Foundation audit has a different engagement team. Required supplemental information in the College audit will include Management's Discussion and Analysis; Schedule SURS Pension Liability and Contribution; and, Schedule OPEB Liability and Contribution. The College receives approximately \$5 million in Federal funds, so an opinion will be provided regarding Federal awards and Illinois Community College Board State grants, including CareerTEC and Adult Education. There are three possible opinions that may be given as a result of the audit: unmodified, qualified, or adverse opinion. Mr. Rowe reminded committee members that the auditors will not audit all transactions of the College. 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, Staff.

AUDIT SERVICES FOR FY19

Mr. Rowe reviewed the audit services for FY19, noting that GASB 83 will be effective June 30, 2019, and addresses disposing of capital fixed assets. GASB 85 addresses fiduciary activities and is effective with the June 30, 2020 report, and GASB 87 affects leases and is effective with the June 30, 2021 report. Mr. Rowe asked if there were any potential audit issues or high risk

areas, noting that he has had three businesses and one entity that had fraud on their bank accounts. Ms. Janssen reported that US Bank has a check verification process that she has looked into. Mrs. Gallagher asked if there were any individual program audits this year, and Mr. Rowe responded that there have not been any for about 10 years. Individual program audits are done for special grants that require a special audit, and these types of audits would not be part of the engagement.

OLD BUSINESS

A recommendation to approve that Wipfli perform the audit for Fiscal Year 2019 will be presented to trustees for approval at the March regular meeting.

NEW BUSINESS

Ms. Janssen reported that the College will undergo a fixed asset inventory over Spring break.

Mrs. Gallagher asked Mr. Rowe if he has seen any additional travel reimbursement requirements or any policies that restrict travel over the amount spent, and he responded that he has not.

Ms. Janssen reported that the College has limits on travel regarding the type of hotel room and flight that may be booked, meal limits, etc. Mr. Hood stated that learning from others and networking at conferences is invaluable. He noted that many trustees and staff have chosen not to turn in travel expenses that they could have had reimbursed.

At the March regular meeting, Ms. Janssen will provide trustees with a comparison of our audit fees with other community colleges. Mr. Rowe also noted that Wipfli has 3,000 employees, so the College could change audit partners in the future, if they so choose.

ADJOURNMENT

Mr. Endress moved and Mr. Musser seconded the motion to adjourn the meeting of the Audit & Finance Committee. At 2:11 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

Illinois Community College District No. 519