

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 Mr. David Shockey, Committee Chair, at 3:02 p.m. on March 23, 2021, 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.

MOMENT OF SILENCE IN MEMORY OF DR. STEVE JENNINGS

Mr. Shockey asked for a moment of silence in honor of trustee Dr. Steve Jennings, who recently passed away. Mr. Endress noted that the slide of Dr. Jennings, which was projected on the screen in the Board room, was used at the recent Illinois Community College Trustees Association meeting earlier this month.

ROLL CALL

The following members were physically present: Mr. David Shockey, Mr. Doug Block, Mr. Jim Endress, and Mr. Blake Musser

The following members attended virtually: None

The following members were absent: None

Others physically present: Ms. Chris Kuberski, President; Mr. Pete Fink, Director, ITS; and Ms. Terri Grimes, Board Secretary

Others virtually present: Ms. Sara McKenna, Wipfli, LLP; Mr. Josh Faivre, Wipfli, LLP; Mr. Matt Schueler, Wipfli, LLP; Mr. Pete Norman, Director, Athletics & Physical Education; and, Mr. Jim Yeager, Faculty

PUBLIC COMMENTS

There were no public comments.

GENERAL DISCUSSION (Handout #1)

Mr. Matt Schueler introduced Ms. Sara McKenna, Wipfli Senior Manager out of the Sterling office. Ms. McKenna has worked at Wipfli for almost 17 years and has experience working on other community college audits including Black Hawk, Heartland, Illinois Valley, Spoon River, and Danville.

Ms. McKenna reported that the audit will be similar to the audits completed by Mr. Dan Rowe. This year they will be using technology more than in the past, including preparing reports in Excel versus a PDF so that the files may be imported into the audit software. Mr. Josh Faivre will handle the day-to-day operations of the field work, and it is hoped that Ms. Diane Hielsberg will also assist with the audit again this year. Financial aid testing will be completed in June, and Mr. Faivre will work with the Director of Financial Aid on timing. Field work will begin the end of July or beginning of August, and Mr. Faivre will firm up the dates with Ms. Jill Janssen.

Implementation of GASB 84, which addresses fiduciary activities and affects revenue and expenses in Fund 10, had been postponed until this year due to the pandemic. Effective in FY22 is GASB 87, which requires that any leases over 12 months be reported as lease liability.

Ms. McKenna provided an overview of the audit and what it entails, noting that she will be asking committee members for suggestions of areas of potential fraud. The audit does not look at every transaction, but uses a risk-based approach. The auditors use materiality when determining whether a finding is significant or not. Ms. Janssen stated that previously she, Mr. Rowe, and the College's Manager of Accounting would meet to go over the details and what Mr. Rowe would need for the audit. Risk areas for potential fraud would be discussed at the June Audit & Finance Committee meeting. Ms. McKenna expects this year that there will be at least two major additional programs that will be audited due to the federal funding from CARES (Coronavirus Aid, Relief, and Economic Security Act), CRRSAA (Coronavirus Response and Relief Supplemental Appropriations Act), and ARP (American Rescue Plan Act of 2021). TRIO funds were tested last year by Mr. Rowe and Ms. Hielsberg. Ms. McKenna is not aware that the Department of Education has made those funds high risk, but if they are, there would need to be additional procedures. Ms. Janssen noted that the College also receives the Title III portion of HEERF, and a GEERS grant through the Illinois Community College Board, as well as other federal funding including the institutional and student portions of CARES and CRRSAA. The College is expecting to receive ARP funding, which is 75 percent in addition to CRRSAA funds, or about \$4 million.

Mr. Shockey referred to the engagement letter that was at committee members' places, and it was noted that the letter is very similar to last year. The cost for the main audit will be \$47,250, and additional program audits for major testing of federal funds would be an additional cost. Mr. Shockey expressed his appreciation for the many good years the College has had working with Wipfli, and the College is looking forward to working with the firm again this year.

OLD BUSINESS

A new committee will be named after the Board's organizational meeting in April.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Mr. Musser moved and Mr. Block seconded the motion to adjourn the meeting of the Audit & Finance Committee. At 3:20 p.m., there being no further business, the Committee Chair declared the motion carried and the meeting adjourned.

Respectfully submitted,



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