

**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 Mr. Doug Block, Committee Chair, at 2:36 p.m. on July 21, 2009 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: Mr. Steve Kroeger, Mrs. Diane Gallagher, Mr. Doug Block, Mr. Jim Endress

Committee members absent: None

Guests present: Mr. Greg Dunham and Mr. Dan Rowe, Lindgren, Callihan, Van Osdol & Co., Ltd.

Staff present: Dr. Joe Kanosky, President (departed 2:50 p.m.); Ms. Jill Janssen, Vice President of Administrative Services (departed 2:50 p.m.); and Ms. Terri Grimes, Board Secretary.

**REVIEW OF AUDIT ARRANGEMENTS**

Mr. Rowe reviewed the audit arrangements. The audit process will include a review of internal controls. Mr. Dunham stated that the audit focuses more on key controls and if the controls are working.

Dr. Kanosky brought up a concern raised by Attorney Ole Pace when Mr. Pace reviewed the GASB 39 Memorandum of Understanding between the College and the Foundation. Mr. Pace's concern was that the Foundation's Audit Report of 2006 does not indicate that the College owns the Challenge Grant funds. Mr. Rowe and Mr. Dunham agreed that a footnote can be added to the audit to clarify that these funds are, in fact, owned by the College.

**NON-ATTEST SERVICES**

Mr. Rowe noted that the auditors do not audit all transactions, but audit a sample of the transactions using an analytical process. They do not issue an opinion on the effectiveness of the internal controls because it is not the main focus of the audit; however, they do review the internal controls, focusing more on key controls. They are required to assess the risk at various levels, looking at the key controls and if they are working.

## **GENERAL OVERVIEW**

Mr. Rowe provided an overview of the audit process, stating that the goal is to have a preliminary draft of the audit available by September 15<sup>th</sup> in order to meet the October 15<sup>th</sup> ICCB submission requirement. He noted that the government has implemented three new standards this year (GASB 51, GASB 52 and GASB 53) but none of the new standards affect Highland's financials.

Mrs. Gallagher asked if Mr. Dunham or Mr. Rowe had any information on "best practices" that might be useful to the College, and Mr. Dunham said that he has some information and will provide that information to the Audit Committee.

## **CLOSED SESSION**

Mr. Kroeger moved and Mrs. Gallagher seconded the motion to move into Closed Session for the purposes of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees and probable, imminent, or pending litigation, pursuant to the Open Meetings Act. The roll call on the motion was as follows:

AYES: Gallagher, Block, Endress, Kroeger  
NAYS: None

At 2:50 p.m., the Chairperson declared the motion carried and the meeting in Closed Session.

Mrs. Gallagher moved and Mr. Kroeger seconded the motion to end the Closed Session. The roll call on the motion was as follows:

AYES: Block, Endress, Kroeger, Gallagher  
NAYS: None

At 3:06 p.m., the Chairperson declared the motion carried and the Closed Session ended.


## **NEW BUSINESS**

There was no new business.

## **ADJOURNMENT**

Mr. Endress moved and Mrs. Gallagher seconded the motion to adjourn the meeting of the Audit Committee. At 3:07 p.m., Chairperson declared the meeting adjourned.

Respectfully submitted,

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