

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 Mrs. Diane Gallagher, Committee Chair, at 4:05 p.m. on September 20, 2016, 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

Guests present: Mr. Dan Rowe and Ms. Rachael Graves, 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.

REVIEW AND DISCUSSION OF FY16 AUDIT REPORT

Mr. Rowe reviewed the preliminary draft of the FY16 annual audit. He reported that the College received a "clean" opinion on all audits that were performed. He noted that, as reported in the audit, the State Universities Retirement System (SURS) has a net pension liability of \$23,756,361,087, using an assumption rate of 7.12 percent. Of the total, \$54,001,000 is Highland's portion, which is up from \$52,000,000 last year. The State of Illinois made a contribution on behalf of Highland to SURS of \$4.5 million.

The Certification of Chargeback Reimbursement for Fiscal Year 2017 on page 88 is included in the audit this year, although some information is unavailable from ICCB at this point and is listed as "N/A". Last year, this information was not included in the audit because ICCB information was not available. Mr. Endress referred to page 100 of the audit, questioning if Mt. Morris should be listed as a school district rather than Oregon, since Savanna is listed but is part of the West Carroll school district. He suggested that the wording be consistent. Ms. Janssen will discuss this with

Mr. Jeremy Bradt, Director of Enrollment & Records, and will let Mr. Rowe know what she finds out.

Mr. Rowe discussed a significant deficiency related to segregation of duties, and Ms. Janssen explained that the issue arose as a result of the reductions in force. Duties were previously segregated, and one staff member processed the purchase orders and check requests, then another staff member completed the process and printed the checks; however, this is now more difficult with one less person in the department. Mr. Hood stated that the issue will need to be addressed in the future.

Mr. Musser expressed concerns about the different processes used by trustees in reviewing bills and that there is no standardization between trustees of how the bills are reviewed each month. He suggested that trustees may need to discuss and refine the review process.

As part of the audit, Mr. Rowe and Ms. Graves completed an unpredictability test, looking at expenditures for three different vendors. They found that all invoices had appropriate approvals and the purchases were appropriate to the departments.

Mr. Rowe concluded his presentation by reporting that the audit will be completed in time for submission to the Illinois Community College Board by their October 15 deadline.

ACTION

- A. Acceptance of FY16 Audit for Submission to the Illinois Community College Board
Mr. Musser moved and Mr. Endress seconded the motion to accept the FY16 audit for submission to the Illinois Community College Board. The roll call on the motion was as follows:

AYES: Endress, Jennings, Musser, Gallagher
NAYS: None

Whereupon the Chairperson declared the motion carried.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Mr. Endress moved and Mr. Musser seconded the motion to adjourn the meeting of the Audit Committee. At 5:02 p.m., the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,



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