

AUDIT & FINANCE COMMITTEE MEETING MINUTES AUGUST 31, 1998

Present

Robert Grimm, Judith Moss, Kent Peterson, Dolores Sandoval

Absent

none

Others

Leo Chavez, Will Coursey, Bernadine Fong, Ron Galatolo, Martha Kanter, Jim Keller, Jon O'Bergh, Tom Perry-Smith

- Judy Moss welcomed Dolly Sandoval, who will be taking Jay Jackman's seat on the committee.

1. APPROVAL OF MINUTES

The March 2, 1998 minutes were approved as written.

2. UPDATE ON 1997-98 AUDIT

Will Coursey reported that the preliminary findings were being reviewed by the colleges and Central Services, and responses will be reported at the next meeting. Tom Perry-Smith discussed one discovery concerning classes overlooked in the FTES count. The auditors are expanding their sample and will try to ascertain why the classes were not counted, but it is not expected to be a materially significant amount. The preliminary findings will be sent to the members of the Audit and Finance Committee in time for them to review them before the next meeting.

Judy Moss inquired about recurrent findings from last year. Perry-Smith reported that the cashiering issue is still unresolved, its solution delayed due to remodeling. He also reported that his firm will be providing training to district employees in some problematic areas such as cashiering.

Bob Grimm raised the issue of Year 2000 compliance. Jim Keller explained some of the district's efforts. The Audit & Finance Committee, however, was interested in learning more specifically how the district intends to test systems to ensure compliance, and a detailed report on compliance efforts with timelines was requested for the next meeting. It was also recommended that one person be assigned the overall responsibility to assure necessary and timely coordination among the various systems. Martha Kanter brought up the importance of tracking and verifying all funds in the district's various accounts as 2000 approaches.

3. 1998-99 BUDGET

Keller provided an overview of the district's budget. There is a \$7.7 million contingency, but it does not address collective bargaining items, district match for approved maintenance projects, or money for FTES growth. Grimm asked if forecast plans for maintenance are being performed, and Keller responded yes. Retention and persistence of students was discussed in terms of costs associated with bringing in new students each quarter, but management suspects that many of the factors affecting students' decisions are beyond the district's control (for example, work and family responsibilities).

Dolly Sandoval expressed concern about lessening the productivity goal from 530 to 525. Leo Chavez responded that the Chancellor’s Advisory Council and Budget Committee decided to budget a lower number because faculty persuasively questioned the district’s habit of budgeting a higher number than historically has been achieved in recent years. He went on to explain that the colleges are aware that they would be rewarded for exceeding the goal, but likewise would need to cover the cost of not meeting it.

4. QUESTIONS AND COMMENTS

Kent Peterson inquired about the status of collective bargaining and was provided an update.

5. NEXT MEETING DATE

The next meeting was set for November 30 at 4:00 p.m.

CALENDAR OF PENDING ITEMS

Preliminary Audit Findings.....	November 30, 1998
Year 2000 Compliance—Detailed Report and Timelines.....	November 30, 1998
Coordinated Business Plan for College Bookstores.....	Winter 1998

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Approved 11/30/98