

AUDIT & FINANCE COMMITTEE MEETING MINUTES MARCH 1, 1999

Present

Robert Grimm, Sandy Hay, Mary Mason

Absent

Kent Peterson

Others

Mike Brandy, Leo Chavez, Will Coursey, Bernadine Fong, Ron Galatolo, Martha Kanter, Jim Keller, Jon O'Bergh, Mike Reid, Angel Sierra

1. APPROVAL OF MINUTES

The minutes of November 30, 1998 were approved.

2. AUDIT FINDINGS AND RECOMMENDATIONS UPDATE

Will Coursey distributed a spreadsheet showing the status of all findings. One important issue concerns cashiering functions at the campuses. Training is under way and each area is developing policies and procedures based on written industry standards. The lack of an organizational structure to oversee and unify the bookstores has created a tendency for weaknesses in the system to periodically recur. Leo Chavez will bring forth a recommendation to the Board by July for an organizational structure to remedy this situation, and a districtwide policy on cash handling will be developed once this structure is in place. Mary Mason requested district management to ensure that findings regarding cashiering, which have periodically recurred, are addressed once and for all. In response to a question posed by Bob Grimm, staff affirmed that the bookstore markups are in line with industry standards as well as each other.

Another important issue concerns a fixed asset inventory system for state and federal grant purposes. Jim Keller noted that the level of grants has increased considerably, so it now makes more sense for the district to consider such a system, which earlier was too costly for the low level of exposure. The new grants monitor will be looking at this issue.

A third important issue concerns course repetition. Although implementation would seem to be a straightforward matter, it is complicated by two factors. First, implementation requires a unified curriculum, which would involve a major philosophic change from decades of district history and is the responsibility of the Academic Senates. Second, it requires a single database, which the current administrative system is not set up to handle. An interim solution to this second problem, though not ideal, is available.

Finally, for the 1995-96 finding on "Internal Controls--Personnel," it was noted that certain positions have been filled at the campuses so a solution can now be implemented.

3. YEAR 2000 COMPLIANCE—DETAILED REPORT AND TIMELINES

Mike Reid provided a report on district efforts to ensure Year 2000 compatibility in its computer systems and equipment. Although no formal, detailed plan has been developed, all areas are being addressed, and Reid believes the district should have minimal interruption from any Y2K problems. For the administrative software systems responsible for managing the institution, Y2K-compatible versions have been provided by the vendor. Fixes for the Financial Resource System and Student Information System have been implemented and tested. The Human Resource System fix has been implemented but a testing plan is still being devised. Other systems (such as electronic transfer of funds, financial aid reporting) that augment these three primary systems have been certified as compliant by vendors or certification has been requested. Potential problems in the hardware that runs these systems have been addressed by staff.

Concerning desktop computers, there are no problems in any Macintoshes, which comprise the bulk of campus computers. The campus technology deans and staff are reviewing PCs, which may indeed be vulnerable. A fix for the Voice Registration Response system is expected in April. A short term fix for the Audix system is available, but the district will soon need to address the need for a new phone switch at De Anza anyway.

Systems that control alarms, elevators, and other aspects of the physical plant are being addressed separately by John Schulze. The Committee asked for a report from Schulze at the next meeting. Reid will also provide another update at that time.

4. QUESTIONS AND COMMENTS

Jim Keller provided an overview on the 2nd Quarter Report. Hay inquired about causes for the increase in FTE enrollment. It seems that many coordinated efforts over the last couple of years are paying off.

5. NEXT MEETING

The next meeting was scheduled for Monday, June 14 at 4:00 p.m.

CALENDAR OF PENDING ITEMS

Year 2000 Compliance Update (<i>Reid</i>).....	June 14, 1999
Year 2000 Compliance in Systems for the Physical Plant (<i>Schulze</i>)	June 14, 1999
Coordinated Business Plan for College Bookstores.....	1999

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Approved 6/14/99