

Audit and Finance Committee Agenda Item

Board Meeting Date: March 7, 2013

Title of Item:

November 29, 2012 Audit and Finance Meeting Minutes

Background and Analysis:

Attached are the meeting minutes for the November 29, 2012 Audit and Finance Committee Meeting.

Recommendation: For information only.

Submitted by:	Kevin McElroy, Vice Chancellor of Business Services, ext 6201
Additional contact names:	Casie Wheat, ext 6202
Is backup provided?	Yes



**Foothill-De Anza
Community College District**

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**AUDIT AND FINANCE COMMITTEE MEETING
DRAFT MINUTES**

November 29, 2012

PRESENT: Betsy Bechtel (chairperson), Marge Bruno, Laura Casas, Dexter Dawes, Jim Sandstrom, Joel Spolin

STAFF: Charles Allen, Tom Armstrong, Joni Hayes, Letha Jeanpierre, Kevin McElroy, Joe Moreau, Hector Quinonez, Bernata Slater, Tonette Torres

OTHERS: Ann Kennedy, Casey Michaelis, Terri Montgomery

CALL TO ORDER

Chair Betsy Bechtel called the meeting to order at 3pm. Kevin McElroy introduced Joni Hayes, who is the interim Budget Director while Bernata Slater is working at Foothill College as the Interim Vice President of Educational Resources & Instruction.

1. Public Hearing

There were no members of the public who wished to address the committee on items not on the agenda.

2. Approval of Minutes

Approved the minutes of the September 13, 2012 meeting.
M/S/C (Dawes/Bruno)

Items 3, 4 & 6 were removed from the Consent Calendar for discussion.

Consent Calendar

- 3. Measure E Projects Report**
- 4. Measure C Projects Report**
- 5. CCFS-311 Report**
- 6. Measure C Overhead Update**

Items 3, 4 & 6 were removed from the Consent Calendar for discussion. Item 5 was approved as submitted. M/S/C (Sandstrom/Dawes)

3. Measure E Projects Report

Jim Sandstrom asked for an update on the timeline for open items in the Measure E report, specifically wanting to know about liability. Terri Montgomery offered an explanation that the calculated risk is five years after issuance of the bond, and five additional years after refunding. Charles Allen noted that item #152 on page 9 was the only major issue waiting for closure. There is a potential reimbursement from the designer that is still being processed.

Item 3 accepted, M/S/C (Casas/Sandstrom)

4. Measure C Projects Report

Betsy Bechtel pulled item to ask about the safety of the Flint Center garage while the upgrades were happening, and if it was safe to use during construction. Charles Allen reassured that the garage should continue to be used since the building was designed and constructed according to building codes in effect at the time of its construction. However, it is prudent to proceed as soon as possible to upgrade the structure to meet current structural requirements.

Item 4 accepted, M/S/C (Spolin/Sandstrom)

Accepted Item 6, M/S/C (Bruno/Spolin)

Committee Business

7. Audit Update

Kevin McElroy introduced Terri Montgomery of Vavrinek, Trine, Day & Co. (VTD), who presented an update on the 2011-12 annual audit. Terri gave a brief overview of the techniques used to perform audit testing and review of financial data. Terri noted that approximately 80% of the information for the report is collected through visits to sites. Interim audit visits in spring 2012 confirmed recommendations from prior year audit findings had been implemented. The four items to report on were not written, only verbal discussion.

1. Terri reported that attendance accounting procedures were found to be 95% compliant. The only issues remained in the TBA hour reporting.

2. TBA classes: 87 FTES were reported incorrectly; it was revised and is now correct.

3. PSP Fee accounting: College staff is working on locating files requested by the auditors.

4. Cashier's Office: Improvements for cash handling verification documentation were recommended by the auditors and have been implemented.

8. 1st Quarter End Report

Kevin McElroy stated the planning involved for the budget used the "worst-case scenario," which is based on Proposition 30 failing in the November ballot. The ongoing structural deficit is \$5.7 million, and would grow to \$11.9 million in the worst-case scenario. A combination of one time money, budget cuts and the remaining stability fund would be used for the shortfall. More will be known by the next Audit and Finance meeting, after the election.

9. Measure C Performance and Financial Audits

Terri Montgomery from VTD presented to the committee a summary overview of the Performance Audit conducted for 2011-12 Measure C transactions and activities. No findings or recommendations were reported and Terri indicated that we received a “clean” audit. Committee members commended the Measure C district team and did not have any further questions.

Meeting was adjourned at 4:31pm.

Next meeting to be held at 3pm on March 7, 2013.