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# AUDIT AND BUDGET COMMITTEE MEETING MINUTES

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**Coast Community College District  
Special Meeting of the Audit and Budget Committee**

**Date: February 12, 2013 at 8:30 a.m.**

**Board of Trustees' Conference Room**

**1370 Adams Avenue, Costa Mesa, CA 92626**

1. **Call to Order** – Trustee Jim Moreno called the meeting to order at 8:37 a.m.

2. **Roll Call**

Trustees Present: Trustee Jim Moreno and Trustee Mary Hornbuckle  
Trustees Absent: None

In Attendance – Vice Chancellor of Finance and Administrative Services, Mr. W. Andrew Dunn; Orange Coast College President, Dr. Dennis Harkins; Payroll Systems Supervisor, Ms. Daniela Thompson; Coastline College Director of Fiscal Services, Mr. Richard Kudlik; Vasquez & Company Auditor, Ms. Peggy McBride; Vasquez & Company Auditor, Ms. Cristy Canieda; Vice President of Administrative Services, Ms. Christine Nguyen; Board Secretary, Ms. Julie Frazier-Mathews; Orange Coast College Vice President of Instruction, Dr. Rich Pagel, and Golden West College Director of Fiscal Services, Paul Wisner.

3. **Opportunity for Public Comment**

There were no requests to address the Committee during Public Comment.

4. **Approval of Minutes**

It was moved by Trustee Hornbuckle and seconded by Trustee Moreno to approve the expanded minutes of the Special Meeting of December 5, 2012, with the change of language from “right side” to “non instructional side of the fifty percent law.”

Motion carried with the following vote:

Aye: Trustee Moreno, Trustee Hornbuckle  
No: None  
Absent: None

5. **Contract for Vasquez and Company for the External Audit of Year 2013-2014**

- a) Scheduling Activities
  - b) Plans for Future Report from Vasquez and Company
  - c) Schedule to Comply with Board Requirement for Delivery of Draft in 2013
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Mr. Kudlik provided an update on scheduling activities for the 2013-2014 external audit.

Ms. McBride provided an update on scheduling activities and Ms. Canieda outlined the timeline. As part of her presentation, Ms. Canieda shared that Vasquez and Company would have a draft ready in October 2013 to be presented to the Board of Trustees in November 2013.

Trustee Moreno asked if Vasquez was aware of the Financial Aid Reorganization taking place at the District and Ms. McBride replied that she was not aware of these changes. Mr. Dunn provided an overview of the planned reorganization in Financial Aid, Information Technology, Administrative Services, and other Departments.

Ms. McBride asked if the District had any concerns about fraud and Trustee Moreno replied that there were no incidents of fraud that the Trustees were aware of and that an area that was typically vulnerable to fraud, in any organization, was supplies. Trustee Hornbuckle confirmed that there were no incidents of fraud.

Ms. McBride asked if there were any other areas of interest that the District would like them to focus on and Trustee Moreno answered that there was some concern with ensuring the proper use of Measure M funds. Ms. McBride shared that they would closely review this area. Trustee Hornbuckle shared that she was concerned about the five previous findings and the likelihood of their reoccurrence. Mr. Kudlik forecasted that the District might see the same findings because the District had continued to use the same practices that lead to the five findings. He however, predicted that the reorganization should help in preventing the future reoccurrence of these findings.

## **6. Report from Internal Auditor**

- a) Mr. Kudlik Reassigned to the District
- b) Report from Areas of Activity from Internal Auditor
- c) Bonding of Employees who Handle Money for the District: Title V Regulations

Mr. Kudlik provided a report on his reassignment to the District.

Mr. Kudlik shared that he would be able to report on his areas' of activity at the following meeting, which would be after the end of the Fiscal Quarter.

Mr. Kudlik shared that Bonding was related to background checks and that he would verify the process with Human Resources and report back at the next Meeting of the Audit and Budget Committee.

## **7. 2013-2014 Budget Development Update**

Mr. Dunn provided an update on the 2013-2014 Budget.

As part of his update, Mr. Dunn also compared the current Budget against previous years and against other California Districts. The comparisons indicated that the District was below the state average in the fund balance.

Additionally Mr. Dunn reviewed FON (Faculty Obligation Numbers) and the Governor's Proposal. Trustee Hornbuckle asked if the Board could be provided with a report on the savings provided by the Photo-Voltaic Project, via a memo.

## **8. Set Future Meeting Dates**

The next meeting of the Audit and Budget Committee was scheduled for April 2, 2013 at 1:00 p.m.

Trustee Moreno thanked everyone in attendance for their contribution and attendance.

**9. Adjournment**

There being no further business, it was moved by Trustee Hornbuckle and seconded by Trustee Moreno that the meeting be adjourned.

Motion carried with the following vote:

Aye:	Trustee Moreno, Trustee Hornbuckle
No:	None
Absent:	None

Chair Moreno adjourned the meeting 10:17 a.m.

  
Secretary of the Board of Trustees

