
AUDIT AND BUDGET COMMITTEE MEETING MINUTES

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

Date: October 30, 2012 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 8:42 a.m.

2. **Roll Call**

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

In Attendance – Chancellor, Dr. Andrew Jones; Vice Chancellor of Finance and Administrative Services, W. Andrew Dunn; Orange Coast College President, Dr. Dennis Harkins; Payroll Systems Supervisor, Daniela Thompson; Coastline College Director of Fiscal Services, Richard Kudlik; Orange Coast College Vice President of Administrative Services, Dr. Richard Pagel; Vasquez & Company Auditor, Peggy McBride; Vice President of Administrative Services, Christine Nguyen; District Budget and Accounting Manager, Helen Rothgeb; Board Secretary, Julie Frazier-Mathews; Vasquez & Company Auditor, Cristy Canieda, and Temp, Rachel Kubik.

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 minutes of the Special Meeting of August 17, 2012.

Motion carried with the following vote:

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

5. **Update on Polling**

The Committee discussed the different propositions and their anticipated outcomes.

6. Report from External Auditors Vasquez & Company

Ms. McBride provided a report to the Audit and Budget Committee. She walked the Audit and Budget Committee through information on the status of the audit, a summary of audit results, a preliminary list of single audit findings, possible management letter comments, and timeline.

Ms. McBride informed the Committee that the following audits had been completed: Ancillary Organizations, the Bond, and State and Federal Compliance Fieldwork, and indicated she would bring the reports to the next Audit and Budget Committee Meeting.

Ms. McBride reminded the Committee that there were no findings last year, but Vasquez & Company did note some findings this year. She advised that the findings are to be expected of a large District undergoing reorganization and staff shortages, and that they reflected that the mistakes were part of administrative glitches and not major instances of non-compliance. Ms. Canieda shared that the total findings accumulated to a total of about \$100 and that when pointed out, each finding was corrected by the respective department. Mr. Kudlik commented that, depending on the time of the year, the department may have been unaware of certain figures, and as such some human error findings might be attributed to a lack of information. Ms. McBride agreed to clarify the time of the year the findings occurred.

Trustee Moreno asked if Vasquez & Company have received the responses they need from Coast Management for the report that comes back. Ms. McBride answered that they do not have them yet but are in the process of receiving them.

Trustee Moreno stressed the importance of having internal auditors. He also confirmed that the final report would be presented by December 12, 2012. Trustee Moreno suggested that there be an Audit and Budget Committee meeting on December 5, 2012 to go over a draft.

Trustee Moreno shared that he and Trustee Hornbuckle met with the auditors and were very pleased with Coast's responsiveness to all of the findings and management issues. He further shared that this would be included in the Audit and Budget Committee Minutes to reflect that the Board actively works with the auditors and others who review the District to ensure that the Board does what is right for the organization.

Trustee Hornbuckle stressed the importance of getting things done in a timely fashion and how that helps in the auditing process.

Trustee Moreno asked Chancellor Jones if he had any comments to add. Chancellor Jones added that it is always good to have an objective view from an external source. He agreed that electronic sources may help distribute the information in a timelier manner.

Trustee Hornbuckle commented on Mr. Kudlik's earlier comment, emphasizing the importance of knowing when the errors occurred.

Trustee Moreno told the Committee that the internal audit is a high priority to the District and would be fully supported by the Board of Trustees.

7. Discussion on Fifty Percent Law and F.O.N. Law

Vice Chancellor Dunn asked to postpone this item until the next Audit and Budget Committee Agenda.

8. Set Future Meeting Dates

The next meeting of the Audit and Budget Committee will take place on December 5, 2012 at 8:30 a.m.

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 9:34 a.m.

Secretary of the Board of Trustees