

BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT #523
Audit Committee Meeting
September 27, 2016

CALL TO ORDER	The Audit Committee meeting of the Board of Illinois Community College District #523, held at Kishwaukee College, Malta, Illinois, was called to order at 4:16 pm by Audit Committee Chair, Robert Johnson, on Tuesday, September 27, 2016, in room C-2175.	
ROLL CALL	<u>Members Present:</u> Bobbi Burke Robert Johnson Kathy Watkins Laurie Borowicz – left at 4:15 pm Beth Young left at 4:15 pm	<u>Visitors:</u> <u>Sikich, LLP</u> Raymond Krouse Frederick Lantz Carla Paschal
	<u>Member(s) Absent:</u> None	
	<u>Others present were:</u> Jill Hansen, Director Fiscal Services – left at 4:15 pm RJ McGarry, Executive Director of IT - left at 4:15 pm Bill Nicklas, Executive Director of Development – joined the meeting at 3:45 pm Kevin Fuss – Vice President of Institutional Effectiveness – left at 4:15 pm Cindy McCluskey, Executive Assistant to the President – left at 4:15 pm Cynthia Stonesifer, Director of Financial Aid and Veterans Affairs left at 4:00 pm	
WELCOME/OPENING COMMENTS	Mr. Johnson welcomed everyone and asked for brief introductions.	
MINUTES	The minutes of the Board of Trustees Audit Committee meeting from February 29, 2016, were presented for approval. On a motion by Ms. Watkins seconded by Dr. Burke and unanimously carried, the Audit Committee approved the minutes of the Board of Trustees Audit Committee meeting on February 29, 2016.	
Recap of FY16 Audit Process (Sikich)	Representatives from Sikich, LLP, reviewed the results of the audit of the financial statements of Kishwaukee College for the year ended June 30, 2016. Ms. Paschal provided an overview of the correspondence received from Sikich, Auditor's Communication to the Board Of Trustees, Single Audit Report, and the CAFR. Ms. Paschal stated they did not encounter any difficulties in completing the College's audit. There were no disagreements with management during the audit.	
FY16 Audit Recommendations & Management Responses	Mr. Krouse reviewed the Single Audit Report and the Auditors' Communication to the Board of Trustees. Mr. Krause provided a quick summary of the single audit. The College had no material weakness. They identified no significant deficiencies and seven deficiencies. Ms. Young reviewed the College's response. Ms. Paschal and Mr. Lantz reviewed the Comprehensive Annual Financial Report (CAFR) with the Committee. There were a few instances of non-compliance in federal financial award findings and questioned costs. Mr. Krouse thanked the College staff and Board of Trustees for their cooperation in completing the audit. Mr. Johnson asked what investment strategies the College should be looking into. The auditors noted that it depends on if you have a good cash management forecasting system. College investment policies can pursue the local government bonds. They recommended we not look at tax-exempt government bonds, but look into fixed income type investments with good security. They noted some Colleges are hiring investment	

FY16 Audit Recommendations & Management Responses (cont'd)	<p>managers, although their fees may exceed the investments they receive. It was noted, that most banks do not currently want to collateralize deposits. There is a shift of portfolios into state and local government bonds.</p> <p>Mr. Doubler and Ms. Mason left at 3:38 pm.</p> <p>Mr. Johnson noted that at this time we are unable to provide funding for a risk manager.</p> <p>Dr. Nicklas joined the meeting at 3:45 pm.</p> <p>The Audit committee discussed which individuals should be listed on the audit report and it was decided to list the Student Trustee and Board of Trustees that served during the time of the audit or as of June 30, 2016.</p> <p>Ms. Stonesifer left the meeting at 4:00 pm.</p>
Plan for October 11, 2016 Presentation to Board of Trustees	<p>The Board will be provided a presentation of the audit report at the October 11, 2016, Board meeting.</p> <p>On a motion by Ms. Watkins seconded by Dr. Burke and on a unanimous voice vote the Audit Committee agreed to recommend the Board approve the audit as presented.</p>
Other Business	None
Adjourn to Closed Session	<p>On a motion by Dr. Burke, seconded by Dr. Borowicz, and on a roll call vote, the Audit Committee adjourned to closed session "for a meeting between internal or external auditor and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America."</p> <p>Those voting "aye" were: Bobbi Burke, Bob Johnson, and Kathy Watkins.</p> <p>Closed session began at 4:16 pm.</p> <p>Bob Johnson, Kathy Watkins, and Bobbi Burke were in attendance at the closed session. Raymond Krouse, Fred Lantz and Carla Paschal from Sikich were invited to stay for closed session.</p>
Resume Open Session	The open session resumed at 4:35 pm.
Adjournment	<p>With no further business coming before the audit committee, Mr. Johnson asked to adjourn the meeting at 4:35 pm. On a motion by Dr. Burke, seconded by Ms. Watkins and on a unanimous vote, the meeting was adjourned.</p> <p>The next meeting of the audit committee will be scheduled as needed.</p>