

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 502
COUNTIES OF DuPAGE, COOK AND WILL
STATE OF ILLINOIS**

**AUDIT COMMITTEE MEETING
THURSDAY, APRIL 14, 2016
HELD ON CAMPUS IN SSC-2200, GLEN ELLYN, IL**

CALL TO ORDER

At 7:01 p.m., Charles Bernstein, Chairman of the Audit Committee of the College of DuPage Board of Trustees called the meeting to order and led the Pledge of Allegiance.

ROLL CALL

Present: Charles Bernstein, Karen Kobialka, Dianne McGuire and David Olsen. Quorum is present.

Also Present: Attorney Emily Shupe, Rathje Woodward; James Martner, Scott Brady and Kim Michael-Lee. (Minutes prepared by Erin Carrillo.)

APPROVAL OF AGENDA

David Olsen moved and Karen Kobialka seconded a motion to approve the Agenda of the April 14, 2016 Audit Committee Meeting. Motion passed on a voice vote.

PUBLIC COMMENT

Roger Kempa expressed his concern about public review of Committee recommendations.

Dr. William Kresse joined the meeting at 7:06 p.m.

COMMENTS BY THE COMMITTEE CHAIRMAN

CLOSED SESSION

At 7:12 p.m. Chairman Bernstein entertained a motion that the Committee go into Closed Session. David Olsen moved and Dianne McGuire seconded the motion.

The Committee will go into Closed Session for the following reason: "Meetings between internal or external auditors 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."

On roll call voting aye: Dr. William Kresse, Dianne McGuire, David Olsen, Karen Kobialka and Chairman Bernstein. Motion passed.

At 8:20 p.m. Chairman Bernstein entertained a motion that the Committee will return to Open Session. David Olsen moved and Dr. William Kresse seconded the motion.

On roll call voting aye: Dr. William Kresse, Dianne McGuire, David Olsen, Karen Kobialka and Chairman Bernstein. Motion passed.

APPROVAL OF MINUTES OF MARCH 17, 2016 MEETING

Chairman Bernstein entertained a motion that the Committee approve the March 17, 2016 Meeting Minutes. Dianne McGuire moved and Dr. William Kresse seconded the motion.

Chairman Bernstein asked if there was any discussion. Dianne McGuire asked who prepares the minutes. Secretary Olsen indicated that Mary Ann Millush and staff send draft minutes to him and he makes edits.

On roll call voting aye: Dr. William Kresse, Dianne McGuire, David Olsen, Karen Kobialka and Chairman Bernstein. Motion passed.

RECOMMENDATION: EXTERNAL AUDIT SERVICES REQUEST FOR PROPOSAL

Chairman Bernstein entertained a motion that the Committee recommend to the full Board of Trustees acceptance of Management's proposal regarding external audit services.

David Olsen moved and Dr. William Kresse seconded the motion.

Scott Brady, Interim Controller, gave a presentation on the selection process of the recommended audit firm. Five responses were received in response to the legal bid notice. A committee comprised of College staff from Financial Affairs were reviewed and scored the firms against selection criteria including: firm's experience, qualifications of staff, audit approach, customer references and cost. The top two firms were interviewed. The recommended firm, Clifton Larson Allen received the highest score.

David Olsen expressed his appreciation for the staff work that went into the process. He indicated that he is comfortable with the firm.

Dr. William Kresse noted that he is familiar with the firm from his previous work at St. Xavier. He was very impressed with the firm at that time.

Charles Bernstein asked how many references were requested. He also asked about the cost comparisons between the two top firms. Scott Brady responded that Clifton Larson Allen costs were \$112,500 whereas Crowe Horwath was \$142,500.

Dianne McGuire asked if there was anything to be gained by staying with a known firm and Scott Brady said it would be less work for staff, however, a new firm would mean a fresh set of eyes.

Kim Michael-Lee indicated that the item would be ready for full Board of Trustees consideration on April 21.

On roll call voting aye: Dr. William Kresse, Dianne McGuire, David Olsen, Karen Kobialka and Chairman Bernstein. Motion passed.

DISCUSSION/RECOMMENDATION: REVISED BOARD POLICY 5-220, THE AUDIT COMMITTEE

Chairman Bernstein entertained a motion that the Committee recommend to the full Board of Trustees for first reading reading the proposed revisions to Board Policy 5-220, the Audit Committee.

Dianne McGuire moved and David Olsen seconded the motion.

David Olsen reported that the additional comments highlighted in blue were added by him as a result of a discussion he had with the Interim Vice President Administration and Treasurer. He complimented her on the process.

After discussion on the Policy, Dianne McGuire moved and David Olsen seconded that the motion be amended to correct a typo in (a) and strike "request or" and add "initiate, direct and" in (b).

Chairman Bernstein called for a vote on the motion to amend.

On roll call voting aye: Dr. William Kresse, Dianne McGuire, David Olsen, Karen Kobialka and Chairman Bernstein. Amendment passed.

Chairman Bernstein called for a vote on the main motion as amended. ON roll call voting aye: Dr. William Kresse, Dianne McGuire, David Olsen, Karen Kobialka and Chairman Bernstein. Motion passed.

DISCUSSION/RECOMMENDATION: BOARD POLICY 10-55, INVESTMENT OF COLLEGE FUNDS

Chairman Bernstein entertained a motion that the Committee recommend to the full Board of Trustees for first reading the proposed revisions to Board Policy 10-55, Investment of College Funds.

David Olsen moved and Karen Kobialka seconded the motion.

Dianne McGuire indicated that she had several comments including: scope – should the Foundation be included; clarifying roles of CFO/Treasurer; investment pools – not listed; benchmarks; and including a glossary of terms. It was agreed that Committee members will work with Kim Michael-Lee to make any additional edits/revisions between first and second reading and then could request the Policy be brought back to the Committee, if necessary.

DISCUSSION: INTERNAL AUDIT REPORTS

Reviewed previously in closed session.

COMMITTEE DISCUSSION

Dianne McGuire brought information on the ethics structure used by DuPage County. Karen Kobialka inquired about internal control reviews and suggested sooner rather than later.

NEXT MEETING DATE

The next meeting of the Audit Committee will be held in mid- to late-May.

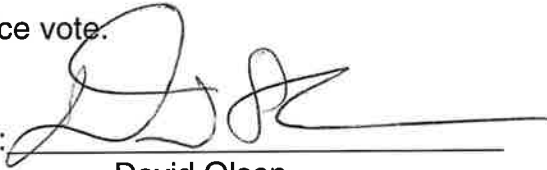
ADJOURNMENT

At 10:06 p.m., seeing no further business for the Board of Trustees Audit Committee, Chairman Bernstein called for a motion to adjourn.

Dr. William Kresse moved and Dianne McGuire seconded a motion to adjourn.

Motion passed on unanimous voice vote.

Signed:

A handwritten signature in black ink, appearing to be "D Olsen", written over a horizontal line.

David Olsen