

Audit Committee Meeting

MINUTES

FEBRUARY 5, 2013

10:00 AM

PDC – TAWA CENTER

ATTENDEES	Jeanne Swarthout, PhD, - College President (Chair) V. Blaine Hatch - VP for Administrative Services James Menlove, (CPA – AZ) - Local Government Business Officer Neal Ranstrom, (CPA – AZ) - Local Community Member with CPA Maderia Ellison (CPA – CO) - Director of Financial Services John Bremer - Controller Terrie Shevat – Secretary
ELECTRONIC HANDOUTS	1. Agenda; 2. FY12 Single Audit Report; 3. Revised Audit Committee Charter
ABSENT	
DISCUSSION	<p>FY1112 Single Audit Report: Maderia discussed the FY12 Single Audit (handout 2).</p> <p>Unqualified opinion/five audit findings: NPC received an unqualified opinion and five audit findings at the completion of the FY1112 audit. Two findings are related to I.S. for system access and disaster recovery (prior year findings). NPC Finance will meet with Auditors to review the plan developed by the IS Director to meet needs and address major risks. Following a group discussion, it was recommended that James Menlove meet with IS and possibly the auditors. Remaining three findings are related to the Single Audit: 1. Suspension and debarment, 2. Time and effort, and 3. Level of effort (grant related).</p> <p>NATC: Maderia announced that NPC has financial control and Board control over NATC.</p> <p>Impacts to NPC Single Audit Report: Maderia discussed ways in which NPC will account for NATC and incorporate NATC into the annual audit report.</p> <p>Component Unit: Maderia stated NATC's financial information will be included in the Single Audit report in one of two ways -- blended without distinction from NPC or incorporated as a separate component unit; there are pros and cons to both options. Based on accounting guidance Maderia said NATC can be incorporated as a component unit, but the Auditors will need to agree.</p> <p>Audit of Component Unit: As a component unit, State Auditors may require NATC to consent to an annual audit, similar to the NPC Foundation.</p> <p>Other Items: Maderia discussed issues relating to the revised charter, third party agencies and budget/funding.</p> <p>Charter Revision: Maderia reviewed changes made to the Audit Committee Charter for Northland Pioneer College (handout 3). Members discussed and approved changes. Blaine suggested the annual report to the Board be presented regularly in the Fall such as September or October.</p> <p>Third Party Collection Agencies: John updated members on two third party collection agencies, Enterprise Recovery Systems and Williams & Fudge, recommended for use by the college to collect outstanding account receivables from students. NPC has contracted with both companies. The first upload for FY1112 will be completed with Enterprise Recovery Systems, Friday, February 8. Williams & Fudge is holding a workshop in March on collection techniques which John and Kerri will attend. Recommendation is to collect for two years, allowing each company to collect for the same fiscal year every other year.</p> <p>Budget/Funding Issues: Blaine discussed issues with the expenditure limitation report as the college moves forward with plans to review the current year budget and develop next year's budget. Blaine explained the college is doing well from the revenue and resource side, however; from the expenditure limitation side, we're capped at approximately 15 million after exclusions. Blaine estimates if we continue on the same trajectory with expenditures, we may exceed the expenditure limit by half a million dollars in 2013 and two and a half million in 2014. Ideas to increase enrollment and reduce expenditures is the topic for discussion at an upcoming All College Retreat scheduled for March 22. The ideal solution involves turning the enrollment trajectory around, looking at how we are spending funds and making reductions in our expenses in a way that is positive and moves the college forward.</p>
NEXT MEETING	TUESDAY, MAY 28, 2013 - 10:00 A.M. - NPC PDC TAWA CENTER CONFERENCE RM
APPROVED	February 22, 2013