

Northland Pioneer College

Audit Committee Meeting

MINUTES SEPTEMBER 4, 2008 10:00 AM DISTRICT OFFICE

ATTENDEES	Jeanne Swarthout, Phd, - College President (Chair) V. Blaine Hatch - VP for Administrative Services Maderia Ellison (CPA – CO) - Director of Financial Services Neal Ranstrom, (CPA – AZ) - Local Community Member with CPA Tad Spader - Controller Terrie Shevat – Secretary
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ABSENT	James Menlove, (CPA – AZ) - Local Government Business Officer
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HANDOUTS	1. Agenda; 2. List of prior-year unreconciled cash amounts FY07/08; 3 List of prior-year write-offs; 4. Preliminary Financials; 5. Financial Services – Status Report.
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DISCUSSION

- Introduction of NPC Controller: Maderia introduced Tad Spader, Controller, to Audit Committee members.
- FY0708 Audit: Heinfeld Meech will commence financial audit field work September 16 and may return in October to complete. AT Sinquah, District Governing Board Chairman, signed Engagement Letter on August 19.

Items to Review:

General Fund – Unreconciled Cash Amount from Prior Year: Maderia reviewed list of prior-year unreconciled cash amounts totaling \$1,421,343.01 (handout 2). She explained \$700,000 of this total is the result of an erroneous journal entry. Remaining \$721,343.01 appears to be related to journal entries from FY 05/06 proposed by consultant or auditors; will continue to investigate and may have to write-off. Tad informed committee of several measures the finance team is taking to improve internal controls. Measures include opening new bank accounts to simplify process, depository account for each campus/center, and staff training.

Write-offs: Maderia reviewed list of prior-year write-offs (handout 3). List is preliminary but illustrates prior-year clean up to date. Committee discussed the need for additional staff and staff training to strengthen the accounting department. Maderia to identify and inform committee members of training for staff and the accounting department as a whole.

Preliminary Financials: Maderia reviewed preliminary financials by funds (handout 4) with committee members. She discussed the current status of revenues, expenses and balance sheet.

Outstanding Items: Maderia stated the following items are still in progress for audit prep.

- A/R
- Fixed Assets
- Dept of Ed Fiscal Operations Report & Application to Participate (FISAP): draft completed on August 30
- Preparation of MD&A, Financials and Related Notes

- Financial Services Monthly Status Reports: Maderia reviewed Financial Services Status Report (handout 5) with committee members. She stated this was their first attempt at creating a status report and plan to refine as they go along. Maderia commended her staff, noting team effort within the organization made this report possible. Administration is pleased with the changes Maderia and Tad are making and recognize the benefit of adding the new position for Director of Financial Services and filling the Controller position. Committee members discussed payroll issues including the 24 pay option for 9 & 10 month employees and the possibility of eliminating the lump sum option. Jeanne requested all suggested payroll changes be submitted to the executive team for consideration.
- FY0607 Expenditure Limitation Report: Maderia stated the expenditure Limitation Report was issued in July. All Audit Committee members in attendance received a copy of the Report for 06/07. Maderia noted the Expenditure Limitation report is normally due in October with requested extension to December and will try to meet the December deadline for the 07/08 report.

ACTION ITEMS

- Maderia to e-mail update regarding remaining unreconciled amount to Audit Committee.
- Maderia to identify and inform Audit Committee members of additional training for staff.
- Maderia to submit recommended payroll option changes to executive team.

NEXT MEETING	THURSDAY, NOVEMBER 6, 2008 - 2:00 P.M. - NPC DISTRICT OFFICE CONFERENCE RM
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APPROVED

September 26, 2008
