

## Northland Pioneer College Audit Committee Meeting

MINUTES

JUNE 7, 2016

10:00 AM

PDC – TAWA CENTER

<b>ATTENDEES</b>	Jeanne Swarthout, PhD, - College President (Chair) Maderia Ellison –VP for Administrative Services; (CPA – CO) Director of Financial Services Neal Ranstrom, (CPA – AZ) - Local Community Member with CPA James Menlove, (CPA – AZ) - Local Government Business Officer Amber Hill – Controller Terrie Shevat – Secretary
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<b>ELECTRONIC HANDOUTS</b>	1. Agenda
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<b>ABSENT</b>	
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<b>DISCUSSION</b>	Maderia called the meeting to order at 10:00 AM
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### Fiscal Year 1516 Audit/Schedule

**CAFR-November 11:** Amber reported on the CAFR stating it should be issued by November 11. Maderia added the college has not received the results from our last submission to GFOA in late December and said the CAFR is still in line for review.

**Single Audit – November 18:** Amber reviewed the 2015-2016 audit schedule stating the Single Audit will be issued by November 18, one week following the CAFR. Auditors will be on site in two weeks to pull samples and review controls. Maderia mentioned the College will likely have the same audit finding to capital assets continue this current year as we had last year, noting we are still working to finalize policy and procedure and continue to find discrepancies with some IS activities, purchases, and inventories.

**NATC – Auditor is Brian Richards:** Amber announced Brian Richards as the auditor for NATC and stated he is scheduled to meet with NATC today. Maderia explained Mr. Richards is taking over for NATC largely because of the cost and mentioned that he is local and familiar with NATC. Maderia does not see any potential issues with the current audit for NATC or NPC Friends and Family. Maderia stated we have exhausted all of the State appropriations for NATC, noting as of August last year, the College gained total control over NATC functions. Leases paid out to NATC for use of their facilities are now gone and the GADA loan debt is paid off. Jeanne stated the remaining question at NATC is whether there is any benefit at this point in ownership because the training center still belongs to NATC and is a 501C3.

**NPC Friends & Family – Auditor is Brian Richards:** Amber stated Brian Richards will continue as the Auditor for NPC Friends & Family.

### New or Changing Standards

**GASB – Pension, Leases, Revenue recognition impacts:** Amber discussed potential accounting principles that may impact the College in the coming year. Amber reviewed the new standards GASB 72, 73, and 82 and noted these standards were also briefly discussed at the Audit Entrance meeting. She believes GASB 72 relates to the LGIPs and will impact the State more than the College. She noted GASB 82 is an amendment of 73 which mostly relates to how the College is reporting/disclosing the new pension requirements. Changes to lease reporting have not been issued for the coming year.

### Audit Committee

**Amending charter:** Maderia reviewed the Audit Committee Charter with the proposed change to add language discussed in the February meeting and requested final approval. Members unanimously approved to add the following language: "Quorum of the Audit Committee: A quorum of the Audit Committee shall consist of three (3) members present, either physically or telephonically. If a telephone presence is necessary, at least 72 hours' advance notice is requested to make appropriate arrangements." No additional changes to the Audit Committee Charter were discussed.

### Other

Maderia requested feedback from James and Neal about what they would like to see from NPC during the next Audit Committee meeting or future meetings. James suggested further discussion on having internal controls in place and how we can relate this to the County, and the implementation of the new GASB requirements and what the College is doing to prepare as a group or entity looking forward. Neal concurred with James about the need to have continued discussions on internal controls. Maderia discussed a prior internal control training with NPC deans and directors held three years ago and stated she is considering conducting this training again within the next fiscal year. Maderia agreed on the importance of internal controls and will provide feedback during the November or February meeting. Maderia informed the committee that NPC is looking to revamp the Community Outreach meetings and welcomed James and Neal to share their thoughts. Jeanne explained the need to generate a different conversation with the communities to include ideas such as what the College should provide and could provide that meets the actual needs of each community.

<b>NEXT MEETING</b>	TUESDAY, NOVEMBER 1, 2016 - 10:00 A.M. - NPC PDC TAWA CENTER CONFERENCE RM
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<b>APPROVED</b>	July 22, 2016
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