

Northland Pioneer College Audit Committee Meeting

MINUTES

AUGUST 22, 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 Paul Soldinger – Auditor Terrie Shevat – Secretary
ELECTRONIC HANDOUTS	1. Agenda; 2. FY1314 – Audit Engagement Letter; 3. NACUBO's SOX – Bus Ofc Code of Ethics
ABSENT	
DISCUSSION	<p>FY1213 Audit: Maderia introduced Paul Soldinger as one of the new State Auditors assigned to Northland Pioneer College.</p> <p>Review engagement letter: Maderia provided committee members with the terms and conditions of the audit, previously known as the audit engagement letter (handout 2). Maderia asked for questions.</p> <p>NPC audit update: Paul addressed two preliminary audit findings in draft form to include access controls to the I.S. system and payroll. The finding for IS system access controls is similar to last year's finding and may be noted as a material weakness or significant deficiency. The payroll finding will most likely be noted as a significant deficiency over internal control over financial reporting. The IS findings from last year, to include disaster recovery, are going away. Paul noted the college has made significant progress in addressing concerns. The FY1213 audit will move forward with the submission of a full year general ledger along with other requested documents.</p> <p>NATC audit update: Maderia announced the NATC audit is complete, resulting in an unqualified opinion. Hardbound copies should be received within a week. Jeanne noted this is the first audit of NATC finances since its origins and applauded the Finance Department for their hard work to create a baseline audit in which the college can work with in the future.</p> <p>Establish mechanism for confidential employee complaints: Blaine discussed the following best practices offered through the National Association of College and University Business Officers (NACUBO) which he felt was relative to the Audit Committee and accountability: 1. Reviewing the Engagement Letter; 2. mechanism for employee complaints; 3. Review of the Business Office Code of Ethics. Blaine discussed the need to develop a mechanism for receiving confidential employee complaints (financial in nature) and requested input from Audit Committee members to identify ways to accomplish this task and how to communicate the process to employees and the community.</p> <p>Examples – hotline, anonymous email/voicemail, or secure complaint boxes: Members agreed using a secure complaint box was not necessarily secure and not a positive option. Electronic communication was discussed as the best possible solution, with a concern for who views the information on the other end. Blaine will work with IS and Marketing to identify a way to ensure confidentiality and a process for review using an internal electronic system.</p> <p>Audit Committee should review the nature and disposition of reported matters: Blaine quoted best practices from NACUBO and Price Waterhouse Coopers, stating "The Audit Committee should ensure a process exists for receiving confidential complaints and reviewing the nature and disposition of reported matters."</p> <p>Review Chief Business Officer Code of Ethics</p> <p>Code of Ethics: Maderia provided committee members with the Chief Business Officer Code of Ethics for review (handout 3). Maderia noted the college currently does not have a code of ethics for employees. Jeanne suggested the Chief Business Officer Code of Ethics can be used as the code of ethics for the college, with the addition of language addressing confidentiality of information. Members agreed with the suggestion offered. Maderia will discuss and defer creating a document to Pillar 4 (Human Resources).</p>
NEXT MEETING	TUESDAY, NOVEMBER 5, 2013 - 10:00 A.M. - NPC PDC TAWA CENTER CONFERENCE RM
APPROVED	September 6, 2013