

# **VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

## **Audit, Budget, Foundation Relations Committee**

Committee Members: Trustee Heitmann (Chair) and Trustee Hernández

*Ventura County Community College District  
255 West Stanley Avenue, Suite 150  
Ventura, CA 93001*

**Wednesday, February 25, 2009**  
**3:00 P.M.**

### **Meeting Notes**

#### **CALL TO ORDER**

The Meeting was called to order at 3:05 p.m. by Trustee Heitmann.

#### **PRESENT**

Members: Trustee Heitmann and Trustee Blum (substitution for Trustee Hernández)

Guests: Audit firms to be interviewed – representatives from:

Perry-Smith LLP

Vavrinek, Trine, Day & Company, LLP

Vicenti, Lloyd & Stutzman, LLP

Staff: Sue Johnson, Mary Anne McNeil, and Chedva Weingart

#### **PUBLIC COMMENT REGARDING AGENDA ITEMS**

There were no public comments.

#### **GENERAL AUDIT - INTERVIEWS**

Prior to the meeting, the proposals and a draft of the interview questions were provided to the Committee. Sue Johnson provided a brief overview of the interview process.

The interviews began with Perry-Smith, LLP represented by Mr. Thomas Perry-Smith and Ms. Tina Treis. They were followed by Vavrinek, Trine, Day & Company represented by Ms. Heidi White, Mr. Rick Alonzo, and Ms. Chris Chitlik. The final firm interviewed was Vicenti, Lloyd & Stutzman represented by Ms. Reneé Graves and Ms. Tina Henton.

Each audit firm responded to a variety of questions from the Committee regarding their firm's expertise and experience with California Community Colleges, particularly with multi-college districts, their audit philosophy, how they will manage

and plan the District audit to meet deadlines, as well as how the estimated hours and fees were calculated.

While the District is not required to rotate audit firms, the Committee asked each firm to address the merits of auditor rotation, and the consensus from the firms was that 1) audit firm rotation will not guarantee higher audit quality, and 2) that the costs can easily outweigh the benefits. Firms are required to provide compensating procedures to ensure independence, unpredictability, and high standards. All firms responded that they do that and gave examples of how a quality audit can be achieved without rotation of the audit firm.

The Committee discussed the strengths of each firm, their respective qualifications, and proposed fees. The Committee recommended that we continue with the firm of Vavrinek, Trine, Day & Company (VTD) as the fees were significantly lower, members were satisfied with VTD's response regarding firm rotation, and the committee had been pleased with the interaction with VTD in the past. They will forward the recommendation to continue with VTD to the full Board for contract renewal at the March 2009 board meeting.

## **OTHER BUSINESS**

Ms. Johnson explained to the Committee that, particularly in difficult economic times, the risk of fraud and exposure increases. Although, as a part of the external audit process, transactions are sampled, and reviews of specific areas can be performed each year, much of that audit focuses on federal and state compliance and accuracy of the overall financial presentation. For that reason, the need for an internal auditor was presented. The pros and cons of creating such a position were discussed. An internal auditor will provide a more thorough review of internal controls which can avert potential incidents. This issue will be discussed in more detail at a later date.

Meeting adjourned at 5:45 p.m.