

**Ventura County Community College District
Board of Trustees
Budget and Audit Subcommittee
Subcommittee Members: Trustees Miller and Hernandez**

District Administrative Center
333 Skyway Drive
Camarillo, CA. 93010

October 3, 2005 – 4:00 P.M.

ATTENDEES:

Trustee Hernandez, Trustee Miller, Susan Johnson, Bill Studt, Ms. Sherry Prosser, Vicenti, Lloyd & Stutzman Audit Firm.

CALL TO ORDER

PUBLIC COMMENTS ON AGENDA ITEMS
(Limit 3 minutes per person)

Trustee Hernandez called the meeting to order at 4:00 P.M.

AGENDA ITEMS

Financial and Performance Audits of Bond Funds

The purpose of the meeting was to review the 2004-2005 Financial and Performance Audits of Bond Funds and to discuss the General Audit Management Letter.

Ms. Sherry Prosser of Vicenti Lloyd & Stutzman distributed the performance audit. Ms. Prosser indicated the district has properly accounted for the bonds and did not at any time use these funds for administrative services.

Trustee Miller inquired about what items were not tested and what percentage of the audit was performed.

Ms. Prosser indicated a 50% compliance audit was done and rarely is a 100% audit performed by any of the community colleges.

Sue Johnson commented that the audit focused on the internal and financial controls.

Financial Audit

Ms. Prosser indicated the financial statements were reviewed to ensure they were fairly represented and did not indicate any audit adjustments.

Sue Johnson indicated the audit will go to the October Board meeting and will be placed on the website in addition to the annual report.

General Audit Management Letter Comments/Recommendations

Sue Johnson distributed a draft of the general audit report issued by Vavrinek, Trine, Day & Company, contracted by the district to perform the general audit for the year ending June 30, 2005.

A meeting with the auditors has been scheduled for _____

GASB 45

Sue Johnson discussed the section of the audit report that discussed the "New Governmental Accounting Standard" GASB 45, accounting and financial reporting required by employers for post employment benefits other than pension plans. This standard requires governmental entities to calculate their obligation to retirees for post employment health care and other retiree benefits.

District Related Foundations

The committee reviewed the section of the audit that focused on the District related foundations. Sue Johnson indicated the foundations need to be more timely with their audits and noted that although Oxnard College has had some problems in the past, they normally are the first received and noted that Ventura College has been using the same auditors for the past 12 years.

Sue Johnson indicated that Dr. Meznek will be meeting with the foundation audit subcommittees

Trustee Hernandez indicated that he would like to invite the foundations to attend the next audit subcommittee meeting.

Trustee Miller was in agreement to invite the foundations to the next scheduled meeting.

Trustee Hernandez requested the foundation audits be added as an item on the subcommittee agenda and a date be set for the review.

Sue Johnson added that she will quote the education code on the submission of foundation audits.

Contract Retentions

The committee briefly discussed the issue of contract retentions for ongoing construction projects.

Perpetual Inventory (Bookstores)

A point of sale (POS) system has been purchased by both Ventura and Moorpark College. Oxnard College uses the perpetual inventory for textbooks but not for merchandise. Vendors have been providing training on the POS system to the bookstores.

Trustee Hernandez inquired about bringing in temporary help to assist the bookstore staff as they no longer have a manager and inquired about hiring staff interested in working overtime.

Sue Johnson indicated the work is specific to the bookstore and they would be unable to bring in just anyone and explained how the POS system is used.

Personnel Activity Reports (Federal Compliance)

Sue Johnson indicated that Mary Anne McNeil is working with this area of concern.

Standard of Scholarship (State Compliance)

Sue Johnson indicated that this is a new state regulation. The course repetition policy is in the appendix that we do not currently have but will have once the policy is cleaned up.

Student Fees

Sue Johnson indicated the problem with optional fees is they are mandatory and must be compliant with the law.

Trustee Hernandez indicated that he had concerns with the issues of the police increases and the management Intern position, and added that salary surveys are needed in advance prior to the actual board meetings so that the Board is prepared well in advance for discussions at the board meetings and noted that in a previous conversation it was requested that the Board be included in such discussions.

Sue Johnson indicated that the charge of the audit subcommittee meeting will have to be changed if the committee is going to be involved.

Trustee Hernandez and Sue Johnson discussed the move to the new process of the allocation model.

Sue Johnson indicated the Board has to adopt the model in addition to the imperatives and suggested that perhaps it could be brought to the audit subcommittee first for discussion and further indicated that a model will need to

be developed within a small group setting to begin the framework of District priorities.

Trustee Hernandez indicated that he does not want to stall with committees and would like an in depth discussion of the impact and set more specific priorities of where the board is heading and will require data to work with in order to forecast and determine their direction.

Trustee Miller asked if the problem is not asking the right questions and perhaps the management is finding difficulty in asking the question.

Bill Studt indicated that poor sources of data is being provided to the KH Consultants and said the data is in response to the districtwide management meeting held on September 28, 2005.

Sue Johnson asked if a meeting with the auditors would be needed to discuss with the Trustees.

Trustees Hernandez and Miller indicated they would like to meet with the other Board members to discuss this topic.

ADJOURNMENT

Trustee Hernandez adjourned the meeting at 5:00 P.M.