

**MILWAUKEE AREA TECHNICAL COLLEGE
Advisory Audit Committee (AAC) Minutes**

MATC ADMINISTRATION PRESENT: Darnell Cole, MATC President
Michael Sargent, Vice President, Finance
Mark Trask, Associate Vice President, Information Technology
Betsy Rezel, Coordinator, Distance Learning

SPECIAL ADVISOR TO THE AAC: Craig Piotrowski, ASL Consulting

CALL TO ORDER

The regular quarterly meeting of the Advisory Audit Committee (the "Committee") of the Milwaukee Area Technical College (MATC) was held in open session on Wednesday, August 17, 2005, and called to order by Chairperson Webber at 9:00 a.m. in the Board Room, Room M210, at the Milwaukee Campus of Milwaukee Area Technical College.

ROLL CALL

Present: Jeannette Bell, Bonnie Baerwald, Charlotte Sain, Anne Szczygiel, Bobbie Webber, Tom Wieland, Robert Yahr

COMPLIANCE WITH THE OPEN MEETINGS LAW

The Advisory Audit Committee meeting was noticed in compliance with the Wisconsin Open Meetings Law.

APPROVAL OF MINUTES – May 10, 2005

Motion It was moved by Ms. Baerwald, seconded by Mr. Wieland, to approve the minutes of the May 10, 2005, Committee meeting as submitted.

Action Motion Approved

COMMENTS FROM THE PUBLIC / MISCELLANEOUS

None

DISCUSSION ITEMS

E-1 IT Project Control - Blackboard / Datatel Integration

Mr. Mark Trask of the MATC Information Technology Department provided a brief overview of process followed before committing significant resources to IT projects. Ms. Betsy Rezel provided further detail, and providing a step-by-step synopsis of the process, using the Blackboard/Datatel integration as a project example.

Mr. Sargent noted that this process was recently modified in order to ensure appropriate documentation, as specified by WTCS, to capitalize eligible projects. The new process will also ensure consolidation of pertinent data for audit purposes.

Various questions that were addressed:

- This new process changes the way things are recorded in the budget; individual's time is reported to the project itself.
- Ongoing costs are included – charges are reported to a specific project account; will eventually have ability to track final on costs relative to projected costs.
- Not all of the requests result in capital costs; some operating.
- Various means of measuring outcomes are being considered, including student surveys, etc.
- MATC will petition the state to consider changes as a part of ERP.
- Inclusion of a post-implementation review plan.

E-2 Anonymous Tipster Program

Mr. Michael Sargent reported that Sarbanes-Oxley suggests the inclusion of a whistleblower type program, and asked the Committee's opinion on such a program. It was determined that the next meeting of this Committee will include presentations from various companies that provide anonymous tipster program services.

In response to one Committee members query as to whether or not a program such as this would merely elicit disgruntled employees wishing to lash out, or truly valid complaints, Ms. Szczygiel offered to bring some statistics for review at the next meeting, with regard to the current process at Milwaukee County, which is performed by their internal audit function.

Ms. Bell noted that the MATC Board would definitely have interest in implementing such a program at MATC.

E-3 RFP for Internal Audit Assistance

Mr. Sargent queried the Committee as to how to proceed with soliciting organizations for bid to provide internal audit assistance at MATC. It was noted that proceeding with the bid process now could allow us to have the necessary information readily available and arrangements already in place for implementation, should the need arise.

Ms. Baerwald shared that six of the technical colleges are on the same time schedule for contract bidding, noting that Waukesha is interested in adding an internal audit function as a part of the process. Mr. Sargent reported that they are aware that MATC would like to be involved.

At the request of Ms. Szczygiel, this Committee was provided with a copy of the MATC procurement policy with regard to minority vendors.

The Committee again discussed the possible use of grad students, student interns, partnering with other institutions, etc. Dr. Yahr noted various resources at Marquette that may be available.

E-4 & E-5 Internal Audit / Budgeting

Ms. Charlotte Sain, as the newest member of this Committee, reported that she is in the process of familiarizing herself with MATC and its goals, needs, objectives, and is looking forward to serving on this Committee.

Ms. Anne Szczygiel noted that she will be meeting with various individuals from the MATC Finance Division in order to educate herself on MATC's needs; individuals in the MATC Research Division who may be able to facilitate resources for some basic audit items, performance measuring, etc; and Mr. Steven Pawlow, who performed the recent student activities fund review.

Ms. Bell noted that the MATC Board is always concerned with not only financial audits, but performance audits as well, in order to identify areas that perhaps lack in efficiency or areas that may need to be examined and restructured.

Mr. Sargent noted that the Education, Services and Institutional Relations Committee of the MATC Board performs continuous program reviews on college programs, etc. The Committee was provided an overview of the quality program review, as well as documentation on the last three program reviews performed.

There was discussion regarding how to include costs by function, or costs by program in order to identify outcomes and weight the validity of various programs, etc., thereby allowing the board the information necessary to make sound decisions on behalf of MATC.

E-6 Financial Reporting / External Auditing

At the request of Dr. Yahr, Mr. Sargent provided a status report on the upcoming audit. Preliminary fieldwork went well, on-site fieldwork to begin in early September. He reported that the process is running ahead of schedule compared to previous years.

Mr. Sargent noted various unplanned events that occurred in fiscal year 2004-05, which affected the fund balance. These included contractor fraud/theft and issues with MATC receivables. Mr. Sargent will include Dr. Yahr in the exit review meeting scheduled for the last day of fieldwork.

At the request of the Committee, a copy of the following will be provided to each member, via e-mail:

- GFOA Award documentation
- GRATE Award documentation
- Response document to last year's audit comments
- Draft of the CAFR when available

E-7 Post-Employment Benefits

Mr. Tom Wieland shared the link to the AICPA website which contains helpful information on audit committees.

Mr. Wieland discussed financial reporting of other post-employment benefits (OPEB) and its impact on MATC.

E-8 Administrative Systems

Ms. Bonnie Baerwald shared some history behind the administrative systems that the state has in place. Ideally, the state would like for all of the tech colleges to utilize the same system, for consistency of data. However, there are currently three different data systems used throughout the tech college system.

It was noted that contract negotiations on a statewide level optimizes volume discounts (i.e., DMI). The ultimate goal is to work together on OPEBs and continue working on data warehousing.

E-9 Committee Structure

Mr. Piotrowski reiterated the rules governing open meetings and public records, and the need to avoid any communication between a four-member quorum.

ACTION ITEMS

F-1 Committee Charter

Mr. Piotrowski reviewed various revision recommendations to the Committee Charter. He will gain input from Attorney Brown on ethics, code of conduct, etc. The revised charter will be taken to the MATC Board for approval at a future meeting.

OLD BUSINESS / NEW BUSINESS

Next Meeting: Thursday, November 3, 2005 at 9:00am

ADJOURNMENT

The Committee adjourned at 11:40 a.m.

Respectfully submitted,
Caryn Dohring
Administrative Specialist