

Attachment AAC - 1

MILWAUKEE AREA TECHNICAL COLLEGE Advisory Audit Committee (AAC) Minutes

MATC ADMINISTRATION PRESENT: Chisty Brown
Kathy Brehmer
Terri Padgett
Michael Sargent

**SPECIAL ADVISOR
TO THE AAC:** Craig Piotrowski, ASL Consulting

GUESTS: Virchow Krause – Messrs. John Kneppel, Jacob Lenell, and Steve Henke

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 Thursday, May 4, 2006, and called to order by Chairperson Webber at 9:04 a.m. in the Board Room, Room M210, at the Milwaukee Campus of Milwaukee Area Technical College.

ROLL CALL

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

COMPLIANCE WITH THE OPEN MEETINGS LAW

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

APPROVAL OF MINUTES – January 26, 2006

Motion It was moved by Ms. Bell, seconded by Mr. Yahr, to approve the minutes of the January 26, 2006, Committee meeting, as submitted.

Action Motion Approved

COMMENTS FROM THE PUBLIC / MISCELLANEOUS

None

DISCUSSION ITEMS

E-1 Internal Auditing – Update on RFP

Mike Sargent reported the results of the competitive RFP, noting an award made to Gladys R. Wilson & Associates. They have been awarded a requirements contract, for a term of one year. If there is a need for their services, specifications will be provided to Gladys R. Wilson & Associates. They will then provide a time estimate – payment schedule will be loaded into an existing blanket order, not to exceed \$40,000 for the term of the contract. The ultimate decision for utilizing this firm is at the discretion of the Advisory Audit Committee.

E-2 FY2006-07 Budget Status Report

Mr. Sargent provided a report on the status of the FY2006-07 budget, as presented to the FPO and Board at their April meeting. Mr. Sargent provided details of each line item, noting the following areas:

- Public Television Allocation
- Child Care
- Food Service
- Milwaukee Enterprise Center

E-5 External Audit Update

Representatives of MATCs auditing firm, Virchow Krause, were present to share information on the firms background and experience, as well as the scope of their services being provided to MATC.

E-3 AAC Self-Evaluation

Mr. Piotrowski share a preliminary draft of the AAC Self-Evaluation form, which was prepared by Charlotte Sain. Mr. Piotrowski reviewed the evaluation, and requested that members and administrators complete the evaluation form and return it to him by May 12, 2006. Caryn Dohring will send an electronic copy of the final evaluation form to members for completion and submission.

The next agenda of this committee will include a review of the responses of the evaluation, and a summary report. Committee members will receive a draft of the summarization of responses prior to the next meeting, to allow for review and preparation for the discussion.

E-4 Report on Monthly Closing / Reconciliation

Mr. Sargent reported that the new MATC Controller, Ms. Terri Padgett, has been working on getting caught up on monthly reconciliations of checking accounts and receivables, which were fairly delinquent when she began her employment with MATC. Ms. Padgett reported on the current status of reconciliations, noting that the disbursements have been reconciled through March 2006, and revenues for the month of March are nearly reconciled.

In response to a question raised regarding the funding of OPEBs, Mr. Sargent noted that MATC is investigating the possibility of funding OPEBs using taxable notes. An RFP has been issued to various legal firms to obtain a legal opinion of such an approach. He noted that MATC is about one year ahead of other technical schools in this regard, but that should this approach be a viable one, other technical schools may be interested as well.

E-6 Scope of an Internal Control Review

The committee discussed the possible utilization of an anonymous tipster program, questioning whether or not the climate and culture at MATC would make this a viable option. Suggestions were made on ways to encourage individuals to feel comfortable participating in such a program, including some sort of communication from either the board, the administration or this committee, in an attempt to create an atmosphere that is conducive to people coming forward with issues, ideas, witnesses of abuse or misuse, etc.

E-7 Fiscal Year 2006-07 Meeting Schedule

The following schedule for the 2006-07 fiscal year was established, with all meetings to begin at 9:00am.

Thursday, September 14, 2006
Thursday, November 9, 2006
Thursday, February 8, 2007
Thursday, May 3, 2007

INFORMATION ITEMS

F-1 Policy A0111A, Areas of Responsibility of District Board Committees

Attorney Brown reviewed the revised Policy A0111A, Areas of Responsibility of District Board Committees, noting changes made to include verbiage stating that the FPO Committee has the responsibility to oversee and monitor the activities of the Advisory Audit Committee.

F-2 Legislative Audit Bureau Personnel Policies & Practices Audit

Attorney Brown provided an update on the Personnel Policies & Practices Audit being conducted by the Legislative Audit Bureau, noting various information that had been requested. The LAB is scheduled to visit MATC on Friday, May 19, 2006.

F-3 Advisory Audit Committee Charter

Current charter provided to committee for review.

F-4 Potential Audit Implication Items

Nothing to report – however, for future agendas, this item will be entitled “Potential Audit and Accounting Implications”.

MISCELLANEOUS ITEMS

G-1 Communications & Petitions

None

G-2 Information Items

None

OLD BUSINESS / NEW BUSINESS

Next Meeting: September 14, 2006 – 9:00am

ADJOURNMENT

The Committee adjourned at 11:12 a.m.

Respectfully submitted,
Caryn Dohring
Administrative Specialist