

Attachment AAC - 2

MILWAUKEE AREA TECHNICAL COLLEGE Advisory Audit Committee (AAC) Minutes

MATC ADMINISTRATION PRESENT Christy Brown
Michael Sargent

GUESTS: Jeannette Bell

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, February 8, 2007, and called to order by Vice Chair, Robert Yahr at 9:10 A.M. in the Board Room, Room M210, at the Milwaukee Campus of Milwaukee Area Technical College.

ROLL CALL

Present: Anne Szczygiel, Tom Wieland, Robert Yahr

Excused: Charlotte Sain, Bobbie Webber, Bonnie Baerwald, William Hughes

COMPLIANCE WITH THE OPEN MEETINGS LAW

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

APPROVAL OF MINUTES – September 14, 2006 – Attachment AAC - 1

Motion Minutes to the September 14th, 2006 meeting of the Audit Advisory Committee will be brought before the Committee on May 3rd, 2007 for approval.

Action

COMMENTS FROM THE PUBLIC / MISCELLANEOUS

None

ACTION ITEMS

None

DISCUSSION ITEMS

G-1 External Audit Report – Attachments AAC – 2, 3, and 4

When discussing the CAFR, Michael Sargent, vice president – Finance, detailed two receivable areas which Administration is working to improve. Those areas pertain to student receivables and contract revenue. Concerning student receivables, students must pay or make arrangements to pay MATC debts prior to reenrollment. In December, student receivables surprisingly grew, and enrollment began to rebound from the initial decline. Relating to contract revenue, all activity relating to billing in this area has been consolidated in one position. This was done in an effort to reduce error.

In response to Mr. Wieland's question about availability of student aid, Mr. Sargent stated that more students than those of the previous year qualified, but grants to fund the aid were not received.

Jeannette Bell arrives at 9:21AM.

During the external audit, Virchow Krause identified several areas of operation to improve. Concerning the cafeteria, Administration will be implementing a new system of handling money in order to decrease the frequency of drawer shortages.

G-2 Survey of Committee Members – Attachment AAC - 5

Members of the Committee noted Charlotte Sain's desire for a Special Advisor and postponed further discussion of this item to the next meeting of the Committee.

Tom Wieland voiced his concern for the lack of attendance at Committee meetings. Christy Brown, executive vice president, will bring a revised charter before the Committee in May to address concerns identified.

G-3 2006-07 Budget Document – Attachment AAC-6

Michael Sargent reported that in the month of September, equalized values increased, reducing MATC income by \$500,000. In conjunction with reductions in state aid and tuition and fees due to FTE declines, MATC continued to operate at a deficit. Keeping positions open following an individual's retirement or transfer and reductions in salaries due to fewer students and class sections have somewhat aided in reducing this shortfall in revenue.

Concerning retirement benefits, Administration changed its accounting practice to address undiminished pension in the period during which the individual retired. This year, Administration underestimated the amount to accrue by \$300,000.

Mr. Sargent noted a \$1,000,000 favorable balance in supplies. With adequate

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inventories, Administration anticipates a decrease in this area for FY2008. Mr. Sargent also noted a favorable balance in contracted service; however, he reported that MATC is over budget in rental accounts. He indicated several programs utilizing off-campus space, include the welding program.

Michael Sargent stated that he is working with individuals in Public Television to determine the cause of PTV's revenue shortfall. Other enterprise activities, with the exception of Milwaukee Enterprise Centers, appear to be running at levels better than anticipated.

In an effort to improve all activities related to food at MATC, a team composed of individuals from Culinary Arts and Food Service was created. Mr. Sargent is hopeful that the team will generate creative projects which will prove beneficial to MATC. He also discussed the success of OCL activities, specifically that of a program aimed at the education of prison inmates.

G-4 Other Post-Employment Benefits

G-5 Projected Accounting and Auditing Issues

Mr. Sargent stated that his largest concern pertains to OPEBS and union contracts, as Administration and union representatives have not yet completed negotiations. He also stated that contracts would be retroactive to July 1, 2006.

G-6 EthicsPoint – Attachment AAC - 7

Michael Sargent report that MATC entered into a contract with EthicsPoint. For two months, activities relating to the project have slowed due to the lack of an MATC employed web designer. Materials were distributed amongst members of the Committee for their information concerning this discussion item.

G-7 Potential Audit and Accounting Implications

INFORMATION ITEMS

None

MISCELLANEOUS ITEMS

I-1 Communications & Petitions

Christy Brown distributed two Journal Sentinel articles amongst Committee members: *MATC Lacks Big Business on its Board* and *MATC Tenants Face Crackdown*. It was requested that members of the Committee be sent articles

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featuring activities at MATC.

OLD BUSINESS / NEW BUSINESS

Next Meeting: May 3, 2007 – 9:00am, M210

ADJOURNMENT

The Committee adjourned at 11:55 a.m.

Respectfully Submitted,

Karen Esche

Administrative Specialist - Finance