



June 10, 2026

## NOTICE TO RESIDENTS OF THE MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN

A regular open meeting\* of the **ADVISORY AUDIT COMMITTEE** of the Milwaukee Area Technical College District Board, Wisconsin, will be held in the BOARD ROOM, (ROOM M210), of the MILWAUKEE AREA TECHNICAL COLLEGE, 700 West State Street, Milwaukee, Wisconsin on Wednesday, June 10, 2026, beginning at 3:00 P.M.\* In addition, the following zoom link (Meeting ID: 848 7446 8747; Passcode: 055736) can be used for optional virtual access to the meeting:

<https://us02web.zoom.us/j/89765648850?pwd=pCyu8WG9ccaKbKllqg1NwSYFzkeANy.1>

The agenda\*\* for said meeting is presented as follows:

- A. Roll Call**
- B. Compliance with the Open Meetings Law**
- C. Approval of Minutes, March 11, 2026** - Attachment AAC-1
- D. Comments from the Public**
- E. Action Items**
- F. Discussion Items**
  - 1. External Audit Update – Paul Frantz, Baker Tilly
  - 2. Compliance Update – Sherry Terrell-Webb
  - 3. Internal Audit Update – Sherry Terrell-Webb
- G. Information Items**
  - 1. Finance Update – Eva Kuether
- H. Old Business/New Business**
  - 1. New Items for Committee Discussion
  - 2. Date of Next Meeting: Tentatively September 9, 2026, 3:00 PM CST  
Committee Members: Paul Zinck, Gale Pence, Dennis Butler, Sharon Johnson and Katie Hoffman

\* Other members of the MATC Board may be present, although they will not be participating as members of this committee. This meeting may be conducted in part by telephone. Telephone speakers will be available to allow the public to hear those parts of the proceedings that are open to the public.

\*\* Action may be taken on any agenda item, whether designated as an action item or not. Agenda items may be moved into Closed Session for discussion when it becomes apparent that a Closed Session is appropriate under Section 19.85 of the Wisconsin Statutes. The Committee may return into Open Session to take action on any item discussed in Closed Session.

*Reasonable accommodations are available through the ADA Office for individuals who need assistance. Please call 414-297-6610 to schedule services at least 48 hours prior to the meeting.*

**MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT BOARD  
ADVISORY AUDIT COMMITTEE**

**Minutes March 11, 2026**

**CALL TO ORDER**

The regular meeting of the Milwaukee Area Technical College (MATC) District Board Advisory Audit Committee (AAC) was held in open session on Wednesday, March 11, 2026 and called to order by Mr. Paul Zinck at 3:00 p.m. in the Board Room, M210, at the Downtown Campus of MATC (with virtual attendance an option).

**A. ROLL CALL**

AAC Members Present: Paul Zinck, Gale Pence, Dennis Butler, Sharon Johnson and Katherine Reilly.  
Others Present: Dr. Anthony Cruz (President), Dr. Phillip King (EVP), Ms. Eva Kuether (CFO), Dr. Sarah Adams (Dean- Enrollment Services/Registrar), Mr. Joshua Montavon (Exec. Dir.- Financial Aid), Mr. Donald Kasprzak (Dir.-Information Security), Mr. Brian Kubik (Mgr.-Internal Audit), Ms. Jolene Arnold (Exec. Admin. Asst.)

**B. COMPLIANCE WITH THE OPEN MEETINGS LAW**

Proper notice of the meeting was provided in compliance with the Wisconsin Open Meetings Law.

**C. APPROVAL OF MINUTES, December 10, 2025**

The minutes were approved with no objections.

**D. COMMENTS FROM THE PUBLIC**

None.

**E. ACTION ITEMS**

None.

**F. DISCUSSION ITEMS**

1. Internal Audit Update

- Risk Assessment – Dr. Adams and Mr. Montavon shared information on the “Fraudulent Applications and Enrollment Activity”, or more commonly referred to as ‘Ghost Students’. A brief background on this fraud scheme was given, as well as the impact on MATC and factors that increase vulnerability. Then, an overview of a phased approach being taken by MATC to address this situation, with the help of the third-party *Socure*, was provided to the Committee, along with results to-date. Finally, next steps were shared, which included strengthening workflows, review/update policies, implementing additional monitoring tools, and targeted staff training.
- Audit Plan – Mr. Kubik noted the audit plan for FY2026 was noted as unchanged since the December AAC meeting. In total, four audits/projects planned, two drafted, one in-progress, and one that is well underway primarily via General Counsel’s office and Marketing/Communications.
- Audit Results – It was noted that no audits have been completed since the December AAC meeting. Signatures are being sought on the “Workers Compensation” audit report, which was finalized with not changes in issues since discussed in December.
- Audit Follow Up – It was noted that since the last AAC meeting, no action plans have been completed. Progress was noted on the Data Quality and Financial Aid issues (related to the FTC Safeguards Rule).
- Share Knowledge – Mr. Kubik shared an update on a new ‘Accountability Framework’ (from the ‘One Big Beautiful Bill) related to college/university programs, and the need for program completers to earn more than high school graduates (i.e., students need to be better-off than if they’d never started/completed these programs.)

Finally, the Committee's compliance with the Committee Charter was discussed. The Committee is on pace to meet its requirements.

## **G. Information Items**

### **1. Single Audit Update**

Ms. Eva Kuether, CFO, shared that MATC's Single Audit for the year ending June 30, 2025 was finalized by Baker Tilly, and an unqualified (unmodified) was issued. This included no material weaknesses, no significant deficiencies, and no questioned costs. There was one finding – a control deficiency related to subrecipient monitoring under the AEFL program. MATC has responded with a formal corrective action plan, including an updated and legally reviewed subaward template and documented subrecipient risk assessment procedures. Additionally, a 2024 finding related to the Return of Title IV funds was reviewed, and the corrective action taken by MATC was confirmed and there was no repeat finding.

### **2. Finance Update –**

Ms. Kuether shared that FY2026 revenues were tracking favorably to the budget, with tuition revenue ahead of budget (~ \$5.3M) due to above budgeted FTEs. State Aid is also running favorable to budget (~ \$1.1M), reflecting MATC's FTE performance relative to other WTCS colleges.

On the expenditure side, salary costs continue to run slightly above budget (~ 2%), while healthcare costs remain the most significant budget pressing, running approximately \$4.6M over budget. This is due to elevated claim volumes, including a single \$2M claim. MATC did recently learn that pooling and stop-loss credits (via a WTCS Consortium) will provide nearly \$3M. This will meaningfully reduce the healthcare cost overage.

Finally, it was noted that ancillary (Zancil) spending continues to track within our annual budget. However, a more complete picture will be available following the February month-end close when the bulk of the spring semester Zancil activity will be captured.

## **H. Old Business/New Business**

The date and time of the next meeting will be Wednesday, June 10 at 3:00 p.m.

## **Adjournment**

The meeting adjourned at 3:52 p.m.

Respectfully submitted,

Jolene Arnold

Executive Administrative Assistant