Members present: Kathy Shields, Ned Densmore, Connie Roy-Czyzowski, Claudie Mahar, and Ron Rioux.

Regrets: Tricia Lucas, Robert Duhaime, Jack Calhoun

Also in attendance: Ann-Marie Hartshorn

The meeting was called to order at 1:03 p.m. at NHTI, MacRury Hall, Concord, NH.

1. Approval of the October 16, 2013 Meeting Minutes

VOTE: The Committee, on motion of Ms. Mahar, seconded by Ms. Roy-Czyzowski, voted unanimously to approve the October 16, 2013 meeting minutes as presented.

2. BerryDunn A-133 Audit Presentation

Representatives from Berry Dunn were welcomed – Mark LaPrade, Robert Smalley and Ryan Gough.

Mr. LaPrade presented and explained the audit report. Lengthy discussion followed.

Discussion followed on areas where CCSNH lacks comprehensive policies and procedures. Should there be a directive from the board that policies for personnel, financial, and construction be developed?

It was recommended that the competitive bid be raised from $20,000 to $25,000 to be in line with federal requirements. This recommendation should be forwarded to the Finance Committee.
The following recommendations will be reported to the Board:

- General ledger analysis and account reconciliations
- Review and approval of reconciliations and journal entries
- Develop a policies and procedures manual to document operational and accounting processes
- Automate the calculation of depreciation expense = don’t use excel

VOTE: The committee, on motion of Ms. Roy-Czyzowski, seconded by Ms. Mahar, voted unanimously to accept the FY13 external audit report by BerryDunn as presented and for presentation to the board.

The audit committee members agreed that this report will be discussed with the full board at the April 10 meeting. Also, it was agreed that policies for personnel, financial, and construction be developed.

3. Ratification of Telephone Vote of 12/3/13

VOTE: The Committee, on motion of Mr. Densmore, seconded by Ms. Roy-Czyzowski, voted unanimously to ratify the vote of 12/3/13 to release the BerryDunn FY13 external audit report to the Department of Administrative Services for the State’s FY13 Comprehensive Annual Financial Report.

4. Audit Committee Responsibilities (By-Laws) Review

The proposed changes were circulated and explained by Ms. Shields.

Discussion followed on having the risk management committee included in the audit committee. Mr. Rioux indicated that Attorney Herrick recently attended a compliance conference and he will discuss the best practices recommended on this topic with her. Ms. Roy-Czyzowski will also share information on this topic. It was recommended that Attorney Herrick attend the next meeting.

Question was also raised about discussion of audit information in general or non public session. Mr. Rioux will discuss with Attorney Herrick.

The suggested audit committee by-laws were reviewed.

ACTION: All were asked to email Kathy (ksbshields@gmail.com) with additional suggestions/comments.

All agreed to the following change, subject to finalization after receiving further suggestions by the committee.
A. Audit Committee

There shall be an Audit Committee whose members and chairperson shall be appointed by the Chairperson of the Board.

The Chancellor or designee shall participate in the Audit Committee Activities as a non-voting member of the Committee.

Utilizing internal and external parties, the Audit Committee will determine compliance with established policies, procedures and applicable state and federal regulations and ensure that appropriate remedial action is taken in a timely manner.

The Audit Committee, in accord with Board policies, shall have the responsibility to:

- Review proposals and make recommendations to the Board of Trustees.
- Oversee external audit functions and report results to the Board of Trustees.
- Oversee financial reporting and related compliance issues.
- Oversee and guide internal audit function.
- Meet with management timely to discuss key risks, status, issues, investigations, and potential actions.
- Monitor program effectiveness.
- Maintain in-depth understanding of internal audit best practices.
- Bring to full Board issues needing their action/attention.

5. Grants Management Audit Report

Ms. Hartshorn explained the grants management report and noted that that this is for the Chancellor’s office only.

Sometimes colleges submit grants without notification to the Chancellor’s office, a step that is part of the policy.

Discussion followed. Concern was expressed that grants are submitted by colleges without following the current policy. Burden vs. benefit of grants submitted should be considered. Current policies are being reviewed.
This item was tabled. It was requested that Ms Hartshorn request that Ms. Barton list action items rather than a narrative.

6. Overtime Pay Audit Report

Ms. Hartshorn explained the overtime pay/process audit of internal controls. Overtime requires prior approval of the supervisor. There has been concern with the NHTI security department overtime. She will monitor this situation and report back in six months.

VOTE: The Committee, on motion of Mr. Densmore, seconded by Ms. Roy-Czyzowski, voted to accept the January 20, 2014 Overtime Pay/Process Audit of Internal Controls as presented.

7. Audit Recommendations Status Update

Ms. Hartshorn explained the current audit committee comment/finding tracking log. Discussion followed. This is provided for information only. It was requested that the updates be color-coded to reflect priority.

8. Other

Ms. Hartshorn indicated that she is working on process improvement as part of the Chancellor’s office strategic planning. Suggestions include hiring, onboard/off boarding and digital imaging.

NEXT MEETING: March 25, 2014 at 11:30, NH Delta Dental.

The meeting adjourned at 3:51 p.m.

Respectfully submitted,

Marie Anne Mills
Assistant to the Chancellor