CCSNH BOARD OF TRUSTEES
AUDIT COMMITTEE
March 4, 2013

Members present: Kathy Shields, Ned Densmore, Tricia Lucas, Claudie Mahar
Robert Duhaime, Jack Calhoun, Ron Rioux and Lucille Jordan.

Also in attendance: Ann-Marie Hartshorn, Bill Beyer, Susan Proulx, and Mike Marr.

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

1. BerryDunn Audit Presentation to Committee

The two BerryDunn representatives, Mark Laprade and Ryan Gough were
introduced. They first addressed and explained the required communication
letter for the CCSNH FY12 financial statements audit. Material weaknesses
identified were untimely reconciliation of accounts and insufficient documentation
of approvals.

They then explained the Independent Auditors’ Report document.

The financial aid audit addressed one issue concerning the Carl D. Perkins
federal funds – verification of vendors for transactions $25,000 and over.

Overall, this was a very good audit. The committee acknowledged Mr. Marr for
the extensive work on this project and excellent results.

Discussion followed on reporting the audit to the Board. Mr. Laprade noted that
the reporting format to the full board would be different. It was felt that the Board
would be interested in management’s response to the audit.

Mr. Marr explained action that has taken place since the audit. General ledger
accounts are being monitored for reconciliation. A mock closing is scheduled for
March 31 for clearing and payroll accounts. We agree that the Chancellor’s Office
accounting staff is low and with the need for policies. To date, we have made
some business office assignment changes and want to see what happens after
the addition of P cards before making further decisions. He will be preparing a written response for the Board.

Mr. Rioux added that he and Mr. Marr are discussing the staffing issue. Now that we have a base report, we have a clearer perspective. Personnel for other areas are part of this discussion including compliance, risk management and legal matters. There is need for someone to develop policies – reviewing the state policies that we adopted etc. HR is also short staffed.

Ms. Shields indicated she will follow-up with Mr. Marr for the BerryDunn full Board presentation on April 11.

2. Approval of the December 19, 2012 Meeting Minutes

VOTE: The Committee, on motion of Ms. Mahar, seconded by Mr. Densmore, voted unanimously to approve the December 19, 2012 meeting minutes as presented.

3. Financial Aid Audit Clarification and Final Report

Ms. Hartshorn circulated and explained the final financial aid audit report which includes minor changes since the draft was presented at the last meeting.

Recommendation 1 Policies and Procedures.
There is a difference between a policy and a procedure. Ms Proulx indicated that all abide to the policy but that each college’s procedures may vary due to staffing.

President Jordan added that it is critical that there is a separation of duties whether it is a policy or a procedure.

Recommendation 2 Employee training
Ms. Proulx indicated that dates have been set for the standardized training program outline. All training will be documented.

Recommendation 3 Support
Ms. Proulx, Mr. Rioux, Mr. Beyer and the Financial Aid Directors, are working on developing a technical support model and addressing the issues arising from the elimination of the contract position.

Mr. Rioux noted that there is no formal lead person of the FAO group. Ms. Proulx does compliance but there are other pieces such as coordination and IT. There has been a significant increase in the skill set of FAOs over the past few years.
Mr. Rioux indicated he will be discussing this further with Presidents and it is a work in progress.

Recommendation 4  System-wide Policies
This addressed the need for three policies: Ethics policy, employee conflict of interest policy, and misuse of position policy.

It was noted that a conflict of interest policy has been adopted. There is now a need to develop a mechanism to obtain everyone’s signature acknowledging reading the policy.

4. Business Office Procedure Audit Update

Ms. Hartshorn indicated that the business office audit has not been finalized as she was awaiting review of the BerryDunn audit. She noted that it is part of her responsibility to assure that the items identified in the BerryDunn audit report are being addressed. Audit transactions that were identified by BerryDunn as questionable will be reviewed to be sure that policies/procedures are established. The mock closing at the end of March as previously mentioned is an excellent project that will aid in assessing the procedures put into practice for account reconciliations.

5. Other

None

NEXT MEETING: June 19

The meeting adjourned at 3:13 p.m.

Respectfully submitted,

Marie Anne Mills
Assistant to the Chancellor