

**MEETING OF THE
AUDIT COMMITTEE
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

November 14, 2013

Minutes

The Audit Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, November 14, 2013 at the HCC Administration Building, 3100 Main, 2nd Floor, Seminar Room A, Houston, Texas.

MEMBERS PRESENT

Christopher W. Oliver, Committee Chair
Sandie Mullins, *Committee Member*
Bruce A. Austin
Dianne Johnson
Eva Loredo
Carroll G. Robinson

ADMINISTRATION

Renee Byas, Acting Chancellor
Destinee Waiters, Acting General Counsel
Shantay Grays, Executive Officer to the Chancellor
William Carter, Vice Chancellor, Information Technology
Charles Cook, Vice Chancellor, Academic Affairs
Diana Pino, Vice Chancellor, Student Success
Fred Zeidman, Vice Chancellor, Institutional Advancement
Fena Garza, President, Southwest College
Margaret Ford Fisher, President, Northeast College
William Harmon, President, Central College
Zachary Hodges, President, Northwest College
Irene Porcarello, President, Southeast College
Betty Young, President, Coleman College
Remmele Young, Associate Vice Chancellor, Governmental and External Affairs
Janet May, Chief Human Resources Officer

OTHERS PRESENT

Jarvis Hollingsworth, System Counsel, Bracewell & Giuliani
Michelle Novak, President, Faculty Senate
Alyssa Hill, Carr, Riggs & Ingram, LLC
Richard Sanchez, Association of Community College Trustees
Other administrators, citizens and representatives from the news media

CALL TO ORDER

Mr. Oliver, Chair called the meeting to order at 3:47 p.m. and declared the Committee convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2013

Motion – Ms. Mullins moved and Mr. Oliver seconded.

Mrs. Byas introduced the audit team with Carr, Riggs & Ingram, LLC.

(Mr. Robinson joined the meeting at 3:49 p.m.)

Ms. Alyssa Hill noted that a clean unmodified opinion was received. She informed that the System adopted two new standards that resulted in restatements to prior periods. She apprised that adjustments provided by management were recorded; however, there were no noted adjustments proposed by the auditors.

Ms. Hill provided an overview of the standards regarding (1) Governmental Accounting Standard Board (GASB) 63 financial reporting of deferred outflows of resources, deferred inflow of resources in net position and (2) GASB 65 items previously reported as asset due liabilities. She noted that these two standards resulted in a restatement on the financial statements and the impact was previously issuance of bonds were recorded under the balance sheet; now, the issuance costs capitalized will show an expense in the financial statement. She informed that the recording is dictated by GASB.

Ms. Hill referenced the audited report under assets and apprised that the \$8.6 million was usually recorded as net; however, the treatment remains the same but it is a reclassification on the financial statement. She apprised that the footnote #26 on page 55 reviews the reclassification. She noted that the second portion is the single audit. Ms. Hill informed that there was a clean unmodified opinion on the single audit reviewed. She apprised there were findings last year regarding financial aid and apprised that the recommendations were adopted and there were no findings regarding the issue.

Ms. Hill apprised that the finding from 2011 relating to processes and controls to ensure students receiving financial aid were eligible and the amounts received were accurate. She noted that based on the inquiries performance showed that the controls implemented allotted for the issue to be corrected.

Mrs. Johnson inquired if the audit firm was the same firm used for previous years. Ms. Hill apprised that the firm went through a merger and a name change.

Vote – The motion passed with a vote of 2-0.

PROPOSED INTERNAL AUDIT WORK PLAN FOR 2014

Motion – Ms. Mullins moved and Mr. Oliver seconded.

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Mrs. Belinda Brockman informed that the information presented was the same as that provided in September; however, the plan does include the recommendations of Trustee Garcia to include an audit of credit and P-cards.

Vote – The motion passed with a vote of 2-0.

ADJOURNMENT

With no further business, the meeting adjourned at 4:04 p.m.

Recorded, transcribed and submitted by:
Sharon R. Wright, Manager, Board Services

Minutes Approved: December 17, 2013