

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

September 12, 2013

Minutes

The Audit Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, September 12, 2013 at the HCC Administration Building, 3100 Main, 2nd Floor, Seminar Room A, Houston, Texas.

MEMBERS PRESENT

Christopher W. Oliver, Committee Chair
Leila Feldman, *Committee Member*
Herlinda Garcia, *Committee Member*
Bruce A. Austin
Sandie Mullins
Carroll G. Robinson
Neeta Sane

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
Margaret Ford Fisher, President, Northeast College
Fena Garza, President, Southwest College
William Harmon, President, Central College
Zachary Hodges, President, Northwest College
Irene Porcarello, President, Southeast College
Betty Young, President, Coleman College
Janet May, Chief Human Resources Officer

OTHERS PRESENT

Amanda Edwards, System Counsel, Bracewell & Giuliani
Michelle Novak, President, Faculty Senate
Ava Cosey, President, COPA
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.

ADJOURNED TO CLOSED SESSION

The Board adjourned to closed session at 3:47 p.m. and reconvened at 4:22 p.m.

(Present: Trustees Austin, Feldman, Flores, Garcia, Oliver, Sane, and Robinson)

Mr. Oliver recessed the meeting at 4:23 p.m. and reconvened at 4:29 p.m.

Mr. Oliver apprised that because he was not present during the closed session, he was yielding to Mrs. Garcia to preside.

AUDIT SERVICES FIRM

Motion – Mrs. Garcia motioned that the Board enlist legal counsel and accompany independent auditors to review only select international programs and other system fund balances as deemed appropriate by the Chancellor. Mrs. Feldman seconded. The motion passed with a vote of 3-0.

REPORT ON HUMAN RESOURCES PROCESSES AND PROCEDURES

Mrs. Byas noted that there an update of the Human Resources processes and procedures is in process.

REPORT ON FINANCIAL PROCESSES AND PROCEDURES

Mrs. Byas informed that there an update of the Financial processes and procedures is in process.

PROPOSED INTERNAL AUDIT DEPARTMENT CHARTER

Motion – Mrs. Garcia moved and Mrs. Feldman seconded.

Mrs. Belinda Brockman apprised that the Board bylaws require that an internal audit department charter is adopted. She recommended adoption of the proposed charter.

Mr. Oliver inquired if the item is in relation to the email received from Board Counsel. Mrs. Brockman noted that the email was regarding the Proposed Audit Committee Charter.

Ms. Edwards informed that a copy of the charter was provided in the material forwarded by Board Counsel.

Mrs. Brockman apprised that the external auditors have certain functions and noted that the bylaws include that the internal auditor would develop an audit plan and operate under the standards for internal auditing.

Mrs. Sane inquired if the new laws passed that was presented by Mr. Hollingsworth have been taken into consideration. Mrs. Brockman asked if the inquiry was regarding HB16. She informed that she is not aware of the presentation provided Mr. Hollingsworth and noted that charter is an outline and noted that she is incorporating all current items in the bylaws.

Mrs. Sane noted that her inquiry was to make certain all the laws recently passed are incorporated in the proposed charter.

Mr. Robinson inquired as to which document corresponds to the back-up information in the agenda book and referenced the 5th item on the internal audit charter. He inquired as to why the word “financial” was removed. Mrs. Brockman informed that the requirement is for all reporting and not just financial reporting.

Mr. Robinson apprised that he would like to make certain that the reporting includes everything and inquired if the bullet could be revised to in “all reporting”.

Vote – The motion passed with a vote of 3-0.

PROPOSED AUDIT COMMITTEE CHARTER

Motion – Mrs. Garcia moved and Mrs. Feldman seconded.

Mrs. Brockman noted that an internal audit plan was approved and informed that the effort is to adopt written procedures by approving the charter.

Mrs. Garcia inquired if the effort is to find solutions to issues that have not been completed. She apprised that there is an Audit Committee that should have been involved in the development of the Audit Committee agenda.

Mr. Austin noted that Board Services inquires if the Committee Chair wants to hold a committee meeting and to provide information on the agenda items.

Mr. Robinson inquired if signing off provides final action at the committee level. Mr. Oliver informed that once approved by the committee, the item is presented to the full Board for approval.

Mrs. Flores referenced page 1 and inquired if the strikeout would remove the item from Board Policy B.1.2.1: The Board may form an Audit Committee to assist the Board in exercising its oversight responsibilities for fair presentation of HCC’s annual financial statement audit and other audit engagements.

Ms. Amanda Edwards apprised that any action taken today that would require conforming changes to the Board bylaws would be address at the next meeting.

Mrs. Flores noted that her concern was that the policy is not removed from the Board bylaws or action taken to restrict future action by the Board. Mrs. Brockman informed that the charter changes were not to make any changes to the Board bylaws.

Vote – The motion passed with a vote of 3-0.

PROPOSED INTERNAL AUDIT WORK PLAN FOR 2014

Motion – Mrs. Garcia moved and Mrs. Feldman seconded.

Mrs. Brockman apprised that the effort was to present a sample outline for the internal audit plan. She noted that the Board will need to approve the internal work plan.

Mrs. Sane inquired of the policy changes necessary to comply with the state laws. She requested that Board Counsel's input be provided to make certain all new requirements by law are included.

Mrs. Feldman clarified that the item is only a report; therefore, no action is required today.

2012-2013 INTERNAL AUDIT REPORTS WITH INTERNAL AUDIT STATUS AND RECOMMENDATION TRACKING REPORT

Mrs. Brockman informed that in light of HB16, the item has been pulled.

INTERNAL AUDIT OF CREDIT CARD USAGE

Mrs. Garcia informed that it is in the benefit of the institution that there is transparency regarding funding usage of the institution.

Motion – Mrs. Garcia motioned and Mrs. Feldman seconded that an audit of all credit card usage in the college should be conducted by the Internal Auditor to include all card usage and limits of card usage.

Mrs. Garcia apprised that the audit should include a review of the following:

- What is status of all credit cards used
- What is the limit and if there is not a limit, one needs to be implemented
- What is the audit period

Mr. Oliver noted that the premise is appreciated regarding the request for the audit. He informed that there is tight policing and apprised that his desire is that the matter is not turned into a witch hunt.

Mrs. Garcia asked that Mrs. Brockman to introduce her team. Mrs. Brockman introduced Susana Rodriguez, Senior Internal Auditor.

Mrs. Garcia noted her recommendation was that Mrs. Brockman and Mrs. Rodriguez would complete the requested audit. She informed that the Chancellor should see that the desired action of the Board moved forward and apprised that any necessary actions are put in place

Mr. Oliver noted that any action will need to be presented to the full Board. He informed that a plan will need to be put in place

Mrs. Byas apprised that an internal audit of the credit card usage is currently underway.

Vote – The motion passed with a vote of 3-0.

Mrs. Byas noted that she would provide the requested information.

ADJOURNMENT

With no further business, the meeting adjourned at 5:05 p.m.

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

Minutes Approved: October 17, 2013