Board of Governor’s Finance and Audit Committee

Wednesday, February 25, 2015
10:30 a.m.
District Office, Building D
Catalina Vista Room D-225

Approved Minutes

Members

Present:
Bert Landau, David Longoria, Jesus Manzanedo, Marie Nemerguth, Tracy Nuckolls, Adrianne Regrutto, Scott Stewart, Nathanael Tarwasokono (Chair), Clarence Vatne, and David Bea (ex officio)

Guests:
Lori Cox and Ina Lancaster

General Matters

Call to Order
Chair Nathanael Tarwasokono called the meeting to order at 10:34 a.m.

MOTION FOR EXECUTIVE SESSION

Motion No. 201502-01
Tracy Nuckolls motioned and Jesus Manzanedo seconded, to conduct Executive Session Pursuant to A.R.S. §38-431.03(A)(2) — Discussion or consideration of records and/or information exempt by law from public inspection and/or required to be maintained confidential.

Vote: All committee members present voted “aye” by voice vote. None were opposed.

The Committee recessed into Executive Session at 10:36 a.m.

Discussion with Internal Auditor’s Office

ADJOURN EXECUTIVE SESSION

The Committee reconvened in open session at 11:25 a.m.

Action Items

Approval of Minutes for Committee Meeting, January 16, 2015
Motion No. 201502-02

Clarence Vatne motioned and David Longoria seconded, to approve the minutes for the January 16, 2015 meeting.

Vote: All Committee members present voted “aye” by voice vote.
Motion CARRIED

(Continued)
Reports

**Internal Audit Plan**
Lori Cox, PCC Internal Auditor, provided an update to the Internal Audit Engagement Plan.

Updates include:
- **Recruitments**
  - Hired full-time senior auditor
  - Hired support specialist
  - Hired temporary auditor
- **Operational Audits**
  - Federal Compliance: Clery Act, in progress
  - Fair Labor Standards Act (FLSA), in progress
  - Health Insurance Portability and Accountability Act (HIPAA), in progress
    - Privacy Officer position is currently vacant
  - Grants Administration and Compliance, scheduled to begin in April
- **Special Reviews**
  - Veteran’s Benefit Compliance Review rescheduled to Spring/Summer 2015; Passed external Veteran’s Administration audit completed in December 2014
  - Title IV Program Review Follow-up Audit, scheduled for late Spring 2015
  - Aviation Controls Follow-up Audit, scheduled for late Spring 2015
  - Contracts and Procurement Follow-up Audit, scheduled for Summer 2015
  - Athletics audit was added by request and is currently in progress
- **Other Services, Duties and Special Projects**
  - FY 2013/14 Carry Over (Contract and Aviation Audit) Completed
  - Compliance Coordination Committee Participation; building comprehensive compliance audit calendar
  - Disaster Recovery/Business Continuity Plan Coordination with IT
  - Governance Special Project Spring/Summer 2015; Governance organization audit will look at governance of the College to promote good ethics and supervisor training college-wide

Committee member Jesus Manzanedo requested to view the Veteran’s Audit results.

Chair Nathanael Tarwasokono commented that high-risk areas should continue to be the main focus of attention for Internal Audit. However, areas that have never been audited should be included in the audit plan at some point. While it is understandable that resources are likely to be limited, Mr. Tarwasokono suggested that the college consider utilization of external resources to obtain necessary audit coverage.

Committee member Marie Nemerguth noted her appreciation for the detailed reports and stated that appropriate resources for the internal auditor’s office are essential.

**Committee Chair Comments**
Chair Nathanael Tarwasokono introduced new members Adrianne Regrutto and David Longoria. Mr. Tarwasokono announced that member William “Bill” Schirmer resigned his seat on the Committee. After a brief discussion the Committee recommended recruiting to fill the open seat. The Committee will review the application materials from the January recruitment during the March 20, 2015 Committee meeting for recommendation to move forward with the selection or to re-open the recruitment. Committee members were asked to review the Committee Charter prior to the next meeting to help determine what expert background the new member should possess.

(Continued)
In preparation for review of the Charter during the March meeting, the Committee was asked to review the Committee objectives.

CFO Executive Summary Updates

Preliminary Fiscal Year 2014-15 results through November 2014
Dr. David Bea provided a brief discussion of the financial statements that are presented to the Board of Governors for the period ending November 2014.

State Budget Update and Legislative
Dr. David Bea shared his concerns with decreased enrollment and the impact it is having on tuition and fees and the expenditure limit. Dr. Bea spoke about House Bill 2442, which would require actual enrollment figures rather than the current projected/estimated enrollment. The College is working with Justin Olson, sponsoring legislator, to propose an amendment that would use actuals at the peak from the past 10 years, for five years after which the enrollment is reset at the peak of the prior five year period.

The College is implementing a Marketing Plan to help increase enrollment efforts over the next several months, but it is noted that all PCC employees need to be responsible for enrollment, student retention, superior customer service, and improvement in follow-up.

Data Security
Dr. David Bea updated the Committee on the College’s data security:
- The college is protected from the Internet by both firewalls and Intrusion Prevention Systems.
- All desktop and servers run Anti-virus software that is updated multiple times a day.
- The datacenter is protected by a second set of firewalls that further restrict access to Pima data to authorized systems.
- VPN access is heavily restricted and requires two factor authentication.
- Pima Banner databases and all laptops are encrypted.
- Backups of data take place every night
- Access to internal Pima wireless is protected by WPA2 authentication and encryption.
- Computer Incident Response Team (CIRT) responds to all computer security incidents

Chair Nathanael Tarwasokono requested the vice chancellor of IT attend a future meeting to discuss Disaster Recovery and to answer data security questions from committee members.

Future Agenda Items
- Prep for Presentation to the Board
- Budget to Actuals Report
- Updated/revised ratio charts and budget to actuals summary
- Charter Review

Adjournment
Meeting adjourned at 12:08 p.m.

Next Meeting:
Friday, March 20, 2015 at 9:00 a.m.

Crystal Wheeler, Support Coordinator to EVC for Finance and Administration