
AUDIT AND BUDGET COMMITTEE MINUTES

Coast Community College District
Audit and Budget Committee
June 4, 2024
Board Office Conference Room

1. Call to Order

The meeting was called to order at 2:03 p.m.

2. Roll Call

Trustees Present: Trustee Mary Hornbuckle
Trustee Jim Moreno

In Attendance

Whitney Yamamura, Chancellor
Marlene Drinkwine, Vice Chancellor of Finance and Administrative Services
Andreea Serban, Vice Chancellor of Educational Services and Technology
Rupa Saran, Chief Information Technology Officer
Daniela Thompson, Executive Director of Fiscal Services
Christine Nguyen, Vice President of Administrative Services, CCC
Rich Pagel, Vice President of Administrative Services, OCC
Rick Hicks, Acting Vice President of Administrative Services, GWC
Rachel Kubik, Director of Business Services, OCC
Stephanie Martinez, Director of Business Services, GWC
Rachel Snell, Director of Internal Audit
Araceli Alvarez, District Budget Director
Debbie Franklin, Accounting Analyst
Ricky Goetz, Board Secretary

Guests

Alicia Herrera, Eide Bailly
Ryan Milligan, Eide Bailly

3. Opportunity for Public Comment

There were no requests to address the Audit and Budget Committee.

4. Approval of Minutes: Meeting of February 13, 2024

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to approve the minutes of the February 13, 2024 meeting.

Motion carried with the following vote:

Aye: Trustees Hornbuckle and Moreno
No: None
Abstain: None
Absent: None

5. Internal Audit Quarterly Report

District Director of Internal Audit Rachell Snell provided the Internal Audit update.

Projects completed included OCC Veteran's Resource Center: Objective 3 Environmental Health and Safety and Physical Security, Fixed Assets Self-Report Follow Up: Implementation Status of 5 outstanding recommendations remain incomplete for more than 10 years, and FY 2024-2025 Strategic Audit Plan.

Projects in progress included Districtwide Foundation Operations Review: Reporting, CCC Gift Cards—Student Services: Reporting, OCC Veteran's Resource Center: Intake Process and Grants/Budget/Funding, CCC EOPS: Planning, Facility Fee Waivers, External Audit Liaison: Ongoing, and Record Management—Internal Audit files Ongoing.

Continuing services included Retirement Board, Vice Chair and District Consultation Council BP/AP Subcommittee member.

A full report of Internal Audit projects would be presented to the Board of Trustees at the June 18, 2024 Board meeting.

6. Interim External Audit Progress Report

Ryan Milligan and Alicia Herrera of Eide Bailly provide an overview and status of the ongoing internal audit. Discussion topics included:

- Independent Auditor's Report and Opinion
- Report on Compliance and Internal Controls with Federal Guidelines
- Report on Compliance with State Guidelines
- Implementation of GASB 100 Accounting Standards
- Planning Communications
- Components of the Audit and Risks to Address

The interim audit visit took place on April 29, 2024. The goal was to review policies and procedures to verify adequate controls are in place to ensure the financial statements are free of material misstatement and to begin initial analysis and review of Federal and State programs. Upcoming fieldwork scheduled included student financial aid compliance in July and an audit of balance sheets for the District and auxiliary organizations in August and September. The draft audit report will be presented to the committee in October for acceptance to advance to the Board of Trustees in November.

7. District and State Budget Updates

Vice Chancellor Marlene Drinkwine provided an update on the State and District budgets. Discussion topics included:

- Governor's January Proposal of the 2024-25 Budget
- Proposal of the 2024-25 Budget Plan to Address the Deficit
- Impact of the May Revise Expansions and Reductions
- Multi-Year Projections Adjusted for the FSP
- Next Steps

Highlights of the January Proposal addressed declines in state revenues and a projected deficit of \$38 billion. Plans to address the anticipated deficit included spending from reserves, delayed funding, deferrals, borrowing from special funds, sweeping unused funds, reducing programs and use of stabilization funds. The May revise reported shortfalls of \$45 billion in FY25 and \$28.4 billion in FY26 with depletion of the Rainy-Day Fund. Significant reductions and expansions identified in the May revise would drive the framing of the tentative budget and continued implementation of the Fiscal Stability Plan.

8. Governance Planning Letters

Alicia Herrera of Eide Bailly provide background and details of the governance planning letters presented. Items identified in the letters were significant risks for District entities included in the audit. If any additional risk areas are identified during the audit, the findings will be brought forward.

9. Future Agenda Items

No new items.

10. Next Meeting Date

The next meeting was scheduled for Tuesday, November 12, 2024 at 2:00 p.m.

11. Adjournment

The meeting was adjourned at 3:00 p.m.



Richard Goetz
Secretary of the Board