
AUDIT AND BUDGET COMMITTEE MINUTES

**Coast Community College District
Audit and Budget Committee
August 29, 2024
Board Office Conference Room**

1. Call to Order

The meeting was called to order at 2:00 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
Daniela Thompson, Executive Director of Fiscal Services
Steve Kim, District Controller
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
Derek Bui, Director of Business Services, CCC
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

Bill Rauch, Eide Bailly
Ana Krdilyan, Eide Bailly

3. Opportunity for Public Comment

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

4. Approval of Minutes: Meeting of June 4, 2024

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to approve the minutes of the June 4, 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 Districtwide Foundation Operations Review: Best Practices Review for Foundations, CCC EOPS: Assistance Project with recommendations for business process improvement related to review of student applications for additional aid, Facility Fee Waivers: Recommendations to management for improvements to BP 6700 Civic Center and Other Facility use, Records Management Request for Destruction: Request to send to the Board at 2nd Board meeting in September, Internal Audit Website updates aligned with language from the new audit standards, updated to allow language translation, and updated anonymous reporting form.

Projects in progress included Changes to Audit Plan, OCC Veteran's Resource Center: Intake Process and Grants/Budget/Funding, External Audit Liaison: Ongoing, Record Management Internal Audit files Ongoing, Anonymous Reporting/Hotline Updates: Implement recommendations related to Hotline Reporting, Follow up audit on selected recommendations issued by Internal Audit (HR Investigation from Sept 2015), Align audit work plan with new standards released by the Institute of Internal Auditors effective January 2025, Review Internal Audit Board Policies and Administrative Procedures, as well as department policies and procedures, OCC Swap Meet—Compliance Officers.

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 September 18, 2024 Board meeting.

6. External Audit Progress Report

Bill Rauch of Eide Bailly provide an update of the status of the ongoing internal audit. Discussion topics included:

- The summer audit of Student Financial Aid and Admissions and Records was completed with no issues or findings.
- Audit procedures for the District have started with the close of FY2023-24. Current focus is on campus activity, Enterprise Corp., and the College Foundations.
- The next area of focus will be on the District Foundation.

- Draft reports will be provided to management in the coming weeks and subsequently presented at the next Audit and Budget Committee meeting.

7. State Budget Update

Topic covered in the adopted budget discussion.

8. District Adopted Budget Discussion

Vice Chancellor Marlene Drinkwine provided an overview of the proposed Adopted Budget for FY 2024-25. Discussion topics included:

- 2023-24 Budget Recap
- 2024-25 State Budget
- District 2024-25 Adopted Budget
- Education Protection Act

State revenues have significantly declined, resulting in the exhaustion of safety nets; funding of baseline obligations in future years is uncertain; and there is potential for current year funding shortfalls. It is expected that District ongoing unrestricted expenditures will exceed ongoing unrestricted revenues in 2024-25; deficit spending is expected based on current staffing cost structure; and some restricted and auxiliary operations may require contributions from the Unrestricted General Fund to preserve services. The Fiscal Stability Plan is critical to reducing deficit spending in one-time and ongoing capacities.

Director Daniela Thompson reported that open liability is currently 94% funded. Once fully funded, the annual contribution would cease. With current performance, it is anticipated to generate revenue to pay for itself.

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 3:02 p.m.



Richard Goetz
Secretary of the Board