

---

**Finance and Facilities Committee  
also Sitting as the Audit Committee  
MINUTES**

**Trustees Present:**

Vince Jones, Chair  
Jessica Gomez

Nagi Naganathan, President  
Grace Rusth

Mike Starr  
Paul Stewart

**University Faculty and Staff Present:**

Brian Fox, VP of Finance and Administration  
Dave Groff, Legal Counsel  
Tom Keyser, Dean of the ETM College  
Stephanie Pope, AVP of Budget and Resource Planning  
Di Saunders, AVP Marketing, Communication, Public Affairs

**Others Present:**

Trever Campbell, Kernutt Stokes (via Skype)  
Haley Lyons, Kernutt Stokes (via Skype)

**1. Call to Order/Roll/Declaration of a Quorum**

**Chair Jones** called the meeting to order at 8:02am. The Secretary called roll and a quorum was declared.

**2. Consent Agenda**

**2.1 Approval of Minutes of the May 30, 2019 Meeting**  
With no amendments, the meeting minutes stand as published.

**3. Reports**

**3.1 Fiscal Operations Advisory Council**  
No report was given.

**3.2 Finance, Facilities and Audit Status Update: Fiscal Year 2019 and Quarter One Fiscal Year 2020 Report**

**VP Fox** and **AVP Pope** explained the quarterly management report in the agenda packet focusing on the impact of enrollment and retention. **AVP Pope** noted OMIC was not included in the current year report because it now has its own report but it was included in quarter four of the previous year. Discussion regarding impacts on the university's budget

including HECC's funding formula, the new process to review hiring proposals, enrollment and retention. There was a request to talk about ratios at the next board meeting and to include a line chart with upper and lower control limits on the dashboard.

#### 4. Action Items

##### 4.1 Recommendation to the Full Board Approval of Fiscal Year 2021 Budget Development Principles

**VP Fox** explained the proposed budget development principles proposed by the Fiscal Operations Advisory Committee and reviewed by senior leadership, budget process and timeline. He noted that the budget process is still relatively new and changing. Faculty are brought into the process as each department is engaged in building its budgets and through the shared governance of FOAC. **President Naganathan** noted the first principle should identify that the operational budget will be balanced; allowing the board to make any investments above that budget.

**Trustee Starr moved to recommend the full board approve the fiscal year 2021 budget development principles. Trustee Stewart seconded the motion. With all trustees present voting aye, the motion passed unanimously.**

##### 4.2 Approval of FY 2020 Committee Work Plan

**VP Fox** explained the changes to the current committee work plan including the delay of tuition setting to the May meeting and addressing an expense ratio analysis to see where we are in comparison to other institutions, in March. He outlined the work plan for next year.

**Trustee Rusth moved to approve the FY 2020 Committee Work Plan as presented in the agenda. Trustee Gomez seconded the motion. With all trustees present voting aye, the motion passed unanimously.**

##### 4.2 Accept the Internal Audit: Audit Follow-Up Report

**Mr. Campbell** and **Ms. Lyons** reviewed the PowerPoint via skype and addressed the audit follow-up report, project completion reports, current projects, and a review of the Fraud, Waste and Abuse Ethics Hotline cases. **Ms. Lyons** noted management has not responded to the faculty workload audit findings, and the second slide of the 2018-19 Project Completion Report should show that management is refining responses to the findings for OMIC's audit; so it too is not yet complete. It was clarified that a more detailed report of the Fraud, Waste, and Abuse Ethics Hotline is completed annually and the majority of complaints have not risen to the level of the board. **Counsel Groff** offered to debrief the full board about hotline issues in an executive session, if the Chair requests.

**Trustee Stewart moved to accept the Internal Audit: Audit Follow-Up Report. Trustee Starr seconded the motion. With all trustees present voting aye, the motion passed unanimously.**

#### 5. Discussion Items

##### 5.1 Internal Audit Structure

**VP Fox** reviewed the PowerPoint presentation identifying various internal audit structures and the pros and cons to assist the committee's and board's future discussion and action

on internal audit functions. Discussion regarding the centralization of internal auditing and other functions for all universities to reduce costs.

**6. Other Business/New Business - none**

**7. Adjournment**

**The meeting was adjourned at 9:54am.**

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sandra Fox', with a stylized flourish at the end.

Sandra Fox  
Board Secretary