

**AUDIT COMMITTEE MINUTES
AUGUST 30, 2010**

Present: Elizabeth Black, Richard McGrath, Lynn Kiraly, David Grackin, Patty Nelson (Sheahan and Co.)

Ms. Nelson presented several documents for the committee to review:

1. Draft report of the internal audit findings for 2009-2010 fiscal year.

The committee reviewed this report and will direct any comments to Mr. Grackin and Ms. Nelson. The plan is to give the report to the full Board in September. Ms. Nelson will present sometime in October. It is the opinion of the internal auditors that the procedures of the CSE and CPSE meetings are excellent. There were some issues about how access is given to employees and certain contractors in IEP direct. These issues have been resolved by the Executive Director.

2. Ms. Nelson distributed a Risk Assessment Matrix. This document summarizes the areas of investigation and reporting that have been reviewed since 2006 and those areas that could be reviewed. She discussed areas of potential risk. The committee discussed possible areas to assign Sheahan and Co. to investigate. The areas are:

- a. Homeless Students- compliance and record keeping
- b. Overtime Authorization
- c. Student attendance recordkeeping
- d. Facilities use- Are we capturing all billable amounts?
- e. Health insurance eligibility; COBRA eligibility and calculation of COBRA amounts; health insurance buy backs eligibility and controls
- f. Employee Benefits with specific attention paid to separation payments
- g. Use of accrued sick time to offset health insurance premiums in retirement (ERS employees only)