

COLUMBUS STATE COMMUNITY COLLEGE  
Board of Trustees Committee of the Whole  
Franklin Hall Board Room  
September 16, 2004

**MINUTES**

Present:

Dwight E. Smith	Dr. Michael Snider
Suzanne Stilson Edgar	Hamid Danesh
Paula A. Inniss	Will Kopp
William A. Antonoplos	Dr. Deborah Coleman
Priscilla D. Mead	Tim Wagner
Michael C. Keller	Terri Gehr
Matthew G. Kallner	Jeanne Patton
Dr. Val Moeller	Vivian Hill, Ex Officio Student

Guest: Dennis Obyc, Auditor (Crowe, Chizek and Company LLP)

Mr. Dwight Smith, Chairman of the Board, called the meeting to order.

**(1) Presentation by Auditor**

Chairman Smith introduced Dennis Obyc, the college's auditor, who was invited to speak to the Board about the Sarbanes-Oxley Act of 2002 and new auditing standards related to fraud (Auditing Standard No. 99). Mr. Obyc explained that these regulations were promulgated as a result of instances of fraud in financial reporting which have been well publicized over the last few years. These new auditing standards emphasize that auditors should positively consider the potential for fraud when reviewing a company's financial records and procedures. The auditors have the responsibility to perform an audit which gives reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud.

Auditors now must look for areas where fraud could take place, and then build in safeguards. Management is responsible for designing and implementing systems and controls to prevent, deter, and detect fraud. The college's Board of Trustees must have a procedure in place to lessen the risk of fraudulent activity occurring, and it is recommended that they have an established Audit Committee.

Internal auditing is also an area that needs to be addressed. It is considered preferable to outsource the internal auditing function rather than having an in-house individual performing this function. Columbus State will be pursuing the hiring of an outside firm to conduct an internal audit.

In light of these new auditing standards, the college is proposing that a new Fiscal Oversight policy be put in place to address the concerns outlined in the above-named documents.

(2) **New Policy No. 1-13 (Fiscal Oversight)**

The college is requesting that the Board of Trustees approve new Policy No. 1-13 (Fiscal Oversight) as attached [*see Attachment A*] to be effective October 1, 2004.

*The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.*

(3) **New Policy No. 3-38 (Transitional Work Program)**

The purpose of this proposed policy is to establish a program that would transition injured or disabled employees back to work in a structured manner that would minimize the amount of time off work as well as shorten the recovery period. The development of this program was funded by a \$50,000 grant from the Ohio Bureau of Worker's Compensation and a \$35,000 workforce development grant. Drafts of the proposed policy were approved by the two unions on campus and by the Staff Advisory Council. The college is requesting that the Board of Trustees approve new Policy No. 3-38 (Transitional Work Program) as attached [*see Attachment B*] to be effective October 1, 2004.

*The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.*

(4) **Emeritus Status for Joan W. Freeman**

Dr. Moeller advised that Joan Freeman was a valued employee of the college for 16 years, retiring as the Administrator of Off-Campus Programs. She is highly recommended for the honor of emeritus status.

The college is requesting that the Board of Trustees grant emeritus status to Joan W. Freeman effective October 1, 2004.

*The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.*

**(5) Personnel Information Items**

There was no discussion of the personnel information items. They are presented to the Board for information only.

*The Committee of the Whole agreed to refer this item to the Board of Trustees for information.*

**(6) Financial Statements**

Ms. Terri Gehr, Sr. V.P. for Business and Administrative Services, reviewed the financial statements, pointing out that revenues are down about a million dollars because Summer Quarter enrollment is down about 8 percent compared to last year, and we had projected a one percent increase. She also pointed out that the Balance Sheet (Exhibit A) under Accounts Receivable is now reflecting revenues from tuition at the time the students register, not when they pay.

Two of the bond-funded projects (Exhibit C-1) have been completed: the Aquinas Hall renovation to accommodate the Counseling Center, and the 366/370 N. Grant building which is now an art studio. Ms. Gehr also briefly reviewed the budgets for the bookstore, the Child Development Center, the golf course, and the President's Discretionary Fund.

It was pointed out that the golf course property is currently involved in a legal determination as to real estate tax liability. A recent ruling of a real estate tax exemption is being appealed to the Ohio Supreme Court. Taxes on the property would be \$25,000 per year.

The cash flow report in Exhibit F reflects a large cash disbursement, which is our recent purchase of property in Delaware County for a second campus.

The college is requesting that the financial statements as of and for the two months ended August 31, 2004, be accepted as presented.

*The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.*