

May 20, 2010

10-099

APPROVE TECHNICAL CORRECTIONS TO BOARD
OF DIRECTORS AUDIT COMMITTEE CHARTER

PREPARED BY: Randy McEwen, District Vice President
Wing-Kit Chung, Vice President, Administrative Services

APPROVED BY: Dr. Preston Pulliams, District President

REPORT: The Board approved the charter for the Board Audit Committee on 18 February 2010 by Resolution 10-065. Upon further review the charter might be so specific as to inappropriately bind future PCC Boards of Directors on how the Board or the committee will accomplish certain actions. It is staff's opinion that those decisions are more appropriately left to the particular Board at the time those decisions need to be made.

RECOMMENDATION: Approve technical corrections to the Board of Directors Audit Committee Charter, as noted in Attachment A to this resolution.

10-099 Attachment "A"

Charter of the Audit Committee Board of Directors Portland Community College

Mission

The Audit Committee of the Board of Directors of Portland Community College is established by resolution to assist the Board in fulfilling its oversight responsibilities relating to:

- Integrity of the College financial records including the financial statements
- Retaining the independent (external) auditor and assuring qualifications and independence
- Ensuring the independence and performance effectiveness of the external and internal audit functions
- Sufficiency of the system of disclosures and internal controls regarding finance, accounting, legal compliance and ethics as established in Board policy
- Operational performance of the College, particularly with regard to the business risks for the College and the sufficiency of the College's risk mitigation programs

Status

The Audit Committee is a committee of the Board of Directors as a whole

Membership

The Audit Committee is comprised of four members. Two members are members of the Board of Directors. Two members are citizens residing in the College District

The term of membership is four years.

Members may serve two consecutive terms.

Committee members from the PCC Board will be designated by the Board through resolution.

Committee members from the District will be appointed by the Board. Citizen members will be appointed by the Board through resolution.

The goal is that committee members have financial management expertise sufficient to fulfill their responsibilities, as determined by the PCC Board as a whole.

One of the Board members on the committee shall be designated as Audit Committee Chair by Board resolution.

The District President will be an ex-officio member of the committee, in order to ensure effective staff support for the committee's efforts.

10-099 Attachment "A"

Meetings

The Audit Committee will meet at least twice annually:

- To hear and comment on the Annual Audit Plan(s) as proposed by staff and the external and internal auditors. At this meeting the Committee may provide recommendations as to particular areas of focus for the upcoming audit activity. Both College staff (as designated by the District President) and the external audit firm's partner-level audit principal will attend.
- To hear and comment on the draft Annual Audit Report as prepared by the external audit firm prior to its submission to the College Board of Directors. To also hear and comment on the Annual Internal Audit Report prepared by the internal auditor prior to its submission to the College Board of Directors.

The Audit Committee will report out on its meetings at the next regular meeting of the Board as a whole.

The Committee may consider an additional meeting to review and comment on the College's proposed Consolidated Annual Financial Report (CAFR).

The committee may call special committee meetings with the concurrence of three of the four committee members, and with the concurrence of the Board of Directors.

Authority

The Audit Committee is an advisory committee to the Board of Directors and has no independent authority not granted to it by resolution of the Board of Directors.

As a committee of the Board, the Audit Committee does not possess management control authority over College staff, nor does it have supervisory authority over the external or internal audit functions.

Specific Responsibilities:

The committee shall:

- Review external and internal audit plans and results and make recommendations to the Board prior to their submission to the Board as a whole
- Report to the Board its findings and opinions regarding the College response to the internal and external audit results
- Review specific areas of future external audit focus for consideration, and recommend specific areas of future internal and external audit focus for consideration by the District President and Board of Directors

Sunset

The Audit Committee may be dissolved by resolution of the Board as a whole.

10-099 Attachment "A" Redline

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Committee members from the District ~~are~~ will be appointed by the Board. ~~based on a public "request for participation" prepared by the Board. Interested citizens will be interviewed by the Board and~~ Citizen members will be appointed by the Board through resolution.

~~If permitted by the qualifications and experience of members of the PCC Board of Directors who might serve on this committee, three of the four~~ The goal is that committee members ~~must~~ have financial management expertise sufficient to fulfill their responsibilities, as determined by the PCC Board as a whole.

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Portland Community College does not tolerate unlawful discrimination based on race, color, religion, ethnicity, use of native language, national origin, sex, marital status, height/weight ratio, disability, veteran status, age or sexual orientation in any area, activity or operation of the District. In addition, the college complies with the Civil Rights Act of 1964 (as amended), related Executive Orders 11246 and 11375, Title IX of the Education Amendments Act of 1972, Sections 503 and 504 of the Rehabilitation Act of 1973, USERRA – Uniformed Services Employment and Reemployment Rights Act, and all civil rights laws of the City of Portland and the State of Oregon. Accordingly, equal opportunity for employment, admission, and participation in the college's benefit and services shall be extended to all persons, and the college shall promote equal opportunity and treatment through a positive and continuing affirmative action plan.