

**BOARD OF TRUSTEES AUDIT COMMITTEE MEETING
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOLS**

**District Office
1601 South Lamar Street
Lower Level, Room 007
Dallas, TX 75215
Tuesday, December 21, 2010
3 PM**

AGENDA

1. Certification of Posting of Notice of Meeting Wright Lassiter

2. Presentation of Letter from Independent Auditors to the Audit Committee of the Board of Trustees McConnell & Jones, LLP
Committee action: Review

3. Presentation of *Financial Statements and Office of Management and Budget Circular A-133 Supplemental Financial and Compliance Report Together with Reports of Independent Auditors, August 31, 2010 and 2009*, and, Internal Control Letter to the Board of Trustees (as provided by Board of Trustees policy CDC-Local) Ed DesPlas
Committee action: Review and recommend for presentation to Board of Trustees at the Special Board Meeting on December 21, 2010

4. Change to Investment Policy Ed DesPlas
Committee Action: Review and recommend for presentation to Board of Trustees at regular business meeting on January 4, 2011

5. Presentation of *Quarterly Summary of Activities for the Quarter Ended November 30, 2010* (as provided by Board of Trustees policy CDC-Local) Rafael Godinez
Committee action: Review

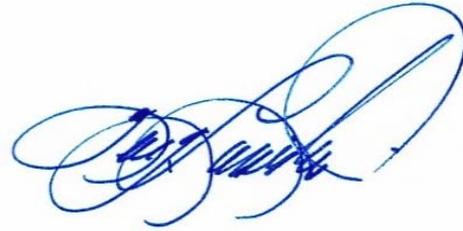
6. Chancellor's Quarterly Report of Travel Kathryn Tucker
Committee action: Review

7. Adjournment

CERTIFICATION OF POSTING OF NOTICE DECEMBER 21, 2010

**AUDIT COMMITTEE MEETING OF THE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOLS
BOARD OF TRUSTEES**

I, Wright L. Lassiter, Jr., Secretary of the Board of Trustees of the Dallas County Community College District, do certify that a copy of this notice was posted on the 17th day of December, 2010, in a place convenient to the public in the District Office Administration Building, and a copy of this notice was provided on the 17th day of December, 2010, to John F. Warren, County Clerk of Dallas County, Texas, and the notice was posted on the bulletin board at the George Allen Sr. Courts Building, all as required by the Texas Government Code, §551.054.



Wright L. Lassiter, Jr., Secretary

4. Change to Investment Policy

It is recommended that the Board amend CAK(LOCAL) only as follows:

Effective date: January 4, 2011

APPROPRIATIONS AND REVENUE SOURCES INVESTMENTS

CAK
(LOCAL)

“AUTHORIZED INVESTMENTS INSTRUMENTS

The College District may make investments only in the following types of instruments:

1. Treasury bills, treasury notes, and treasury bonds of the United States and other direct obligations of the agencies and instrumentalities of the United States as permitted by Government Code 2256.009.
2. Fully collateralized repurchase agreements and reverse repurchase agreements permitted by Government Code 2256.011.
3. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
4. Public funds investment pools as permitted by Government Code 2256.016.
5. A securities lending program as permitted by Government Code 2256.0115.
6. No-load money market mutual funds as permitted by Government Code 2256.014.
7. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
8. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a

nationally recognized investment rating firm
not less than AA or its equivalent;
Government Code 2256.009(a).

Investment in any and all types of derivatives is prohibited.

All investments are prohibited unless expressly described in this policy in the section,
**AUTHORIZED INVESTMENTS
INSTRUMENTS**, which are made in conformity to the Public Funds Investment Act.”

5. Presentation of *Quarterly Summary of Activities for the Quarter Ended November 30, 2010*

TO: Audit Committee of the Board of Trustees

FROM: Rafael J. Godinez, CPA

DATE: December 3, 2010

RE: Quarterly Summary of Activities for the 1st Quarter Ended November 30, 2010

The following is a summary of activities by the DCCCD Internal Audit Department during the first quarter of Fiscal Year 2011.

AUDITS COMPLETED – Reports Issued

- Police Officers Continuing Education

The purpose of the audit was to verify that all District police officers were compliant with continuing education regulations as specified in the rules handbook of the Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE). Officers are required to complete 40 hours of continuing education every two years and fire arms qualification at least annually. Based on TCLEOSE training records reviewed for the two year period ended August 31, 2009, only three officers did not fully meet the continuing education requirement. These have all been addressed and training completed as of the issuance of this report.

- Carl D. Perkins Grant

The purpose of the audit was to determine compliance with all federal regulations per sections A-110 and A-133, as well as provisions and objectives of the Perkins grant for the academic year 2009-10. The Perkins grant provides assistance to qualifying career and technical education students. This may be accomplished through the purchase of equipment and expenditures for operating costs. Funds may also be used to provide childcare, instructional materials, counseling materials, and teaching aids for students with the intention of becoming career and technical education students. Based on the audit work performed, Perkins funds utilization was in compliance with federal regulations and grant provisions.

- Cashiering Function Controls

The purpose of the audit was to determine compliance with District Business Office procedures pertaining to the activities of cashiering including collecting, recording, securing, depositing, verifying and reconciling of cash. Testing included site visits to all business offices and selection of transactions for the

academic year ended August 31, 2010. As a result of the observations made during the audit, a recommendation was made at two colleges to review and limit as to who has access to the safe in the business office. A recommendation was made at two other colleges as to the frequency of counts and verification of cash held at locations outside of the business office. No other areas of non-compliance were noted during the course of the audit.

- College Cost Reduction and Access Act (CCRAA) Science Technology Engineering Mathematics (STEM) Grant

The CCRAA STEM grants were awarded to El Centro College and Mountain View College for the two year period ended September 30, 2010, since both institutions qualified as Hispanic serving institutions. The purpose of the audit was to determine expenditures were in compliance with grant provisions as well as federal regulations. Based on the audit work performed and the reporting to the cognizant agency, El Centro met or exceeded the goals and objectives of the grant. Mountain View College fell short of the goals but has been granted a one year extension for corrective actions which will lead to meeting the required outcomes.

AUDITS COMPLETED – Reports Pending

All audit work has been completed on the following audits and the reports are pending final responses from the applicable locations' management.

- Official Functions Expenditures

AUDITS IN PROGRESS

The following audits are currently in various stages of progress:

- IT General Controls Review
- Non Teaching Extra Service Payments

cc Wright Lassiter
Ed DesPlas