

actually provided; such as the staff worked on a project, providing the necessary time to accomplish the tasks, but Mr. Renick said there is no documentation to this end. The issue is not that they did their part of the agreement but rather that the documentation does not show support of what they did. How can the college determine that the college got all that was agreed to?

President Bonaudi said that one of the things the college relies on the State Auditor's office for is to help us understand how to remedy any situation you see that requires correction. What could be done differently or what is still in existence that could help mitigate this issue?

Mr. Renick said if CWU is willing to provide the necessary documentation his office would be happy to look at it. Monitoring agreements is the theme here – there should be one individual responsible for monitoring the contracts and insuring they have seen sufficient documentation that the college got what it expected to get. It doesn't necessarily mean there can't be some compromise between the two parties in the agreement but proper documentation is still needed. The auditors look at what commitment existed between the parties and did they deliver in order to determine that both parties met their side of the agreement. In the future, it might be good to make for more wiggle room but in this case there is a specific amount stated, which requires proper assurances that the full amount was provided. This requires better auditing on the part of the college. President Bonaudi assured the auditors that Big Bend will work hard to resolve this issue. He asked if there is an error in the interagency agreement instrument being used or should there be more specific language? Mr. Renick said the instrument currently being used is fine.

Ken Turner, VP Administrative Services, said the \$600,000 was a state allocation to CWU and there appears to be no problem with the BBCC's reimbursement requests to CWU. A large portion of the allocation in the interagency agreement is for movable equipment and furniture, which has been monitored by CWU. The agreement reflects an estimate (i.e. wiggle room) and states specifically that CWU, Bill Yarwood, will be responsible for monitoring their part of the project. VP Turner reiterated that the movable equipment and furniture belongs to CWU. Mr. Renick asked why BBCC would enter into an agreement with CWU to provide an estimate of a certain amount of money.

VP Turner said the \$600,000 came in after the ATEC building had been designed. This resulted in a large change order to include CWU's needs, which meant that Big Bend required reimbursement of \$184,000 for the changes to the building. CWU required a lot of furniture and equipment for the ITV equipment/cabling, etc., and we had initially thought the \$600,000 would purchase more equipment and furniture than it did.

Mike Blakely noted that what BBCC owed CWU is well accounted for and clarified that it is what CWU owes Big Bend that has become the issue. It seems to him the auditors would want to take this matter up with CWU, since this is a negotiated agreement based on an estimate. Mr. Renick said the estimate is not the problem – it's the fact that an inventory is referenced but the audit team could not find an inventory. VP Turner stated that CWU has its own inventory. Mr. Renick asked why the two agencies entered into an agreement, if that's the case. VP Turner said as CWU expended the funds, it was agreed they would stay within the established décor of the building and apprise Big Bend of the furnishings they purchased; however, they had specific needs and they designed their area accordingly.

Ms. Stuber said the purpose of the agreement was to provide compensation to BBCC. Mr. Renick asked if the intent of the contract is different than the agreement. VP Turner said the two parties entered into an agreement to construct a University Center. Mr. Renick said there seems to be a problem with the

language as it sounds like there is more to the agreement than what the language is saying, which is what the auditors are commenting on since they audit to what they can see and not intent.

VP Turner noted that Big Bend does not have authority to monitor a CWU allocation but Mr. Renick said the college does have that authority if it enters into a contract with them. VP Turner said then there is a problem with the agreement as it does not specifically state that. Mr. Blakely commented that Big Bend cannot or should not speak for CWU.

Ms. Stuber said the audit team audited to the language in the contract and looked at the additional underlying concern that the CWU contract has expired and rent has not been collected. What if CWU removes their presence on the Big Bend campus? At this point we can't establish who owns the movable equipment and furniture. There needs to be more control of the language in the contract. Mr. Renick added that had reference been made to the movable goods in the agreement then there would not have been a need to talk about the dollars as it could have been mutual aid with future amendments about the dollars.

Mr. Renick said this issue could be settled if CWU will help to identify inventory expenditures. Their inventory listing is critical at this point and he would like to see where CWU claims they have internal expenses themselves and did they really track this internally. President Bonaudi said he was sure CWU will come forth with the requested documentation.

Mr. Renick reiterated that the audit finding is still a draft and this discussion is a good starting point to resolve the issues at hand. Mr. Ramon clarified that what the college needs to do is to be more specific in the language of expectations and identify someone to be responsible to monitor the contract/agreement. Mr. Renick confirmed this statement.

VP Turner said it is very clear to both BBCC and CWU that if CWU should leave the Big Bend campus they would take all the movable stock they purchased. There is ongoing discussion about the agreement with CWU to have them turn over ownership of equipment and furniture to BBCC, but this has not been settled yet.

Ms. Stuber said the Management Letter references the same concern but from a different perspective. The auditors found fees not collected for ATEC rentals according to the original contract and were not specifically stated for such services as outside security, clean up, etc.

Ms. Stuber reviewed the four exit item recommendations:

- Recommend the college develop a board approved student athlete travel policy - the college has a per diem rate for student athletes but no policy that governs how much is paid out and no tracking process to insure the student received the funds.
- Recommend students receive a receipt for cash purchases made at the student dining facilities – there is currently no established way to determine what the student purchased.
- Recommend students are required to approve purchases on accounts through pin number or student card.
- Recommend the college monitor contracts to ensure that amendments to contracts agree with the original RFPs. This contract had a couple of extensions since 1999 and then an amendment to continue it for 10 years which was not included in the original RFP.

Mr. Ramon received the draft of the Audit Finding and instructions.

Mr. Renick said the management letter is an official document but his office is willing to work with the college to resolve the issue mentioned in the finding. President Bonaudi said he appreciated the open dialogue and the opportunity to address the issue as completely and accurately as we can.

Mike Lang, VP Instruction/Student Services, asked if the student athletes are not signing off on what they receive. Ms. Stuber said the process is in place but is not applied consistently. Mr. Renick said a policy should be in place to set a standard rate for all student athletes.

Mr. Blakely asked how the audit for Big Bend compares to the majority of other state agency audits. Mr. Renick said the audits for Big Bend have been very good during the seven years he has been associated with this audit region.

Mr. Ramon asked about the Board's compliance with the Open Public Meetings Act and Ms. Stuber said there were no problems in this area and the college is in compliance.

Mr. Renick noted that all the other areas of the audit were very good.

Mr. Ramon adjourned the special Board meeting at 9:40 a.m.

Felix Ramon, Chair

ATTEST:

William C. Bonaudi, Secretary