

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE
Los Angeles Trade-Technical College
South Campus Technical Building—Room TE 101
400 W. Washington Boulevard
Los Angeles, California 90015
Wednesday, November 2, 2011
10:30 a.m. – 12:00 p.m.**

Committee: Scott Svonkin, Chair; Steve Veres; and Nancy Pearlman

Trustee Svonkin called the meeting to order at 10:32 a.m. All members were present.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS

Buying Locally

A document entitled “Procurement Practices Buying Green/Local” was distributed.

Trustee Svonkin indicated that the handout did not address his request to buy locally.

Ms. Camille Goulet responded that the Board was provided with a memo that analyzed legal issues related to buying green/locally. She discussed the Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) and California Proposition 209 with respect to the following legal issues related to buying locally—Public Contracting Law, bidding processes, and equal opportunity for local, small, and emerging businesses.

Trustee Veres requested that the Los Angeles Community College District (LACCD) move forward to secure buying locally with a list of bid specifications that adhere to the context of the law.

Dr. Adriana Barrera discussed the document entitled “Procurement Practices Buying Green/Local.” She deferred to Mr. James Watson.

Mr. Watson discussed the document with respect to the procurement practices of buying green/local.

Dr. Barrera indicated that at the next Vice President of Administrative Services meeting, discussions will be held with respect to District-wide purchasing of large items and the end dates of existing contracts in response to the Committee's concerns.

Trustee Svonkin requested that the General Counsel work with Contracts to create a procurement policy to reflect the goals of the Committee to enhance the LACCD outreach programs to local, small, and emerging businesses.

First Quarter Financial Status Report

Ms. Jeanette Gordon distributed copies of a document entitled “Finance and Audit Committee, 2011-12 First Quarter Financial Status Report.” She summarized the document with respect to the District's 2011-12 Financial Status Unrestricted General Fund; Sources and Uses of Funds Unrestricted General Fund as of June 30, 2012; 2011-12 State Funding Reduction and Workload Reduction; and 2011-12 Apportionment Deferrals and Cash Flow.

Trustee Svonkin expressed his concern regarding the negative ending balances of various colleges. He requested that this topic be addressed at the Second Quarter of the year at a future Committee meeting to view the ending balances of the colleges in an attempt to resolve and understand this issue.

Chancellor LaVista responded that this will be presented to the Committee at the Second Quarter of 2012.

Update on Corrective Action Plan 2009-10 Bond Audit

A document entitled "MANAGEMENT ACTION PLAN" was distributed.

Mr. Lloyd Silberstein summarized the document with respect to the responses for Issues 1, 2, and 3 pertaining to the LACCD Bond Construction Program – Proposition A, and Proposition AA & Measure J Statement of Expenditure of Bond Proceeds–Year ended June 30, 2010. He deferred to Ms. Camille Goulet with respect to Issue 4.

Ms. Goulet summarized the document with respect to responses for Issue 4 pertaining to the Form 700 and Board Rule Chapter XIV, Conflict of Interest Code for the LACCD. She indicated that a comprehensive form is being developed in the hope for a better response from all employees with procurement responsibilities.

Trustee Svonkin requested that Issue 4 be addressed in writing with a timeline of a plan on rectifying the issue of getting the Form 700 filled out by all employees with procurement responsibilities.

Dr. Barrera responded that Issue 4 will be addressed in the next Board letter outlining a plan with respect to the software.

Internal Audit Quarterly Update

A document entitled "Community Services Program Update of Prior Audits Findings" was distributed.

Mr. Arnold Blanchard summarized the document with respect to the Community Services Program (CSP) audit findings.

Trustee Svonkin inquired as to why Los Angeles Valley College (LAVC) compliance is only partially implemented at 34 percent of the audit findings.

Dr. A. Susan Carleo responded that as of today, many of the audit findings have been implemented and they are working to ensure that all of the LACCD procedures and policies are followed.

There was discussion regarding whether the colleges will be providing a corrective plan with respect to their responses to the Internal Audit findings.

Trustee Svonkin expressed his concern regarding the Internal Audit Department's short staffing and indicated that it should be a priority to have a full and robust Internal Audit Department. He requested that this item be revisited at a future Committee meeting with respect to the colleges' responses to the audit findings.

Dr. Jamillah Moore distributed a document entitled "Los Angeles City College Payroll Issues, Summary of Audit Findings Partially Implemented." She discussed the document with respect to the LACC corrective plan for the audit findings.

FUTURE DISCUSSION ITEMS

The following topics were not discussed.

Third Quarter Financial Status Report
Efficiency Audit
Procurement Process
Retirement Incentives
Review of Contracts for Personal Services
Policy Framework for Naming Buildings
Revenue Enhancement Strategies

Second Quarter Financial Status Report

FUTURE FINANCE AND AUDIT COMMITTEE MEETING DATES

December 7, 2011

January 11, 2012

February 8, 2012

March 7, 2012

April 11, 2012

May 9, 2012

June 6, 2012

NEW BUSINESS

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 12:02 p.m.