

September 2, 2003

SUBJECT: Proposed Revision of Board Policy E-4, Organizational Performance Evaluation/Auditing (External Auditor)

PROPOSED ACTION

That the Board of Trustees review/approve proposed revisions to Board Policy E-4, Organizational Performance Evaluation/Auditing concerning the relationship with the External Auditor.

RELATED BOARD POLICY OR PLANNING DIRECTIVE

This item is related to Board Policy B-2, Duties and Responsibilities, Board of Trustees; C-1, General Executive Directives and Limitations; C-3, Duties and Responsibilities, College President; and E-4, Organizational Performance Evaluation/Auditing.

RATIONALE

The revised language for Board Policy E-4 clarifies the relationship of the External Auditor.

BUDGETARY CONSIDERATION

None.

RESOURCE PERSONNEL

Allen H. Kaplan, Board Secretary
Richard Fonte, President

ATTACHMENT(S):

- Attachment A: Proposed Revision of Board Policy E-4, Organizational Performance Evaluation/Auditing
- Attachment B: Current Board Policy E-4, Organizational Performance Evaluation/Auditing (approved by the Board on August 4, 2004)

Proposed Revision:**E-4. ORGANIZATIONAL PERFORMANCE EVALUATION/AUDITING**

The President shall ensure that each significant function, sector, and process of the College is evaluated (including feedback from the people dependent on it) for effectiveness, efficiency, and policy compliance according to an announced schedule. The administration shall consider suggestions from students, employees, and others as to evaluation format and content. For each such evaluation, the administration shall publish a report summarizing its analysis of current performance, any improvements it plans, and the feedback it received. The administration shall also provide the Board summaries of the status of activities designed to address any weaknesses previously identified by either this system or by the external auditors, and a list of any atypical major College practices or conditions, with either justifications to retain them or plans for improvement.

The Board shall engage external auditors to conduct the annual financial audit and to perform such other services as may be deemed appropriate by the Board or the Board Secretary in furtherance of Policy B-6, Monitoring Policy Compliance. **The External Auditors report directly to the Board of Trustees. The annual financial audit and management letter shall be sent directly by the external auditors to each Trustee as soon as it is completed along with a copy to the President. If completion takes place during the time that the college is not open for business, the materials shall be sent by the External Auditors directly to each Trustee and the President at their home addresses.** Such auditors shall have complete access to any institutional records or information they deem needed for their work. The auditors shall report to the Board any significant inappropriate practices they detect in College activities. The same firm will not be chosen as auditors for more than 5 out of any 10 years.

The Internal Auditor shall provide a quarterly report to the Board of Trustees.

The annual work plan of the Internal Auditor shall be developed by the President in consultation with the Board of Trustees. The President shall provide to the Board a copy of the annual work plan of the Internal Auditor and any other additions in a timely manner.

Trustees with suggestions of activities for review by the Internal Auditor shall provide such suggestions to the College President. The President shall consider all activities suggested by Board members and assign them to the Internal Auditor or to other appropriate staff of the College, including the President him/herself, or provide a report to the Board providing preasons why the activity is inappropriate fro review by a College staff member. The Board of Trustees may assign any such suggested activities to the External Auditor.

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