

**Finance Committee
Meeting Minutes**

Wednesday, December 13, 2006

Chalet Landhaus
801 Hwy. 69, New Glarus, WI
4:00 P.M. - 5:00 P.M.

The SWWDB Finance Committee met on Wednesday, December 13, 2006 at the location above. Attendance was as follows:

Members Present:	Mr. James Finley, Chairperson	Ms. Shari Schaff
	Ms. Tammie Engelke	Mr. Tom Schraeder
	Mr. Randy Jacquet	Mr. Scott Stocker
Members Excused:		
Others Present:	Mr. Scott Haumersen, Wegner LLP	Mr. David Odahl, Wegner LLP
	Ms. Ann Greenheck	
Staff Present:	Dr. Robert Borremans	Ms. Amy Charles
	Ms. Annette Meudt	Ms. Shannon Moe
	Ms. Mary Kay Runde	Mr. Mike Schultz
		Ms. Barb Tucker

Mr. Finley opened the meeting at 3:57 p.m. with a roll call. The committee agreed to change the agenda order, so that Mr. Haumersen could proceed right away with his presentation and training for the Committee.

1. **Training on Compliance with the Sarbanes-Oxley Act**

Mr. Scott Haumersen, Partner with Wegner LLP, distributed a folder to go along with the Wenger Board Training Presentation. The presentation to the Committee was on the Sarbanes-Oxley Act (SOX) and the impact it has on non-profit organizations and public companies. Mr. Haumersen provided the Committee with policy samples on both the whistleblower protection and document destruction, compared to current SWWDB policies. Mr. Haumersen stressed that SWWDB policies need to comply with the applicable provisions of the Act. A policy sample from the Internal Revenue Service (IRS) was also provided for the Conflict of Interest Policy.

Mr. Haumersen also shared information about the Public Company Accounting Oversight Board (PCAOB) which was created as a provision in the signing of the Sarbanes-Oxley Act in 2002. Another useful tool available to the public about non-profit organizations is the web site, GuideStar.org, which has more details on individual non-profit organizations.

Mr. Haumersen's assessment of SWWDB as far as from an accounting point of view, "you are doing all the right things."

2. **2005-06 Audit Presentation**

Mr. David Odahl from Wegner LLP spoke on the audit presentation for the final audit report for the fiscal year ended June 30, 2006 – (**Enclosure 1**). The Management Letter (**Enclosure 2**)

addressing three areas in which SWWDB can strengthen internal controls and improve operational efficiencies, was presented to the Committee. Mr. Odahl reviewed the following recommendations for SWWDB.

- SWWDB needs to review its conflict of interest policy with a sample policy published by the Internal Revenue Service (IRS) to ensure that the current SWWDB policy is consistent with the IRS requirements.
- SWWDB should examine its financial reporting to ensure that it can properly track fundraising expenses reportable on the annual Internal Revenue Form 990.
- SWWDB should review its document destruction and whistle-blower policies to ensure compliance with the applicable provisions of the Sarbanes-Oxley Act.

Management has carefully considered the recommendations from Wegner LLP, and has prepared the following response (Enclosure 3) to each of the suggestions noted in the Management Letter:

- SWWDB staff have received the IRS sample conflict of interest policy and have compared it to the SWWDB Conflict of Interest (Policy No. B-501). All elements in the IRS sample are included in the current SWWDB policy. Although no policy changes are recommended at this time, procedures will be written to address the process by which a potential conflict of interest is handled. Internal Agency procedures will be written by March 1, 2007.
- SWWDB staff have reviewed the financial reporting and have confirmed that fundraising expenses are being recorded and tracked in the ORION financial system. No further action is necessary.
- The current Document Destruction (Policy No. C-301) and Whistle-blower (Policy No. B-512) policies to ensure compliance. Results and recommendations following this review, will be presented to the Finance committee at their March 14, 2007 meeting.

Mr. Schraeder moved, and Ms. Schaff seconded the motion to accept the Audit Report, Management Letter and the Management Response as recommended so the information can be reported to the full Board for action. Motion carried unanimously.

3. **Proposed Audit Fees for Years Ending June 30, 2007 and 2008**

Wegner LLP has provided audit services to the Southwest Wisconsin Workforce Development Board for the last three years. SWWDB can either exercise the option to renew the contract for an additional two (2) years with Wegner LLP or go through a Request For Proposals (RFP) process. The cost for the audit has been \$11,000.00 each of the last three years, and \$700.00 to prepare the annual IRS Form 990. Wegner has submitted a proposal for the fiscal years ending June 30, 2007 and 2008 (**Enclosure 4**). Under the proposal, fees would increase to \$12,000 annually for Audit Services and \$900.00 annually to prepare the Form 990. Ms. Engelke asked about the 29% increase on the cost for Form 990 preparations. Mr. Borremans reminded the committee that the costs were locked in for the last three years and would be again for two more years at the proposed costs. Ms. Meudt referenced the Workforce Development Board Audit Survey – **Handout 1**, showing the various audit fee expenses of five (5) other Workforce Development Boards, the approximate budget, Audit Firm, and 2007 Audit Proposal. Mr. Finley and Mr. Stocker each offered opinions that the costs on the audit services were reasonable.

Mr. Schraeder motioned, and Ms. Schaff seconded the motion to make the recommendation to the full Board for approval in the contract extension with Wegner

LLP for two years more years for audit services. Motion carried unanimously.

4. **Review of Financial Statement for November 2006**

Ms. Meudt presented the quarterly financial statements for the committee's review and approval. **Enclosure 5**, the Expense and Revenue Report is a detailed report on each grant source through November 30, 2006. The Budget and Expenses Summary, **Enclosure 6**, shows each grant, the budgeted and actual amounts iplus the monetary obligations and what is yet available as of November 2006.

Ms. Engelke motioned, and Mr. Jacquet seconded the motion to approve the Financial Statements. Motion carried.

5. **Other Business**

None.

6. **Adjournment**

The meeting was adjourned at 4:49 p.m.