



Stephen Boyd, Esq.
Chair of the Board

April 13, 2016

Office of the State Comptroller
Division of Local Government and School Accountability
PSU – CAP Submission
110 State Street, 12th Floor
Albany, NY 12236

To Whom It May Concern In The Office Of The State Comptroller:

Erie Community College embraced the opportunity to understand and respond to the Office of State Comptroller's Report of Examination on Board Oversight and Management of College Resources for the period covered of September 1, 2013 through July 2, 2015. Attached is the Corrective Action Plan.

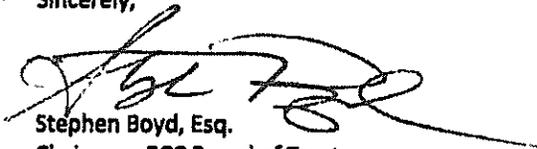
The Erie Community College Board of Trustees determined an Independent review panel be established to prepare the appropriate Corrective Action Plan. The Panel and Board found the Report of Examination appropriate and Erie Community College values the suggestions. Although the Panel acted independent of Erie Community College, the Panel did receive full support to its requests.

Panel members included: Mr. Dennis P. Murphy, Chairman of OSC Audit Review Panel, Vice Chairman of ECC Trustees and CEO of InnVest Lodging Services Inc.; Mr. Robert Bennett, Chancellor Emeritus of NYS Board of Regents; Mr. Stephen Boyd, Chairman of ECC Trustees, OSC Audit Review Panel Member ex officio and Attorney with Offices of Steve Boyd; Dr. Timothy Callan, Ph.D., ECC Trustee and Deputy Director of Budget and Management for Erie County; Dr. Patricia M. Losito, RN, ANP and Executive Dean of the Erie Community College Nursing Program; Mr. Robert J. McArdle, Executive Director at Chase for Upstate Middle Market Commercial Banking; Mr. Laurence K. Rubin, Partner with Kavinoky Cook LLP; Mr. Dennis C. Vacco, Partner with Lippes Mathias Wexler Friedman LLP and former New York State Attorney General; Ms. Danise Wilson, ECC Trustee and Project Manager of New York State Area Health Education Center System with State University of New York at Buffalo.

The College is responding within the established 90-day time period. The twenty-two (22) Corrective Action Plans are included with this cover letter.

Erie Community College, prior to this letter, initiated implementation of the Corrective Action Plans and the College will move forward to positively improve operations and internal controls within the established time periods.

Sincerely,



Stephen Boyd, Esq.
Chairman, ECC Board of Trustees

Attachment: Corrective Action Plans (22)

cc: Dennis P. Murphy OSC Audit Review Panel Chairman
NYS ED Department, Office of Audit Services, Room 524 EB

ERIE COMMUNITY COLLEGE
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Erie Community College

STATE UNIVERSITY OF NEW YORK

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Corrective Action Plan

for Office of the New York State Comptroller (OSC)

Prepared by

OSC Audit Review Panel

"An independent review of oversight and management resources"

Presented to

Erie Community College Board of Trustees April 12, 2016

for response by April 14, 2016

Recommendations to Erie Community College (ECC) by the Office of the New York State Comptroller (OSC)

Page
No.

Board Oversight

The Board should:

- 5 1. Take a sufficiently active role in all significant financial decisions.
- 7 2. Establish and maintain a control environment that fosters a commitment to compliance with relevant laws and College policies. The Board also should routinely monitor the implementation and compliance with its policies.
- 9 3. Ensure College officials maintain a separate and distinct relationship with the ASC and the Foundation at all times to ensure all three entities operate independently.

Executive Salaries and Benefits

The Board should:

- 11 4. Ensure significant financial decisions, such as the creation of new positions, are conducted in an open and transparent manner.
- 13 5. Authorize all salaries, compensation and fringe benefits provided to senior executives.
- 15 6. Confer with the College's legal advisor as to the advisability of ratifying salary and fringe benefits provided to current and former College employees without prior Board authorization.
- 17 7. Take the necessary action to recover any salary and separation payments determined to have been improperly made to current and former College employees.
- 19 8. Adopt comprehensive time and attendance policies for senior executives. These policies should clearly define leave time benefits including "flex" time benefits.

Senior Executives should:

- 21 9. Obtain and document supervisory approval prior to altering work schedules.
- 23 10. Establish procedures to provide for an independent review of leave records to ensure they are supported by timesheet entries and updated in a timely fashion.

The Secretary of the Board should:

- 25 11. Ensure that all official action taken by the Board, including actions pertaining to salaries and benefits, are recorded in the Board minutes.

Procurement

College officials should:

- 27 12. Procure professional services using a competitive method such as an RFP process.
- 29 13. Review documentation to verify that they have obtained State contract pricing.
- 31 14. Require that professional service providers submit documentation that includes the dates and services provided before authorizing payment.

The Board should:

- 33 15. Consider amending the procurement policy to allow professional services to be procured from service providers who conduct business under a County contract. Any amended policy should include a requirement that purchasing officials verify the County's contract allowed the College's use, was bid and awarded in compliance with statute and was procured using a competitive process.
- 35 16. Enter into written contracts with professionals to establish the services to be provided, the time frames for those services and the basis for compensation.

Affiliated Entities

The Board should:

- 37 **17.** Ensure that written agreements with affiliated entities stipulate how performance will be measured and evaluated.
- 39 **18.** Adopt a formal comprehensive policy specifying the purposes for which the student activity fees may be used and the process for allocating the fees among those uses.
- 41 **19.** Review student activity fee allocations provided to and used by clubs and organizations at least annually to determine whether the amount of the fee is appropriate and necessary.
- 43 **20.** Establish clearly defined and measurable goals and objectives for evaluating the performance of affiliated entities.
- 45 **21.** Review audit reports, periodic financial reports and other interim reports necessary to evaluate the activities and performance of affiliated entities in pursuit of stated goals and objectives.
- 47 **22.** Require affiliated entities to provide adequate documentation regarding their key activities and contractual obligations.

Response from Erie Community College (ECC)
to the Office of the New York State Comptroller (OSC)

SUNY ECC
Erie Community College
STATE UNIVERSITY OF NEW YORK
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 1:

Board Oversight - The Board should: Take a sufficiently active role in all significant financial decisions.

Implementation Plan of Action(s):

Actions Planned:

Board of Trustees policies addressing financial decisions will be revised; to include: (1) specific enumerated dollar or percentage thresholds and (2) categories or budgeted line items as appropriate when Board of Trustees approval is required for changes in the adopted budget. These policies will align with SUNY Regulations.

Additionally, Board of Trustees policies will be revised to require Board approval for: (1) receipt of any gifts of interests in real property and any other gift which encumbers the College and (2) any contract extending beyond the upcoming fiscal year.

Implementation Date:

October 31, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

Dennis Murphy
Trustee

04/12/2016

Date

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Erie Community College
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Audit Report Number: 2015M-212

Audit Recommendation No. 2:

Board Oversight - The Board should: Establish and maintain a control environment that fosters a commitment to compliance with relevant laws and College policies. The Board also should routinely monitor the implementation and compliance with its policies.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will conduct an annual training for new and current Board members which will include a review of the Board of Trustees Policy Manual, College budget, accreditation requirements and applicable federal, state and local laws and regulations. There will be periodic updates as necessary in order to routinely monitor implementation and compliance of the College. A report of the training including materials reviewed will be provided to the Board of Trustees as an agenda item and included in the minutes.

Actions Occurred:

The Board of Trustees has an existing policy, and will continue to hold committee meetings with minutes taken reflecting all actions taken. The minutes from those meetings are presented to the Board of Trustees as part of their monthly agenda and minutes.

Implementation Date:

October 31, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

OSC Audit Review Panel
c/o Dennis Murphy, ECC Trustee
Address: Invest Lodging Services Inc. at 300 International Drive in Williamsville, NY 14221
Email: D.Murphy@investlodging.com
Phone: (716) 626-3621

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Erie Community College

STATE UNIVERSITY OF NEW YORK

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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 3:

Board Oversight - The Board should: Ensure College officials maintain a separate and distinct relationship with the ASC and the Foundation at all times to ensure all three entities operate independently.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will adopt a policy that prohibits any College official from also serving as either Chair, President or Treasurer of the Auxiliary Services Corporation of Erie Community College.

The Board of Trustees will adopt a policy that requires any contract with the Auxiliary Services Corporation of Erie Community College and the Erie Community College Foundation, Inc., to include a requirement that a majority of such entities' Board of Directors must be comprised of independent members (i.e., persons who are not college officials, employees, students or doing business with either the College or the affiliated entity). Said contracts with affiliated entities should also require that their Audit Committee be comprised of independent directors.

Implementation Date:

December 30, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

Dennis Murphy
Trustee

04/12/2016

Date

OSC Audit Review Panel
c/o Dennis Murphy, ECC Trustee
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Phone: (716) 626-3621



Erie Community College

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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 4:

Executive Salaries and Benefits – The Board should: Ensure significant financial decisions, such as the creation of new positions, are conducted in an open and transparent manner.

Implementation Plan of Action(s):

Actions Planned:

While the hiring of Senior Executive Staff is within the purview of the President, any significant financial decisions regarding such Senior Executive Staff, including the creation of new positions, should and will be approved by the Board of Trustees and recorded in the minutes. In the case of the creation of new positions, such action should and will be initiated by the submission of an Employee Hiring Justification Form by the President of the College to the Board of Trustees.

Actions Occurred:

Recently, the Board of Trustees’ policy and practice includes in its public minutes all reports of the Financial Health and Personnel Committees documenting significant financial decisions and monthly personnel changes.

Implementation Date:

September 30, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

Dennis Murphy
Trustee

04/12/2016

Date

OSC Audit Review Panel

c/o Dennis Murphy, ECC Trustee

Address: Invest Lodging Services Inc. at 300 International Drive in Williamsville, NY 14221

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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 5:

Executive Salaries and Benefits – The Board should: Authorize all salaries, compensation and fringe benefits provided to senior executives.

Implementation Plan of Action(s):

Actions Planned:

While the hiring of Senior Executive Staff is within the purview of the President, the Board of Trustees will authorize each Senior Executive Staff position and compensation change. Annually, the Board of Trustees will receive details concerning each itemized position through the College's budget process. All modifications to the approved budget with respect to Senior Executive positions will be subject to Board of Trustees approval and recorded in the minutes.

Any use of affiliated entities' revenues for payment of any Senior Executive salary, other compensation or fringe benefits will be approved by the Board of Trustees.

Actions Occurred:

The current practice is to authorize all salaries, compensation and fringe benefits provided to Senior Executive Staff.

The current practice will continue and the President will provide to the Chair of the Board of Trustees a monthly report of any use of his general expenses. These same monthly reports will be provided to the Board of Trustees biannually as an informational item for inclusion in the minutes.

Implementation Date:

June 30, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date



Erie Community College

STATE UNIVERSITY OF NEW YORK

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Unit Name: Erie Community College
 Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
 Audit Report Number: 2015M-212

Audit Recommendation No. 6:

Executive Salaries and Benefits – The Board should: Confer with the College’s legal advisor as to the advisability of ratifying salary and fringe benefits provided to current and former College employees without prior Board authorization.

Implementation Plan of Action(s):

Action Planned:

The Chair of the Board of Trustees will confer with the Board of Trustees’ legal counsel regarding the advisability of ratifying salary and fringe benefits provided to current and former College employees without prior Board of Trustees authorization. A report will be provided to the Board of Trustees for consideration.

Implementation Date:

May 31, 2016

Person Responsible for Implementation:

Board of Trustees Secretary

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date


Erie Community College
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 7:

Executive Salaries and Benefits – The Board should: Take the necessary action to recover any salary and separation payments determined to have been improperly made to current and former College employees.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will receive a final report before June 2016 concerning the status of the repayments from separated employees.

When the results from the college's Request for Proposal (RFP) for developing and instituting a new Enterprise Resource Planning (ERP) system are received and evaluated, the College will take steps to finance and hire a vendor to implement the new improved controls system.

Actions Occurred:

College Management has completed steps to recover College funds determined as improperly made to former employees.

College officials have issued a RFP for a new college-wide ERP system which will assist the college in improving controls over salary, leave records and separation payments.

Implementation Date:

Completed June 30, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

OSC Audit Review Panel
c/o Dennis Murphy, ECC Trustee
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 8:

Executive Salaries and Benefits – The Board should: Adopt comprehensive time and attendance policies for Senior Executives. These policies should clearly define leave time benefits including “flex” time benefits.

Implementation Plan of Action(s):

Actions Planned:

The College will advance the Enterprise Resource Planning (ERP) initiative to transform the College’s human resources consistency, control and compliance process.

The President will prepare a Senior Executive Staff policy for Board of Trustees approval. As a reference or guideline, the President will refer to the Erie County government’s Personnel Policies and Procedures policy entitled “Variable Work Schedules and Compensatory Time (Managerial/Confidential Employees).”

Implementation Date:

May 31, 2016
January 31, 2017

Person Responsible for Implementation:

President

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 9:

Executive Salaries and Benefits – Senior Executives should: Obtain and document supervisory approval prior to altering work schedules.

Implementation Plan of Action(s):

Action Planned:

The President will prepare a Senior Executive Staff policy for Board of Trustees approval that will include requiring supervisory approval prior to altering work schedules. As reference or guideline, the President will use the Erie County government's Personnel Policies and Procedures policy entitled "Variable Work Schedules and Compensatory Time (Managerial/Confidential Employees)."

Implementation Date:

May 31, 2016

Person Responsible for Implementation:

President

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date


Erie Community College
STATE UNIVERSITY OF NEW YORK
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 10:

Executive Salaries and Benefits – Senior Executives should: Establish procedures to provide for an independent review of leave records to ensure they are supported by timesheet entries and updated in a timely fashion.

Implementation Plan of Action(s):

Actions Planned:

The College will create a new Enterprise Resource Planning (ERP) system for the entire College that will include automated time records of Senior Executive Staff.

Actions Occurred:

Leave balances are current and being maintained throughout the College's payroll department for all employees including Senior Executive Staff and the President.

The Director of human resources has implemented a rotating cycle of verifying random samples of leave records and time sheet entries every two weeks.

Implementation Date:

January 31, 2017

Person Responsible for Implementation:

President

Signed:



04/12/2016

Dennis Murphy
Trustee

Date

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Erie Community College
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 11:

Executive Salaries and Benefits – The Secretary of the Board should: Ensure that all official action taken by the Board, including actions pertaining to salaries and benefits, are recorded in the Board minutes.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will receive and review each report of the Personnel Committee and record its determination in the minutes.

The Board of Trustees will memorialize in its minutes any action that occurs as a result of discussion that occurred in executive session.

Actions Occurred:

College personnel involved in minute-taking for Board of Trustees meetings and Board of Trustees committee meetings have been briefed concerning the form and content of minutes.

The Board of Trustees has begun recording and live streaming Board of Trustees meetings and the recordings are available to the public on the College website.

Implementation Date:

May 31, 2016

Person Responsible for Implementation:

Secretary of the Board of Trustees

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

OSC Audit Review Panel
c/o Dennis Murphy, ECC Trustee
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 12:

Procurement – College officials should: Procure professional services using a competitive method such as an RFP process.

Implementation Plan of Action(s):

Actions Planned:

The College will procure professional services using a competitive method such as a Request for Proposal (RFP) process. An informational RFP awareness program will be provided to employees with the authority to purchase. When there are Requests for Qualifications (RFQs) available, such as from New York State, State University of New York, Erie County and College, proposals should and will be solicited from qualified firms.

Actions Occurred:

The President, as part of his weekly staff meetings, continues to remind individuals of the procedures and that, if clarification is necessary, the College's Business Manager, who is responsible for overseeing college purchasing, should be consulted. College staff are following the existing and approved RFP process.

Implementation Date:

August 31, 2016

Person Responsible for Implementation:

President

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

OSC Audit Review Panel
c/o Dennis Murphy, ECC Trustee
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 13:

Procurement – College officials should: Review documentation to verify that they have obtained State contract pricing.

Implementation Plan of Action(s):

Actions Planned:

The College will verify and document in the bid file that it has obtained State contract pricing in a proposed contract. The College will conduct in-house training to increase the understanding, utilization and documentation of available State contract pricing services. The training will include a review of the College's Purchasing and Accounts Payable guidelines and basic procedures.

Actions Occurred:

On March 22, 2016 the College received notification that it was among nine SUNY schools sharing in a \$1.5 million grant from the SUNY Investment and Performance Fund to purchase and implement an e-procurement software platform that will streamline purchasing, automate controls, create efficiencies and build data sets that will provide cost savings.

Implementation Date:

August 31, 2016

Person Responsible for Implementation:

President

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

OSC Audit Review Panel
c/o Dennis Murphy, ECC Trustee
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Audit Report Number: 2015M-212

Audit Recommendation No. 14:

Procurement – College officials should: Require that professional service providers submit documentation that includes the dates and services provided before authorizing payment.

Implementation Plan of Action(s):

Actions Planned:

College officials will require that professional service providers submit documentation that includes the dates and services provided before authorizing payment. The College will conduct in-service training for appropriate staff involved in the procurement, purchasing and accounts payable process to ensure such documentation is checked before payment is made to vendors.

Implementation Date:

August 31, 2016

Person Responsible for Implementation:

President

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 15:

Procurement – The Board should: Consider amending the procurement policy to allow professional services to be procured from service providers who conduct business under a County contract. Any amended policy should include a requirement that purchasing officials verify the County’s contract allowed the College’s use, was bid and awarded in compliance with statute and was procured using a competitive process.

Implementation Plan of Action(s):

Actions Planned:

The College’s Purchase Office Policy for procurement of professional services will be reviewed in its entirety. Specifically, the Procurement Policy (dated June 2015) will be updated to allow for the College’s use of Erie County Requests for Proposals (RFPs) and Requests for Qualifications (RFQs) where applicable. This policy will confirm that the County’s contracts allow for College’s use and the proposals to the College are consistent therewith.

Bids awarded in compliance with the statute will reflect that they were procured using a competitive process.

Actions Occurred:

This procurement policy is and will continue to be submitted to the Board of Trustees for review and approval annually pursuant to the requirements of New York State General Municipal Law.

Implementation Date:

August 31, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

Dennis Murphy
Trustee

04/12/2016

Date

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Audit Report Number: 2015M-212

Audit Recommendation No. 16:

Procurement – The Board should: Enter into written contracts with professionals to establish the services to be provided, the time frames for those services and the basis for compensation.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will ensure that the College’s policy regarding contracts with professionals requires documentation from professionals before they are engaged and that said documentation describes the services, timeframe for provided services and basis for compensation for such services.

Implementation Date:

August 31, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

Dennis Murphy
Trustee

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Date



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Audit Report Number: 2015M-212

Audit Recommendation No. 17:

Affiliated Entities – The Board should: Ensure that written agreements with affiliated entities stipulate how performance will be measured and evaluated.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will adopt a policy that written agreements with affiliated entities will stipulate how performance will be measured and evaluated.

The Board of Trustees will require the ECC President to renegotiate the College’s existing contracts with the Auxiliary Services Corporation of Erie Community College and the Erie Community College Foundation, Inc., for consideration and approval by the Board of Trustees. This renegotiation will focus on the construct of the affiliated entities’ Board of Directors, development of specific performance metrics and reports that demonstrate accountability, and how goals and objectives are being established and achieved.

Implementation Date:

October 31, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date


Erie Community College
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Audit Recommendation No. 18:

Affiliated Entities – The Board should: Adopt a formal comprehensive policy specifying the purposes for which the student activity fees may be used and the process for allocating the fees among those uses.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will adopt an ‘affiliate entity’ formal comprehensive policy covering the Auxiliary Services Corporation of Erie Community College and the Erie Community College Foundation, Inc.

For the Auxiliary Services Corporation of Erie Community College, the policy will include, memorialization of the fiduciary obligation pertaining to student fees and if the activity fees are spent, specifying the purposes for which the student activity fees may be used and the process for allocating the fees among those uses. The policy will require, at least, the following: (1) all annual student activity allocations will be based on an annual application process that focuses on the goals and objectives of the use of any allocation requested and require an accounting of the prior year’s allocation and use (if any) of fund balance; (2) a limit to the aggregate carryover of the fund balance of any prior years to no more than 25 percent of the immediate prior year allocation except upon good cause shown; (3) a process for any excess fund balance to revert to the college to be held in a restricted account to supplement or reduce future student activity fee levies.

Prior to adopting or updating any affiliated entities policy, the Board of Trustees will undertake a comprehensive review of current permitted uses and allocation process under the existing contract with the Auxiliary Services Corporation of Erie Community College and determine if these permitted uses and the allocation process are adequate and appropriate to ensure that student activity fees are used for the benefit of the students referencing the longitudinal time frame of at least three years.

OSC Audit Review Panel
c/o Dennis Murphy, ECC Trustee
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Audit Recommendation No. 18

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For all affiliated entities, the policy will include: (1) adequate documentation regarding key activities and contractual obligations including submission of an annual comprehensive report; (2) review of audit reports, periodic financial reports and other interim reports necessary to evaluate the activities and performance in pursuit of stated goals and objectives, including submission of an annual comprehensive report describing, among others, status of the clearly defined goals and objectives adopted by the affiliated entity's board of directors; (3) annual and long term performance metrics, proposed to the Board of Trustees for joint adoption by the affiliated entity and Erie Community College; (4) a process for Erie Community College collected, unspent funds to revert to Erie Community College; and (4) the recommendations nineteen, twenty, twenty-one and twenty-two as specified.

The Board of Trustees will, prior to updating its policy, review current policies and contracts to determine if adequate safeguards address College financial resources provided to the Auxiliary Services Corporation of Erie Community College or the Erie Community College Foundation, Inc., are used for intended purposes.

Implementation Date:

December 30, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

Dennis Murphy
Trustee

04/12/2016

Date


Erie Community College
STATE UNIVERSITY OF NEW YORK
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 19:

Affiliated Entities – The Board should: Review student activity fee allocations provided to and used by clubs and organizations at least annually to determine whether the amount of the fee is appropriate and necessary.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will adopt an affiliated entities formal comprehensive policy and require affiliated entities to provide adequate documentation regarding their key activities and contractual obligations that will include the fiduciary obligation pertaining to student fees and how activity fees are spent, specifying the purposes for which the student activity fees may be used and the process for allocating the fees among those uses. In addition, the Board of Trustees will consider recommending that the Auxiliary Services Corporation of Erie Community College policy for student activity fee allocations provided to and used by clubs and organizations should be reviewed by the Auxiliary Services Corporation of Erie Community College Board of Directors at least annually to determine whether the amount of the fee is appropriate and necessary through annual comprehensive reporting.

The Auxiliary Services Corporation of Erie Community College will: (1) administer the policy as reflected in the College Board of Trustees' Agreement with the Auxiliary Services Corporation of Erie Community College; (2) determine the amount of activity fee allocations retroactively and provide appropriate feedback by reviewing the allocations, expenditures and fund balance on an annual basis. Annually, and at some time during the year, a committee will review the previous fiscal year and prepare a report of each of the clubs and activities to include what was received and how much was spent; and (3) recommend the cycle of reporting to the Board of Trustees. The report will be presented to the Board of Trustees as a snapshot of what action took place for each club and activity, to demonstrate how all collected funds were expended.

Within thirty days of the submission of this report, the Board of Trustees will require the College Administration to conduct an examination of the fund balances of all clubs and organizations receiving activity fee allocations of the past three years and

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c/o Dennis Murphy, ECC Trustee
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Audit Recommendation No. 19

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report on the necessity of such fund balances that exceed 25 percent of the last annual allocation to each of such clubs and organizations.

Finally, along with developing a process for unspent activity fee funds reverting back to the College, contracts between the College with the Auxiliary Services Corporation of Erie Community College and with the Erie Community College Foundation, Inc., will be comprehensively reviewed and revised.

Implementation Date:

December 30, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

Dennis Murphy
Trustee

04/12/2016

Date



Erie Community College

STATE UNIVERSITY OF NEW YORK

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Unit Name: Erie Community College
 Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
 Audit Report Number: 2015M-212

Audit Recommendation No. 20:

Affiliated Entities – The Board should: Establish clearly defined and measurable goals and objectives for evaluating the performance of affiliated entities.

Implementation Plan of Action(s):

Actions Planned:

The Board of Trustees will adopt an affiliated entities formal comprehensive policy and require affiliated entities to provide adequate documentation regarding their key activities and contractual obligations that will include the fiduciary obligation pertaining to student fees and how activity fees are spent, specifying the purposes for which the student activity fees may be used and the process for allocating the fees among those uses, and establishing clearly defined and measurable goals and objectives. This process will help evaluate the performance of the affiliated entities.

The Board of Trustees will require the Board of Directors of the Auxiliary Services Corporation of Erie Community College and the Erie Community College Foundation, Inc., to develop goals and objectives along with annual and long term performance metrics. These metrics will be proposed to the Board of Trustees for joint adoption by the Auxiliary Services Corporation of Erie Community College and Erie Community College likewise, The Erie Community College Foundation, Inc. and Erie Community College

The Erie Community College Foundation, Inc.’s goals and objectives will also include the enhancement of student quality of life, assisting to meet annual needs, developing endowments and enhanced connection to alumni relations.

Implementation Date:

August 31, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

Dennis Murphy
Trustee

04/12/2016

Date

OSC Audit Review Panel

c/o Dennis Murphy, ECC Trustee

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Erie Community College
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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 21:

Affiliated Entities – The Board should: Review audit reports, periodic financial reports and other interim reports necessary to evaluate the activities and performance of affiliated entities in pursuit of stated goals and objectives.

Implementation Plan of Action(s):

Actions Planned:

In keeping with the Board of Trustees plan to adopt an affiliated entities formal comprehensive policy and require affiliated entities to provide adequate documentation regarding their key activities and contractual obligation, the Board of Trustees will review audit reports, periodic financial reports and other interim reports necessary to evaluate the activities and performance of affiliated entities in pursuit of stated goals and objectives.

The Board of Trustees will adopt a policy that requires quarterly written financial reports from the Auxiliary Services Corporation of Erie Community College and monthly written financial reports from the Erie Community College Foundation, Inc. These reports will be provided to the Financial Health Committee for review and report to the Board of Trustees. The written reports will be made part of the Board of Trustees' minutes.

The policy will also require the Auxiliary Services Corporation of Erie Community College and the Erie Community College Foundation, Inc., to provide the Board of Trustees with an annual statement of its goals and objectives with associated specific and appropriate metrics for the upcoming year and on its activities for the immediately preceding year. The Auxiliary Services Corporation of Erie Community College and the Erie Community College Foundation, Inc., will suggest, for Board of Trustees consideration, the timing of such annual reports.

Audit Recommendation No. 21:

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Actions Occurred:

The Board of Trustees will continue to receive and monitor the affiliated entities' annual external audit and management reports, reflecting the activity of each entity.

Implementation Date:

October 31, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

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Unit Name: Erie Community College
Audit Report Title: Board Oversight and Management of College Resources - Report of Examination – Period Covered: September 1, 2013 – July 2, 2015
Audit Report Number: 2015M-212

Audit Recommendation No. 22:

Affiliated Entities – The Board should: Require affiliated entities to provide adequate documentation regarding their key activities and contractual obligations.

Implementation Plan of Action(s):

Actions Planned:

In order to require affiliated entities to provide adequate documentation regarding their key activities and contractual obligations, the Board of Trustees affiliated entities policy will provide for specific and consistent reporting to the Board of Trustees including information and data on key activities and benefits to students and Erie Community College.

Implementation Date:

December 30, 2016

Person Responsible for Implementation:

Board of Trustees

Signed:

Dennis Murphy

04/12/2016

Dennis Murphy
Trustee

Date

