



## MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT BOARD ADVISORY AUDIT COMMITTEE

**Minutes December 10, 2025**

### **CALL TO ORDER**

The regular meeting of the Milwaukee Area Technical College (MATC) District Board Advisory Audit Committee (AAC) was held in open session on Wednesday, December 10, 2025 and called to order by Mr. Paul Zinck at 3:00 p.m. in the Board Room, M210, at the Downtown Campus of MATC (with virtual attendance an option).

### **A. ROLL CALL**

AAC Members Present: Paul Zinck, Gale Pence, Dennis Butler, Sharon Johnson and Katherine Reilly.

Others Present: Dr. Anthony Cruz (President), Ms. Sherry Terrell-Webb (VP/General Counsel), Ms. Eva Kuether (CFO), David Rowe (CIO), Ms. Suzanne Jarvis (Controller), Mr. Donald Kasprzak (Director-Information Security), Mr. Brian Kubik (Mgr.-Internal Audit), Ms. Jolene Arnold (Exec. Admin. Asst.), Paul Frantz (Partner- Baker Tilly)

### **B. COMPLIANCE WITH THE OPEN MEETINGS LAW**

Proper notice of the meeting was provided in compliance with the Wisconsin Open Meetings Law.

### **C. APPROVAL OF MINUTES, September 10, 2024**

The minutes were approved with no objections.

### **D. COMMENTS FROM THE PUBLIC**

None.

### **E. ACTION ITEMS**

None.

### **F. DISCUSSION ITEMS**

#### **1. External Audit Update**

Mr. Paul Frantz (Partner, Baker Tilly) provided an update on both the Financial Audit and the Single audit for FY2025. The Financial audit is drafted (copies shared with members), and anticipated to be signed-off next week. The implementation of GASB 101 (Compensated Absences) was noted, with additional references to GASB 87 (Leases) and 96 (Subscription-based IT Arrangement (SBITA)). Additionally, the MATC Foundation financial audit was mentioned, noting the Foundation was a separate financial review, but data is included in the MATC statements. Mr. Frantz did note that final report is anticipated to include an Unmodified Opinion. There are no findings/deficiencies noted at this point, and he thanked the Finance team at the college for their assistance.

Regarding the Single Audit, Mr. Frantz noted the Department of Education did not release the 'Compliance Supplement' until last week (normally released by May), which has pushed back completion of this review. He noted Baker Tilly anticipates completion of that review by the end of January, and at this point, an Unmodified Opinion is expected.

#### **2. Internal Audit Update**

- Risk Assessment – Mr. Kubik shared information from two surveys focused on cybersecurity and Artificial Intelligence. Themes focused on the impact of training on adoption and productivity, preferences for training format, and responder's acknowledgement of sharing sensitive company information with AI tools.
- Audit Plan - The audit plan for FY2026 was noted as unchanged since the June AAC meeting. In total, four audits/projects planned, two drafted, one in planning stage, and one that is well underway primarily via General Counsel's office and Marketing/Communications.



- **Audit Results** – Mr. Kubik discussed the preliminary findings from the “Workers Compensation” review. The five issues noted related to: Return to Work program; Communications/Training; Compliance with SPS 332.205(2), Out-of-State Workers, and a Safety Committee. Discussion followed with Committee members.
- **Audit Follow Up** – It was noted that since the last AAC meeting, two action plans have been completed. Additionally, progress was noted on the Financial Aid issue (related to the FTC Safeguards Rule) and the Data Quality draft issues.
- **Share Knowledge** – Mr. Kubik shared an update on the Committee’s compliance with the Committee Charter, Mr. Kubik noted that the changes to the Charter discussed at the last meeting, and subsequently approved by the District Board, were incorporated into the assessment document.

#### **G. Information Items**

Ms. Eva Kuether, CFO, provided the Committee members with an update on the FY2025 financial results, providing additional context for the external audit that is wrapping up. During the recap of Fiscal 2025, she noted that revenue performed well due to enrollment increases, but higher expenditures for salaries and fringe benefits led to a deficit. To address these pressures, the college is utilizing workforce planning for FY27, focusing on efficiency and a review of “zancil” pay (non-instructional faculty assignments).

Addressing questions regarding faculty pay overages, Ms. Kuether explained that the costs are driven by three primary factors: non-instructional assignments (zancils), the ratio of full-time to part-time faculty compared to peer institutions, and faculty assuming tasks previously handled by administrators. A compensation study is currently underway to examine these factors, including the two separate pay models used for part-time staff.

Additionally, discussions included FY2026 financial performance to-date in comparison to the budget. The current Board-approved budget is balanced and tracked monthly. Despite escalating healthcare costs, the district is realizing savings in zancil pay.

#### **H. Old Business/New Business**

The date and time of the next meeting will be Wednesday, March 11 at 3:00 p.m.

#### **Adjournment**

The meeting adjourned at 3:55 p.m.

Respectfully submitted,

Jolene Arnold

Executive Administrative Assistant