



**MEETING MINUTES OF THE BOARD OF REGENTS  
LEE COLLEGE DISTRICT  
AUDIT & INVESTMENT COMMITTEE  
October 14, 2025**

The Board of Regents Audit and Investment Committee of the Lee College District met on October 14, 2025, at the President's Conference Room, Rundell Hall, Room 200-G. Judy Jirrels, Committee Chair, called the meeting to order at 4:08 p.m.

**PRESENT:** Judy Jirrels, Committee Chair; Mark Himsel; Gina Guillory (virtual)

Dr. Lynda Villanueva, President; Jacob Atkin, Chief Financial Officer and Vice President, Finance; Leslie Gallagher, Chief of Staff and Vice President, Strategic Initiatives; Renea Woodruff, Controller; Greg Goings, Internal Auditor; David Mohlman, Coordinator of Board Relations; Phillip Jones, Meeder Investment (virtual)

**QUARTERLY INVESTMENTS REPORT**

Reporting on the quarter ending August 31, 2025, Mr. Jones discussed economic conditions that resulted in delays earlier this year of anticipated rate cuts by the Federal Reserve. Then in September, the Fed Funds rate was cut by 25 basis points. Additional rate cuts are expected before year end, he said, but he also noted that inflation remains higher than the Fed's desired threshold of 2 percent.

To lock in higher rates of return, the college has begun to invest longer term, which is balancing out scheduled maturities of investments in the portfolio, Mr. Jones said. The portfolio ended the quarter with a weighted average yield of 4.12 percent, he said. Weighted average maturity increased from 0.99 years at the end of May, to 1.49 years at the end of August.

After Mr. Jones left the meeting, Mr. Atkin discussed how the college makes investment decisions and purchases investments, as well as investment strategy options being considered moving forward.

**REPORTS FROM INTERNAL AUDITOR**

Beginning with a status report, Mr. Goings said the Fixed Assets and Inventory Audit from FY 2025 is complete, as is the FY 2025 Annual Internal Report. Work in progress for FY 2026 includes a Cash Management Audit, P-Card Use assessment from FY 2025, Student Activity Cash Control follow up, Empirical Education Center Audit underway, Industrial & Construction Technologies (CTE) Asset Management kick-off tomorrow, and Main Campus Risk Assessment & Business Impact Analysis executive team kick-off tomorrow.

Mr. Goings reported on the completed Fixed Assets and Inventory Audit. Q&A ensued. Guidance for internal management of assets and inventory needs to be more robust, prescriptive, and standardized, Mr. Goings said. Policies relating to inventory management are vague, Mr. Atkin said. Issues are with process and documentation, not with actual count – annually college financial statements are validated by a physical inventory count by an outside firm, Mr. Atkin said. Earlier this year, the college hired a

fixed asset accountant, Ms. Woodruff noted. Mr. Atkin said best practices will be identified and adopted, based on the college's choice of a new Enterprise Resource Planning (ERP) system.

Regarding the FY 2025 Annual Internal Audit Report, Mr. Goings noted it is for compliance with the Texas Government Code. The report includes status of each audit initiated during the fiscal year, lists consulting and non-audit services completed, and includes the Internal Audit Plan for FY 2026. The Purchasing Audit found the college is materially compliant with the Texas Education Code, with a number of improvements identified, Mr. Goings said. As part of the FY 2026 Audit Plan, state Information Security Standards will be addressed in the college's Cybersecurity Governance Execution Audit and the consultative Main Campus Risk Assessment, he said. The college's most pressing risks are migration to a new Enterprise Resource Planning (ERP) system, and resiliency, both of which are included in the FY 2026 Audit Plan, he said.

Mr. Goings reported on the Cash Management Audit, which is the first audit in the FY 2026 Internal Audit Plan. Discussion focused on the absence of policy regarding cash management. Mr. Atkin said better training/guidance, up to and including a desk manual, is needed for non-business office employees and departments that handle cash. Because employees have P-cards, use of petty cash should be limited to providing change, not for making purchases, Mr. Goings said. Cash amounts involved are minor and non-material, he noted.

#### **MATTERS OF CONCERN FOR FUTURE AGENDAS**

None.

#### **Adjournment**

Committee Chair Jirrels declared the meeting adjourned at 5:08 pm.

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Chairman, Board of Regents

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Secretary, Board of Regents