

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Audit Committee

Date of Meeting: August 19, 2010

Agenda Item: Discussion of Office of Internal Auditing Issues and Priorities for Next Budget

Proposed
Policy Change

Approvals
Required by
Policy

Other
Approvals

Monitoring

Information

Cite policy requirement, or explain why item is on the Board agenda:

The Office of the Chancellor is in the process of determining budget cuts for fiscal years 2011 and 2012. Board Policy 1A.2, Part 5, Subpart E, states that the Office of Internal Auditing reports directly to the audit committee and it is charged with oversight of internal and external audits.

Scheduled Presenter(s):

Beth Buse, Executive Director, Office of Internal Auditing

Background Information:

- Office of Internal Auditing absorbed a 15% budget reduction from its fiscal year 2009 base budget.
- Priorities established by the audit committee may have implications on the Office of Internal Auditing budget.

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MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD INFORMATION

**DISCUSSION OF OFFICE OF INTERNAL AUDITING ISSUES AND
PRIORITIES FOR NEXT BUDGET**

BACKGROUND

For Fiscal Year 2010, the Office of Internal Auditing abided by the budget process for the Office of the Chancellor. Because of the dire economic conditions facing state government and the resulting reduction in state appropriations to the Minnesota State Colleges and Universities, the Office of Internal Auditing absorbed a 15% budget reduction from its fiscal year 2009 base budget. The office absorbed this cut by:

- eliminating consulting services and focusing on core assurance services, and
- sharing a data analysis position with the Information Technology Services division.

The Office of the Chancellor is faced with making additional budget cuts for fiscal year 2011 and 2012.

Date Presented to the Board of Trustee: August 19, 2010