



**AUDIT COMMITTEE  
FEBRUARY 10, 2010  
2:30 P.M.**

**CONFERENCE ROOM 3309  
WELLS FARGO PLACE  
30 7TH STREET EAST  
SAINT PAUL, MN**

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Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

**Committee Chair Thiss calls the meeting to order.**

- (1) Office of the Legislative Auditor's Evaluation Report, *MnSCU System Office* (pages 1-2)
- (2) Update on the Search Process for the Executive Director of Internal Auditing Position (pages 3-5)

Members

Scott Thiss, Chair  
James Van Houten, Vice Chair  
Jacob Englund  
Dan McElroy  
David Paskach

**Bolded** items indicate action required.

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

**Agenda Item Summary Sheet**

**Committee:** Audit Committee

**Date of Meeting:** February 10, 2010

**Agenda Item:** Office of the Legislative Auditor's Evaluation Report, *MnSCU System Office*

- Proposed Policy Change       Approvals Required by Policy       Other Approvals       Monitoring
- Information

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

This program evaluation was conducted by the Legislative Auditor at the request of legislators.

**Scheduled Presenter(s):**

James Nobles, Legislative Auditor  
Joel Alter, Project Manager  
Valerie Bombach, Program Evaluator

**Outline of Key Points/Policy Issues:**

- The public release of this report will occur on Tuesday, February 9, 2010. Therefore, the contents may not be disclosed publicly prior to that time.

**Background Information:**

- The evaluation was requested by the Chancellor and the Board of Trustees Chair, and it was authorized by the Legislative Audit Commission.
- It will examine the following questions:
  - How has the system office's spending and staffing changed over time, and what accounts for those changes?
  - To what extent does the system office deliver services efficiently and effectively, and to what extent are those services critical to MnSCU's core mission?
  - Are there good working relationships between the system office and trustees, campus officials, and legislators?

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

**BOARD INFORMATION**

OFFICE OF THE LEGISLATIVE AUDITOR'S  
EVALUATION REPORT, *MNSCU SYSTEM OFFICE*

**BACKGROUND**

Audit committee members will receive an advance copy of this report with their board packet. Additional copies of the final report may be obtained from the Office of the Legislative Auditor web site: [www.auditor.leg.state.mn.us](http://www.auditor.leg.state.mn.us) starting on Tuesday, February 9, 2010.

*Date Presented to the audit committee: February 10, 2010*

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

**Agenda Item Summary Sheet**

**Committee:** Audit Committee

**Date of Meeting:** February 10, 2010

**Agenda Item:** Update on the Search Process for the Executive Director of Internal Auditing Position

- Proposed Policy Change       Approvals Required by Policy       Other Approvals       Monitoring
- Information

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

Board Policy 1A.2, Part 5, Subpart E stipulates that the audit committee oversees the internal audit activity. Board Policy 1D.1, Part 6 stipulates that the Executive Director of Internal Auditor reports directly to the Board of Trustees through the Chair of the Audit Committee.

**Scheduled Presenter(s):**

Lori Lamb, Vice Chancellor, Human Resources

**Outline of Key Points/Policy Issues:**

- Committee discussion regarding the search committee composition and the qualifications for the position.

**Background Information:**

- John Asmussen, the Executive Director of Internal Auditing, has resigned from his position, effective July 20, 2010.
- In January 2010, the Board of Trustees delegated authority to the Chancellor to initiate a search process to hire a new Executive Director of Internal Auditing. The search process should culminate in identifying up to three candidates to fill this position. The Board of Trustees reserved its authority to make the final selection for filling the position.
- The Executive Director of Internal Auditing reports directly to the Board of Trustees.

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

<b>BOARD INFORMATION</b>
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<b>UPDATE ON THE SEARCH PROCESS FOR THE EXECUTIVE DIRECTOR OF INTERNAL AUDITING POSITION</b>
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**BACKGROUND**

The Board of Trustees approved the hiring of John Asmussen as its first Executive Director of Internal Auditing in November 1997. Mr. Asmussen has resigned from his position, effective July 20, 2010. The Board of Trustees wishes to initiate a search process in order to hire a new Executive Director of Internal Auditing.

In January 2010, the Board of Trustees delegated authority to the Chancellor to initiate a search process to hire a new Executive Director of Internal Auditing. The search process should culminate in identifying up to three candidates to fill this position. The Board of Trustees reserved its authority to make the final selection for filling the position.

The committee wishes to discuss the composition of the search committee that will be responsible to solicit nominations and applications, screen applications, and conduct the initial interviews. The committee also wishes to discuss the qualifications the candidates must have in order to be eligible to apply for the position.

The draft position announcement is attached for review.

*Date Presented to the audit committee: February 10, 2010.*

## **Executive Director of Internal Auditing**

Minnesota State Colleges & Universities

The Executive Director of Internal Auditing for Minnesota State Colleges and Universities reports directly to the Board of Trustees, through the Chair of the Audit Committee. The Executive Director also has responsibility to work closely with the Chancellor and the Chancellor’s Cabinet. The Executive Director of Internal Auditing provides independent, objective assurance and advice on issues and operations that present material risk to the system and its 32 colleges and universities. The Executive Director is responsible for the operation and management of the Office of Internal Auditing, providing leadership and oversight to the system-wide internal audit function, including the hiring, supervision, and professional development of staff. The Executive Director will be a professional and proactive resource supporting audit activity that adds value to the system by improving opportunities to achieve strategic objectives, assessing operational systems and controls, and identifying opportunities for continuous improvement with significant emphasis on reducing risk. The Executive Director is responsible for representing the Office of Internal Auditing to the Board of Trustees, the Chancellor, the 32 college and university presidents and to the communities in which the system operates on topics such as internal controls, ethics, and system policies, and therefore, must possess strong public speaking/communication skills. The Executive Director also works closely with the Office of Legislative Audit for the State of Minnesota as well as external audit firms hired by colleges and universities, and, therefore, must be able to demonstrate the expertise and diplomacy required to do so effectively.

Minnesota State Colleges and Universities seeks a seasoned professional with exceptional analytical, communication and interpersonal skills. The Executive Director should possess a clear understanding of issues relating to business risk and be familiar with a wide array of financial and operational compliance issues and programs that impact colleges and universities. A commitment to service and a collaborative, team based management style is required. A desire to seek continuous improvement and work with all constituents from this frame of reference is essential. The successful candidate will possess strong organizational and proven management skills as well as the ability to provide leadership in a multi-campus, multi functional business environment that employs strong management and accountability principles. The ideal candidate will have ten (10) years of comprehensive audit experience, preferably in a higher education, government service related or other similar environment, including at least five years of management experience. Such experience must be in an organization or organizations of significant size, scope and complexity to confirm that the candidate has a proven-track record of handling matters of significant magnitude and complexity, and must include regular, direct contact with the governing body of the organization including providing informal reports or updates as well as making formal presentations. A Master’s degree (in business, accounting or related field) or CPA licensure is required. A Certified Internal Auditor license is preferred.

The search is currently underway and will continue until an appointment is made. Candidates should provide a resume, letter of application and the names and contact information of at least three references to:

Lori Lamb, Vice Chancellor for Human Resources  
Minnesota State Colleges & Universities  
30 7<sup>th</sup> St. E., Suite 350  
Saint Paul, MN 55101-7804