

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

Agenda Item Summary Sheet

Committee: Audit Committee

Date of Meeting: November 17, 2010

Agenda Item: Review and Approve Release of the Audited Financial Statements

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 requires the Audit Committee to review the audited financial statements and recommend their release to the Board of Trustees.

Scheduled Presenter(s):

Beth Buse, Executive Director, Office of Internal Auditing
Laura King, Vice Chancellor - Chief Financial Officer
Colin Dougherty, Associate Vice Chancellor of Finance
Tom Koop, partner with LarsonAllen, LLP
Steve Wischmann, partner with Kern DeWenter Viere, Ltd,
Daryl DeKam, partner with Baker Tilly Virchow Krause, LLP

Outline of Key Points/Policy Issues:

The System, its revenue fund, the seven state universities, and six colleges had financial statement audits conducted by external auditors. The opinion letters provide the Board and other users of the audits with reasonable assurance that the information is materially accurate and reliable. Auditing standards also require the audit firms to convey certain required communications, including any significant deficiencies or material weaknesses in internal controls, to the Audit Committee.

The Audit Committee will focus on the work of the external auditors and satisfy itself with the assurances offered by the auditors.

Background Information:

The financial statements were prepared by the finance division of the Office of the Chancellor with the assistance of the college and university finance departments and have been audited by public accounting firms that were selected by the Board of Trustees.

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

BOARD ACTION

**REVIEW AND APPROVE RELEASE OF THE
AUDITED FINANCIAL STATEMENTS**

BACKGROUND

Board Policy 1A.2, part 5, subpart E requires the Audit Committee to “review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements.”

The audited financial statements for fiscal year 2010 activity will be presented at this meeting as follows:

Financial Statements audited by LarsonAllen, LLP –

- Systemwide
- Revenue Fund

- Minneapolis Community and Technical College
- Metropolitan State University
- Rochester Community and Technical College
- Southwest Minnesota State University

Financial Statements audited by Baker Tilly Virchow Krause, LLP -

- Bemidji State University
- Century College
- Minnesota State Community and Technical College
- St. Cloud State University

Financial Statements audited by Kern DeWenter Viere, Ltd -

- Minnesota State University, Mankato
- Minnesota State University Moorhead
- Hennepin Technical College
- Normandale Community College
- Winona State University

AUDIT RESULTS

Copies of the audited financial statements were provided to members of the Audit Committee for review prior to the meeting on November 17, 2010. Public copies of the reports will be available at the committee meeting and on the Financial Reporting website after November 17, 2010.

RECOMMENDED COMMITTEE ACTION:

The Audit Committee has reviewed the fiscal year 2010 audited financial statements and discussed them with representatives of management and the external auditing firms. The committee recommends that the Board of Trustees adopt the following motion:

RECOMMENDED MOTION:

Based on the review and recommendation of the Audit Committee, the Board of Trustees approves the release of the fiscal year 2010 audited financial statements as submitted.