

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

**Agenda Item Summary Sheet**

**Committee:** Audit Committee

**Date of Meeting:** June 22, 2011

**Agenda Item:** Audit Finding Resolution Update: Northeast Higher Education District and Fond du Lac Tribal and Community College

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 1.D.1, Part 4 requires Internal Auditing to follow-up on audit findings generated by either internal or external audits and ensure that findings are satisfactorily resolved.

**Scheduled Presenter(s):**

Beth Buse, Executive Director, Office of Internal Auditing  
Dr. Sue Collins, President, Northeast Higher Education District  
Dr. Larry Anderson, President, Fond du Lac Tribal and Community College

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

- The Board of Trustees and the Chancellor expect timely resolution of audit findings. Accordingly, Internal Auditing maintains a database of audit findings and tracks their resolution.
- The Audit Committee asked President Larry Anderson and President Sue Collins to return to present an update on the resolution of outstanding audit findings.

**Background Information:**

- A status report as of February 2011 on the resolution of audit findings at colleges and universities was presented to the Audit Committee in March 2011
- Two institutions had significant outstanding audit findings where satisfactory progress was not being made.

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

<b>BOARD INFORMATION</b>
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AUDIT FINDING RESOLUTION UPDATE: NORTHEAST HIGHER EDUCATION DISTRICT AND FOND DU LAC TRIBAL AND COMMUNITY COLLEGE
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**BACKGROUND**

The Board of Trustees and the Chancellor expect timely resolution of audit findings. Accordingly, Internal Auditing maintains a database of audit findings and tracks resolution. The database contains audit findings from many sources, including those issued by the Office of the Legislative Auditor, Minnesota Office of Higher Education, other external auditors and findings issued by the Office of Internal Auditing.

The Audit Committee heard a Status Report on Audit Findings in March 2011. The Northeast Higher Education District and Fond du Lac Tribal and Community College each had significant outstanding audit findings where satisfactory progress had not been made.

- **Northeast Higher Education District:** This institution had 31 unresolved audit findings with unsatisfactory progress. Internal Auditing classified 15 of the findings as “important” and 16 as “limited impact”.
- **Fond du Lac Tribal and Community College:** The college had five unresolved audit finding for which progress towards implementation of corrective action was unsatisfactory. One finding, pertaining to the need for improved purchasing and accounts payable controls was classified as critical.

The Audit Committee asked President Larry Anderson and President Sue Collins to return to present an update on the resolution of outstanding audit findings.

*Date Presented to the Board of Trustee: June 22, 2011*