

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

**Agenda Item Summary Sheet**

**Committee:** Audit Committee

**Date of Meeting:** November 15, 2011

**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 college and university business offices with the assistance of the System Office finance division 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 2011 activity will be presented at this meeting as follows:

Financial Statements audited by LarsonAllen, LLP –

- Systemwide (*Book 2*)
- Revenue Fund (*Book 1*)
  
- Southwest Minnesota State University (*Book 1*)
- Metropolitan State University (*Book 2*)
- Minneapolis Community and Technical College (*Book 2*)
- Rochester Community and Technical College (*Book 2*)

Financial Statements audited by Kern DeWenter Viere, Ltd -

- Hennepin Technical College (*Book 2*)
- Minnesota State University Moorhead (*Book 2*)
- Normandale Community College (*Book 2*)
- Winona State University (*Book 2*)
- Minnesota State University, Mankato (*Book 1*)
- St. Cloud State University (*Book 1*)

Financial Statements audited by Baker Tilly Virchow Krause, LLP -

- Bemidji State University (*Book 1*)
- Century College (*Book 1*)
- Minnesota State Community and Technical College (*Book 1*)

**AUDIT RESULTS**

Copies of the audited financial statements were provided to members of the Audit Committee for review prior to the meeting on November 15, 2011. Public copies of the reports will be available at the committee meeting and on the Financial Reporting website after November 15, 2011.

**RECOMMENDED COMMITTEE ACTION:**

*The Audit Committee has reviewed the fiscal year 2011 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 2011 audited financial statements as submitted.*