



**AUDIT COMMITTEE
JUNE 16, 2015
10:30 A.M.**

**MCCORMICK ROOM
30 7TH STREET EAST
SAINT PAUL, MN**

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.

- (1) Minutes of May 20, 2015 (pages 1-4)**
- (2) Proposed Amendment to Policy 1D.1 Office of Internal Auditing
(Second Reading) (pages 5-11)**
- (3) Results of Audit Risk Assessment (pages 12-13)**
- (4) Approval of Annual Audit Plan for Fiscal Year 2016 (pages 14-15)**

Members

Philip Krinkie, Chair
Duane Benson, Vice Chair
Ann Anaya
Robert Hoffman
Michael Vekich
Erma Vizenor

Bolded items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
AUDIT COMMITTEE MEETING MINUTES
May 20, 2015**

Audit Committee Members Present: Trustees Philip Krinkie, Duane Benson, Robert Hoffman, Michael Vekich, and Erma Vizenor.

Audit Committee Members Absent: Trustee Ann Anaya

Others Present: Trustees Kelly Charpentier-Berg, Alexander Cirillo, Maleah Otterson, Tom Renier, and Elise Ristau.

The Minnesota State Colleges and Universities Audit Committee held its meeting on May 20, 2015, 4th Floor McCormick Room, 30 East 7th Street in St. Paul. Chair Krinkie called the meeting to order at 8:03 a.m.

1. Minutes of April 22, 2015

The minutes of the April 22, 2015 Audit Committee were approved as published.

2. Proposed Amendment to Policy 1D.1 Office of Internal Auditing (First Reading)

Ms. Beth Buse, Executive Director of the Office of Internal Auditing, began by sharing with the committee that the month of May was internal audit awareness month.

Ms. Buse explained that most of the proposed changes to board policy 1D.1 were to streamline the policy language, but there were also changes that would bring the audit charter contained in the policy into compliance with the standards for internal auditing. Trustee Krinkie stated that he had read through all of the proposed changes and agreed that they were either to clean up language or to ensure compliance with national auditing standards. He noted the policy referred to MN Statute Chapter 13, and he asked for clarification. Ms. Buse stated that the statute referred to the Minnesota government data practices act, which mentions internal audit data, and states that while audit work is in progress the data is not public.

Trustee Otterson noted that she thought having the proposed changes in red, in addition to strikeout and underlined text, made it easier to read.

3. Results of Financial Aid Audit.

Ms. Buse introduced Mr. Don Loberg, Partner with CliftonLarsonAllen LLP, Ms. Brenda Scherer, Audit Manager with CliftonLarsonAllen LLP, and Mr. Christopher Halling, System Director for Financial Aid.

Ms. Buse presented overview material on the single audit and explained that this was an annual report that was required by federal law and focused on major federal programs. The

Office of the Legislative Auditor identified student federal financial aid as the only major federal program for the system. The audit work, which was performed by CliftonLarsonAllen was compiled into a State of Minnesota Single Audit report. That report is required to be issued by March 31 each year.

Ms. Buse reminded the committee that two years ago, the results of the fiscal year 2012 audit had not been submitted in a timely way. MnSCU had completed and submitted its work timely, however, because those results are incorporated into the State of Minnesota's report and their report was submitted late, MnSCU was sanctioned for five years. Ms. Buse stated that those sanctions would be in place for another three years and that they do create extra work for the colleges and universities in administering their federal financial aid programs.

Trustee Krinkie asked if there were any consequences associated with the sanctions. Ms. Laura King, Chief Financial Officer, stated that the sanctions added a requirement under federal regulation that MnSCU alter its practices used to draw down reimbursement for federal financial aid. The regulation is called heightened cash management.

Mr. Halling also noted that the sanctions affect a small number of students who seek financial aid for new programs. When the system is not under sanctions, funding for students can begin immediately. Under the sanctions, the system has to wait to receive the approval from the Department of Education before providing funds to students in those programs. The Department of Education can take anywhere from four to nine months to approve those programs, so it is possible that for the first term a program is offered, those students wouldn't receive financial aid funding.

Ms. Buse reviewed federal financial assistance for the last ten years. Trustee Benson noted that MnSCU was dependent on the federal financial assistance program. He asked how the system compared to other states. Mr. Loberg stated that it was very common for states to be dependent on federal financial assistance. He noted that many states had a 80-90% participation rate in state and federal grants. Ms. King clarified that MnSCU's federal financial aid participation rate was in the low 60%. Chancellor Rosenstone added that within the PELL program the system was closer to 38%. Ms. King reminded trustees that the system's dependency on the federal financial aid program was an enterprise risk.

Trustee Krinkie asked about the average student loan amount. Mr. Halling stated that Mr. Craig Schoenecker, System Director for Research, would have that information, and it could be provided to the committee. He cautioned that information average packages or average borrowing could be useful but there also may not be many students who were at the average.

Trustee Krinkie asked if the decline in federal financial aid grants was due to declining enrollment or because there was less money being borrowed. Ms. Buse stated that the system had seen a decline in enrollment, but she added that she would have Mr. Schoenecker look at the averages to determine individual student activity. Mr. Halling stated that he had had conversations with the Department of Higher Education, and he thought there were a combination of factors. Enrollment was down so there were fewer people needing to borrow,

and employment was up, so their ability to contribute meant they were not able to borrow quite as much.

Ms. Scherer stated that when CliftonLarsonAllen reviewed the fiscal year 2014 Federal Student Financial Aid they were looking at all the institutions as one. She stated that there were five findings in the report, all of which were insignificant. Ms. Scherer reviewed the findings.

Ms. Buse noted that in 2013 there were two audit findings and both of them had been resolved.

Ms. Buse provided some historical perspective on questioned costs over the previous nine years. She noted that the financial aid administrators and the business office staff across the system had done a phenomenal job to consistently have such low questioned costs in the audits over the past several years. She did caution however, that it was important to remember that with 600 compliance regulations, if there were a significant violation in one of those compliance issues at a systemic level, the questioned cost numbers could add up quickly. She stressed the importance of staying on top of issues and understand regulations so that a systemic error didn't occur.

Ms. Buse stated that the U.S. Department of Education conducted three program reviews in the past year. The report on Minneapolis Community and Technical College was issued in December, there were three minor findings and no questioned costs. The report on Saint Paul College was issued in December and there were no findings. The report on Century College had not been issued yet, however Mr. Halling indicated that the reviewers thought it would be a clean report.

Ms. Buse continued with a brief background on the financial aid work that was done by the Minnesota Office of Higher Education. She stated that the most recent information provided by their office was for fiscal year 2013, and that work was done at an individual college or university level. Trustee Hoffman noted that MnSCU received about 40% of the state grant dollars for 60% of the students. Mr. Halling confirmed and stated that over the course of ten years, progress had been made to get some of the rules changed for how the money was calculated and spent, but there was still a great disparity. Trustee Hoffman expressed his displeasure at the inequity.

Trustee Charpentier-Berg asked if participation of the part-time student grant impacted the system's numbers. Mr. Halling stated that about \$20 million of the increase in 2013 was due to the pilot program for part-time working students. He added that some of the increase was due to the fact that more money was put into the overall state grant program.

Ms. Buse provided background on the Minnesota Office of Higher Education audit work. She stated that they conduct audit work on individual colleges and universities. She noted that MOHE had changed their audit approach in the last year to include more sampling and they were primarily conducting desk audits, rather than visiting the campuses. Ms. Buse stated that the approach allowed them to get additional coverage without travel, but it was

resulting in some tension with campuses across the state. She added that she was working with Mr. Halling and the financial aid directors on the relationship with MOHE and easing some of that tension.

Ms. Buse provided a summary of the last several years of activities as it relates to MnSCU campuses. In 2015, MOHE issued seven reports of MnSCU colleges and universities with 58 total recommendations and questioned costs of just over \$14,000. Mr. Halling pointed out that recommendations were not the same as audit findings. In many cases the system believes they are in compliance or exceeding expectations, however he noted that MnSCU takes all recommendations into account. Ms. Buse noted that they were working with the MOHE audit staff to provide feedback and she added that they had been very open to that feedback.

Ms. Buse reviewed a summary of observations from the Minnesota Office of Higher Education audit director. She stated that most of the program specific issues were noted in child care and state grant programs. She added that most of audit findings were a result of manual calculation errors or incomplete information for determining program eligibility. Ms. Buse stated that the Office of Internal Auditing does follow-up work on all findings.

Mr. Loberg stated that it was not easy to go through an audit of federal financial aid, there were so many compliance requirements and nuances. The fact that MnSCU had very few findings was a very positive report. He added that board should be proud of the staff across the system. Mr. Halling added that there were over 1,200 pages in the Department of Education federal handbook. He stated that the financial aid directors were doing an extraordinary job out at the institutions, as well as the business offices and the registrars. He congratulated them for their work.

President Pat Johns, Lake Superior College, reinforced that appreciation. He stated that not only were there a huge number compliance regulations, but they changed annually, which required staff to continually stay updated. He further added that the financial aid staff deal with students on a regular basis, build positive relationships, and have many opportunities for contentious discussions and they manage all of that very well across the system. He applauded their work. President Johns stated that in many cases he believe the classifications of these employees were not commensurate with the responsibility, and the level of financial risk the system had in this area.

Trustee Krinkie added his appreciation for the work done by Mr. Hallings, Vice Chancellor King and her staff, and CliftonLarsonAllen. He noted that the audit results proved the point that MnSCU had very dedicated and competent staff doing great work.

The meeting adjourned at 8:56 a.m.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Audit Committee

Date: June 16, 2015

Title: Proposed Amendment to Policy 1D.1 Office of Internal Auditing (Second Reading)

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Policy 1D.1 Office of Internal Auditing was reviewed by the Office of Internal Auditing. Changes are proposed throughout the policy to clean up language and to comply with changes to the International Standards for the Professional Practice of Internal Auditing.

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation from the presidents, employee representative groups, student associations and campus leadership groups. All comments received from the consultation were taken into consideration.

Policy 1D.1 was presented to the Audit Committee for a first reading in May 2015.

Scheduled Presenter(s):

Beth Buse, Executive Director, Office of Internal Auditing

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

BOARD ACTION

PROPOSED AMENDMENT TO POLICY 1D.1 OFFICE OF INTERNAL AUDITING
(SECOND READING)

Board Policy 1D.1 Office of Internal Auditing was adopted by the Board of Trustees and implemented on July 19, 2000. The policy was last reviewed in 2011 and amended to clean up language and comply with International Standards for the Professional Practice of Internal Auditing. Language about consulting services were removed at that time as well. Board Policy 1A.1, Part 6, Minnesota State Colleges and Universities Organization and Administration, requires periodic review of all board policies.

PROPOSED AMENDMENTS

The proposed amendments to Policy 1D.1 are identified by strikethrough and underlining in the policy on the following pages. Changes are proposed throughout the policy to clean up language and to comply with changes to the International Standards for the Professional Practice of Internal Auditing.

REVIEW PROCESS

The proposed amendment was reviewed by the Office of General Counsel, cabinet, then sent out for formal consultation from the presidents, employee representative groups, student associations and campus leadership groups. All comments received from the consultation were taken into consideration.

Policy 1D.1 was presented to the Audit Committee for a first reading in May 2015.

RECOMMENDED COMMITTEE ACTION:

The Audit 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 recommended changes to Policy 1D.1 Office of Internal Auditing as submitted.

Date Presented to the Board of Trustees: June 16, 2015

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

BOARD POLICY		1D.1
Chapter	1	SYSTEM ORGANIZATION AND ADMINISTRATION
Section	D	Office Of Internal Auditing

1D.1 OFFICE OF INTERNAL AUDITING.

Part 1. Mission. The mission of the ~~Office-office~~ of ~~Internal-internal Auditing-auditing~~ is to provide independent, objective assurance and consulting ~~services-activity~~ designed to add value and improve the operations of the Minnesota State Colleges and Universities. Internal ~~Auditing-auditing~~ helps the ~~Boardboard-of-Trustees~~, ~~C~~chancellor, presidents, and ~~all~~ other levels of management accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

~~**Part 2. Values and Principles.** The Office of Internal Auditing is committed to shall:~~

- ~~• Supporting the success of public higher education, including (student success and learning);~~
- ~~• Practicing with integrity, honesty, and objectivity;~~
- ~~• Complying with professional and ethical standards;~~
- ~~• Protecting confidentiality of information;~~
- ~~• Conveying results first to appropriate management (no public surprises) and as necessary to other stakeholders;~~
- ~~• Promoting accessibility to internal auditing services, both geographically and by fostering relationships with campus personnel;~~
- ~~• Understanding the unique needs of individual institutions;~~
- ~~• Maintaining excellence through innovative and proactive methodologies, professional development, and continuous learning; and~~
- ~~• Celebrating success.~~

Part 32. Vision Statement. The ~~Office-office~~ of ~~Internal-internal Auditing-auditing~~ is a catalyst for improvement.

Part 43. Standards of Practice. Internal ~~Auditing-auditing~~ activities ~~will~~ must be conducted in compliance with ~~the Minnesota State Colleges and Universities board policies and system procedures.~~ as well as with the In addition, ~~the Office of Internal A auditing shall comply with relevant professional standards and the Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. ~~International Standards for the Professional Practice of Internal Auditing and the Code of Ethics promulgated by the Institute of Internal Auditors.~~~~

Part 54. Services. Internal ~~Auditing~~ auditing shall be an advocate to improve and maintain accountability and promote the proper management oversight of the system office, and college and university programs and activities. Internal ~~Auditing~~ auditing is intended to complement, and not replace, other services available either on campuses or in the system office. It has particular expertise in topics such as auditing, accounting, internal controls, financial risk management, and information technology. When dealing with matters outside its expertise, ~~Internal~~ internal ~~Auditing~~ auditing shall seek the assistance of ~~other~~ experts in the organization or obtain external consultative services, ~~if~~ as necessary. It offers the following types of services in order to assist the ~~Board~~ board ~~of Trustees~~, ~~Chancellor~~ chancellor and presidents in accomplishing their objectives and in improving operations.

- a. **Subpart A. Assurance Services** consist of examinations designed to inform interested stakeholders about the reliability and accuracy of information and information systems. System-wide topics may be selected by formal action of the ~~B~~ board ~~of Trustees~~. Internal ~~A~~ auditing may also enter into agreements to conduct special studies requested by the ~~Chancellor~~ chancellor or a president. Studies may focus on (1) compliance with board policies, laws, and regulations, (2) reliability of information, (3) economy and efficiency of operations, (4) effectiveness in meeting goals and objectives, (5) design and effectiveness of information technology security controls, or (6) safeguarding of assets. Internal ~~A~~ auditing shall coordinate all audit-related activities conducted by the Office of the Legislative Auditor and external auditors within MnSCU. Internal ~~Auditing~~ auditing must follow-up on audit findings generated by either internal or external audits to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. ~~findings are satisfactorily resolved.~~
- b. **Subpart B. Fraud Inquiry and Investigation Support Services** are intended to augment the efforts of colleges and universities to ensure that evidence of fraud or dishonest acts is investigated professionally and promptly. Internal ~~Auditing~~ auditing shall ~~look to consult with~~ legal counsel ~~for leadership~~ on any issues that may involve criminal action or reveal potential legal exposures. ~~Internal A auditing shall notify~~ It is recognized that these matters must be reported ~~to the Legislative~~ legislative Auditor ~~auditor~~ as required by state law.
- c. **Subpart C. Professional Advice** shall promote an understanding and implementation of state laws and rules, federal laws and regulations, board policies and system procedures, professional accounting and auditing standards, and best practices in management ~~and organizational development~~. ~~Advice may be communicated in response to questions for which Internal Auditing has expertise, through availability of self-assessment tools, by broadly relaying or publicizing information on selected topics, or by offering workshops, offering education and training opportunities workshops and inservices on-site or via technology such as webinars.~~

Part 65. Authority and Responsibilities. Internal ~~Auditing~~ auditing has the authority to audit all parts of ~~MnSCU~~ the system and ~~shall be~~ is granted full and complete access to all ~~MnSCU~~ system records ~~(manual or electronic)~~, physical properties and personnel relevant to any services provided according to this policy. Access ~~is also~~ shall ~~must be~~ be granted without limitation ~~limitation, by contract,~~ to relevant records of all ~~MnSCU~~ system related foundation agreements, contractors, and partners ~~other written agreements~~. The internal-audit activity shall be free from interference in determining the scope of work and communicating results. Documents and information given to internal auditors shall be handled in compliance with ~~provisions of~~ the Minnesota Government Data Practices Act and other applicable laws.

Internal ~~Auditing~~ auditing shall have no direct authority over or responsibility for any of the activities or operations ~~they~~ it ~~reviews~~. Unless extenuating circumstances dictate, internal auditors should not develop and implement procedures, prepare records or engage in activities which would normally be reviewed by ~~Internal~~ internal ~~Auditing~~ auditing. Internal ~~Auditing~~ auditing may review proposed systems and processes prior to implementation to assure adequate controls will exist.

Part 76. Organization.

Subpart A. Reporting sStructure. ~~The E~~ Executive D ~~director of Internal Auditing~~ reports directly to the ~~Board~~ board of Trustees through the ~~C~~ Chair of the ~~Board of Trustees~~ Audit Committee. The executive director has direct and unrestricted access to the Bboard. ~~The C~~ hancellor ~~will~~ shall handle matters related to audit departmental operations in consultation with the ~~C~~ Chair of the Audit Committee.

Subpart B. Annual Audit Plan. ~~The E~~ Executive D ~~director of Internal Auditing~~ shall present and seek approval from ~~to~~ the Audit Committee on an annual audit plan based on a system-wide audit risk assessment. The plan shall include all ~~Internal~~ internal ~~Auditing~~ auditing and external audit activities planned for the ensuing fiscal year. In addition, the plan shall include the Iinternal Aauditing budget and resource allocation. ~~The E~~ Executive D ~~director~~ shall report to the Audit Committee any significant changes to the audit plan throughout the year.

Subpart C. Reporting sSignificant vViolations. ~~The Executive Director has direct and unrestricted access to the Board of Trustees.~~ ~~The E~~ Executive D ~~director~~ has the right and responsibility to report to the ~~Trustees~~ board any circumstances that are significant violations of internal ~~MnSCU~~ controls, board ~~policy~~ ies or system procedures and any other matters that the ~~E~~ Executive D ~~director~~ believes warrant ~~Trustee~~ notification. Internal ~~A~~ auditing ~~ing~~ is a function shared with the ~~C~~ hancellor and the presidents. ~~Therefore,~~ ~~t~~ ~~The E~~ Executive D ~~director~~ has the right and responsibility to report any matters to the ~~C~~ hancellor and presidents that warrant their notification or assist them in improving their operations.

The appointment, removal, and compensation of the executive director shall be consistent with Policy 1A.4, Part 5.

Part 87. Internal Auditing Data. ~~As required by~~In accordance with Minnesota Statutes ~~Section § 13.392, Subdivision subd. 1,~~ data notes, and preliminary drafts of reports created, collected, and maintained by ~~Internal-internal Auditing-auditing~~ are confidential data on individuals or protected nonpublic data while work is in progress. The final report is public data, except as provided under ~~the Minnesota Government Data Practices Act~~Minn. Stat. ch. 13 or other applicable law.

~~Also, as required by Minnesota Statutes Section 13.392, Subdivision 2,~~In accordance with Minn. Stat. § 13.392 subd. 2, data on an individual supplying information for an audit or investigation that could reasonably be used to determine the individual's identity, ~~are shall be classified as~~ private data on individuals if the information supplied was needed for an audit or investigation and would not have been provided to ~~Internal-internal Auditing-auditing~~ without an assurance to the individual that the individual's identity would remain private.

Part 98. Reporting.

Subpart A. Distribution of Reports. Internal ~~Auditing-auditing~~ reports resulting from services requested by the Audit Committee shall be distributed to ~~all members of the Board of Trustees.~~ ~~Copies of these reports also shall be distributed to management as appropriate.~~ The ~~Executive D~~director shall enter into an agreement with the ~~C~~hancellor, other senior administrators, or a president to direct the distribution of ~~Internal-internal Auditing-auditing~~ reports resulting from services not requested by the Audit Committee. Such reports shall be distributed to the ~~Board-board of Trustees~~ if ~~warranted under the circumstances that are cited in Part 76 of this policy are revealed.~~

Subpart B. Follow-up Reporting. The ~~Executive D~~director shall ~~provide present~~ periodic follow-up reports to the Audit Committee ~~that shows on~~ progress toward implementing internal and external audit findings ~~previously reported to the committee.~~

Subpart C. Annual Report. The ~~Executive D~~director shall ~~present provide~~ an annual report to the Audit Committee including:

- ~~1. that shows the results of a~~Audits conducted during the previous fiscal year, including a summary of significant audit results.
- ~~2. Whether Internal A~~auditing was organizationally independent and free of any scope and resource limitations in performing its audits.
- ~~1-3.~~ Review of the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing* (*Standards*) with senior management and the ~~B~~board of Trustees.

Date of Implementation: 7/19/00

Date of Adoption: 7/19/00

Date and Subject of Revisions:

XX/XX/15 - Amended throughout to clean up language and comply with changes to the

International Standards for the Professional Practice of Internal Auditing.

11/16/11 - Amended throughout to clean up language and comply with International Standards for the Professional Practice of Internal Auditing. Removed Part 5c, Consulting Services.

7/19/00 - repealed MnSCU Policy 7.2 Parts 1-2 & 4-7.

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

Agenda Item Summary Sheet

Name: Audit Committee

Date: June 16, 2015

Title: Results of Audit Risk Assessment

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

An audit risk assessment methodology was utilized to identify risks to consider in determining audit priorities for fiscal year 2016.

Professional internal auditing standards require that the audit plan be based on an audit risk assessment to ensure that resources are focused on the most critical projects.

Scheduled Presenter(s):

Beth Buse, Executive Director, Office of Internal Auditing

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

BOARD INFORMATION
RESULTS OF AUDIT RISK ASSESSMENT

1 **BACKGROUND**

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3 Executive Director Beth Buse will review the results of the Office of Internal Auditing’s audit
4 risk assessment at the committee meeting.
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37 *Date Presented to the Board of Trustees: June 16, 2015*

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

Agenda Item Summary Sheet

Name: Audit Committee

Date: June 16, 2015

Title: Approval of Annual Audit Plan for Fiscal Year 2016

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Board Policy 1D.1, part 6, requires the Executive Director of Internal Auditing to present an audit plan for each fiscal year. Internal auditing standards require that the board approve the annual plan.

The audit plan presents an overview of how the Office of Internal Auditing plans to use its resources in fiscal year 2016.

Internal audit plans to maintain flexibility in the audit plan. Plan updates will be brought to the Audit Committee throughout fiscal year 2016.

Scheduled Presenter(s):

Beth Buse, Executive Director, Office of Internal Auditing

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

BOARD INFORMATION
APPROVAL OF ANNUAL AUDIT PLAN FOR FISCAL YEAR 2016

BACKGROUND

According to Board Policy 1.D., Part 6, the Office Internal Auditing must submit an annual audit plan to the Audit Committee. Internal auditing standards require that the Board approve the annual plan. The fiscal year 2016 audit plan will be reviewed at the meeting.

RECOMMENDED COMMITTEE ACTION

On June 16, 2015, the Audit Committee reviewed the Fiscal Year 2016 internal audit plan and recommends that the Board of Trustees adopt the following motion:

RECOMMENDED BOARD OF TRUSTEES MOTION

The Board of Trustees approves the Office of Internal Auditing annual audit plan for fiscal year 2016.

Date Presented to the Board of Trustees: June 16, 2015