

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

Agenda Item Summary Sheet

Committee: Audit Committee

Date of Meeting: March 16, 2010

Agenda Item: Follow-up to the OLA's Evaluation of the 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:

Board Chair David Olson has assigned certain responsibilities to the audit committee for addressing the findings cited in the February 2010 program evaluation conducted by the Office of the Legislative Auditor *MnSCU System Office*.

Scheduled Presenter(s):

John Asmussen, Executive Director for Internal Auditing

Outline of Key Points/Policy Issues:

- This report was publicly released on Tuesday, February 9, 2010.
- The Office of the Legislative Auditor presented the findings to the audit committee on February 10, 2010.

Background Information:

- The evaluation was requested by the Chancellor and the Board of Trustees Chair, and it was authorized by the Legislative Audit Commission.

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MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD INFORMATION

FOLLOW-UP TO THE OLA'S EVALUATION OF THE SYSTEM OFFICE

BACKGROUND

On February 10, 2010, the audit committee met with Legislative Auditor Jim Nobles and his staff to review and discuss their program evaluation report, *MnSCU System Office*. Based on that discussion, the Audit Committee Chair made several recommendations to the Board Chair on how to address the report findings. In a letter to the members of the Board of Trustees dated February 17, 2010, Board Chair David Olson acted on those recommendations and assigned responsibilities to the board committees for addressing the findings cited in the report.

The audit committee assumed responsibility for the following tasks (excerpted from Chair Olson's February 17, 2010 letter):

- **Students First: Improve services to students.** The Legislative Auditor cited two fundamental concerns that centered on services to students: (1) facilitating the transfer of course credits and (2) creating a seamless student services environment. The system has several initiatives already underway that will address these concerns, many of which are bundled in the Students First project. In addition, the Office of the Chancellor has been assisting the student associations with administering a survey of students about their experience with transferring credits. We are not certain to what extent problems with credit transfers are perceived or real. To gain a better understanding, we need to review the preliminary findings from the student survey in March and then gather additional information from faculty, staff, and administrators, as needed. Accordingly, I have asked the Audit Committee to oversee a more comprehensive study of credit transfer and report its findings to the full board by our May meeting. ***Responsibility: Audit Committee.***
- **Board Oversight: Strengthen oversight of the Office of the Chancellor.** The Legislative Auditor cited this issue as a specific recommendation and provided more direction in a second recommendation regarding measuring administrative productivity and efficiency against reasonable benchmarks. Because of the unique functions delivered by each division of the Office of the Chancellor, the recommendation needs to be addressed division-by-division. Accordingly, I would like each board committee to develop recommended measures and benchmarks for the divisions assigned to it. The Executive Committee will consolidate these recommendations into a cohesive oversight plan. ***Responsibility: Executive Committee coordinates work of all other board committees.***
- **Monitoring Progress:** To ensure timely resolution of the findings and recommendations, the Audit Committee will monitor progress and provide monthly updates to the Executive Committee. Also, the committee will prepare a progress report to be shared with the Legislative Audit Commission in January 2011.

The audit committee chair intends for the committee to discuss these issues and develop a framework for addressing them.

Date Presented to the Board of Trustee: March 16, 2010