



**AUDIT COMMITTEE
MARCH 18, 2015
9:00 A.M.**

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

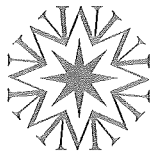
Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

- (1) Minutes of January 28, 2015 (pages 1-6)**
- (2) Review Results of Grant Management Internal Control and Compliance Audit (pages 7-21)

Members

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

Bolded items indicate action required.



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March 10, 2015

Board of Trustees
Chancellor Steven Rosenstone
Minnesota State Colleges and Universities

The Office of the Internal Auditing has completed an internal control and compliance audit of college and university grant management. This was undertaken as an approach to auditing particular business cycles across all colleges and universities. We view the completed audit as a helpful contribution of our understanding of the system and the campus control environment. The audit identified some instances of internal control deficiencies and a few examples of noncompliance were noted." (Page 6 of report)

Management of the system office and the colleges and universities have already undertaken remedies for some of these findings. Additional follow up work will continue in the upcoming months. Additionally, a work group of campus business and grant managers will be formed to look at some of the process improvements and best practice suggestions identified in the report. The comments concerning the system guidance in board policy 7.7 Gifts and Grants Acceptance are already being worked on as part of our five year cycle review of all policies and procedures.

The auditor's overall conclusion of confidence in the control environment serves as assurance to the Board of Trustees, Chancellor Rosenstone and the public that care and stewardship are exercised in all areas as it relates to grant management across the system.

Warm regards,

Laura M. King
Vice Chancellor - CFO