



**AUDIT COMMITTEE  
JANUARY 21, 2009  
9:00 A.M.**

**ROOM 4310  
SAINT PAUL COLLEGE  
235 MARSHALL AVENUE  
SAINT PAUL, MN**

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**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.**

**Committee Chair Thiss calls the meeting to order.**

- (1) Minutes of November 18, 2008** (pages 1-8)
- (2) Select Internal Audit Topic for FY 2009** (pages 9-14)
- (3) Review External Audit Plan and Select Colleges Subject to Annual Financial Statement Audits** (pages 15-19)
- (4) Review Legislative Auditor Report on the Use of General Obligation Bonds** (pages 20-22)

Members

Scott Thiss, Chair  
James Van Houten, Vice Chair  
Jacob Englund  
Dan McElroy  
David Paskach

**Bolded** items indicate action required.













































**MnSCU Audit Committee Meeting  
January 21, 2009, 9:00 a.m.  
OLA Audit Report on General Obligation Bond Expenditures**

**MnSCU Audit Scope**

- ◇ Twelve capital appropriations authorized by the *Laws of Minnesota* 2006, Chapter 258 (the 2006 bonding bill)
- ◇ Appropriations totaled \$161 million and expenditures at March 31, 2008, totaled \$111 million

**Audit Conclusions on MnSCU Bond Expenditures**

- ◇ Internal controls were generally adequate to ensure resources were safeguarded, financial information was reliable, and expenditures complied with legal requirements.
- ◇ Capital expenditures we tested complied with the *Minnesota Constitution*, appropriation laws, state statutes, and policies and procedures except for reported findings.
- ◇ Six colleges and universities had no reported findings.

**MnSCU Audit Findings**

1. MnSCU did not have a clear process to connect internal project management costs to specific projects (\$1.6 million). (Finding 4 in audit report)
2. Ineligible costs charged to bond funds included catering and tools (\$1,000), moving costs (\$63,000), and ineligible projects (\$60,000). (Finding 2 in audit report)
3. One college:
  - a) did not file a real estate declaration for a new building purchase totaling \$3.4 million; and
  - b) may not have complied with state constitution and other legal requirements in the purchase and leaseback of the building. (Findings 1 and 5, respectively, in audit report)

**Next Step:** Policy Discussions with Minnesota Management and Budget

**Questions?**