

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

Agenda Item Summary Sheet

Committee: Audit Committee

Date of Meeting: November 13, 2007

Agenda Item: Review of Fiscal Year 2007 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):

John Asmussen, Executive Director, Office of Internal Auditing
Laura King, Vice Chancellor - Chief Financial Officer
Tim Stoddard, Associate Vice Chancellor for Financial Reporting
Representatives from Kern, DeWenter, Viere, Ltd.; Larson, Allen, Weishair & Company, LLP; and Virchow, Krause and Company, LLP.

Outline of Key Points/Policy Issues:

The system wide and revenue fund audits and the twelve individual audits received unqualified opinion letters from the 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.

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 the Finance division of the Office of the Chancellor with the assistance of the campus Finance departments 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 OF FISCAL YEAR 2007 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 the FY2007 activity will be presented at this meeting as follows:

Financial Statements audited by Kern, DeWenter, Viere, Ltd –

1. Systemwide
2. Revenue Fund
3. Bemidji State University
4. Minnesota State Community and Technical College
5. Southwest Minnesota State University
6. Rochester Community and Technical College

Financial Statements audited by Larson, Allen, Weishair & Co, LLP -

7. Minnesota State University Mankato
8. Minnesota State University Moorhead
9. Winona State University
10. Century College

Financial Statements audited by Virchow, Krause and Company, LLP -

11. Metropolitan State University
12. Minneapolis Community and Technical College
13. St. Cloud State University
14. Hennepin Technical College

AUDIT RESULTS

Copies of the audited financial statements and required communications from the external auditors were provided to members of the Audit Committee for review prior to the meeting on November 13, 2007. Public copies of the reports will be available on the Financial Reporting website after November 17, 2007.

RECOMMENDED COMMITTEE ACTION:

The Audit Committee has reviewed the fiscal year 2007 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 2007 audited financial statements as submitted.