

**AUDIT COMMITTEE  
DECEMBER 6-7, 2007**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<b>1</b>	<b>COLLEGE &amp; UNIVERSITY AUDIT PRESENTATION</b> Moss Adams, LLP	Motion to approve

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**SUBJECT**

Presentation of annual financial audit of the Colleges and Universities by the Board's external auditor

**REFERENCE**

Annually	Regular December meetings of the State Board of Education
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**APPLICABLE STATUTE, RULE OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.H.5.e-f

**BACKGROUND**

The Board contracted with Moss Adams LLP, an independent certified public accounting firm, to conduct the annual financial audits of Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College. FY 2007 is the third year that Moss Adams has conducted audits of the financial statements for the college and universities.

The audits are conducted in accordance with Generally Accepted Government Auditing Standards and include an auditor's opinion on the basic financial statements.

**DISCUSSION**

Along with this agenda item, Board members will receive for each institution the Independent Auditor's Report and Financial Statements for the Year Ended June 30, which also contain the Management's Discussion and Analysis.

**IMPACT**

The State Board of Education will be informed, via published documents and the Moss Adams presentation, of the financial report regarding the five noted institutions for state Fiscal Year 2007. Institutions that have been audited will also be made aware of their particular financial condition, and recommended changes to procedures regarding financial matters.

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**STAFF COMMENTS AND RECOMMENDATIONS**

In November, Moss Adams conducted a preliminary review of the financial statements with members of the Audit Committee and Board staff.

The audited financial statements present the financial activity at each audited institution and include the following reports:

- Management's Discussion and Analysis
- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows
- Notes to the Financial Statements

While the Management's Discussion and Analysis and Notes to the Financial Statements help explain the financial activity and some trends, the audited financial statements do not attempt to measure the financial health of each institution. A subcommittee of the Financial VP group has been working to provide financial ratios for the Board. Various ratios have been proposed and training was provided at Boise State University in early November. The subcommittee will develop a short list of financial ratios that will be approved by the Finance Committee for subsequent Board review.

**BOARD ACTION**

A motion to accept from the Audit Committee the Fiscal Year 2007 financial audit reports for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College, as presented by Moss Adams LLP.

Moved by\_\_\_\_\_ Seconded by\_\_\_\_\_ Carried Yes\_\_\_\_\_ No\_\_\_\_\_

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**REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education  
GOVERNING POLICIES AND PROCEDURES  
SECTION: V. FINANCIAL AFFAIRS  
H. Audits

August, 2005

5. Independent Auditors

e. Financial Statement Review

At the completion of the independent audit, the Committee shall review with institution management and the independent auditors each institution's financial statements, Management's Discussion and Analysis (MDA), related footnotes, and the independent auditor's report. The Committee shall also review any significant changes required in the independent auditor's audit plan and any serious difficulties or disputes with institution management encountered during the audit. The Committee shall document any discussions, resolution of disagreements, or action plans for any item requiring follow-up.

f. Single Audit Review

At the completion of the Single Audit Report (as required under the Single Audit Act of 1984, and the Single Audit Act Amendments of 1996), the Committee shall review with institution management and the independent auditors each institution's Single Audit Report. The Committee shall discuss whether the institution is in compliance with laws and regulations as outlined in the current Single Audit Act described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement. The Committee shall report to the Board that the review has taken place and any matters that need to be brought to the Board's attention. The Committee shall document any discussions, resolution of disagreements, or action plans for any item requiring follow-up.

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