

**STATE BOARD OF EDUCATION  
AUDIT COMMITTEE**STATE of IDAHO  
BOARD of EDUCATION

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**APPROVED MINUTES  
STATE BOARD OF EDUCATION AUDIT COMMITTEE  
June 1, 2016**

A regular meeting of the Audit Committee of the State Board of Education was held June 1, 2016 in Boise, Idaho and video conference throughout Idaho.

**ATTENDANCE**

Committee: Emma Atchley, Chair; Don Soltman, Bill Goesling, Mark Heil, Brent Moylan  
Board staff: Scott Christie, Chet Herbst  
BSU: Stacy Pearson, Jo Ellen Dinucci, Suzanne Adams, Larry Harmon, Mark Eisenman  
ISU: Jim Fletcher, Brant Wright, Angie Dobbins, Lyle Castle, Reese Jensen  
UI: Brian Foisy, John Keatts, Linda Campos, Brad White  
LCSC: Ron Smith, Bev Hill, Teresa Cole

**AGENDA****1. Approve March 2, 2016 Meeting Minutes**

The meeting minutes of the March 2<sup>nd</sup> 2016 Audit Committee meeting were approved unanimously as presented.

**2. 3<sup>rd</sup> Quarter 2016 Financial Reports**

The institutions presented their 3<sup>rd</sup> quarter 2016 financial reports.

Boise State University presented an updated of the ERP Oracle Cloud implementation.

Idaho State University notified the Committee that they will be revising their operating budget subsequent to the June Board meeting when their enrollment figures are known. ISU is experiencing budget concerns which will be addressed through budget rebalancing, reducing expenses, and using \$10-\$15M in reserves in FY 2017.

University of Idaho noted a DARPA award of \$750,000 and will update the Board on the allocation of these funds.

**3. Dual Credit Transfer**

The Committee discussed concerns raised by legislators regarding some dual credits not being accepted by Idaho higher education institutions. The Board's Chief Academic Officer is also looking in to this issue through the Course Transfer initiative. The Committee unanimously approved requesting IRSA to revise Board policy so that dual credit courses supported by state general funds are only used for general education courses. Follow-up to determine whether

current legislation can restrict dual credit courses to general education only. Need to include community colleges and private institutions.

#### 4. Internal Audit FY17 Plans

The Committee reviewed and approved the internal audit plans for each institution. There were no changes to the internal audit charters, therefore they were not included in the agenda for Committee review.

LCSC informed the Committee that starting July 1, 2016 a full-time internal audit director has been approved by management.

Several of the institutions will be conducting a self-assessment for their Quality Assessment Review (QAR). The self-assessment will be followed up with an external validation which entails the survey of customers and interviewing key executive staff.

University of Washington and Washington State University will be assisting University of Idaho in the self-assessment as this is the first QAR for the UI audit director.

The Committee discussed the assistance the internal auditors could provide in the dual credit transfer issue discussed earlier. The Committee directed staff to inquire of management the procedures used to determine which dual credit courses transfer to their institution. Internal audit would then be able to audit the procedures provided by management if considered necessary. The Dual Credit Working Group can be used to spearhead this initiative and provide a deadline to the institutions for a quick turn-around.

#### 5. University of Idaho Foundation Agreement

The agreement between the University of Idaho and the University of Idaho Foundation has a few minor revisions and was approved for recommendation to the full Board for approval.

#### 6. Idaho Division of Vocational Rehabilitation

The Committee reviewed the Legislative Services Office (LSO) audit findings related to the statewide Single Audit Report and management's responses. Board policy requires the Committee discuss with the legislative auditor the progress of the legislative audit, including a full report on preliminary and final audit findings and recommendations. Staff to invite LSO to discuss the material weaknesses and management's corrective actions plans at the next Audit Committee meeting scheduled in November.

Meeting adjourned at 11:29 am (Mountain)