



**STATE BOARD OF EDUCATION  
AUDIT COMMITTEE**

STATE of IDAHO  
BOARD of EDUCATION

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**APPROVED MINUTES  
STATE BOARD OF EDUCATION AUDIT COMMITTEE  
March 14, 2018**

A regular meeting of the Audit Committee of the State Board of Education was held March 14, 2018 in Boise, Idaho and video conference throughout Idaho.

**ATTENDANCE**

Committee: Don Soltman, Chair; Emma Atchley, Andy Scoggin, Stephen Speidel, Joey Hale  
Board staff: Chet Herbst, Scott Christie  
BSU: Mark Heil, Jo Ellen Dinucci, Suzanne Adams, Larry Harmon, Mark Eisenman  
ISU: Brian Hickenlooper, Angie Dobbins, Reese Jensen, Joanne Hirase-Stacey  
UI: John Keatts, Linda Campos, Brad White  
LCSC: Todd Kilburn, Teresa Cole, Ryan Bircher  
Moss Adams: Scott Simpson, Tammy Erickson, Pam Cleaver

**AGENDA**

1. Approve December 13, 2017 Meeting Minutes

The minutes of the December 13<sup>th</sup> 2017 meeting were reviewed by the Audit Committee. The minutes were approved.

2. Moss Adams FY 2018 Audit Plan Review

The Audit Committee unanimously approved the Moss Adams FY 2018 Audit Plan. This will be the last year the contract with Moss Adams will include Eastern Idaho Technical College (EITC). Moss Adams will discuss any close-out steps with EITC management.

Moss Adams reviewed several standards from the Governmental Accounting Standards Board.

The Committee directed the institutions to submit the full NCAA audits to staff, and these reports will be reviewed by the Committee at a subsequent meeting.

The Committee discussed disclosures of outside relationships or other conflicts of interest for Committee members and institution senior level management. Moss Adams suggested it was best practice to provide annual disclosures for Board and Committee members

Staff discussed its meeting with the State Controller's Office (SCO) and representatives from Boise State University (BSU) regarding the SCO deadline of September 28, 2018 for final audited financial statements. BSU expressed its concern of making the deadline. SCO did not want to grant an extension for BSU or all the Idaho public institutions and not provide a similar

extension for other state agencies. SCO, BSU and staff noted that the deadline would remain September 28, 2018 but that some of our institutions may be delayed.

### 3. 2<sup>nd</sup> Quarter Financial Reviews

The 2<sup>nd</sup> Quarter 2018 financial reviews were presented by the institutions. Boise State provided reports from Moody's and S & P Global Ratings . Those reports were forwarded to the Committee. Idaho State University provided an update of their tuition lock initiative. University of Idaho described how the change in their Sodexo contract impacted their financial statements.

### 4. Internal Audit Risk Areas

The Committee discussed the internal audit policies and procedures related to following up on audit findings. The Committee encouraged the internal auditors to perform actual testing to confirm management has completed recommended internal control enhancements.

The Audit Committee approved the following:

1. Audit Universe – include with audit plans in June Committee meeting
2. Graphical aging report (summarize open and completed audit follow-up)
  - a. Include each Committee meeting
  - b. First report should include all open plus closed audits starting 7/1/2017

Staff will work with the institutions and the Committee to develop a standard template for the aging report.

### 5. Idaho State University Intellectual Property Operating Agreement

General Counsel for Idaho State University provided a history of the operating agreement for the Committee. While the incorrect operating agreement was signed by the institution and the foundation has not yet attained 501(c)3 status, general counsel stated that no funds have been contributed or expended by the foundation but passed through the institution's Office of Research. Once the correct operating agreement is executed, the foundation will apply for 501(c)3 status.

The Committee approved the operating agreement and asked staff to include the Board's general counsel review in the minutes and in the cover page for the Board agenda. Staff confirmed the Board's general counsel reviewed and approved the operating agreement.

### 6. Committee Membership

The Committee discussed various provisions in the Audit Committee Charter. One requirement is the Committee shall ensure that senior members of the institution's administration and all Board members have provided annual disclosure of outside interests and relationships that might bear, in any way, on their responsibilities to the institution or Board. The Committee determined that obtaining copies of the institutions' President's and VP's conflict of interest statements will suffice for this requirement. Institutions will submit their conflict of interest statements to staff for the June Audit Committee meeting.

The Committee approved the following changes to the Audit Committee Charter:

1. Revised minimum membership from six to five to be consistent with Board policy
2. Designate Steve Speidel and Joey Hale as the financial experts
3. Eliminate term limits

7. Idaho Public Televisions 2017 LSO Audit Finding

The Committee reviewed the significant deficiency audit finding and determined no further action was required.

Meeting adjourned at 1:45 pm (Mountain)