



**STATE BOARD OF EDUCATION  
AUDIT COMMITTEE**

STATE of IDAHO  
BOARD of EDUCATION

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**APPROVED MINUTES  
STATE BOARD OF EDUCATION AUDIT COMMITTEE  
November 13, 2019**

A regular meeting of the Audit Committee of the State Board of Education was held November 13, 2019 in Boise, Idaho and video conference in Moscow, Lewiston and Pocatello, Idaho.

**ATTENDANCE**

Committee: Andy Scoggin, Chair; Debbie Critchfield, David Hill, Stephen Speidel, Joey Hale

Board staff: Scott Christie, Jenifer Marcus

Moss Adams: Scott Simpson, Tammy Erickson, Pam Cleaver

BSU: Mark Heil, Jo Ellen Dinucci, Suzanne Adams, Larry Harmon, Mark Eisenman, Alicia Estey

ISU: Bob Hite, Angie Dobbins, Bob Hite, Reese Jensen

UI: Brian Foisy, John Keatts, Linda Campos, Brad White

LCSC: Todd Kilburn, Teresa Cole, Ryan Bircher

**AGENDA**

**1. Approve June 12, 2019 Meeting Minutes**

The meeting minutes of the June 12<sup>th</sup> 2019 Audit Committee meeting were approved unanimously as presented.

**2. Moss Adams FY 2019 Audit Report**

Scott Simpson, Tammy Erickson and Pam Cleaver reviewed the results of the FY 19 audits. Three institutions had prior year restatements due to the State allocating sick leave reserves.

**3. Year-end FY 2019 Financial Reports**

The institutions presented their year-end FY 2019 financial statements.

The Committee requested the audited financial statements be placed on the December Board agenda.

#### 4. Boise State University Foundation Operating Agreement

The Committee discussed the current policy regarding the requirement for an institution to have an operating agreement with their foundation and the use of the Board approved template. The template, approved by the Board in June 2019, was created to assist the Board, staff and the institutions in adhering to Board policy addressing the relationship and interactions between an institution and its foundation. The Committee determined that the Business Affairs and Human Resources (BAHR) Committee should determine the extent to which the Board is involved with the format of the operating agreement, whether a template is needed, and general guidance for the methods the Board, staff and the institutions will use to determine compliance with Board policy going further.

The Boise State University Foundation Operating Agreement was pulled from the agenda pending action by the BAHR Committee.

#### 5. University of Idaho Foundation Operating Agreement

This item was on the agenda in hopes that the University of Idaho would submit their operating agreement in time for review by the Committee. It did not.

However, since the operating agreement and templates have been referred to the BAHR Committee, the University of Idaho operating agreement will be put on hold pending any changes suggested by the BAHR Committee and ultimately approved by the Board.

#### 6. Institution Internal Audit Year-End Reports

The internal auditors for the 4-year institutions reviewed their FY 2019 year-end reports.

The Committee discussed the retirement of the current BSU Audit Director, and the appointment of the new Audit Director. BSU is creating a new VP for Compliance, Legal and Audit. The internal auditor will report administratively to this position while continuing to report functionally to the Audit Committee. The Committee stressed the importance of keeping the reporting line structured to maintain internal audit's independence from management in both appearance and fact.

The ISU online fee was discussed, and the Committee determined that this fee and similar fees at the other institutions need to be considered in the rewrite of Board Policy V.R.

University of Idaho will update their Management Corrective Action chart to include the due dates of each past due action.

The President at Lewis-Clark State College is integrating their corrective action plans into the annual performance appraisals.

#### 7. Audit Contract RFP

Staff reminded the Committee that a new Request for Proposal (RFP) for external auditing services will be prepared and the process will take several months concluding with the selection of a vendor by the end of calendar year 2020.

#### 8. Idaho Public Television Audit Report Update

The Committee was provided feedback to a meeting Chair Scoggin had with IPTV Staff regarding the audit report from Legislative Services Office.

9. Audit Committee Schedule 2020 Meetings

A list of meeting dates was suggested for 2020. Committee members will notify staff if they have a conflict with any dates.

Meeting adjourned at 3:00 pm (Mountain)