



**STATE BOARD OF EDUCATION
AUDIT COMMITTEE**

STATE of IDAHO
BOARD of EDUCATION

**APPROVED MINUTES
STATE BOARD OF EDUCATION AUDIT COMMITTEE
March 16, 2020**

A regular meeting of the Audit Committee of the State Board of Education was held March 16, 2020 in Boise, Idaho via video conference throughout Idaho.

ATTENDANCE

Committee: Andy Scoggin, Chair; David Hill, Kurt Liebich, Stephen Speidel
Board staff: Todd Kilburn, Scott Christie
BSU: Mark Heil, Jo Ellen Dinucci, Suzanne Adams, Mark Eisenman
ISU: Glen Nelson, Angie Dobbins, Bob Hite, Reese Jenen
UI: Brian Foisy, Linda Campos, Brad White
LCSC: Teresa Cole, Julie Crea, Ryan Bircher
Moss Adams: Scott Simpson, Tammy Erickson, Pam Cleaver

AGENDA

1. Approve December 11, 2019 Meeting Minutes

The meeting minutes of the December 11, 2019 were reviewed and approved by the Audit Committee.

2. Moss Adams FY 2020 Audit Plan Review

The Audit Committee unanimously approved the Moss Adams FY 2020 Audit Plan.

The Committee discussed risks associated with the Covid-19 virus such as data security and contingent liabilities as employees work from home and demand for services decreases.

The Committee determined to move forward with issuing a Request for Proposal for a new contract for audit services.

3. NCAA Agreed Upon Procedures Report Exceptions

Moss Adams had no material exceptions in the NCAA Agreed Upon Procedures reports.

4. 2nd Quarter Financial Reviews

The 2nd Quarter 2020 financial reviews were presented by the institutions. The turn-around time for University of Idaho to resolve their fiscal challenges is estimated between 2-3 years. The university is implementing a 1-year non-renewal notice for faculty.

Staff will work with the institutions to develop a report which will show a quarterly forecast against plan.

5. Foundation Operating Agreements Template

The Committee discussed the institutions' use of the template operating agreement required by Board Policy V.E.2.b. Use of the template is required in order to ensure that institutions meet the requirements of Board Policy V.E. when they negotiate and execute operating agreements with their affiliated foundations. The Committee discussed that affiliated foundations are separate 501(c)(3) entities not governed by the Board. The Board relies on the institutions to communicate to their foundations the requirements that the Board has adopted in its governance of the institutions through Board Policy V.E. The Committee decided that when an institution does not use the template as the basis for its agreement with its foundation, that the institution provide the Board with a detailed annotation of Board Policy V.E.2.b. which cross references the paragraph in the proposed operating agreement which fulfills each policy requirement and a certification from the institution that the agreement meets all requirements of Board Policy V.E.

6. Internal Audit Risk Assessment

The Committee directed the Internal Auditors to include the 2019 audit findings in their FY 2020 audit plans, if possible.

The Committee requested the internal auditors provide more information in their Management Corrective Actions reports for high risk items using the University of Idaho format as a guide. The internal auditors should identify risk based on the particular audit item rather than using the category risk.

The Committee directed staff to work with LCSC internal audit on a number of items.

Meeting adjourned at 4:30 pm (Mountain)