INFORMATION ITEM #6
Update on Controls Over Financial Reporting
(Stacy Pearson/Matt Skinner/Manali Bettendorf)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Update on Controls Over Financial Reporting

SUBMITTED BY: Stacy Pearson, VP Finance and Administration

SUMMARY: As part of the Fiscal Year 2017 financial statement audit, the State Auditor’s Office (SAO) issued an audit financial statement finding regarding the University’s internal controls in place to ensure the accurate presentation of its footnotes for permanent endowment fund additions, investments and component units. The finding was discussed with the Board in the March 2018 meeting. This information item provides an update on efforts to address the concern raised during the audit.

The SAO recommended that University management develop and maintain adequate internal controls over financial statement reporting that ensure accurate and complete financial statements and footnotes.

Specifically for Fiscal Year 2018, the University has completed the below to meet the requirements of the finding:

- Invested in training and technical resources to ensure that all future changes to accounting guidance are researched and applied to financial statements and footnotes in a timely manner

- Hired a new controller with the experience and credentials to help bring appropriate oversight and review to future financial statement reporting activities.

- Developed an internal process to ensure sufficient research is performed to implement new GASB standards (GASB 75, 81, 85, 86 for the current year) using the SAO Checklist for Accounting Standards Changes

- Conducted an effective financial statement review and analysis with management to ensure the statements and footnotes are accurate and complete