

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

**BOARD ACTION**

**FISCAL YEAR 2005 FINANCIAL STATEMENT REVIEW**

**BACKGROUND**

Pursuant to Board Policy 1A.2, Part 5, Subpart E (3), the audit committee must “Review and discuss the results of each audit engagement with the independent auditor and management prior to recommending that the board release the audited financial statements.” Due to deadlines imposed by the Minnesota Department of Finance, the audited financial statements for the Minnesota State Colleges and Universities are scheduled to be completed in early November this year and must be released to the Department of Finance by mid-November. The next meeting of the Board of Trustees is not scheduled until December 6, 2005, which occurs after the release date needed by the Department of Finance.

To accommodate the deadlines of the Department of Finance, the audit committee has scheduled a special meeting on November 8, 2005. Also, the Committee Chair has made arrangements to attend the exit conference with the principal audit firm of Kern, DeWenter, Viere and representatives of the Office of the Chancellor on November 7, 2005. Those actions will allow the audit committee to fulfill its responsibilities pursuant to Board Policy 1A.2, Part 5, Subpart E (3). The Board of Trustees, however, will not be able to approve the audit committee recommendation prior to the scheduled release of the financial statements. Accordingly, the Board of Trustees is requested to approve the a motion at its October 19, 2005, meeting that allows for the release of the audited financial statements contingent upon certain activities occurring.

**RECOMMENDED COMMITTEE ACTION:**

The audit committee recommends that the Board of Trustees adopt the following motion.

**RECOMMENDED BOARD ACTION:**

The Board of Trustees authorizes the release of the audited financial statements for the Minnesota State Colleges and Universities and twelve of its largest colleges and universities contingent upon the following activities occurring:

- (1) The audit committee chair or the chair’s designee shall participate in the exit conference with the principal external auditor on November 7, 2005, and
- (2) The audit committee will hold a special meeting on November 8, 2005 to review the audited financial statements for fiscal year 2005 with representatives of the Office of the Chancellor and the external audit firms, and

- (3) The audit committee is satisfied with the work of the external auditors and approves a motion to authorize the release of the fiscal year 2005 financial statements.

*Date Presented to the Board of Trustees: October 18, 2005*

*Date of Board Action: October 19, 2005*

*Date of Approval: October 19, 2005*