

WASHBURN UNIVERSITY BOARD OF REGENTS
Audit Committee Meeting
September 18, 2013

Regents Present: Jennifer Sourk, (committee chair), Blanche Parks (committee member), Mayor Larry Wolgast (committee member), Pam O'Toole, Bill Sneed

The meeting was called to order at 10:04 a.m.

Minutes of the November 8, 2012 meeting were approved as distributed.

Vice President Anderson said this meeting is to give the Regents an understanding of the scope and procedures involved in the annual audit. He introduced RubinBrown auditors, Kaleb Lilly and Justin Hammer.

Mr. Lilly and Mr. Hammer reviewed the scope of services. The OMB Circular A-133 compliance audit of federal funds will include the TRAC-7 grant this year. They will test to make sure funds were used as intended. An audit of the NCAA procedures will also be done. The NCAA audits are performed every three years for Division II schools. The auditors will review various procedures that may include supplemental pay for camps, expenses for equipment, travel expenses, or ticket sales. President Farley added the auditors are not looking for instances of wrong behavior but for equitability and process improvement. The engagement timeline was reviewed. The audit will be ready to present to the Board in December. The auditors will do an assessment of financial risks to determine that funds are being spent and tracked appropriately. High risk areas include tuition, student financial aid, and other federal programs.

Board members were invited to contact RubinBrown to discuss any areas of concern independent of management.

Mrs. Sourk asked about last year's finding regarding the loan notification to Washburn Tech students. This occurred due to a timing issue when Tech changed their system to allow direct deposit of financial aid. To correct this Washburn Tech now sends electronic notices to student email addresses. Parent borrowers continue to receive notification via letter.

This being Mayor Wolgast's first committee meeting, he asked for background on RubinBrown. Mr. Lilly said the company was founded in St. Louis in 1952. In 2005 an office was opened in the Kansas City area. RubinBrown employs 350 employees in St. Louis, Denver, and Overland Park, with 60 employees devoted to the public sector and higher education.

It was noted that audit information from the Washburn Foundation and the Washburn Law Foundation will need to be rolled into the Washburn audit. The auditors will have planning discussions with the Foundation auditors to make sure they are comfortable with the audit.

Mr. Lilly said that the audit will look a little different this year with some terminology differences and the addition of deferred inflow and deferred outflow categories.

President Farley noted Chris Leach, Director of Finance, has the honor of chairing the NACUBO Accounting Principles Council, which was established to support NACUBO's accounting guidance and advocacy efforts..

The next meeting will be in December for the presentation of the annual audit.

The meeting was adjourned at 10:40 a.m.