



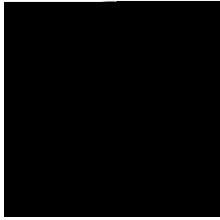
Audit & Compliance Committee

September 2021

September 9, 2021

8:00 a.m.

Videoconference & Boardroom, McNamara Alumni Center



2021-22 Committee Work Plan

Regent Mike Kenyanya
Kelly Kuhns, Audit Manager

(21-22 work plan.

(h) This committee provides additional oversight of compliance initiatives and enterprise risk management processes, including risk identification and mitigation.

This committee also reviews:

The annual financial statements, prior to issuance.

Semi-annual controller reports.

The independent auditor's annual audit and management letter.

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Audit & Compliance Committee
2021-22 Work Plan

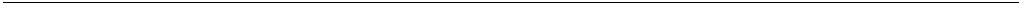
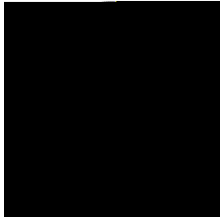
Date	Topics
2021	

	<p>External Audit Plan</p>
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	<p>Overview of Enterprise Risk Management</p>
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	<p>Academic and Research Misconduct Processes</p>
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	<p>Review of External Auditor Relationship and Services Provided</p>
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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
AUDIT & COMPLIANCE COMMITTEE**

**OVERVIEW OF ANNUAL FINANCIAL STATEMENT REVIEW
SEPTEMBER 9, 2021**

Background

As a result of the Sarbanes-Oxley Act of 2002, the Audit Committee received a series of briefings and presentations on the Sarbanes-Oxley Act of 2002 in fiscal years 2002 & 2003. A series of “best practices” were recommended and adopted by the Audit Committee including reading of the financial statements for inconsistencies with your own knowledge prior to issuance to the public.

Per the *Board Operations and Agenda Guidelines, Section IV, Committees of the Board, Subd. 4, Audit & Compliance Committee Charter, Specific duties of the Audit & Compliance Committee* including:

- (c) Review of Financial Statements. The Audit & Compliance Committee shall review, in advance of final issuance, the proposed formats and wordings of the annual financial report, including the management's discussion and analysis, financial statements, footnotes, statistics, and disclosures.

Audit & Compliance Committee Member FY21 Annual Report Timeline

Task	Date
Overview of Financial Statement Review	Thursday, September 9, 2021
Draft Finalized Annual Report for review	Friday, October 22, 2021
Meeting/call with Audit & Compliance Committee Chair & Vice Chair to field any outstanding questions or comments	Thursday, October 28, 2021
Audit Sign-off & Report Issuance	Friday, October 29, 2021

Summary Letter – serves as an advance summary of upcoming review and process.

Draft Finalized Annual Report for review – this review process is intended to support the Audit and Compliance Committee’s oversight responsibilities by providing an opportunity to ensure that all material information in the report is consistent with the information received and/or acted upon in your capacity as members of the Audit and

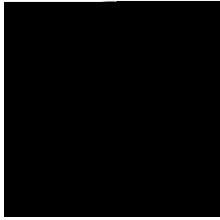
Compliance Committee. Recommendations for targeted review will be provided and specific financial impacts highlighted.

The report is **Draft – Subject to Audit Completion**. Deloitte plans to sign off on the annual report by Friday, October 29, 2021. To ensure that the Audit & Compliance Committee review is completed within the audit deadlines, questions or comments about the report should be directed to Regent Kenya, the University Controller, or Director of Accounting Services at any time prior to the meeting/call with the Audit & Compliance Committee Chair & Vice Chair.

There are three major report sections;

- Management’s Discussion and Analysis (MD&A) is typically about 15-20 pages in length. This is management’s opportunity to provide a narrative explanation of the financial statements that enables readers to understand the university mission and priorities via the financial statements and to provide the context within which financial information should be analyzed.
- The consolidated financial statements for the University (& RUMINCO) and significant component units (UMF & UMP) is typically 7-8 pages in length and include;
 - The Consolidated Statements of Net Position
 - The Consolidated Statements of Revenues, Expenses, and Changes in Net Position
 - The Consolidated Statement of Cash Flows
 - The Statement of Fiduciary Net Position
 - The Statement of Changes in Fiduciary Net Position
- Footnotes are typically 50-55 pages in length. There are 13 footnotes, all providing the reader detailed information about specific sections of the financial statements. What is required as content in the various footnotes is defined by Governmental Accounting Standards Board (GASB).

Meeting/call with Audit & Compliance Committee Chair & Vice Chair – limited to Chair & Vice Chair, discussion on any feedback received and confirmation that there are no concerns related to finaliz



Introduction of External Auditor Lead Partner

Sue Paulson, Controller

The purpose of this item is to introduce the newly selected lead partner responsible for the University's annual external audit and other audit and review services. Every 10 years, the University's external auditor, Deloitte, has a requirement to change lead partners on the engagement.