

WASHBURN UNIVERSITY BOARD OF REGENTS
Audit Committee Meeting
August 30, 2012

Regents Present: Jennifer Sourk, chair, Pamela Trusdale

Staff Present: Jerry Farley, Rick Anderson, Chris Leach, Rhonda Thornburgh, Randy Pembroke, Richard Liedtke, Denise Ottinger, JuliAnn Mazachek, Cindy Hornberger, Bill Roach, Steve Angel, Dorothy Hedman

RubinBrown Staff Present: Kaleb Lilly, Tim Hall

The meeting was called to order at 1:44 p.m.

Discussion of FY 2011-2012 Annual Audit Engagement -

- Mr. Lilly and Mr. Hall outlined requirements and services to be provided during the 2012 audit. RubinBrown's responsibility is to express an opinion about whether the University financial statements are fairly presented in conformity with generally accepted accounting principles and that they have complied with the applicable requirements of major federal programs.
- The bulk of the Federal Student Financial Aid testing has already been completed. The testing is likely to result in one finding regarding disbursement of aid to students at Washburn Tech. Verbal notification was given of aid disbursement, however, no written record was provided that the notification took place.
- Year-end fieldwork will start next week.
- Draft financial statements and BPA report will be issued at the end of October. The next Audit Committee meeting will be scheduled to discuss the financial and compliance audit. The Unrelated Business Income and 990-T Tax Form will be prepared in early November. The form is required for organizations exempt from income tax. Mr. Leach indicated that, for the University, this form is primarily necessary for income from Athletics.
- Mr. Lilly said the auditors are required to communicate to the governing body and management, but noted they also have a responsibility to inquire about University controls. Regents Sourk and Trusdale said they feel they are given appropriate communication throughout the audit process, and that communication lines are open and effective. Mr. Lilly said the auditors work for the Board, not the administration, and Board members should communicate freely and openly with them about any concerns they may have. He noted Board members should call if they would like to bring up matters they would rather not discuss in a public forum. When asked by Mr. Lilly if there were any allegations or problems of a whistleblower nature, the Regents indicated they feel controls are in place to mitigate any problems of this nature.
- President Farley noted that Mr. Anderson is a member of the NACUBO Comprehensive and Doctoral Institutions Council and that Mr. Leach had recently been appointed to the NACUBO Accounting Principles Council. He also noted that Ms. Thornburgh had recently completed a three-year course in the College Business Management Institute.
- Mr. Anderson said some institutions have multiple related entities included in their audits. The related entities for Washburn are the Washburn University Foundation and the Law Foundation. They have IRS 501(c)(3) status, but the audits are relatively straightforward since they are fund raising entities. Dr. Mazachek said Mize Houser is the current auditor for both Foundations.

The next meeting will be scheduled at a later date.

Meeting was adjourned at 2:20 p.m.