Oregon University System

Fiscal Year 2012
Financial Statement and
Compliance Audit
Agenda

• Introductions
• Responsibilities under GAAS
• Financial and Compliance Audit
  – Scope
  – Results
• Required communications
  – SAS 114
  – SAS 115
  – Other
• Questions
Responsibilities under US Generally Accepted Auditing Standards (GAAS)

• Responsible for:
  – Expressing an opinion on whether financial statements are in conformity with U.S. Generally Accepted Accounting Principles in all material respects.
  – Expressing an opinion only over information identified in our report. Other information included in your financial statement package was read/reviewed, but not subject to testing.
  – Performing audit in accordance with required auditing standards.
  – Communication of significant matters related to audit, information required by law/regulations, or other information agreed upon with the System.
Responsibilities under GAAS (continued)

An audit in accordance with GAAS:

- Does not relieve management of responsibilities.
- Includes consideration of internal control as basis for audit procedures, but not to opine on effectiveness of internal controls.
Financial and Compliance Audit

- Financial statement audit of System as a whole.
  - Included all 7 campuses and Chancellor’s Office.
  - Performed internal control testing, including Information Technology control testing, at all locations.

- Compliance audit of the Student Financial Aid Cluster.
  - Major program as determined by the Secretary of State Audits Division.
  - Testing performed at all campuses.

- Discretely presented component units audited by other auditors.
Financial and Compliance Audit

• Results:

  – Financial Statements
    ◊ Independent Auditors’ Report
      • Received unqualified opinion.
    ◊ Report on Internal Control over Financial Reporting, Compliance, and Other Matters
      • No material weakness/significant deficiencies noted.
    ◊ Two “other matters” noted.
    ◊ IT Control recommendations reported to campuses.

  – Student Financial Aid Compliance Testing
    ◊ No internal control or compliance findings noted.
Required Communications

• SAS 114, *The Auditor’s Communication with Those Charged with Governance*
  – Auditor’s Responsibilities Under GAAS
  – Other Information in Documents Containing Audited Financial Statements
  – Significant Issues Discussed with Management prior to Retention
    ◊ None
  – Consultations With Other Accountants
    ◊ None
Required Communications

• SAS 114, *The Auditor’s Communication with Those Charged with Governance* (continued)
  - Qualitative Aspects of Accounting Practices
    ◊ Accounting Policies and Accounting Estimates
  - Difficulties Encountered in Performing the Audit
    ◊ None
  - Corrected Misstatements
    ◊ See Exhibit.
  - Uncorrected Misstatements
    ◊ See discussion.
Required Communications

• SAS 114, *The Auditor’s Communication with Those Charged with Governance* (continued)
  
  – Representations by Management
    ◇ See Exhibit
  
  – Disagreements with Management
    ◇ None
Required Communications

- SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*
  - Defines deficiency, significant deficiency, and material weakness.
  - No significant deficiencies or material weaknesses noted.
  - Other matters communicated through a management letter.
Other Communications

• Management and staff were very cooperative and helpful.
Questions?
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