

WASHBURN UNIVERSITY BOARD OF REGENTS
Audit Committee Meeting
December 13, 2017

Regents Present: Brent Boles, (committee chair), John McGivern (committee member), Bill Sneed (committee member), Jennifer Sourk (committee member), Larry Wolgast (committee member), Terry Beck, Paul Hoferer, Blanche Parks

Regent Boles called the meeting to order at 3:00 p.m.

Minutes of the September 21, 2017 meeting were approved as distributed.

Vice President Jim Martin thanked the staff, especially Rhonda Thornburgh, Kari Hachiya, and Bob Crutsinger, who worked diligently on the 2017 audited financial statements. Then he introduced Chester Moyer, engagement partner from RubinBrown. Mr. Moyer outlined the annual audit responsibilities and findings. The audit was performed in accordance with Government Auditing Standards, as communicated to the Board at the September 21, 2017 meeting. There were no deviations from the audit plan. Accounting principles used by the University were assessed. Evidence supporting the amounts and disclosures in the financial statements were examined on a test basis. The estimates and overall financial statement presentation were evaluated.

One new GASB standard (#77, Tax Abatement Disclosures) was implemented during the year, however, it had no impact on Washburn.

When queried about uncollected debts, Vice President Martin said old receivables are written off for GAP measures, however, we still expect to collect them. He said there is no ongoing collection problem. Bob Crutsinger, Director of Finance, added that the majority of debt is tuition and that pursuing collections has not changed. If the debt is over \$1,000 we start the collection process immediately. Dr. Richard Liedtke, Dean of Enrollment Management, said the charge goes on the student accounts at enrollment.

Only one significant deficiency was found. A revenue was recognized prior to the completion of the earnings process. The revenue should have been amortized over the life of the contract instead of booking it all in the year received. In the future significant non-standard contracts will be reviewed by the Finance Director to evaluate the impact on the financial statements.

Mr. Moyer noted that the auditors observed increased involvement by additional accounting personnel in the preparation of this year's financial statement. He also said management has been successful in standardizing the closing process. There were no compliance issues and no improprieties were found.

Mr. Moyer said electronic payment fraud is an issue throughout the nation and that Washburn has good procedures in place to prevent fraud. When asked if the level of staffing is now at an appropriate level Mr. Moyer said he was pleased with the enhanced talent of the current staff.

When asked about approval of check disbursements, Vice President Martin said it depends on who originates the check and the size of the procurement.

Chairman Boles congratulated management on cleaning up the prior financial aid deficiencies.

President Farley also congratulated staff who worked closely with the auditors to present the financial statements to the Board.

It was moved and seconded to recommend approval of the Fiscal Year 2017 Audit to the full Board of Regents. Motion carried.

Meeting was adjourned.