University of Missouri System

Board of Curators

Rachel Dwiggins, CPA
Nick Chambers, CPA
Michael Flaxbeard, CPA
OUR GOALS FOR TODAY

1. OMB Uniform Guidance Single Audit Results
2. NCAA Agreed-Upon Procedures Results
3. 2018 External Audit Scope
SINGLE AUDIT RESULTS

• Overview of the Schedule of Expenditures of Federal Awards (SEFA)
• Summary of Major Programs
• Report Opinions
• Major Program Results
OVERVIEW OF THE SEFA

• Total federal award expenditures of $746,907,654
• $24,016,659 passed through to sub-recipients
SUMMARY OF MAJOR PROGRAMS

- Student financial assistance cluster - $505,117,352
- Other federal award programs considered major and audited:
  - Smith Lever ($11MM)
  - Defense Nuclear Research ($5.5MM)
  - Investing in Innovation ($3.7MM)
  - Vocational Rehab ($3.5MM)
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

MAJOR PROGRAM RESULTS

- Each major program – Unmodified Opinion
- No findings
NCAA AGREED-UPON PROCEDURES RESULTS

Division I Institutions

• Required Annually

Division II Institutions

• Required every three years

• Performed for Columbia & Kansas City in 2017
2018 EXTERNAL AUDIT SCOPE

1. Engagements
2. Audit Timeline
3. Audit Approach
4. Appendix: Personnel
5. Questions
ENGAGEMENTS

• Audit of financial statements of:
  • University of Missouri System
  • Capital Region Medical Center

• Single Audit in accordance with OMB Uniform Guidance

• Minimum Agreed-Upon Procedures required by NCAA for:
  • Columbia
  • Kansas City
  • Rolla
  • St. Louis
AUDIT TIMELINE

• Preliminary audit work
  • Pre-audit planning meeting – April 23, 2018
  • Interim procedures, risk assessment and other planning – May 2018
  • Student financial aid testing – July 2018

• Final audit work
  • Fieldwork procedures – August/September/October 2018
  • Issuance of financial statement audit – October 2018
  • Additional federal program testing – October/November/December 2018

• NCAA procedures – November/December 2018
# AUDIT APPROACH – APPLICABLE FRAMEWORK

## Financial Reporting
- U.S. Generally Accepted Accounting Principles

## Auditing Standards
- Auditing standards generally accepted in the United States of America
- Government Auditing Standards

## Compliance
- Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

**April 12-13, 2018**
AUDIT APPROACH - PLANNING

• Risk assessment
  • Obtain an understanding of business and business environment
    • Interviews with management
    • Review of Board minutes and presentations
  • Evaluate where financial statements might be susceptible to material misstatement or fraud
  • Consider internal controls over financial reporting and whether they have been implemented
    • Perform walkthrough tests of controls
    • Review duties of employees for issues in control structure
  • Assess risk of material misstatement for significant financial statement amounts and disclosures
AUDIT APPROACH – PRELIMINARY RISK ASSESSMENT

• Financial Statement
  • Valuation of investments
  • Revenue recognition
  • Valuation of receivables and third-party payors
  • Presentation of net position

• Other
  • Compliance
  • Risk management

• Risk assessment procedures may identify others
### AUDIT APPROACH – NEW STANDARDS

<table>
<thead>
<tr>
<th>GASB Standard</th>
<th>Description</th>
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<tbody>
<tr>
<td>GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</td>
<td>The System has already begun the implementation process.</td>
</tr>
<tr>
<td>GASB No. 81, Irrevocable Split-Interest Agreements</td>
<td>The System is in the process of evaluating any potential impact.</td>
</tr>
<tr>
<td>GASB No. 85, Omnibus</td>
<td>The System is in the process of evaluating any potential impact.</td>
</tr>
<tr>
<td>GASB No. 86, Certain Debt Extinguishment Issues</td>
<td>The System is in the process of evaluating any potential impact.</td>
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## APPENDIX – BKD AUDIT PERSONNEL & ROLES

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<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Contact Details</th>
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</thead>
<tbody>
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Questions?
Thank You!