

Stephen F. Austin State University

MINUTES OF THE BOARD OF REGENTS



**Nacogdoches, Texas
September 12, 2021
Volume 349**

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**Stephen F. Austin State University
Minutes of the Meeting of the Board of Regents
Nacogdoches, Texas
September 12, 2021
Videoconference
Meeting 349**

Sunday, September 12, 2021

The meeting of the Board of Regents was called to order in open session at 3:01 p.m. by Chair Karen Gantt.

PRESENT:

Board Members: Mrs. Karen Gantt, Chair
 Mr. Tom Mason, Vice Chair
 Mrs. Jennifer Winston, Secretary
 Mr. David Alders
 Mr. Robert Flores
 Mrs. Judy Olson
 Dr. Laura Rectenwald
 Mr. Spencer Coffey, Student Member

Regents Brigettee Henderson and Nancy Windham were unable to attend.

General Counsel: Mr. Damon Derrick
President: Dr. Scott Gordon
Chief Audit Exec.: Mrs. Gina Oglesbee

Chair Gantt provided a report to the board regarding her experience and the comments received during the “Listening Tour” that took place throughout the week of September 6-12. Comments and concerns were expressed by faculty, staff and students related to the board, the president, and the state of the university budget.

Chair Gantt called the meeting into executive session at 3:25 p.m. to consider the following items:

Consideration of Individual Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of an Officer or Employee, including but not limited to the vice president for finance and administration, and the president (Texas Government Code, Section 551.074)

The executive session ended and the Board of Regents meeting returned to open session at 8:44 p.m.

Chair Gantt announced the appointment of a special Board of Regents committee for 2021-2022:

UNIVERSITY FINANCIAL COUNCIL

The University Financial Council will be comprised of the following individuals with additional committee members to be named at a future date.

Robert Flores, Chair
Judi Kruwell, Interim Vice President for Finance and Administration
Tim Bisping, Chair of the University Budget Committee
Jessica Barrett, Budget Director
Dannette Sales, Controller
Gina Oglesbee, Chief Audit Executive will serve as an advisor for the committee.

The purpose of the University Financial Council is to increase communication and understanding of the university financial and budgeting reports. The official charge of the committee will be provided at a later date.

Presentation and board action was taken on the following item.

BOARD ORDER 22-02

Upon motion by Regent Flores, seconded by Regent Olson, with all present members voting aye, it was ordered that the following item be approved.

CHANGE TO THE ANNUAL AUDIT PLAN FOR FY22 FOR EXTERNAL AUDIT SERVICES

WHEREAS, the board members considered the following: According to the *Board Rules and Regulations*, the chief audit executive shall annually submit information on the annual audit plan, work schedule and staffing plan to the president for review and to the Board of Regents for their approval. The Board of Regents approved the Fiscal Year 2022(FY22) Annual Audit Plan at the July 2021 Board of Regents meeting; however, a significant change is proposed to contract for external audit services, utilizing existing funds designated for that purpose.

The Audit Services internal audit charter includes the following responsibilities:

- Evaluating the quality of performance of external auditors and the degree of coordination with internal audit, as applicable.
- Serving as liaison and coordinating the efforts of external auditors.

The Board of Regents approved a university budget of \$262,019,418 for FY22 at the July 2021 Board of Regents meeting. University budget concerns have been raised by the University community; thus, it is proposed that the University contract for external audit services relating to the financial condition and budget of the University, including an external review of the University's Statement of Net Position and agreed upon procedures for key ratios, performance measures, and budget analysis. The Chief Audit Executive will follow State of Texas regulations for procurement of audit services and will coordinate the audit work with the external auditors.

THEREFORE, it was ordered that the change to the FY22 annual audit plan to augment the audit plan with external audit services be approved. The Chief Audit Executive is authorized to proceed with obtaining external audit services relating to the financial condition and budget of the University, including an external review of the University's Statement of Net Position and agreed upon procedures for key ratios, performance measures, and budget analysis. The source of funds is

designated funds existing in Audit Services budget. The President is authorized to sign the contract for external audit services.

The meeting was adjourned by Chair Gantt at 8:51 p.m.

SFASU DEPARTMENT OF AUDIT SERVICES FIVE YEAR AUDIT PLAN

For fiscal year 2022, allocable time after consideration of leave time is 7,980 audit hours.

Audit Services resources are divided among risk-based audits, information technology audits, required audits, special projects, investigations, meetings, committee service, department activities, and audit administration. Audits are scheduled below in a five year audit plan.

Audit Projects	2022	2023	2024	2025	2026
Audit Assistance to Oversight Agencies	X	X	X	X	X
Public Funds Investment Act (biennial)		X		X	
Texas Administrative Code 202 (biennial)		X		X	
Charter School (annual)	X	X	X	X	X
National Collegiate Athletic Association (annual)	X	X	X	X	X
Follow-Up	X	X	X	X	X
Contract Management and Procurement (annual)	X	X	X	X	X
Benefits Proportionality by Method of Finance	X				
Safety and Security Audit (triennial)	X			X	
Southern Association of Colleges and Schools					
Facilities Audit (every five years)			X		
Departmental Audits	X	X	X	X	X
Risk Based and Other Audits	X	X	X	X	X
Quality Assurance Review	X			X	

Details are included in the fiscal year 2022 audit plan. Any changes to the 2022 audit plan will be made in accordance with the Audit Charter.

**STEPHEN F. AUSTIN STATE UNIVERSITY
REVISED FISCAL YEAR 2022 AUDIT PLAN**

PROJECT	HIGH LEVEL DESCRIPTION	ORIGINAL AUDIT PLAN 07/27/21	CHANGE	REVISED AUDIT PLAN 09/12/21
Audits				
Annual Audit Plan and Report	Prepare annual audit plan and report	40		40
Benefits Proportional by Method of Finance Audit	Review compliance required by regulations	140		140
Compliance Audits	Review compliance required by regulations	450		450
Construction Audit	Review controls and compliance required by regulations	250		250
Contract Management and Procurement Audit	Review compliance required by TEC 51.9337	200		200
Departmental and/or Operational Audits	Review controls and compliance required by regulations	800	-100	700
Endowment Audit	Review controls and compliance required by regulations	400		400
External Audit Assistance	Provide assistance for state, federal, and other audits	200		200
Budget Audit	Review controls, systems and processes	-	250	250
Facilities Audit	Review compliance required by regulations	60		60
Grant Audit	Review compliance required by regulations	450	-50	400
Safety and Security Audit	Review compliance required by TEC 51.217	350		350
Information Technology Audits and Projects	Perform TAC 202 audits and other audits and projects	500	-50	450
Follow-Up Audits and Projects	Perform follow-up audits and projects	500		500
Other Activities				
Continuous Auditing	Perform regular auditing procedures	600	-50	550
Fraud & Ethics Program Projects and Investigations	Facilitate university anonymous reporting system; Perform investigations and projects	350		350
Special Projects	Perform special projects	300		300
Committees, Meetings, and Events				
	Serve as advisory member of committees; prepare and attend meetings and events	400		400
Department Activities				
Annual Risk Assessment	Facilitate annual university risk assessment	100		100
Quality Assurance	Perform internal quality procedures and assessments, participate on assessment teams, and records management	250		250
Software Maintenance and Training	Audit software	80		80
Professional Development and Travel	Professional development, training, and travel	280		280
Staff Meetings	Regular staff meetings	400		400
General and Administrative	Administration (planning, purchasing, payroll, scheduling, reporting, etc.)	530		530
General and Administrative GA	Graduate Assistant help with administrative work	350		350
Total Allocated Hours		7,980		7,980