



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Audit Committee

DATE: January 24, 2023

TITLE: Select External Audit Firm for Systemwide External Auditing Services

- Proposed New Policy or Amendment to Existing Policy Approvals Required by Policy Other Approvals
- Monitoring/Compliance Information

PRESENTERS

Amy Jorgenson, Chief Audit Officer
Bill Maki, Vice Chancellor for Finance / CEO

PURPOSE

The Audit Committee, pursuant to Board Policy 1A.2. Part 5, Subpart E, must select the external auditing firm(s) to recommend to the full Board of Trustees for appointment.

BACKGROUND INFORMATION

A competitive bidding process began in September 2022 to acquire external auditing services for three fiscal years with the right to extend the contract up to an additional three years as necessary in order to serve the best interests of the Minnesota State.

Proposals were sought from parties interested in providing external auditing services for Minnesota State for four financial statements audits for three fiscal years 2023, 2024 and 2025. Additional requested services include Uniform Guidance compliance audits of major federal programs, including student financial aid for three fiscal years 2023, 2024 and 2025, "Top 5" IT Security Domains Control Assessment for fiscal year 2025, completion of NCAA Agreed Upon Procedures at six universities for fiscal year 2024, and individual college and university Perkins Loans Closeout audits as needed.

The Chief Audit Officer and the Vice Chancellor – Chief Financial Officer led a process to identify external auditing firm(s) to recommend to the Board of Trustees for the above system audits. A request for proposals (RFP) was published on Minnesota State's Vendor Supplier Website. A post was made to the State Register and sent out through Minnesota State's Social Media outlet. In addition, the RFP was distributed to interested public accounting firms through a list maintained by the Office of Internal Auditing and the Vendor Supplier Site Listserv. Additional contacts were sought through the Minnesota Department of Administration's Targeted Vendors list and through the Office of Equity and Inclusion. The deadline for submitting

proposals was November 9, 2022.

The proposals were reviewed by representatives of the Office of Internal Auditing and the Finance Division. The group evaluated the proposals based on the selection criteria cited in the RFP, which included the qualifications of the firm and its personnel with an emphasis put on broad higher education experience and thought leadership, an expressed understanding of objectives, the proposed work plan, and the cost detail.

Based on its evaluation of the selection criteria, the review group recommends that the firm of CliftonLarsonAllen be appointed to serve as systemwide external auditor for the Minnesota State for fiscal years 2023, 2024, and 2025. CliftonLarsonAllen has extensive experience in serving higher education institutions and higher education systems nationally for over forty years. In addition, the firm has extensive experience with the Minnesota State system. The firm has consistently provided high quality services to the system and has a consistent and highly experienced team.

The proposed contract will exceed \$1 million and will need to be reviewed by the Finance and Facilities Committee and approved by the full Board.

RECOMMENDED COMMITTEE MOTION

The Audit Committee recommends that the Board of Trustees approve the following motion:

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or his designee to execute a contract with CliftonLarsonAllen for external auditing services for fiscal years 2023, 2024, and 2025, with an option to extend the contract an additional three fiscal years, for a total amount not to exceed \$1.343,500 million. The Board delegates to the chancellor, or his designee, authority to execute all necessary documents.

Date Presented to the Audit Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23