



University of Missouri System

Board of Curators

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April 12-13, 2018

OPEN – AUD – INFO 1-34

BKD

OUR GOALS FOR TODAY

1

OMB Uniform Guidance Single Audit Results

2

NCAA Agreed-Upon Procedures Results

3

2018 External Audit Scope

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SINGLE AUDIT RESULTS

- Overview of the Schedule of Expenditures of Federal Awards (SEFA)
- Summary of Major Programs
- Report Opinions
- Major Program Results

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OVERVIEW OF THE SEFA

- Total federal award expenditures of \$746,907,654
- \$24,016,659 passed through to sub-recipients

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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)

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REPORT OPINIONS

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*

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedules of Expenditures of Federal Awards Required by the Uniform Guidance – Independent Auditor's Report

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MAJOR PROGRAM RESULTS

- Each major program – Unmodified Opinion
- No findings

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NCAA AGREED-UPON PROCEDURES RESULTS

Division I Institutions

- Required Annually

Division II Institutions

- Required every three years

- Performed for Columbia & Kansas City in 2017

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2018 EXTERNAL AUDIT SCOPE

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

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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

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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

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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)*

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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

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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

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AUDIT APPROACH – NEW STANDARDS

GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

- The System has already begun the implementation process.

GASB No. 81, *Irrevocable Split-Interest Agreements*

- The System is in the process of evaluating any potential impact

GASB No. 85, *Omnibus*

- The System is in the process of evaluating any potential impact

GASB No. 86, *Certain Debt Extinguishment Issues*

- The System is in the process of evaluating any potential impact

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APPENDIX – BKD AUDIT PERSONNEL & ROLES

Name	Role	Contact Details
Abe Cole	Client Relationship Partner	Phone: (816) 701-0226 E-mail: acole@bkd.com
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Questions?

Thank You!