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**BACKGROUND MATERIALS**  
**Thursday, February 20, 2014**

- 1. Strategic Plan Matrix** **Tab 1**  
This matrix details the ongoing initiatives from the four cornerstones of the Strategic Plan.
- 2. Audits Timeline Matrix** **Tab 2**  
This matrix tracks the progress of the implementation of recommendations for improvement or correction made by internal and external auditors.
- 3. Report of Internal Auditors, Packer Thomas** **Tab 3**  
Updates on Continuous Monitoring Reports on Payroll and Purchasing and quarterly report of services for 2013-2014.
- 4. Single Audit Report** **Tab 4**  
Annual audited report on financial information for federal programs.
- 5. WYSU-FM Annual Report** **Tab 5**  
Annual audited report on financial information for WYSU-FM.
- 6. Audit Subcommittee Charter and Internal Audit Charter** **Tab 6**  
This is provided as a regular part of the agenda.

**BACKGROUND MATERIALS:**  
Audit Subcommittee

**TAB 1: Strategic Plan Matrix**

**STAFF CONTACT:** Gene Grilli, Vice President for Finance and Administration

**HIGHLIGHTS OR ISSUES:**

- Progress on utilizing YSU's new "Modified Strategic Initiative-Based Budgeting" has been challenged by the need to balance YSU's current and upcoming annual budget due to declining revenues. However, YSU has been aggressively budgeting in a manner that supports strategic initiatives and to support efforts to sustain and increase revenues.
- External funding in Athletics increased from 5% in 2012 to 10% in 2013.
- Conditional admission initial compliance is up to 97% and the rate of students successfully completing the conditional semester is up to 70%.
- The Fall 2013 course completion rate of 83.3% is 2.5% higher than Fall 2012 and is the highest Fall rate in at least 5 years.
- The Office of Distance Education has engaged with two industry standard online marketers in an effort to bolster national exposure to YSU's online offerings and increase out-of-state enrollments.
- All initiatives are on schedule.

**TAB 2: Audits Timeline Matrix**

**STAFF CONTACT:** Katrena Davidson, Controller

**HIGHLIGHTS OR ISSUES:**

- The 16 recommendations open at January 24, 2014, are from three (3) external auditor management letters and five (5) Packer Thomas internal audits. This compares to 23 recommendations at November 8, 2013.
- No significant delays.

**TAB 3: Report of Internal Auditors, Packer Thomas**

**STAFF CONTACT:** Gene Grilli, Vice President for Finance and Administration, and Katrena Davidson, Controller

**HIGHLIGHTS OR ISSUES:**

- Continuous monitoring is performed on Payroll and Purchasing functions for the prior quarterly period with no decline in performance.

**TAB 4: Single Audit Report**

**STAFF CONTACT:** Katrena Davidson, Controller

**HIGHLIGHTS OR ISSUES:**

- All non-federal entities that expend \$500,000 or more of federal awards in a year are required to obtain an annual audit. A single audit is intended to provide a cost-effective audit in that one audit is conducted in lieu of multiple audits of individual programs.
- Total federal expenditures for FY2013 were \$114.1 million, including \$110.8 million in student financial assistance and \$3.3 million in federal grants. This compares to total federal expenditures for FY2012 of \$126.7 million, including \$122.5 million of student financial assistance and \$4.2 in federal grants.
- The auditors issued a "clean" opinion on the financial statements and compliance for major programs. There was one Federal Award Finding relating to Federal Direct Student Loans which was corrected In June 2013.

Note: We have indicated to Crowe Horwath the need to update their administrative listing and outdated roster of Trustees, incorrectly shown on the audit report.

**TAB 5: WYSU-FM Annual Report**

**STAFF CONTACT:** Katrena Davidson, Controller

**HIGHLIGHTS OR ISSUES:**

- Financial and other Station highlights include improved financial position, achievement of member ship fundraising goals for both fund drives during fiscal year 2013, increase in membership revenue and substantial increase in average membership donation, and hiring of full-time marketing/fund raising officer.
- WYSU received a \$200,000 capital gift to be used toward a new facility for the Station.
- The auditors issued a "clean" opinion on the financial statements.

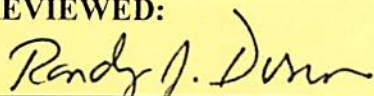
**TAB 6: Audit Subcommittee Charter and Internal Audit Charter**

**STAFF CONTACT:** Gene Grilli, Vice President for Finance and Administration

**HIGHLIGHTS OR ISSUES:**

- Required by Board Policy.

**REVIEWED:**

  
Randy J. Dunn, President