

# Board of Trustees of the Nebraska State Colleges

## Auxiliary System

POLICY  
NAME: Audits

POLICY  
NUMBER: 9700

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### A. PURPOSE

To identify the process used to select the auditor following the audit requirements for the Auxiliary System.

### B. DEFINITIONS

1. **Auxiliary System** – Facilities comprised of housing facilities, buildings and structures used for athletic and wellness purposes, student centers, medical centers and parking facilities that are pledged under a bond resolution.

### C. POLICY

#### 1. **Selection of Auditor**

The Board will solicit proposals and appoint an independent certified public accountant or firm of independent certified public accountants licensed, registered or entitled to practice as such under the laws of the State of Nebraska to undertake an annual examination of the financial records of the State Colleges' Auxiliary System.

##### 1.1. Timing

Within one hundred twenty (120) days of the close of the fiscal year, the Board will cause its accounting records and related documentation with respect to the Auxiliary System to be audited. The Auxiliary System audit shall be completed by November 1 each year.

##### 1.2. Distribution

The Board will take action after receiving the completed audit to accept the reports, after which copies will be distributed by the System Office to the Bond Trustee and to the bondholders or other entities who request the same in writing.

## 2. Audit Requirements

### 2.1. Audit Detail

The audit will include the following elements in reasonable detail:

- The revenue credited to the revenue fund during the year and the deductions and payments made therefrom;
- The financial statement of the facilities, the funds and accounts established in the bond resolutions;
- The transactions during the year relating to said funds and accounts;
- A review of the insurance carried on the facilities;
- The percentage of occupancy and use of the facilities and the number of students with respect to whom any fees are pledged and charged; and
- Any other matters deemed relevant and necessary by the Audit Firm to make the audit informative.

### 2.2. Management Letter

The audit firm shall provide a management letter with comments and recommendations arising from the examination to the college administrators and the Board. At a subsequent meeting the Colleges will submit written responses to the Board on the actions taken to correct the problem areas identified in the Auxiliary System audit.

## FORMS/APPENDICES:

None

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### SOURCE:

**Legal Reference:** Section 5.6 of the Master Resolution

State College Revenue Bond Resolutions

**Policy Adopted:** March 1994

**Policy Revised:** January 2014, June 2023