

Oregon Institute of Technology

Fiscal Year 2014

Financial Statement and Compliance Audit



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Agenda

- Introductions
- Responsibilities under Generally Accepted Auditing Standards
- Engagement Results
- Required communications
- Emerging Developments
- 2015 Audit Responsibilities and timeline
- Questions



Oregon **TECH**

Responsibilities under US Generally Accepted Auditing Standards (GAAS)

- Responsible for:
 - Expressing an opinion on whether financial statements are in conformity with U.S. Generally Accepted Accounting Principles in all material respects.
 - Expressing an opinion only over information identified in our report. Other information included in your financial statement package will be read/reviewed, but not subject to testing.
 - Performing audit in accordance with required auditing standards.

Responsibilities under GAAS continued

- An audit in accordance with GAAS:
 - Communication of significant matters related to audit, information required by law/regulations, or other information agreed upon with Oregon Tech.
 - Does not relieve management of responsibilities.
 - Includes consideration of internal control as basis for audit procedures, but not to opine on effectiveness of internal controls.

Scope and Background of Audit

- Stand-alone financial statement audit for fiscal year 2014
 - Comparative basis to fiscal year 2013 financial statements
- Fieldwork commenced in April.
 - IT work performed in July and September.
 - Returned in September to complete remaining audit fieldwork for FY2014.

Engagement Results

- Financial Statement Audit
 - Unmodified Report
 - Government Auditing Standards Report
 - ◇ No findings



Required Communications

- Auditors' Communication with Those Charged with Governance
 - Qualitative Aspects of Accounting Practices
 - ◇ Accounting Policies
 - ◇ Accounting Estimates
 - ◇ Financial Statement Disclosures
 - Difficulties Encountered in Performing the Audit – None
 - No Uncorrected Misstatements
 - Corrected Misstatements – See Exhibit

Required Communications

- Auditors' Communication with Those Charged with Governance (continued)
 - Disagreements with Management – None
 - Management Representations – See Exhibit
 - Management Consultations with other Independent Accountants – None
 - Significant Issues Discussed with Management Prior to Engagement – None

Emerging Developments

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*
 - Oregon Tech's proportionate share of the pension plan's net pension liability to be recorded on Oregon Tech's financial statements.
 - OUS is currently determining the impact on the 2015 financial statements for each campus.
 - Effective fiscal year 2015.



Emerging Developments

- Changes to the Single Audit
 - Issuance of the Uniform Grant Guidance regulations
 - Replaces OMB Circular A-133
 - New guidelines effective for awards after December 2014 and Single Audits beginning fiscal year 2016.
 - ◇ Codifying eight circulars into one streamlined set of guidelines.
 - Impact to procurement policies, reporting, indirect cost determination, time and effort reporting, etc.
 - Change to audit requirements – Major Program determination and other thresholds.

2015 Audit Responsibilities under US Generally Accepted Auditing Standards (GAAS)

Responsible for:

- Expressing opinions whether financial statements are in conformity with US GAAP in all material respects.
- Expressing opinions only over information identified in our report. Other information included in your financial statement package will be read/reviewed, but not subject to testing.
- Performing audit in accordance with required auditing standards.
- Communication of significant matters related to audit, information required by law/regulations, or other information agreed upon.

An audit in accordance with GAAS:

- Does not relieve management of responsibilities.
- Includes consideration of internal control as basis for audit procedures, but not to opine on effectiveness of internal controls.
- Is designed to obtain reasonable, but not absolute, assurance about whether statements are free of material misstatement.

2015 Fieldwork and Reporting Timeline

- Interim Fieldwork – April/May 2015:
 - Internal control testing
 - ◇ Entity-Level controls
 - ◇ Financial statement controls
 - ◇ IT controls
 - Substantive sampling
 - Required fraud procedures
 - Student Financial Aid Testing
- Final Fieldwork – September – October 2015
 - Substantive procedures
 - Review of financial statements and agreement to audited information
 - Submission of certifications to Oregon State Audits Division and final stand alone financial statements to Oregon Tech



Questions?



Jean Bushong, CPA

Principal

Jean.bushong@CLAconnect.com

303-779-5710

Caroline Wright, CPA

Director

Caroline.Wright@CLAconnect.com

509-363-6351



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