

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
Audit Committee Meeting
March 29, 2007**

SUBJECT: Providing for the Annual Submission of State University System Reports Required to prepare the State of Florida Comprehensive Annual Financial Report (CAFR) and the Schedule of Expenditures of Federal Awards (SEFA)

PROPOSED BOARD ACTION

Designate the Board of Governors of the State University System of Florida, as the entity responsible for the financial reporting requirements of the State University System, with regards to the annual State of Florida Comprehensive Annual Financial Report (CAFR) and the Schedule of Expenditures of Federal Awards (SEFA) beginning with the fiscal year ending June 30, 2007.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 216.102(3), Florida Statutes, provides CAFR authority; SEFA authority pursuant to U.S. Office of Management and Budget Circular A-133.

BACKGROUND INFORMATION

Prior to devolution of the universities from the State's Accounting System (FLAIR) in 2003-2004, university financial data was collected by the Department of Financial Services as part of the general state agency annual closing process and used in preparing the State of Florida required annual audited financial statements (CAFR) and SEFA. After devolution, since the universities were no longer part of the FLAIR system, their associated financial data required transmission to the Department of Financial Services. The Department of Financial Services determined that the State University System institutions were component units of the Florida Department of Education (DOE), making them the state agency responsible for the review and submission of the State University System financial statements and transmittal to DFS, effective for the fiscal year ended June 30, 2004. The Department of Education assigned this task to the DOE Comptroller's Office.

While the DOE Comptroller's Office has done an effective job coordinating this process, recent criticism from the Florida Auditor General's Office led to a general discussion between DOE staff, BOG staff and the DFS staff. The consensus was that the Board of Governors should be designated as the state cognizant agency instead of DOE and could devote more attention than DOE in reviewing and improving the transmission process through closer coordination with the SUS institutions.

Accordingly, the DFS has requested that the BOG acknowledge the responsibility as the designated cognizant agency for the State of Florida financial reporting requirements for all State Universities, as opposed to the DOE.

Supporting Documentation Available: Letter from Department of Financial Services
to Chancellor Mark Rosenberg

Facilitators/Presenters: Chris Kinsley
Director Finance and Facilities