



# University of Missouri System

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## **State audit report confirms UM System follows sound business practices in its operations**

COLUMBIA, Mo. – An audit of the University of Missouri System released today by State Auditor Nicole Galloway confirmed that the UM System follows sound business practices and accounting standards in its operation of the state’s largest public university, while identifying no significant deficiencies in internal controls. The audit’s release culminates an extensive, eight-month review of a full range of the UM System’s operations.

“The UM System strives to be more accountable and transparent in its stewardship of public resources,” President Mun Choi said. “We will use the audit report to continue improving our business processes and our operations.”

While the audit reviewed a wide range of the UM System’s operations, the report’s findings were limited to the University’s executive compensation program. The program includes incentives that are used among peer higher education institutions, and generally do not exceed the median of the market. Under the UM System’s executive compensation program, executive leaders earn a portion of their annual salary based strictly on performance.

“Our executive compensation program is critical to our capacity to attract and retain top leaders in what is an extremely competitive national higher education market,” Choi continued. “Consistent with the audit report’s recommendation, the UM System will continue to establish objective executive performance goals.”

The UM System is a model of an efficient public institution. Using savings garnered through efficiency and effectiveness measures, the UM System campuses spend 75.3 percent of their operations budget on the core activities of teaching, research and service, compared to other Missouri public four-year universities, which spend an average of 64.2 percent.

Just last week, Standard & Poor’s Global Rating, one of the nation’s premier credit rating services, announced an affirmation of the UM System’s high-grade AA+ credit rating. This follows the [recent July rating](#) by Moody’s Investors Service, another leading credit rating agency, which reaffirmed its high-grade rating of Aa1 also with a stable outlook. These two ratings combined keep the UM System among an prestigious group of institutions. Less than 10% of the public institutions rated fall within both rating services’ top two rating categories.

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