

# *University of Florida Board of Trustees*

## *Committee on Audit & Operations Review*

### Minutes

A meeting of the Committee on Audit and Operations Review was held on Thursday, March 30, 2006, in Room 201, Emerson Alumni Hall, UF Campus.

Trustee Members Present: Joelen Merkel, Chair  
David Brown (by phone)  
Courtney Cunningham  
Al Warrington

Chairman Merkel called the Audit Committee to order at 2:55 p.m. She welcomed new Audit Committee member, Courtney Cunningham and thanked outgoing Committee member Cynthia O'Connell, acknowledging her many contributions the past several years.

- Minutes of December 1, 2005 meeting were approved.
- VP Barrett gave a Bridges update. He discussed five areas:
  - 1) Human Resources will implement ePAF for job actions by May 1. Enhancements have been made to Time & Labor. People Admin will replace eRecruit in the near future. HR role security issues have been addressed.
  - 2) New financial and operational reports for cost centers, principal investigators and management have been developed and made available. The system is updated daily.
  - 3) Contracts & Grants offices are now using the same software system until pre-award processing is integrated into the PeopleSoft system. In the meantime, Contracts & Grants business is being conducted satisfactorily. The OACR audit of C&G will provide trustees with information regarding the key controls until reintegration. VP Poppell acknowledged the hard work of the C&G staff to carry on business in spite of difficulties implementing this module of PeopleSoft.
  - 4) Training remains a big challenge due to the training module being out of synch with real time processes. Work continues to address this issue. Ongoing training continues.
  - 5) Data Management and warehousing problems have been solved.

Chairman Merkel suggested the committee studying the PeopleSoft problems read the Auditor General's Financial and Information Technology audit reports regarding PeopleSoft implementation. It was noted that Mike Conlon has been appointed facilitator for PeopleSoft issues among various groups under the direction of Interim CIO Marc Hoit.

- Audited financial statements of DSO, HSSO and FFP (Consent Agenda Item)  
The Committee accepted the Law Center Association's audited financial statements. Trustee Warrington noted that revenues were down. The remaining 2005 financial statement audit, Florida Health Professions, was received too late for this meeting. The audit report will be distributed prior to and reviewed at the June Audit Committee meeting.

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The Dentistry Faculty Practice Plan audit findings from the previous meeting were discussed. Associate VP Bob Miller responded that unapplied credits are being applied and uncollectible accounts are written off when appropriate. The questions regarding FICA overpayments were also addressed by Mr. Miller.

- **Environmental Health & Safety**  
Bill Properzio gave a report on avian flu readiness. He said UF is working with the health department and preparing to manage UF's population by assembling medical teams and planning a strategy to house patients. UF has a disaster plan committee and will be sharing information with other state universities.
- **Office of Audit & Compliance Review**  
External Audits - Phil Ciano, representing the Auditor General's office, said that the AG's office has received management responses to findings for three audits of the University of Florida: financial, federal financial and information technology. He noted that a fourth audit, Bright Futures, had no comments for the third year in a row for UF. The Committee discussed the reports. Mr. Warrington said although he had shared his comments with the UF controller he wanted to mention concerns regarding purchasing cards and requested continued audit coverage in this area. Nur Ereguc, Chief Audit Executive, commented on the controls over PCards. Capital losses on the financial statements were also discussed. Mr. Ciano said the Operational audit for the 2005-2006 fiscal year would commence in January 2007 and any areas of concern that the trustees have could be addressed through the AG's office or by the Office of Audits & Compliance Review.  
*The audited financial statements were accepted (Consent Agenda Item).*  
Internal Audits for the quarter and follow-up statistics had been distributed and were reviewed.
- **Sarbanes-Oxley Committee update** – Bob Miller said VP Poppell distributed suggested charters to all DSO boards. The Committee is still discussing anonymous 24/7 hotline providers for whistle-blowers and CFO/CEO attestation letters. Mr. Miller also reported that his office had received and reviewed the budgets for all DSO's in accordance with the DSO operating memorandum.
- The Chairman reported that she had reviewed the investigations log and had nothing to bring to the attention of the committee.

The meeting was adjourned at 4:05 p.m.