

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, June 14, 2007, in Emerson Alumni Hall.

Trustee Members Present: Joelen Merkel, Chair
David Brown
Al Warrington

Chairman Merkel called the Audit Committee to order at 2:50 p.m.

- Minutes of the March 29, 2007 meeting were approved after being amended as follows:
“Environmental Health & Safety did not present a report. However, VP Poppell gave an update on the landfill litigation, stating that an agreement *is under negotiation* with a developer who will cleanse the land prior to developing it for commercial use.”
- Audits of Support Organizations (Consent Agenda Item)
The Committee recommended approval of the audited financial statements for the UF Leadership & Education Foundation, Inc.
- Office of Audit & Compliance Review:
 - 1) Internal Audits – The Temporary Employment audit report was not issued and was therefore postponed. It was noted that the Indirect Cost Recoveries audit highlighted some critical issues regarding potential non-compliance with state statutes regarding research expenditures. The chairman requested that audit follow-up be conducted timely and diligently.
 - 2) The quarterly follow-up report included an item where follow-up had ceased on one of the recommendations in one of the Auditor General audits. Nur Erenguc stated she had spoken with CIO Marc Hoit regarding IT training being implemented and found that the proposed training was broader in scope than what was recommended and she was satisfied with his response.
 - 3) Nur Erenguc reported on the 2007-2010 Audit Work Plan draft that had been distributed to the committee. She said some charts and exhibits had been revised. Mr. Warrington noted the risk involved with purchasing card and Nur Erenguc stated that it is scheduled to be audited every other year and was currently being audited. He recommended auditing one of the special appropriation funded projects. He also noted the risk involved with capital projects and Nur Erenguc said negotiations with a private firm were underway for a construction audit to be co-sourced.
The Committee recommended approval of the 2007-2010 Audit Work Plan
- The white paper presented to the Board of Governors on behalf of the State University Auditing Consortium (SUAC) addresses the recommended best practices for state university audit committees and internal audit offices. The results of a study to examine the exceptions

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to best practices will be presented at the September audit committee meeting by Chairman Merkel and Chief Audit Executive Ereguc.

- Phil Ciano, field supervisor for the Auditor General, introduced Lead Senior Auditor Marc Wilson. Mr. Ciano reported that the fieldwork for the Operational audit ending June 30, 2007 was nearing completion. Preliminary fieldwork has begun for the financial audit for the period ending June 30, 2007 with expectations to have it completed by December and the report issued in January. The fieldwork for the Student Financial Assistance portion of the Federal awards audit has been completed. He noted that the Bright Futures audit had no findings for UF.
- The Control Self Assessment summary report will be issued and the CSA validation will take place this summer as part of the audit plan. The survey was sent to 230 departments with an 84% return rate. The survey will heighten awareness of internal controls in the units and provide opportunities to strengthen internal controls.
- Environmental Health & Safety Director Bill Properzio discussed communications protocol in the event of an emergency event such as a hurricane and/or active shooters.
- General Counsel Jamie Lewis Keith will make a presentation at the December board meeting regarding legal issues.
- 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 p.m.