

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, November 29, 2007, in Emerson Alumni Hall.

Trustee Members Present: Joelen Merkel, Chair
Courtney Cunningham
Roland Daniels
Earl Powell
Al Warrington

Chairman Merkel called the Audit Committee to order at 3:45 p.m.

- Minutes of the September 13 meeting were approved.
- Chairman Merkel introduced Matt Fajack who has been hired as UF's Chief Financial Officer effective December 31, 2007.
- Due to a resolution for presidential authorities approved at the June 2007 Board meeting, the DSO audited financial statements are no longer a Board Consent Agenda item; therefore, the approval of the DSO financial statement audits was removed from the Audit Committee agenda. The president or his designee will report on the DSO audited financial statements and budgets in the future. After discussion, the committee requested to continue receiving the summary of DSO audits and financial information compiled by Business Affairs.
- Phil Ciano, field supervisor for the Auditor General's Gainesville office, reported that the Operational audit ending June 30, 2007 has been completed. Each board member received a copy of the Preliminary and Tentative findings. Chairman Merkel said she had reviewed the university responses for appropriateness and adequacy. When asked, Mr. Ciano stated that there were no rebuttals to management's responses. The financial audit for the period ending June 30, 2007 is on schedule for completion in January 2008. An exit conference has been scheduled for the financial and the Federal R&D audits. The Federal Student Financial Aid and Bright Futures audits have been completed. Federal Student Financial Aid has a carry over comment but there were no findings on the Bright Futures audit.
- Office of Audit & Compliance Review:
 - 1) Internal Audits – UF Foundation Asset Management, UF Foundation Control Activities, CNS Data Center Security, Fiscal Closing and UF Shands Cancer Center audit reports and the quarterly follow-up report for the 1st quarter were discussed. Ms. Erenguc gave an update on the status of the construction audit by the firm RSM McGladrey. The audit is scheduled for completion in March 2008.

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- 2) Brian Mikell updated the committee on the recommendations made the Quality Assurance review team earlier this year. He said that the recommendations by the QA team have been implemented or are in the process of being addressed. An internal quality assurance review will be performed annually.
 - 3) The Control Assessment validation fieldwork has been completed and management letters will be issued to the 50 randomly selected units selected for validation. The information gathered will be used to analyze control strengths and weaknesses university-wide.
- Proposed changes to the Audit Committee Charter were discussed including the recent change regarding DSO financial statement review and removing the oversight of an ethics policy since this now falls under the purview of the Governance Committee.
 - Environmental Health & Safety Associate Director Phil Collis discussed the requirement by the Department of Homeland Security that hazardous chemicals maintained by UF be inventoried. He discussed the methodology EH&S will use for collecting the information. A report will be submitted to Homeland Security within 60 days. The directive is primarily aimed at chemical manufacturing plants or areas with large concentrations of chemicals and he doesn't expect it will have a significant impact on universities including UF.

The meeting was adjourned at 4:45 p.m.