

# *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 13, 2008, in Emerson Alumni Hall.

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

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

- Environmental Health & Safety Director Bill Properzio updated the committee on the 34<sup>th</sup> Street landfill. He gave background on the use of the area as a UF landfill in the 1960s and the subsequent testing to determine the level of contamination on the site. The impact study is moving toward the final phase with no major findings expected.

Trustee Warrington inquired about security initiatives on campus. Dr. Properzio stated that his presentation to the Educational Policy Committee would address this issue. Mr. Poppell noted that drills and communications regarding security are on-going.

- Minutes of the November 29 meeting were approved.
- Office of Audit & Compliance Review:
  - 1) Internal Audits – Environmental Health & Safety, Food Vendor Contracts, and Athletic Association Budget Control and Travel audit reports and the quarterly follow-up report for the 2nd quarter were discussed. Ms. Erenguc said the Internal Control audit report was postponed for discussion until the June meeting.
  - 2) Brian Mikell presented the updated audit work plan. He said due to vacant positions, added projects (such as the purchasing card audit) and projects exceeding budgeted hours, the revised audit plan was reduced by 2000 hours. The decision was made to reduce or eliminate management advisory projects rather than the risk-driven audits. Discussion followed regarding the risk assessment process whereby projects are prioritized.
  - 3) Joe Cannella discussed the construction audit, which has been outsourced to a private firm. He said the internal controls for managing projects were audited as well as phases of construction contracts. The report will be released before the June audit committee meeting. He doesn't expect the report to contain any significant findings.

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- The Audit Committee Charter revisions as presented at the December meeting were approved by the Governance Committee and were presented to the Audit Committee as an informational item. The charter was revised in recognition of the emergence of a Governance Committee since the adoption of the Audit Committee Charter in 2003. The Governance Committee has oversight over a code of ethics and oversight of the direct support organizations.

Trustee Warrington reminded those present that although the audit committee no longer receives the DSO audits, they 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 UF financial audit ending June 30, 2007 was issued January 29, 2008. He said his office received outstanding cooperation from Finance and Accounting in completing the audit. The report had one finding regarding Contracts and Grants account receivables. Mr. Poppell said the goal was to integrate active Contracts and Grants into *myUFL* by June 30, 2008. Chairman Merkel said she appreciated the timeliness of the audit. The committee approved the financial statement audit to the Board.

When asked, Mr. Ciano stated that UF's internal controls were in place and operating effectively. He said that the UF financial statement audit, Federal R&D, Federal Student Financial Aid and Bright Futures audits can be found on the Auditor General web site, <http://www.myflorida.com/audgen//>

The meeting was adjourned at 4:25 p.m.