

# *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, December 10, 2009, in Emerson Alumni Hall.

Trustee Members Present: Joelen K. Merkel, Chair  
Roland Daniels  
Jordan Johnson  
Jack Mecholsky  
Cynthia O'Connell

Chairman Merkel called the Audit Committee to order at 12:45 p.m. She said Trustee Warrington was absent due to a family illness; she asked the committee members to keep him and his wife in their thoughts and prayers.

Chairman Merkel mentioned that since her term on the board of trustees ends effective January, 2010 this would be her last meeting as chair of the audit & operations review committee. She said that the success of the committee was due to the strength of the internal audit function at the university and the contributions of her committee members. She thanked the chief audit executives during her tenure, Nur Erenguc and Brian Mikell and their staff for making her job easy. She also thanked UF management for their leadership and cooperation. Chairman Merkel was recognized by those present for her outstanding service to the university and the committee.

- Minutes of the September 10, 2009 meeting were approved.

### ***Action Agenda Items:***

- None

### ***Discussion/Informational Agenda Items:***

Phil Ciano, Audit Supervisor with the Auditor General's Office, provided an update on external audit activities.

- Phil reported that fieldwork has been completed on the operational audit, which is performed every two years using a risk-based approach, and the report is currently in review. Preliminary and tentative findings are expected to be delivered in December, but no later than the first week of January.
- Phil reported that fieldwork continues on the audit of the university's financial statements for the year ended June 30, 2009. The university provided the final notes to the financial statements this week. Anticipated release date by his office of the year-end audited financial report is no later than the end of January 2010, consistent with last year. However, the report cannot be issued until after the delivery of the university's responses to the operational audit P&T findings, which are due 30 days after their receipt.
- Phil reported that fieldwork on the federal financial assistance audit is nearly complete. They plan to have an exit conference to discuss findings in early January. Preliminary and tentative findings should be released by late January, with the final report due to be released in March 2010.

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- Phil also discussed the audit of the Bright Futures scholarship program which will be conducted later this fiscal year, but has not yet begun.
- CAE Brian Mikell presented the four internal audits that had been issued since the last Board meeting: University of Florida Alumni Association Gator Clubs; UFF Restricted Gifts (CY 2007); UAA Student-Athlete Academic Eligibility; and University Payroll. The reports and summaries had been previously provided for detailed review. Brian summarized each audit report and answered questions from the committee. Brian and Audit Director Joe Cannella also reported on follow-up status of previously issued internal and other audits.
- Chair Merkel discussed the proposed revisions to the Office of Audit and Compliance Review's Charter. The charter was last revised in 2006. Brian explained that revisions were necessary to address university administration organizational changes and to incorporate up-to-date language from the current Institute of Internal Auditor's standard internal audit charter. The audit committee approved the revised OACR Charter.
- The committee considered information provided by Business Affairs relating to audits of university affiliated organizations. The university has 26 affiliated organizations, with the majority having FYE's of June 30. Required audit reports for all organizations with FYE of June 30 have been completed and were included in the report. Committee members asked questions related to management letter comments, especially repeat comments from the prior year. Additional information was provided by various university employees from areas related to the organizations. At the committee's request, Brian agreed to follow-up on repeat comments noted in the audit reports.
- The chair stated that she has reviewed the investigations log and they have been appropriately reviewed.

The meeting was adjourned at 1:50 p.m.