

MEETING OF THE JOINT AUDIT AND COMPLIANCE COMMITTEE

September 7, 2006

10:00am

via Storrs Conference Room and Teleconference

TRUSTEES/DIRECTORS PRESENT: Messrs. Barry, Drotch, Goldberg, Haberland, and Nayden

STAFF PRESENT: Messrs. Anderson, Austin, Bradley, Callahan, Deckers, DeTora, Eaton, Feldman, Garber, Geoghegan, Lalande, Noonan, Schurin, Strongwater, Sullivan, Thornton, Upton, Walker, and Wetstone; Mesdames Adams, Alexander, Blanchette, Chiaputti, Fearney, Goss, Grava, Hiskes, Krisst, Liskom, Mauriello, Nichols, Rubin, Schwager, Violette, and Whetstone

STATE AUDITORS: Messrs. Carroll, Slupecki, and Rasimas

MEDIA: Ms. Merritt

The teleconference of the Joint Audit & Compliance Committee (JACC) was called to order at 10:10 a.m. by Mr. Walker.

TAB 1: Minutes

ON A MOTION made by Trustee Barry, and seconded by Trustee Goldberg, the minutes of the July 14, 2006 meeting were approved.

TAB 2: Follow-up on July 14, 2006

Mr. Walker informed the JACC that OACE followed-up on all issues discussed at the July 14, 2006 meeting regarding the notification of the University of Connecticut reportline, audit selection for UConn 2000, and UConn 2000/21st Century – Follow-up & Action Plans.

TAB 3: Significant Activities

Ms. Rubin and Ms. Mauriello provided an update on significant activities for the Compliance Office at both Storrs and the Health Center. Ms. Rubin informed the JACC that last month, the new Citizen's Ethics Advisory Board issued a formal advisory opinion interpreting a new provision of the Code of Ethics that prohibits lobbyists,

vendors and entities seeking to do business with the University from providing donated goods and services (i.e., what is referred to as “gifts to the state”) directly to the University. Ms. Rubin has been working with the Government Relations office to assess the impact on operations and to have this option reconsidered. The Citizen’s Ethics Advisory Board intends to take up this reconsideration at its September meeting.

The JACC was provided with a follow-up and action plan update on the University of Connecticut’s Corporate Compliance Program Assessment. This assessment was conducted by Mr. Pastin of Compliance Resource Group for both the Storrs and Health Center locations.

Ms. Rubin introduced the JACC to Ms. Fearney who is now on staff as the OACE’s Assistant Compliance Officer in charge of training. Ms. Fearney provided the JACC with the Code of Conduct rollout milestones. Trustee Nayden encouraged both Mr. Austin and Dr. Deckers to write personal letters to their Deans, Directors and Department Heads, as well as senior staff members instructing them to communicate the importance of the Code of Conduct to their direct reports. Mr. Austin informed Trustee Nayden that this is already underway.

TAB 4: Status of Audits

Mr. Walker directed the Board to Tab 4 for updates on the status of all audits. A summary of significant findings were provided by staff members, as appropriate.

Ms. Blanchette provided a summary of the Cancer Center – Drug Documentation, Coding, & Billing audit to the JACC. In addition, Ms. Blanchette informed the JACC that PwC had provided a second draft report on their audit of For-Profit and Revenue Generating Enterprises related to the Health Center. The University has some issues with the language in one paragraph of the report and expects it may have to be rewritten.

TAB 5: Items for Board Approval

Mr. Walker provided the JACC with a mission statement for the Office of Audit, Compliance & Ethics for approval.

ON A MOTION made by Trustee Nayden, and seconded by Trustee Drotch, the mission statement for the Office of Audit, Compliance & Ethics was approved.

The JACC was provided with the 2007 meeting schedule as well as an updated list of JACC members. On August 21, 2006 Director Marks resigned from the JACC and Director Goldberg took his place. Mr. Walker welcomed Director Goldberg and requested that he introduce himself to the JACC.

TAB 6: External Audit Engagements

Mr. Walker informed the JACC that we have a number of external audit engagements ongoing at the University. We are in the process of closing out the engagement with PwC.

Accume Partners continue to work with Ms. Nichols, IT Assistant Director of the OACE at both the Storrs and UCHC Campuses.

Ms. Chiaputti provided the JACC with the background and methodology used in the selection of accounting firm UHY, LLP as the independent auditors for UConn 2000. Ms. Chiaputti answered all questions related to this selection to the satisfaction of the JACC. Mr. Walker requested that the JACC approve the appointment of UHY, LLP as independent auditors of UConn 2000 projects substantially completed during fiscal years 2004, 2005 and 2006; Deferred Maintenance and Equipment from inception through 2006; and specifically identified named projects that were completed prior to 2003 and were not previously audited. Mr. Walker informed the Committee that, if approved, UHY auditors would be present at the next JACC meeting for introductions.

ON A MOTION made by Trustee Nayden, and seconded by Trustee Barry, the JACC approved the hiring of UHY, LLP as the independent auditors for UConn 2000.

Mr. Walker informed the JACC that we were in the process of selecting the auditors for the annual Athletics NCAA audit and expects to select a vendor by September 29, 2006. In an attempt to get this vendor working prior to the December JACC meeting, a special meeting of the JACC may be called to obtain approval to hire the selected vendor. Trustee Nayden requested a summary of the selection process be submitted to the Board members prior to the special meeting.

TAB 7: Follow-up and Action Plans

Mr. Feldman provided the JACC with an update on the University's follow-up action plan that addresses recommendations made by the Governor's Commission regarding UConn 2000.

Mr. Walker informed the JACC that he is the Chair of the search committee for the Director of Construction Assurance position. The position has been advertised and the University received over twenty-six resumes for review. As Chair of the search committee Mr. Walker has been charged with recommending three candidates to Mr. Austin and Trustee Ritter for interviews no later than the end of October.

Mr. Feldman informed the JACC that the seven member Construction Oversight Committee has been appointed and will be chaired by Trustee Ritter.

TAB 8: JACC Education/Training

Mr. Walker provided the JACC with an article called “*KPMG’s Healthcare Business Briefing*” for their review.

TAB 9: Stem Cell Research

Drs. Hiskes and Lalande provided the JACC with an update on the Stem Cell Research initiative at the University of Connecticut. Their presentation highlighted four areas: the current state of the science, fiscal auditing, ethical oversight, and tracking and monitoring.

There being no further business, **ON A MOTION** made by Trustee Nayden and seconded by Trustee Barry, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,



Karen Violette
Secretary to the JACC