

MEETING OF THE JOINT AUDIT AND COMPLIANCE COMMITTEE
September 11, 2008
10:00 a.m.

via UCHC Conference Room and Teleconference

TRUSTEES/DIRECTORS PRESENT: P. Barry, C. Chase, J. Haberland, J. Goldberg, and D. Nayden

STAFF PRESENT: N. Adams, S. Alexander, L. Aronson, J. Bradley, S. Brohinsky, N. Bull, T. Callahan, B. Carlson, C. Chiaputti, B. Detora, C. Eaton, B. Feldman, J. Geoghegan, K. Goss, K. Grava, C. Gray, R. Gray, M. Hogan, P. King, I. Krist, C. Laurencin, M. Liskom, I. Mauriello, P. McDowell, D. Munroe, P. Nicholls, J. Nichols, B. Patel, R. Rubin, J. Small, J. Sullivan, L. Troyer, D. Upton, R. Urban, K.M. Walker, S. Wetstone and S. Whetstone

GUESTS: N. Brady and J. Noonan

UHY: M. Brooder and A. Scillia

STATE AUDITORS: J. Carroll, J. Rasimas and G. Slupecki

MEDIA: Z. Janowski, G. Merritt and C. McCluskey

The teleconference of the Joint Audit & Compliance Committee (JACC) was called to order at 10:03 a.m. by Trustee Nayden.

ON A MOTION made by Director Goldberg and seconded by Director Haberland, THE JACC VOTED to go into executive session pursuant to Connecticut General Statutes Sections 1-210(b)(1) and (20) and 1-210(b)(1),(5) and (24). Trustees Nayden and Barry, Directors Chase, Haberland and Goldberg, M. Hogan, L. Troyer, C. Laurencin, B. Carlson, L. Aronson, R. Gray, B. Feldman, P. Nicholls, K.M. Walker, C. Chiaputti, R. Rubin, J. Nichols and I. Mauriello were present at this session. Executive session ended at 10:10 a.m. and the JACC returned to open session at 10:15 a.m.

TAB 1: Minutes

ON A MOTION by Director Goldberg and seconded by Director Haberland, the minutes of the June 5, 2008 JACC meeting were approved.

TAB 2: Follow-up to the June 5, 2008 JACC Meeting

K.M. Walker informed the JACC that there were two items for follow-up; one related to FOIA issues and the other related to Nepotism at UCHC. The committee was provided with the status of these issues.

TAB 3: Significant Compliance Activities

The Office of Audit, Compliance & Ethics (OACE) updated the JACC on significant compliance activities during the reporting period.

I. Mauriello informed the Committee that the JDH Certification of Compliance Agreement's first annual report was submitted to the Department of Health & Human Services, Office of Inspector General on June 27, 2008. Receipt of the report was acknowledged without question. A CD containing all the information submitted to the Department of Health & Human Services, Office of Inspector General is available from I. Mauriello upon request.

R. Rubin directed everyone's attention to the Compliance Training Policy. It was reported that 98.2% of the UConn Storrs & Regional Campuses employees completed code of conduct/ethics training for the 2007-2008 academic years. However, the Compliance Agreement made between the Environmental Protection Agency (EPA) and the University of Connecticut mandates sanctions for those employees who do not take the compliance training; this policy addresses this issue. I. Mauriello pointed out that this policy is for the Storrs campus and does not include UCHC. Currently, UCHC does not have a policy on training.

TAB 4: Status of Audit Assignments

OACE provided the JACC with the status of current audit assignments. K.M. Walker informed the committee that there is one audit on hold until November 2009 (Dental Clinic due to the ongoing accreditation process), three audits are in the planning stages, eleven audits are in the fieldwork stage, six audits have been issued in draft and seven audits have been finalized.

K.M. Walker reported that effective September 26, 2008 OACE will be fully staffed.

TAB 5: 2009 JACC Meeting Dates

ON A MOTION by Director Goldberg and seconded by Director Haberland, the 2009 JACC meeting schedule was approved.

TAB 6: 2009 Audit Plan

The JACC was provided with the Fiscal Year 2009 audit plans for OACE. The 2009 Audit plans focused on the following audits:

UCHC

- Clinical: Financial, Operational & Compliance
- Financial and Operational
- Correctional Managed Health Care
- Research and General Compliance

Storrs

- Research / General Compliance
- Construction / UConn 2000

- Financial and Operational
- Athletics

Trustee Nayden requested that executive summaries be issued in a distinct and timely manner.

ON A MOTION by Director Goldberg and seconded by Director Haberland, the 2009 Audit Plans were approved.

TAB 7: External Audit Engagements

K.M. Walker provided the Committee with a summary of all external audit engagements.

M. Brooder from UHY, LLP informed the JACC that their engagement is complete. The committee was provided with copies of draft reports for the Fiscal Year ended June 30, 2007 as follows:

- Management Letter
- Audit of Construction Expenditures of UCONN 2000 - Projects Substantially Completed during the Fiscal Year ended June 30, 2007
- Agreed-Upon Procedures on UCONN 2000 Construction Expenditures

M. Brooder provided the JACC with a brief summary of these reports.

It was recommended that the JACC approve the appointment of the firm McDermott, Will & Emery to complete a review of UCHC's compliance with statutory and regulatory requirements of the Stark Law.

It was also recommended that the JACC approve an extension to the UHY contract for one additional year.

ON A MOTION by Director Goldberg and seconded by Director Haberland, the JACC approved the appointment of the firm McDermott, Will & Emery as well as a one-year extension to the UHY contract.

TAB 8: Auditors of Public Accounts

J. Rasimas provided the JACC with a summary of the Auditors' Report on the University of Connecticut Health Center for the Fiscal Years Ended June 30, 2005 and 2006.

D. Upton directed the Committee's attention to the Updated 2008 Agency Responses included in this tab. There were two areas of concern:

Execution of Contracts – The Auditors recommended that UCHC not authorize contractors to begin work prior to the execution of a contract. D. Upton indicated that this is a continuing challenge for the Health Center. This is a top priority and UCHC has implemented the recommended reorganization. In addition, a request to hire a new Director of Contracting has been approved. The role of this position will be to centralize all contracting responsibilities, review and revise policies and procedures, create a database of all contracts and implement a computerized contract management system.

Faculty Time and Attendance Reports – The Auditors recommended that UCHC require all employees that accumulate compensated absences to submit bi-weekly attendance reports to the Payroll Department. All employees who wish to accumulate and carry over compensated absences to the next fiscal year will be required to submit vacation use reports bi-weekly to the Payroll Department. This will be implemented by January 1, 2009.

Director Haberland informed the Committee that these issues are being taken seriously. These issues were discussed at the September 8, 2008 Board of Directors sub-committee meeting. Trustee Nayden asked K.M. Walker to monitor these issues to ensure proper follow-up.

Trustee Nayden requested that the new Director of Contracting provide the JACC with an update on this issue early next year.

TAB 9: OACE Quarterly Newsletters

The Committee was provided with copies of the Storrs & UCHC Quarterly Newsletters (Volume 1 Issue 4 – summer 2008).

The meeting adjourned at 11:00 a.m.

Respectfully submitted,

Karen Violette

Karen Violette
Secretary to the JACC