

JACC Minutes – July 21, 2010

TRUSTEES/DIRECTORS PRESENT: F. Archambault, F. Borges, T. Holt, D. Nayden, and W. Shepperd

STAFF PRESENT: N. Adams, C. Andrews, P. Austin, D. Barberi, J. Biancamano, N. Breen, N. Bull, J. Carroll, Ch Chiaputti, M. Crouch, A. Diamond, Ch Eaton, N. Eshelman, M. Farley, B. Feldman, J. Geoghegan, D. Gilbertson, R. Gray, V. Hampton, R. Hoagland, K. Johnson, R. Krinsky-Rudnick, C. Laurencin, M. Liskom, I. Mauriello, P. McDowell, L. Melvin,, D. Munroe, G. O'Keefe, B. Patel, J. Pufahl, E. Roberts, R. Rubin, R. Schurn, S. Singha, J. Small, M. Summerer, R. Urban, K. Violette, M. Walker, N. Wallach, J. Walter and S. Wetstone

KPMG: B. Flood

Marcum: M. Brooder, J. Miller

STATE AUDITORS: J. Carroll, W. Felgate, J. Rasimas G. Slupeci

The meeting of the Joint Audit and Compliance Committee (JACC) was called to order at 12:00 pm by Trustee Nayden.

ON A MOTION made by Trustee Archambault and seconded by Director Shepperd, THE JACC VOTED to go into executive session pursuant to Connecticut General Statutes Sections 1-210(b)(1) and (20) to discuss draft audit reports. Trustees Archambault, Nayden, Directors Borges, T. Holt, W. Shepperd, N. Adams, C. Andrews, President P. Austin, D. Barberi, J. Biancamano, C. Chiaputti, B. Feldman, R. Gray, K. Johnson, C. Laurencin, M. Liskom, I. Mauriello, P. McDowell, D. Munroe, J. Pufahl, R. Rubin, R. Schurn, S. Singha, R. Urban, K. Violette, K.M. Walker and J. Walter were present during executive session.

The Executive Session ended at 12:50 p.m. and the JACC returned to open session at 1:00 p.m..

ON A MOTION made by Trustee Archambault and seconded by Trustee Shepperd, the JACC approved an additional agenda item - OACE will request the hiring Seward and Monde for an NCAA audit in Tab 8.

TAB 1 - Minutes

ON A MOTION made by Trustee Archambault and seconded by Director Shepperd, the minutes of the April 1, 2010 meeting were approved.

TAB 2 - Follow-up

K. M. Walker provided a Follow-up summary to the April 1, 2010 meeting.

IT Auditor Position(s)

The Search for an IT Auditor(s) is on hold. OACE is in the process of working with Human Resources and is negotiating with the bargaining unit to bring the Storrs Auditors out of the bargaining unit. The searches will begin soon.

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Storrs – Dashboards & Monitoring Plans

OACE is working on a number of draft monitoring plans to be presented at the JACC meeting in October.

Bond Issues

K.M. Walker informed the JACC that R. Gray and J. Sullivan will discuss entrepreneurial activities at the October meeting.

TAB 3 - Meeting Schedule 2010 - 2011

ON A MOTION made by Trustee Archambault and seconded by Trustee Shepperd the JACC approved the meeting schedule for the 2010-2011 year.

TAB 4: Significant Compliance Activities

The Compliance Agreement between the University and the US Environment Protection Agency (EPA) is in the final year of the agreement. To close out the agreement the University had a site visit from the EPA to ensure that the University complied with all of the elements of the agreement. Two officials from the EPA visited on June 29, 2010 and reviewed approximately 42 items from the agreement. In addition, the EPA officials interviewed various University staff who were involved with the Compliance Agreement as well as the Compliance and Audit staff. The EPA will provide the University with a report within 30 days and will let the University know if it has successfully fulfilled their obligations. OACE is cautiously optimistic that we will get a favorable report. Although the Compliance Agreement is complete OACE plans, with the approval of this Committee, to continue business as usual regarding mandatory training as well as compliance and monitoring activities.

Trustee Nayden indicated that OACE should continue and sustain all efforts behind the Compliance Agreement while finding ways to keep it efficient and productive.

ON A MOTION made by Trustee Archambault and seconded by Trustee Shepperd, the JACC approved the efforts of OACE to continue with all activity as related to the Compliance Agreement.

Storrs Annual Compliance Training is 99.7% complete. Only seven employees (faculty members) out of approximately 4,300 did not complete the mandatory training. The Provost's Office is currently assisting OACE to make sure that the last seven faculty members complete the training. We anticipate 100% training very shortly.

The Office of Environmental Health & Safety, Research Compliance, and Athletics are the three main regulatory areas at the University. These departments have entered into Memorandums of Understanding with the OACE with a dotted line reporting responsibility to the Director of Compliance. These departments have agreed to communicate with OACE when there are:

- Significant changes to policies and procedures
- Updates on significant statutory and/or regulatory changes
- Copies of consulting reviews and/or reports that refer to compliance assessments and/or recommendations for improvement
- Notifications of significant or sustained suspected breaches of law, regulations, policies or procedures, as well as internal investigations of such breaches and the results of those investigations
- Notification of site visits or investigations by external oversight agencies
- Copies of reviews and/or reports by external oversight entities resulting in enforcement action, including the results of investigations and any proposed and final agreements

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I. Mauriello informed the JACC that UCHC Compliance submitted their 3rd and final Annual Report of the Certification of Compliance Agreement between John Dempsey Hospital and the Department of Health & Human Services – Office of the Inspector General on June 28, 2010.

UCHC's training has improved this year; nearly 100% complete . The John Dempsey Hospital portion of the Health Center is 100% compliant with training.

UCHC will continue the Compliance Program; this is a mandatory requirement, under the Health Care Reform Act for all institutions receiving federal dollars.

TAB 5: Status of Audit Assignments

C. Chiaputti provided the JACC with a status update of current audit assignments. OACE completed twelve reviews this quarter:

- ARRA Quarterly Validation (1st Quarter Ending 03/31/10) – Storrs & UCHC
- Library IT Services - Storrs
- Foundation FY 09 - Storrs
- Animal Care Specialist Service Facility (per diem)
- Compliance Agreement FY 09 - Storrs
- CMHC Payroll - UCHC
- Facilities Management – Storrs
- Faculty Consulting (01/01/09-06/30/09) – Storrs & UCHC
- Financial Aid IT - Storrs
- HIPAA Privacy - UCHC
- Medicare Secondary Payor – UCHC
- Accounts Payable – UCHC

There were no questions. For the record Trustee Nayden informed the JACC and guests that all members of the JACC were provided with copies of every audit and have discussed them in detail.

Tab 6 - Draft Audit Plans for FY 11

C. Chiaputti provided the JACC with copies of the FY 11 Audit Plans for both the Storrs/Regional Campuses and the Health Center. These are risk based audit plans and are flexible.

ON A MOTION made by Trustee Archambault and seconded by Trustee Shepperd, the JACC approved the FY 11 Audit Plans.

Tab 7 – KPMG - Healthcare Reform and Providers

B. Flood from KPMG presented materials on Healthcare Reform and Providers.

Tab 8 - Status of External Audit Projects

The JACC was provided with updates of all external audit engagements at the University of Connecticut and Health Center.

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M. Brooder from Marcum LLP provided a presentation on Construction Audit Services performed for Fiscal Year 2009. Prior to the meeting JACC members were emailed draft copies of the following:

- Audit of the schedule of UConn 2000 Construction Projects Specifically Identified by Management Substantially Completed During the Fiscal Year Ended June 30, 2009
- Agreed-Upon Procedures on UConn 2000 Construction Expenditures during the Fiscal Year 2009
- Audit Results and Required Communications in Connection with UConn 2000 Construction Projects

Marcum LLP provided two handouts on trend analysis.

ON A MOTION made by Trustee Archambault and seconded by Trustee Shepperd, the JACC approved the hire of Seward and Monde to conduct the NCAA financial audit services for the fiscal year ended June 30, 2010.

Tab 9 - Auditors of Public Accounts – Single Audit FYE 06/30/09

J. Carroll, W. Felgate, J. Rasimas and G. Slupecki from the Auditors of Public Accounts presented excerpts from their Single Audit for Fiscal Year Ended June 30, 2009.

TAB 10 – Informational/Educational Items

The JACC was provided with copies of the

- OACE Storrs & UCHC Quarterly Newsletters (Spring 2010)
- Institute of Internal Auditors “*Tone at the Top*” (May 2010)
- KPMG’s “*Ten To-do’s for Audit Committees*” (2010)
- PriceWaterhouseCoopers “*10 Minutes on Maximizing Internal Audit*” (December 2009)

ON A MOTION made by Trustee Archambault and seconded by Director Holt, the meeting was adjourned at 2 p.m.

Respectfully submitted,

Karen Violette

Karen Violette
Secretary to the Joint Audit & Compliance Committee

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