

MEETING OF THE JOINT AUDIT AND COMPLIANCE COMMITTEE
December 11, 2007
10:00am

via UCHC Conference Room and Teleconference

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

STAFF PRESENT: Messrs. Blum, Brohinsky, Callahan, Deckers, DeTora, Eaton, Feldman, Geoghegan, Hogan, Kleinman, McDowell, Noonan, Small, Upton, Urban, Walker, and Wetstone; Mesdames Adams, Alexander, Brady, Chiaputti, Grava, Hickey, King, Krist, Kulko, Liskom, Lombardo, Main, Mauriello, Nichols, Rubin, Troyer, Violette

STATE AUDITORS: Messrs. Carroll and Rasimas

KPMG: Messrs. Frank and Jurczyk

The teleconference of the Joint Audit & Compliance Committee (JACC) was called to order at 10:05 a.m. by Trustee Nayden.

ON A MOTION by Trustee Nayden and seconded by Trustee Barry the JACC voted to add an agenda item to the December 11, 2007 JACC Meeting on the Financial Aid Code of Conduct.

R. Rubin informed the JACC that the Office of the Attorney General has requested that all Connecticut universities (both public and private) adopt a Financial Aid Code of Conduct. The latest draft of this Code was emailed to participants prior to the meeting. In addition, copies of the Code were handed out at the meeting.

R. Rubin asked the committee to consider approving this Code so that it can be considered by the full Board of Trustees at their next meeting. **ON A MOTION** by Trustee Nayden and seconded by Trustee Barry the JACC approved the Financial Aid Code of Conduct.

TAB 1: Minutes

ON A MOTION by Trustee Nayden and seconded by Trustee Barry, the minutes of the September 11, 2007 meeting were approved.

TAB 2: Significant Compliance Activities

OACE updated the Committee on significant compliance activities during the reporting period. In addition, OACE provided the JACC with a revised UCHC Executive Compliance Committee

Charter Revision as well as a revision to a UCHC job description for the Compliance Education Director/Faculty Liaison.

ON A MOTION by Trustee Nayden and seconded by Director Haberland, the revisions to the Charter and the job description were approved.

TAB 3: OACE Quarterly Newsletter “Compliance courier”

OACE provided the JACC with copies of (Volume 1, Issue 1) of the new “Compliance courier”, a quarterly newsletter issued by OACE in order to provide updates on important compliance issues and address frequently asked questions to the University and Health Center community.

TAB 4: Status of Audit Assignments

OACE provided the JACC with the status of current audit assignments. There were 5 audits completed during the reporting period.

TAB 5: FY 08 – AUDIT PLAN REVISIONS

OACE provided the JACC with a revised audit plan for FY 08. C. Chiaputti provided the committee with a summary of the changes that were made and the reasons why audits were cut from the original plan. Trustee Drotch had a number of questions regarding these changes. Trustee Nayden asked that OACE summarize this in detail and provide it to Trustee Drotch.

ON A MOTION by Trustee Nayden and seconded by Director Haberland, the revisions to the FY 08 Audit Plans were approved.

TAB 6: Agreed-Upon Procedure to the Internal Audit related to the Compliance Agreement

The Auditors of Public Accounts performed agreed-up procedures, which were agreed to by the University of Connecticut, solely to assist the University in evaluating whether the Audit Program, related to the January 6, 2006 Compliance Agreement between the University and United States Environmental Protection Agency was completed and that the associated work papers supported the completion of the performed procedures presented within the Audit Program. The Auditors found no exceptions.

M. Walker thanked the Auditors of Public Accounts for agreeing to perform this work for the University and informed the JACC that the efforts provided by the Auditors saved the University a significant amount of money.

TAB 7: External Engagements – Independent Auditors

M. Walker briefly discussed the status of all external audit engagements.

OACE recommended that the Joint Audit and Compliance Committee approve the appointment of the accounting firm UHY, LLP as independent auditors of UCONN 2000 expenditures for the 2007 fiscal year. The engagement requires the audit of UCONN 2000 named projects and stand alone deferred maintenance projects substantially completed during the 2007 fiscal year and agreed upon procedures performed on total UCONN 2000 expenditures, including deferred maintenance and equipment for the year ending June 30, 2007.

ON A MOTION by Trustee Nayden and seconded by Director Haberland the JACC approved the hiring of UHY, LLP as the independent auditors of UCONN 2000 expenditures for the 2007 fiscal year.

OACE recommended that the Joint Audit and Compliance Committee approve the appointment of the firm PricewaterhouseCoopers (PwC) to provide internal audit services to augment its existing internal audit capabilities. This engagement includes the completion of an audit of University of Connecticut Health Center's Medicare Cost Report process in accordance with standards set forth by the Institute of Internal Auditors.

ON A MOTION by Trustee Nayden and seconded by Director Haberland the JACC approved the hiring of PwC as the independent auditors of UCONN 2000 expenditures for the 2007 fiscal year. Trustee Drotch recused himself from this vote.

A. Frank and K. Jurczyk from KPMG presented their audit of the financial statements of the University of Connecticut Health Center, John Dempsey Hospital, UCONN Medical Group, and the Finance Corporation as of and for the year ended June 30, 2007.

TAB 8: Committee Education

OACE provided the committee with a handout from the Institute of Internal Auditors "The Audit Committee: A Holistic View of Risk" as well as an article written from the United States Department of Health and Human Services Office of Inspector General and the American Health Lawyers Association "Corporate Responsibility and Health Care Quality".

J. Kulko, the Executive Administrator Clinical & Translational Research, provided the committee with an update on Research Financial Compliance Clinical Trials.

There being no further questions or issues, **ON A MOTION** made by Trustee Nayden and seconded by Director Haberland, the meeting was convened to Executive Session pursuant to Connecticut General Statutes Section 1-200 at 11:17 a.m. N. Adams, P. Barry, S. Brohinsky, T. Callahan, C. Chiaputti, P. Deckers, P. Drotch, K. Grava, J. Haberland, M. Hogan, W. Kleinman, M. Martinez, I. Mauriello, D. Nayden, J. Nichols, R. Rubin, L. Troyer, D. Upton, R. Rubin, and M. Walker were present at this session. Immediately after this discussion concluded, management was dismissed and the Auditors of Public Accounts and KPMG were asked to join the executive session to meet with the JACC members and members of the Office of Audit, Compliance & Ethics in a private forum.

The meeting was adjourned at 11:23 a.m.

Respectfully submitted,



Karen Violette
Secretary to the JACC