

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

July 8, 2004

A meeting of the Audit Committee of the Board of Regents was held on Thursday, July 8, 2004, at 4:00 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: John Frobenius, presiding; Clyde Allen, Dallas Bohnsack, and Maureen Reed.

Staff present: Senior Vice President and Provost Thomas Sullivan; Vice President Richard Pfitzenreuter; Executive Director Ann Cieslak; Associate Vice Presidents Steve Cawley, Gail Klatt and Michael Volna.

Student Representatives present: Joshua Jacobsen and Nathan Wanderman.

INTERNAL AUDIT PLAN

Associate Vice President Klatt presented the proposed 2004-05 Internal Audit Plan. The Audit Plan is intended to demonstrate the breadth and depth of audit activities addressing financial, operational, and compliance risks of the University; accountability for the University's resources; and progress in efforts to continually improve the Internal Audit program. The plan is risk-based and continues to reflect the principles of the Integrated Framework of Internal Control, which identifies interrelated components of internal control, and was previously adopted by the Board.

The Department of Audits performs three functions: auditing University units, process and activity; providing advisory services to the administration; and conducting investigations into allegations of operational or financial misconduct.

Klatt summarized the components of the plan as included in the docket materials and associated handout.

COMMITTEE WORKPLAN 2004-05: PRELIMINARY DISCUSSION

Associate Vice President Klatt briefly outlined the proposed committee workplan for 2004-05 as included in the handout on file in the Board Office. She summarized possible topics, noting that for the first time the committee will review the University's financial statement prior to finalization.

Regent Frobenius noted that during its annual retreat, the Board identified priorities for the coming year, one of which is to develop a process to ensure that the Board is fulfilling its fiduciary responsibilities as measured against current and evolving standards.

Committee members expressed interest in discussing how the institution might further utilize the external audit firm and whether the firm and the internal audit department are being used in the appropriate balance. It was also suggested that topics

not be presented in both the Audit and Finance and Operations Committees to avoid redundancy.

INFORMATION ITEMS

No information items were presented this month.

The meeting adjourned at 4:51 p.m.

**ANN D. CIESLAK
Executive Director and
Corporate Secretary**