

Year 2002-03

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

September 12, 2002

A meeting of the Audit Committee of the Board of Regents was held on Thursday, September 12, 2002, at 9:00 a.m. in Room 241, Kiehle Building at the University of Minnesota Crookston.

Regents present: Robert Bergland, presiding; Frank Berman, Dallas Bohnsack, and Lakeesha Ransom.

Staff present: Chancellors Kathryn Martin and Samuel Schuman; Executive Vice President and Provost Christine Maziar; Interim Vice Presidents Kathryn Brown and Gregory Fox; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Associate Vice Presidents Steven Cawley, Gail Klatt, Richard Pfitzenreuter, and Steven Spehn.

Student Representatives present: Nick Ceconi and Jacob Elo.

COMMITTEE WORKPLAN, 2002-03

Associate Vice President Gail Klatt presented for discussion the proposed 2002-2003 Committee Workplan, as included in the docket materials.

Klatt noted the inclusion of a discussion relating to post-Enron legislation, the Sarbanes-Oxley Act of 2002, stating that she will look to the committee for response to the legislation. The University's Institutional Compliance Program will also be discussed, and the new compliance officer will meet with the committee.

In response to a question from Regent Berman, Klatt stated that updates on issues raised in the facilities audit will be included in quarterly reports.

In response to a question from Regent Bergland, Klatt and Vice President Maziar stated that the Patriot Act applies to international students and research programs.

In summary, Bergland stated that if there were no objections, the proposed work plan will be implemented.

INTERNAL AUDIT UPDATE

Associate Vice President Gail Klatt presented the Internal Audit Update, as found in the docket materials.

Klatt summarized the status of outstanding ?essential? recommendations from previous audits. She discussed the status of

implementation of recommendations in the audit of construction operations, and noted Facilities Management is taking a systemic look at processes. Executive Vice President and Provost Maziar responded to Regent Ransom's question regarding the status of the Public/Private Partnership Committee (PPPC), stating that although the PPPC has not met since 1995, issues related to institutional conflict of interest are becoming more evident from national dialogue. She suggested it would be appropriate for the PPPC to serve in an advisory capacity on institutional conflict of interest issues, which would not interfere with the Board's governance responsibilities.

General Counsel Rotenberg discussed responses to the construction operations audit from a legal standpoint. He noted Interim Vice President Fox agreed that all 13 recommendations should be implemented. A cooperative effort between transactional lawyers and Facilities Management is underway toward that end. Some new processes will be implemented as new projects come online, so it will take time to evaluate how well they work. Rotenberg will provide Board members with a copy of the template illustrating implementation progress to date.

In response to an issue raised by Regent Bergland, Rotenberg and Fox discussed the need for increased supervision of projects within the University whether the Design/Build or Design/Bid/Build construction method is used. Fox noted that the Design/Build contract language is being rewritten to ensure a competitive process for selection of contractors so the University gets the best price. Regent Berman noted that there is a substantial difference between a competitive bid and competitive selection. Fox suggested it would be appropriate to discuss with the Audit Committee or the Facilities Committee the process that will be used in the future.

In response to an issue raised by Berman, Ann McDonough, Director of Design and Construction Services, stated the University's process is to ensure contracts are in place before work is commenced. Berman noted that one of the audit recommendations was to form an independent committee to consult with Facilities Management officers. Bergland asked Fox to review that issue and report back to him and Berman.

The meeting adjourned at 9:30 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

©2005 Regents of the University of Minnesota. All rights reserved.

[Trouble seeing the text?](#) | [Contact U of M](#) |
[Privacy](#)

The University of Minnesota is an equal opportunity educator and employer.

Last modified on September 7, 2005