The Regents of the University of California

COMMITTEE ON AUDIT
September 22, 2004

The Committee on Audit met on the above date at UCSF-Laurel Heights, San Francisco.

Members present: Regents Blum, Connerly, Hopkinson, Lee, Novack, Parsky, Ruiz, and Sayles; Advisory member Brunk

In attendance: Regents Anderson, Dynes, Johnson, Kozberg, Ornellas, Preuss, and Wachter, Regents-designate Juline, Rominger, and Rosenthal, Faculty Representative Blumenthal, Secretary Trivette, General Counsel Holst, Treasurer Russ, Senior Vice President Mullinix, Vice Presidents Broome, Drake, Foley, and Gomes, Chancellors Carnesale, Córdova, Fox, Tomlinson-Keasey, Vanderhoef, and Yang, Acting Chancellor Chemers, Laboratory Director Nanos, and Recording Secretary Nietfeld

The meeting convened at 10:15 a.m. with Committee Chair Novack presiding.

Regent Novack announced that University Auditor Reed's absence was because he had been selected by his peers to serve as the president of the Organization of University and College Auditors and that his inauguration was taking place today.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of July 14, 2004 were approved.

2. **UPDATE TO INTERNAL AUDIT PLAN**

Committee Chair Novack recalled that at the Committee's July meeting, the University Auditor had presented the internal audit plan for 2004-05. While the Committee supported the plan, some concerns were raised due to the lack of specific references to ethics issues such as discrimination and harassment. University Auditor Reed revised the plan accordingly, and it was distributed to the Regents.

In response to a question from Regent Hopkinson, Senior Vice President Mullinix explained that more than 4,000 hours would be devoted to audits of select policies related to ethics. She pointed out that the revised Appendix III did not contain a list of these projects and asked to be contacted with this information.

Regent-designate Juline pointed out that ethics is a broad term and suggested that further details of the projects should also be provided. Senior Vice President Mullinix responded that the intent had been to focus on the area of human resources, but he acknowledged that many other areas have ethics implications. An asterisk in the report identifies an area with

potential conflicts of interest. He noted the strong interest on the part of the Committee and the University administration to develop a systemwide statement of ethics, a draft of which is under review.

Committee Chair Novack reported on his discussions with the Office of the President regarding workers compensation and medical and hospital liability claims. The Office of the President has confirmed that the amount of insurance carried for excess coverage was appropriate and that it was being factored into the University's financial analyses. Accruals are being managed and regularly reviewed.

The meeting adjourned at 10:25 a.m.

Attest:

Secretary