I. Call to order

II. Minutes of the September 2001 meeting were approved as written.

III. Auditing issues – Ms. Jean Stewart, Director of Internal Audit

Ms. Stewart reviewed the objectives of the Internal Audit Department and discussed the four primary activities:

1. University Audit
2. Investigations of individuals
3. Consultant activity
4. Educational activities

SOM faculty members expressed dissatisfaction with secret audits that fail to reveal the reason for the investigation or to explain the violations that are identified. Faculty assembly members are especially concerned about individual investigations, where a faculty member loses access to money in grant-funded accounts without prior notification. The faculty would like to see guidelines developed that would govern the auditors as well as the investigators.

Ms. Stewart said that faculty under investigation are not usually notified early in the process because that would allow for the alteration or destruction of documents. However, the faculty member will always be notified at some point in the process since he or she will be asked to address the issues.

Mr. Henderson commented that the auditors work for the Board of Regents and conduct administrative audits more frequently than any other type of audit. The source of information concerning possible individual violations generally comes from other faculty members.

Further discussion indicated that communication and education are currently the two weakest links in the evolving audit environment. Mr. Henderson said that he hopes the new Office of Regulatory Compliance under the Vice Chancellor for Research can strengthen these important aspects of the audit process.

IV. Chancellors Update – Wayne Henderson, Teresa Berryman

A. Budget reduction by the Governor

There are still unanswered questions about the 1% budget rescission, e.g. is it one time or a reduction to the base budget. Revised budget projections are due on December 15. At that time the Governor will initiate the formal rescission process if needed. CCHE decided to exempt the student financial aid from the 1% budget reduction, which actually raises the contribution of the other units to 1.08 percent.

B. Master Plan Revision

The master plan update was delayed by the legislative hold on capital construction; including $7.8 million in the trust fund, $10 million for education and $.5 million for infrastructure. These delays will not affect the research facility, as it is cash funded.

The final revision must be sent to the Regents in December and on to CCHE in January or February. During this short time frame, modifications will be made to the plans for the education building, the library and the financial plan.

The library start date is rescheduled to start January 2004 and finish in July of 2007. This is a 2.5-year delay over original plan

The education facility has two components. The first is the Education space in the Research complex. UCD will also meet with the CDC in December to request a release of $7.1 million in the trust fund to begin construction of the education building.

The hospital will vacate space in Building 500 sooner than anticipated, which will then be converted into office space for clinical faculty. Dr. Schooley commented that it would make more sense to locate the clinical faculty in or near the hospital for better customer service. He asked that the UCD administration continue to urge the UCH Board to accommodate faculty office space in their new facility.

D. Vice Chancellor for Campus Planning

A search committee for the VC for Campus Planning is almost finalized. It will include four faculty members, one from each CU campus, and a student representative. Membership of the committee will be announced shortly.

V. Minority Affairs – Dr. Virginia Sarapura, Minority Affairs Committee

Dr. Sarapura is chair of the CU Minority Affairs Committee. She would like to reestablish the UCD Minority Affairs committee to coordinate activities on this campus. The other three campuses are also establishing or reinstating their campus committees. The Assembly members encouraged Dr. Sapporo to proceed and to report her progress.

VI. UBAB Report – Dr. Stuart Schneck, HSC representative to UBAB
The impact of a large and unexpected raise in the health insurance rates across the nation has been lessened to some extent by a subsidy from the Presidents office. The resulting increase for CU personnel ranges from 4 to 18%. In anticipation of similar, if not worse, increases in the coming year, the UBAB is looking at other alternatives, e.g. self-insurance and/or increasing co-pays.

VII. Faculty Council Report – Dr. Richard Bakemeier

A. **Budget Committee** – An HSC member is needed to serve on the CU budget committee.

B. **EPUS** – Faculty Council will review a proposal from EPUS committee pertaining to ownership of educational property at the next meeting.

VII. Reports from Units and Organizations

School of Dentistry – No report

School of Medicine – Dr. Rock Levinson

Fitzsimons – Continuing concern in SOM about recruiting faculty in numbers adequate to sustain the ICR income.

School of Nursing – Dr. Joann Congdon

The search for a new dean has been delayed indefinitely. 130 new BS students will be admitted next year.

School of Pharmacy – No report

Retired Faculty – No report

VIII. Adjournment

Submitted by Sandi Parker, Secretary