Approval of Committee Meeting Minutes

Regent Kakuda moved to approve the minutes of the meeting of the Regents’ Committee on University Audits held on March 18, 2004. The motion was seconded by Regent Kawakami and unanimously carried.

Audit of the University Bond System for Fiscal Year Ended June 30, 2003

Mr. Hasselman reported that the bond fund currently stands at $145 million in assets, down $20 million from previous years due to an internal loan to fund the Banner System. During the current audit, PricewaterhouseCoopers (PWC), noted that the M~noa Intercollegiate Athletics Department received two invoices in October 2003 from M~noa Student Housing related to fiscal year 2003 student athlete housing charges. As a result
of the late invoicing, the Athletic Department did not record the outstanding payable on its financial statements for fiscal year 2003. Furthermore PWC noted that M~n~ Student Housing improperly recorded the receivable and related revenue as fiscal year 2004 transactions. PWC recommended that M~n~ Student Housing insure invoices are prepared on a timely basis and recorded in the proper fiscal year. In addition, the University had developed and implemented the FMIS system where users can generate reports with the data to assist them in assessing the performance of each project as well as the University Bond system as a whole. However, through discussions with University Bond system personnel PWC noted that the program was not widely utilized as many users felt more training was needed to effectively generate customize reports.

Following the report from PWC, Regent Nunokawa inquired as to why separate letters were being sent to the Board as well as to the Vice President for Administration. Mr. Hasselman said that this would be corrected under the new protocol.

Regent Yamasato announced that a series of questions were developed as a result of the audits and will be transmitted to the administration for response.

Regent Kawakami moved to receive the audit reports of the University Bond System for fiscal year ending June 30, 2003 as performed by PricewaterhouseCoopers. The motion was seconded by Regent Kakuda and unanimously carried.

There being no further business before the Committee, the meeting was adjourned at 12:01 p. m.

Respectfully submitted,

David Iha, Secretary

Dated: July 13, 2004

Chairperson Patricia Y. Lee
Members, Committee on University Audits
President Evan S. Dobelle
Vice President James R. W. Sloane
Chief of Staff Sam Callejo