

March 20, 2009

Members of the Board Audit Committee

Marquita Wiley, Chair

Keith Sanders

Steve Wigginton

Dear Members of the Audit Committee:

There will be a meeting of the Audit Committee on Thursday, April 2, 2009, immediately following the Academic Matters Committee in the Conference Center, 2nd Floor, of the Delyte W. Morris University Center, Southern Illinois University Edwardsville, Edwardsville, Illinois. The following items have been suggested for the agenda:

1. Approval of the Minutes of the Meeting held September 10, 2008 (enclosure).
2. Internal Audit Risk Assessment Report.
3. Review of Selection Processes for Selected Contractors.
4. Other business.

Sincerely,

Marquita Wiley, Chair
Audit Committee

MW:mdw

Enclosure

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|----|------------------------|---------------|-------------------|
| C: | Frank William Bonan II | John Simmons | Glenn Poshard |
| | Nate Brown | Amber Suggs | Samuel Goldman |
| | Ed Hightower | Roger Tedrick | Vaughn Vandegrift |

BOARD OF TRUSTEES

SOUTHERN ILLINOIS UNIVERSITY

Minutes of the Audit Committee Meeting

September 10, 2008

The Audit Committee met at 2:35 p.m. on September 10, 2008, in the Special Events Room of Birger Hall, Southern Illinois University Edwardsville, Edwardsville, Illinois. Chair Wiley called the meeting to order. Audit Committee members present were: Ms. Marquita Wiley (Chair), Dr. Keith Sanders, and Mr. Steve Wigginton. Other Board member present was: Ms. Amber Suggs. Executive Officers present were: President Glenn Poshard, Interim Chancellor Sam Goldman, Chancellor Vaughn Vandegrift, Vice President for Academic Affairs Dr. John Haller, and Senior Vice President for Financial and Administrative Affairs and Board Treasurer Dr. Duane Stucky. Also present were: General Counsel Mr. Jerry Blakemore; Executive Secretary of the Board Ms. Misty Whittington; Executive Director of Finance, SIUC, Mr. Kevin Bame; and Vice Chancellor for Administration, SIUE, Mr. Kenn Neher.

Minutes

Dr. Sanders moved that the minutes of the July 9, 2008, Audit Committee meeting be approved. The motion was duly seconded by Chair Wiley, and she declared the minutes to be approved.

Procurement Card Report

Dr. Stucky provided background and introduction of Mr. Kevin Bame and Mr. Kenn Neher. Mr. Bame and Mr. Neher provided an overview of the checks and balances of the current procurement card (p-card) system. The Audit Committee members, President and staff discussed particulars related to oversight, review of transactions, internal audit, and contracts. The Audit Committee members were also provided a report titled, "Summary of P-Cards Internal Contracts – Southern Illinois University" dated September 10, 2008.

Members asked various questions regarding how the procedures worked in practice, what levels of exposure the University had, and what types of abuse and the discipline for abuse the University faced and imposed. Staff indicated that the use of p-cards had provided a savings of approximately \$3.2 million. The Audit Committee encouraged strong oversight and strict enforcement of the p-cards.

Revision to Internal Audit Policy
[Amendment to 5 Policies of the Board E](Board Agenda Item AA)

Revision to Audit Committee Bylaws
[Amendment to III Bylaws of the Board 6](Board Agenda Item BB)

Revisions to Internal Audit Policy and Audit Committee Bylaws were presented to the Audit Committee. Trustee Sanders made the motion for the Audit Committee to pass both items for inclusion on the full Board's omnibus motion. The motion was seconded by Trustee Wiggington. The Chair declared the motion had passed.

Other Business

Dr. Duane Stucky provided a search update for the position of the Executive Director of Audits. He advised the Committee of the selection of Kimberly A. Labonte for the position. Chair Wiley expressed her support of the selection.

There being no other business, the meeting was adjourned at 3:25 p.m.

mdw