

Board Meeting
January 21, 2010

ROLL CALL

APPROVE RESOLUTION REGARDING TRANSITION AUDIT

WHEREAS, the University of Illinois is of immense value to the people of Illinois, annually producing more than \$13 billion in direct and indirect economic impact on the State while educating more than 71,000 students and awarding 18,500 degrees, and

WHEREAS, the University is governed by a newly reconstituted Board of Trustees, and

WHEREAS, it is a governing board's basic responsibility to preserve the integrity of the institution by meeting the highest standards of stewardship in the conduct of its affairs as it meets expectations for board accountability and transparency, and

WHEREAS, it is also a governing board's basic responsibility to follow a thoughtful process for assessment of the board's own performance, and

WHEREAS, it is common practice to conduct a transition audit when a material change takes place in the composition of the board and the leadership of the University, and

WHEREAS, the University of Illinois Board of Trustees has been reconstituted, and

WHEREAS, the objective of a Board of Trustees transition audit includes a determination of whether the University has conducted all financial and business processes adhering to accepted and adequate systems of internal control, as required by State law, University policy and procedures, and good business practice, and has complied with same, and

WHEREAS, the majority of financial and business processes for which the Board of Trustees has responsibility are within the areas of purchasing, finance and investment, and construction.

THEREFORE, BE IT RESOLVED:

1. THAT the Board of Trustees of the University of Illinois, in fulfilling its fiduciary responsibility, requests that the Legislative Audit Commission authorize and direct that a transition audit be performed and for transparency and independence direct that the Office of the Auditor General be directed to conduct an independent external audit and report its conclusions to the Board, and
2. THAT the Board of Trustees requests that the audit focus on purchasing, finance and investment, and construction transactions that required Board approval during the period 2007 through 2009, to determine whether the approval process followed all applicable laws, rules, practices, and procedures, and
3. THAT the Board of Trustees affirms that the University will reimburse the Office of the Auditor General for all allowable costs associated with the audit and does hereby express appreciation to the Legislative Audit Commission for its prompt consideration of this request.