

UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY
AUDIT COMMITTEE REPORT AND EXECUTIVE SUMMARY
February 4, 2009

Trustees: Bradford Hildebrandt, Chairman
John A. Hoffman, Esq.
Harold T. Shapiro, PhD. (via conference call)
Maryann Christopher (via conference call)
Anita Spivey, Esq. (via conference call)
Robert Del Tufo, Esq.

Management: Denise V. Rodgers, MD, Executive Vice President, Academic & Clinical Affairs
Denise Mulkern, Senior Vice President, Finance
Lester Aron, Esq., Senior Vice President & General Counsel of UMDNJ
James J. Rowan, Chief of Staff (Vice President, Internal Audit & Investigations)
Neil Schorr, Former Interim Vice President , Office of Ethics and Compliance
Denise Romano, Vice President, IS&T
John W. Ras, Director, Healthcare Internal Audit
Francis X. Colford, Vice President of Finance and Treasurer
Tom Kenyon, VP, Supply Chain Management
Robin Wittenstein, Acting President & COO UH
Fred Cantz, Acting Director Financial and Operational Internal Audit
Kathy VanCamp, Acting Executive Director, Ethics and Compliance
Nancy Dean, Senior Compliance Officer, NJMS
Dara Quinn, Senior Compliance Officer, UH
Manasa Gopal, Director, Legal Management
Doug Dennis, Manager, Purchasing Services
Senh Thai, Senior Audit Manager, Internal Audit
Yiya Yuan, Senior Audit Manager, Internal Audit

Guests: James J. Maguire, PricewaterhouseCoopers, LLP
Mike MacBryde, PricewaterhouseCoopers, LLP

- A. The January 7, 2009 Audit Committee Report and Executive Summary was presented and accepted with no changes.
- B. Mr. Rowan presented the results of two audit reports to the committee: Johnston Communications Review and a Review of Service Agreements between The Stone Center of New Jersey and UMDNJ. The committee discussed the issues presented in the Johnston Communications report. Mr. Hildebrandt asked whether the University could award a new telecommunications contract by March of 2009. Mr. Kenyon advised that the evaluation committee for this Request for Proposal is preparing to make an award shortly and that should allow us to meet the deadline. Mr. Rowan advised the committee that IS&T has implemented

monitoring controls over the billing process for services and equipment. Ms. Romano also advised the committee that a cost/benefit analysis will be performed on physical security and environmental controls.

Mr. Rowan presented the results of the Stone Center audit as well as the corrective action steps taken by management. Mr. Aron noted that the audit reflects the working relationship among Legal Management, Ethics & Compliance, and Internal Audit. Mr. Hildebrandt requested an update at the April or May audit committee meeting and that a follow-up audit be performed in September 2009.

- C. Mr. Kenyon provided a follow-up to the committee on the status of opportunities for improvement identified in the Logistical Services – Transportation Services audit.
- D. Ms. Dean made a presentation on Fair Market Value Issues to the committee.
- E. Ms. VanCamp provided a brief status update on the activities of Ethics and Compliance to the committee.
- F. At this point the Committee went into executive session.