

1982

## Board of Regents Meeting Materials, June 24, 1982

Eastern Michigan University

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### Recommended Citation

Eastern Michigan University, "Board of Regents Meeting Materials, June 24, 1982" (1982). *Board of Regents Meeting Materials*. 260. <http://commons.emich.edu/regentsminutes/260>

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EASTERN MICHIGAN UNIVERSITY

Board of Regents

Official minutes of the Special meeting of the Board of Regents, June 24, 1982

Board members present:

Richard N. Robb, Chairman  
Timothy J. Dyer, Geraldine M. Ellington, Dolores A. Kinzel, Warren Board  
and Carleton K. Rush

Board members absent:

James T. Barnes, Jr., and Beth W. Milford

Administration present:

President John W. Porter  
Vice Presidents: John C. Fountain, Laurence N. Smith and Robert J. Romkema

Chairman Robb called the special meeting to order at 3:15 p.m. He reported that the special meeting was called to hear a report from the external auditors. He said that four representatives of Arthur Young & Company, the University's external auditors were present to discuss the overall relationship between the auditors and the governing board, and to answer questions the Regents might have about that relationship.

Representing Arthur Young & Company were: Messrs. Fred Fettters, Managing Partner; Matthew Mendrygal, Audit Manager; Steve Kiwicz, Audit Senior; and Paul Dunigan, Audit Principal.

Mr. Fettters proposed two meetings with the Board members, one at the beginning of the audit and one at the end, to discuss the results of the audit.

Mr. Fettters also asked that the firm be placed on the mailing list to receive a copy of the minutes of the Board of Regents meetings.

Mr. Mendrygal spoke on the role of the internal auditor and his/her relationship with the external auditor.

Mr. Dunigan encouraged the formation of an audit committee, and spoke of the role of such a committee. This committee should include two or three members of the Board and monitor both the external and internal auditors. They should be observant of the "nuts and bolts" operation of the University.

In answer to a question from Regent Ellington, Mr. Feters said that if individual Regents had concerns, they should call him.

Regent Rush expressed an interest in being a member of the audit committee, and suggested that the composition be different than the Finance Committee.

Regent Board queried as to the internal audit models used by other public institutions. Mr. Feters responded there is not a viable alternative to an internal auditor. He said an internal auditor is necessary, and the person must be independent, and one in which the Board members have confidence.

Mr. Feters noted that the Internal Auditor should report only to the Board or the President. He indicated there are problems with each; most Board members do not have the time or expertise for management, and most presidents don't want the responsibility. As a result many auditors report to the Chief Financial Officer.

In answer to Regent Board's inquiry as to what we would do if we did not have an internal auditor; Mr. Kiwicz replied that some of the workload would have to be picked up by the external auditors.

The following questions were presented to the external auditors by various Board members:

- Regent Rush:       How are we doing compared with other universities in the area of deferred and regular maintenance?  
                           How do we compare with others in the percent of the general fund that is used for intercollegiate athletics?  
                           Do you have information as to how Eastern's EIR Program compares with others, and how it could be more meaningful to others?
- Regent Board:       I would like an opinion on contingency funds, and funds for future acquisition of equipment.
- Regent Dyer:        Look at the auxiliary budget -- how does it compare with what other universities are doing? Are we charging too much, or too little? What about our pro-rates?
- Regent Ellington:  What has been your experience in working with seminars for the Board? Mr. Feters answered that they have conducted seminars and considered what they were doing at this meeting to be a seminar of sorts.
- Regent Robb:        Couldn't the administration answer many of the questions being raised in-house? Mr. Feters agreed that the administration could indeed answer many of the questions.

Regent Rush: Stated that the Board is only letting their individual concerns be known, and if there is any additional cost to get the answers, then the whole Board should make the decision.

The meeting recessed at 4:32 p.m. for dinner, to reconvene at 6:00 p.m.

Regent Milford was present for the evening session for the interviews, and Regent Dyer was absent. Mr. Fountain, Acting Secretary to the Board, was the only member of the administration present.

Chairman Robb reconvened the meeting at 6:05 p.m. for the purpose of interviewing the five finalists for the position of Secretary to the Board and Assistant to the President for Governmental and Community Relations. The five finalists were selected by a nine person search committee appointed by President Porter.

The five finalists interviewed were: Fulton B. Eaglin  
Terrel M. LeCesne  
Robert F. McCarthy  
David T. Shufflebarger  
Roy E. Wilbanks

After the conclusion of the interviewing session, Regent Rush said that he was disturbed whether the process used was a proper process. He stated that he was most concerned that the action to date was anti-affirmative action. He listed three reasons; (1) the President gave preferential criteria to the screening committee, (2) only one candidate had a job description, and (3) one candidate had a letter of reference dated in February prior to the start of the search.

Chairman Robb said he thought it was unfair to the Board members and the candidates to have to talk about candidates in the public arena. He said that each Regent should communicate his/her thoughts to President Porter in separate letters.

Regent Board commented that he is prepared to write a message saying who is acceptable and who is not acceptable.

Chairman Robb said he would talk with President Porter and tell him he will be getting a letter from each Regent, and he should contact each of you prior to any decision.

The Secretary to the Board was instructed by the Board to get a legal opinion as to whether the search process to date met all the policies and guidelines of the University. In addition, he should write each candidate and request the submission of three letters of reference. Also, that he should forward to each candidate all three pages of the job classification.

The meeting adjourned at 9:40 p.m.

Respectfully,  
[Redacted Signature]

[Redacted Signature], Temporary Secretary