

From: brian.e.doll@exxonmobil.com
Sent: Thursday, October 13, 2005 8:40 PM (GMT)
To: Matt Todd <ToddM@api.org>
Cc: Benzene consort comm (Benzene consort comm) <benzconsort-cc@listserve.api.org>; Benzene OC listserve (Benzene OC listserve) <BenzConsort-OC@listserve.api.org>; Benzene consort tech (Benzene consort tech) <benzconsort-tc@listserve.api.org>; Emil Mara <marae@api.org>
Subject: Re: BHRC: U of Colorado Financial Review Plan
Attach: University of Colorado Audit Plan 10-13-2005 XOM BEDoll.doc

Matt,

Attached are ExxonMobil's comments on the subject Financial Review Plan. My Controls Advisor pointed out that there is a big difference between an "audit" and a "review", with an "audit" requiring much more documentation (e.g., confirmations with 3rd parties) and normally being performed by an independent 3rd party issuing an opinion. Based on that information, I think we are talking here about performing a Financial Review (anyone disagree with that???), and so have replaced the word "audit" in the first paragraph with "Financial Review".

We also narrowed the documentation that would be reviewed to "University files" to indicate we would not be reviewing documentation in China/JCML, and added a section to focus on changes from the original budget to the larger revised budget.

Hope this is helpful.

Regards,

Brian

(See attached file: University of Colorado Audit Plan 10-13-2005 XOM BEDoll.doc)

"Matt Todd"

<ToddM@api.org>

> To

"Benzene OC listserve (Benzene OC listserve)"

10/13/05 11:21 <BenzConsort-OC@listserve.api.org>,

AM "Benzene consort comm (Benzene consort comm)"

<benzconsort-cc@listserve.api.org>,

"Benzene consort tech (Benzene consort tech)"

<benzconsort-tc@listserve.api.org>

cc

"Emil Mara" <marae@api.org>

Subject

BHRC: U of Colorado Audit Plan

BHRC Members:

Attached is an updated version of the audit plan that incorporates comments from Patsy and Emil Mara of API. Reminder: all comments are due by COB tomorrow, October 14th.

Regards,
Matt
Matthew Todd
American Petroleum Institute
1220 L Street NW
Washington DC 20005
www.api.org

From: Clegg, Patsy M SCC-DCS/22 [mailto:patsy.clegg@shell.com]
Sent: Wednesday, October 12, 2005 1:00 PM
To: Matt Todd; Lorraine Twerdok; Benzene OC listserve (Benzene OC listserve); Benzene consort comm (Benzene consort comm); Benzene consort tech (Benzene consort tech)
Cc: Emil Mara
Subject: RE: BHRC - All committee conf call 10/11 @11A - 1 PM. eastern
Matt and BHRC Team;
Attached are my suggested changes to the UofC financial audit plan.
Patsy

-----Original Message-----

From: Lorraine Twerdok [mailto:Twerdokl@api.org]
Sent: Monday, October 10, 2005 3:18 PM
To: Lorraine Twerdok; Benzene OC listserve (Benzene OC listserve); Benzene consort comm (Benzene consort comm); Benzene consort tech (Benzene consort tech)
Cc: Emil Mara
Subject: RE: BHRC - All committee conf call 10/11 @11A - 1 PM. eastern
Importance: High
My apologies – just realized I forgot to attach outline for UCHSC audit

From: Lorraine Twerdok
Sent: Monday, October 10, 2005 2:56 PM
To: Benzene OC listserve (Benzene OC listserve); Benzene consort comm (Benzene consort comm); Benzene consort tech (Benzene consort tech)
Cc: Emil Mara
Subject: FW: BHRC - All committee conf call 10/11 @11A - 1 PM. eastern

BHRC OC, TC & CC –
Call Reminder -

Date: Tuesday, October 11, 2005
Time: 11:AM - 1 PM, eastern time
Dial in: 1-770-765-9147
Pin: 2026828319#

Operator Assistance: *0

Draft Agenda :

- Welcome – Patsy
- Antitrust – Lorraine
- Draft scope of work for audits (attached – Emil Mara of API invited)
- Agenda for 11/03/05 OC/TC/CC meeting

- Annual Meeting Update
 - o Annual meeting attendance – all hotel rooms filled?
- Symposium update
- AOB
- Schedule next call/mtg

Regards,

Lorraine

Lorraine E. Twerdok, Ph.D., DABT
Manager, Health Sciences
Regulatory Analysis and Scientific Affairs
American Petroleum Institute
1220 L Street, N.W.
Washington, DC 20005
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[attachment "University of Colorado Audit Plan 10-13-2005.doc"
deleted by Brian E Doll/Fairfax/Mobil-Notes]

University of Colorado Grant for the Shanghai Health Study
Draft API Financial Review Plan

A review of the financial records related to the API-administered grant to the University of Colorado, Dr. Richard Irons, Principal Investigator, to fund the Shanghai Health Study will be performed by API based on information provided by the University and information available to API as the project administrator. This material will include items such as expenditures reports, purchase documents, ledgers, timesheets and contracts. Availability of this information and any other information related to the grant (contract number 0100004788) will be important to perform a quick and effective review. Report of the Financial Review will be made available to the Benzene Health Research Consortium.

1. Review personnel costs.
 - a. Review documentation in University files supporting personnel costs on expenditures reports (ledgers, time reports, timesheets, other documents noting allocation of time and/or expense to the project).
 - b. Review accumulation of personnel charges for specific periods/tasks to verify roll up into expenditures reports.
 - c. Review documents verifying personnel working on project.
 - d. Review list of employees with titles who are allocating time to the project for reasonableness.
2. Review operating expenses.
 - a. Provide a breakdown by category of the items being classified as operating expenses and focus testing on the larger items.
 - b. Review documentation in University files supporting operating costs on expenditures reports (ledgers, subledgers, other documents noting allocation of expense to the project).
 - c. Review original documentation for a sample* of operating expenditures.
3. Review subcontractor expenses.
 - a. Obtain and review a list of subcontractors.
 - b. Review documentation supporting subcontractor costs on expenditures reports. (ledgers, subledgers, other documents noting allocation of expense to the project).
 - c. Review subcontractor agreements for applicability to project.
 - d. Review documentation for payments to subcontractors.
 - e. Review reports from subcontractors (e.g. status, progress).
 - f. Compare payments to agreements, including verification of rates and work done by specific class of workers for reasonableness.
4. Review equipment and supplies.
 - a. Review documentation supporting equipment costs on expenditures reports. (ledgers, subledgers, other documents noting allocation of expense to the project).
 - b. Review original documentation for a sample* of equipment expenditures.
 - c. Inspect a sample* of equipment purchases.

5. Review indirect costs.
 - a. Review development of overhead rate methodology.
 - b. Review application of overhead calculation to amounts on expenditures reports.
6. Review invoice approval process.
 - a. Review who approves invoices for payment.
 - b. Review who maintains overall budget management and control.
7. Compare original budget to revised budget by category.
 - a. Focus on large items being increased and actual documentation for large items.
 - b. Review documentation for increased budget approval.

*Note: Final report will include details regarding the various "samples" chosen for the Review including criteria used for choosing items, and specific number of items tested versus the universe.