



**COMMITTEE ON AUDIT AND RISK
BOARD OF TRUSTEES
THE PENNSYLVANIA STATE UNIVERSITY**

MINUTES OF MEETING

January 30, 2014

A meeting of the Committee on Audit and Risk of the Board of Trustees was held via teleconference on Thursday, January 30, 2014, at 5:30 p.m.

The following members, constituting a quorum, were present: Linda B. Strumpf, Vice Chair, Edward B. Brown III, Donald G. Cotner, Mark H. Dambly, and Paul H. Silvis. Karen B. Peetz, Chair, attended the meeting telephonically. Also attending were staff members Joseph J. Doncsecz, David J. Gray, Frank T. Guadagnino, Daniel P. Heist, Nicholas P. Jones, Gary W. Langsdale, Kevin M. Morooney, Judy Mudgett, and representatives from the audit firm Deloitte & Touche.

Vice Chair Strumpf called the meeting to order (Chair Peetz joined the meeting in progress). The following agenda items were reviewed:

The committee voted and approved the minutes of the January 16, 2014, meeting.

The Roles and Responsibilities Matrix, for fiscal year ending June 30, 2014, was provided to Committee members.

Discussion occurred regarding the Committee Self-Assessment process. The assessment will be sent out after the May meeting, and if any new members have feedback, to provide that to Jeanie Andrews.

Kevin Morooney, Vice Provost for Information Technology Services, provided an update on informational technology at Penn State; prior to the meeting, Committee members were provided with supplemental information that Kevin used as the base of discussion. The focus of the discussion centered on two particular areas: the characteristics of the IT landscape at Penn State and information about infrastructure and security.

Joe Doncsecz reviewed the engagement letter and the scope of audit with Deloitte & Touche. He noted the discussions that occurred between Penn State, including Chair Peetz, and representatives from Deloitte & Touche that lead to the document being ready for review and approval. A recommendation was made that the Committee move forward with the engagement letter and audit scope as presented. The motion to approve was made by Linda Strumpf, with Don Cotner providing the second. The motion passed unanimously.

Gary Langsdale, University Risk Officer, facilitated a follow-up discussion from the January 16, 2014 Committee meeting regarding Enterprise Risk Management. Each of 15 identified risks have been assigned to standing committees of the Board, with no committee having oversight for more than three, but a number of risks having been assigned to more than one committee. Ted Brown expressed concern regarding the Board not having oversight of all 55 risks, and Gary noted that the other 40 are more management-associated oversights. Chair Peetz noted that we should proceed as indicated and then reflect back upon the quality of the reviews and process at the appropriate time.

The meeting was adjourned at 6:30 p.m.