Committee on Audit & Risk (AR)
2021-2022 Plan

2021 - 2022 Committee Priorities:

1. Oversight of the Internal Audit Department with emphasis on providing insight and guidance on the department’s efforts to perform more auditing on centralized IT functions and research, and greater use of data analytics.
2. Ensure risks designated for Board oversight are properly addressed by management and the Board receives reports throughout the year.
3. Stay informed and provide input on the University’s IT operations, processes, and security, particularly in the area of cybersecurity, by maintaining contact with, and receiving regular updates from, the CIO and CISO.
4. Provide oversight of Intercollegiate Athletics (ICA) by reviewing agreed-upon procedures performed by Deloitte, ICA procedures performed to monitor booster clubs, updates from Internal Audit.
5. Provide appropriate oversight to the University’s professional relationship with our external auditor, Deloitte.
6. Provide oversight on Committee-assigned risks: 1) data and IT governance and 2) protection of data, enterprise system vulnerabilities, major PII/PHI disclosure, and other IT and data security issues, vulnerabilities and breaches.
7. Receive updated list of University risks, as well as ERM updates to provide feedback and suggestions.
8. Receive update on University insurance program and industry trends.

Risk Oversight Responsibilities:

- Risks related to the confidentiality, integrity, and availability of University information and information technology systems, as well as third-party information under Penn State’s stewardship.
- Risks related to data and IT governance, including risks associated with the decision-making processes about systems and data prioritization and resolution of conflicting needs.
- Risks related to the responsible conduct of research, the integrity of research activities, and related issues arising in regulated research areas. [Legal and Compliance is primary lead]

2021-2022 AR Draft Agendas/Topics

- September 16, 2021 Meeting
  - Approve Internal Audit Annual Audit Plan
  - Receive Update from Subcommittee on Risk
  - Review Committee Self-Assessments
  - Receive IT Update from CIO and CISO
  - Acknowledgement of Code of Ethics*
  - Receive Internal Audit Items*
  - Receive Report on President’s Discretionary Budgets*
• November 11, 2021 Meeting – NOTE: Audit & Risk will be held in October in order to approve acceptance of audited financial statements for presentation at November Board meeting. Specific date to be scheduled based upon audit sign off by Deloitte.
  ▪ Review of Audited Financial Statements and Receive Required Communications from External Auditor
  ▪ Review Current Year Management Letter Provided by the External Auditor
  ▪ Receive Update from Subcommittee on Risk
  ▪ Review and Approve Enterprise Risk Management Plan
  ▪ Review and Approve Risk Sub-Committee Operating Guidelines
  ▪ Receive Applicable IRS Form 990*
  ▪ Receive Internal Audit Items*

• February 17, 2022
  ▪ Engagement of Auditors
  ▪ Review Hotline Reports Referred to Internal Audit in the Prior Year
  ▪ Receive ERM Update and Review Current University Risk List (Done in Full Committee in Executive Session after Subcommittee on Risk has Reviewed)
  ▪ Receive Update on University Insurance Program and Industry Trends
  ▪ Receive Update from Subcommittee on Risk
  ▪ Receive IT Update from CIO and CISO
  ▪ Receive Internal Audit Items*
  ▪ Receive Applicable IRS Form 990*

• May 5, 2022 Meeting
  ▪ Review and Approve Internal Audit and Committee on Audit & Risk Charters
  ▪ Review and Approve Audit Engagement Letter for Nittany Insurance Company
  ▪ Review Annual Office of Management & Budget Uniform Guidance Report
  ▪ Receive Update from Subcommittee on Risk
  ▪ Receive IT Update from CIO and CISO
  ▪ Receive Update from Intercollegiate Athletics on Designated Committee Responsibilities
  ▪ Review Deloitte’s Audit Plan for Upcoming Fiscal Year
  ▪ Receive Internal Audit Items*
  ▪ Receive University’s Right-to-Know Information*

• July 21, 2022 Meeting (York Campus)
  ▪ Traditionally no committee meeting is held. Consider having an off-cycle meeting, if needed.

Possible Conference Session Topics (dates TBD)

• April or June 2022 – Educational Seminar with Deloitte

Note: Items with * indicate updates and other informational reports that will be provided through the portal and are not addressed at meetings unless there are specific questions by Trustees.