

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON AUDIT AND RISK
MINUTES OF MEETING
VOLUME AR 28**

September 17, 2020

A meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held via Zoom on Thursday, September 17, 2020, beginning at 3:32 p.m.

The following members, constituting a quorum, were present: Walter Rakowich, Chair (presiding); Edward Brown III, (Vice Chair); Donald Cotner, Alice Pope, Stanley Rapp, and Brandon Short. Also attending were Eric Barron (*Ex Officio*), Mark Dambly (*Ex Officio*), William Shipley (*Ex Officio*) and Faculty Senate Representative Bonj Szczygiel. Also present were Joseph Doncsecz, Steve Dunham, Frank Guadagnino, Shannon Harvey, Daniel Heist, Nick Jones, Steve Massini, Jennifer Santiago, Richard Sparrow, and Donald Welch; Also, in attendance from the audit firm of Deloitte & Touché, LLP was Benjamin Gasbarre, and John Neary.

Chair Rakowich called the meeting to order at 3:30 p.m. And welcomed new non-Trustee members Bonj Szczygiel and Aakash Viramgama.

A. Approval of Minutes from June 18, 2020

The Committee voted unanimously to approve the *Minutes* of the June 18, 2020 meeting with Trustee Anthony Lubrano abstaining.

B. Roles and Responsibilities Matrix

Dan Heist, Director of Internal Audit, noted that all items of responsibilities are “yellow” on the matrix. He explained that the responsibilities are “yellow” because the goals have not yet been met because it is a new Board cycle. He also noted that the line item regarding “receipt of the report from the Risk subcommittee” was elevated from informational items to the Roles and Responsibilities Matrix.

C. Discussion and Approvals: Fiscal 2020 Internal Audit Plan

Dan Heist presented the Audit Plan for the Fiscal Year Ending June 30, 2020 as required by International Auditing Standards. He noted that many are standard audits from year to year. He noted some additional audits and consultations that would be conducted and then asked for a vote of approval. Chair Rakowich called for a motion to approve. Don Cotner moved, and Alice Pope seconded. The motion passed unanimously.

D. SIMBA Implementation Update

Joe Doncsecz, Corporate Controller, provided an update on the Implementation of SIMBA project. The project went live July 1, 2020 as planned. The only glitch was due to an auto accident just 30 hours prior to “go live.” With the help of Don Welch’s Information Technology group, the project managed to meet the July 1 target date. Joe noted that everything was on schedule, on budget, and as planned. He ended by noting current challenges and presented a summary timeline for the upcoming year. The Trustees congratulated the SIMBA project group for meeting goals and budget targets.

E. Update from Risk Subcommittee Meetings

Trustee Ted Brown congratulated Jennifer Santiago, University Risk Officer, on her promotion and noted that her promotion aligns with industry standards of elevating risk reporting structures. He summarized a July subcommittee meeting and noted that the Deloitte consultant essentially confirmed that Penn State was on the right path in terms of the student experience at Penn State. Other recent speakers in attendance were Dr. Black from the College of Medicine who spoke about future needs of Hershey; and Renata Engel who gave a status update on the initiative 2025. He then gave a preview of the agenda for an upcoming meeting that included the topics of business continuity and crisis management.

F. IT Update

Don Welch gave an overview of the Return to Penn State IT Strategic Plan which included remote operations and existing services. He noted that established technologies enabled a smooth transition which included security measures already in place.

Don also gave an overview of the University IT Strategic Plan. A five-year plan that encompasses the entire University. He is hopeful that it will help move University technology forward efficiently and effectively.

G. Results of Committee Self-Assessment Survey

Chair Rakowich reviewed the recent committee self-assessment. Overall, the survey was positive. He noted that most comments centered around risk management. He commented that the committee was making great progress in raising the importance of risk management. He thanked Risk Subcommittee Chair Ted Brown and University Risk Officer for their work in this area. He also mentioned the positive comments from the survey regarding the work of Dan Heist, Director of Internal Audits, and his team.

The public meeting was adjourned at 3:32 p.m., at which time the Committee went into three separate conference and executive sessions one each with Deloitte, Management (Dan Heist), and only Committee members. The executive sessions were held from 3:32 p.m.- 4:30 p.m.

Respectfully submitted,

Shelly Zeigler-Byers
Administrative Support
Office of the Board of Trustees