

**THE PENNSYLVANIA STATE UNIVERSITY  
BOARD OF TRUSTEES**

**COMMITTEE ON AUDIT AND RISK  
MINUTES OF MEETING  
VOLUME AR 16**

**February 22, 2018**

A meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held at the Penn Stater Conference Center Hotel on Thursday, February 22, 2018. The meeting was held pursuant to Notice which was emailed to each of the members.

The following members, constituting a quorum were present: Walter C. Rakowich, Chair (presiding); Edward "Ted" B. Brown; and Donald G Cotner. Participating telephonically were Ryan J. McCombie, and Elliott W. Weinstein. Also attending was constituent representative, James A. Strauss; staff members Nichols P. Jones, David J. Gray, Stephen S. Dunham, Joseph J. Doncsecz, Daniel P. Heist, Michael J. Kubit, Gary W. Langsdale, and Donald J. Welch. Also in attendance from the audit firm Deloitte were Jessica Chen and Edward Krzemien.

Chair Rakowich called the meeting to order.

**A. Approval of minutes from October 20, 2017 meeting**

The Committee voted and approved the minutes of the October 20, 2017 meeting.

**B. Roles and Responsibilities Matrix**

Dan Heist reviewed the Roles and Responsibilities Matrix as it is set-up through the end of the year with additions to the Matrix noted.

**C. Review Deloitte June 30, 2017 Management Letter**

Joe Doncsecz reported on Deloitte's Management Letter which included eight total comments. Joe went through each of the comments and described how each was resolved.

**D. Internal Audit Follow-Up Report**

Dan Heist gave an Internal Audit follow-up report, stating that open issue status audits are on track for resolution. Due to recent leadership changes in the College of Engineering an extension of the audit period has been requested and granted until March 31, 2018.

**E. Information Technology Update**

Michael Kubit gave an update on Information and Technology at Penn State, his goals and the timeline for IT at Penn State.

**F. Update from Subcommittee on Risk**

Ted Brown and Gary Langsdale gave an update from the Subcommittee on Risk noting the addition of Greek Life Issues and Compliance Issues to the list of Board Oversight Risks. Following discussion, Chair Rakowich called for a vote and the Committee unanimously approved the list of Board Oversight Risks.

**G. Review and Approval – External Audit Engagement Letter**

Joe Doncsecz reviewed the letter to engage Deloitte & Touche as the University's external auditors and recommended approval of the External Audit Engagement Letter. The Committee unanimously approved the recommendation of the following resolution to the Board:

RESOLVED, That the Officers of the University are authorized to engage Deloitte & Touche LLP, Certified Public Accountants, for the audit of the accounts of the University for the year ending June 30, 2018.

The public meeting was adjourned at 2:25 p.m. Following the public meeting, the Committee met in Executive Session to discuss privileged matters.

Respectfully submitted,

Carmella Mulroy-Degenhart  
Assistant Secretary  
Board of Trustees