

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON AUDIT AND RISK
MINUTES OF MEETING
VOLUME AR 14**

September 14, 2017

A meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held in Room 211, Penn Stater Conference Center Hotel, on Thursday, September 14, 2017 at 8:30 a.m. The meeting was held pursuant to notice which was mailed to each of the members.

The following members, constituting a quorum, were present: Walter C. Rakowich, Chair (presiding); Edward B. Brown III, Vice Chair; Donald G. Cotner; Ryan J. McCombie; and, Elliott W. Weinstein. Also attending were Eric J. Barron, Joseph J. Doncsecz, Stephen S. Dunham, David J. Gray, Frank T. Guadagnino, Daniel P. Heist, Nicholas P. Jones, Michael J. Kubit, Gary W. Langsdale, and Donald J. Welch; and, Faculty Representative James A. Strauss. Also in attendance from the audit firm Deloitte & Touch were Edward Krzemien and Matthew Stelling.

PUBLIC MEETING 8:30 a.m.

Chair Rakowich called the meeting to order.

A. Approval of Minutes from July 20, 2017

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

B. Roles and Responsibilities Matrix

Dan Heist reviewed the Roles and Responsibilities Matrix, an important guideline to make sure management is fulfilling its responsibilities and, likewise, that trustees are aware of their responsibilities.

C. Results of Committee Self-Assessment Survey

Dan Heist and Walt Rakowich reviewed the results of the self-assessment survey. Chair Rakowich noted that not all members of the 2016-2017 committee responded, and he indicated/asked about some of the survey results that were neutral and some comments that were fairly nondescript. Trustee McCombie noted that it is critical for each member to review their role and responsibilities; and, Chair Rakowich noted that if anyone needs clarification, to reach out to him accordingly. Trustee Brown noted the importance of the risk component to the Committee's charge. Dan Heist reported that information would be forthcoming on a possible webinar offering, through Deloitte, on relevant topics of emerging issues.

D. Update on Risk Subcommittee

Vice Chair Brown and Gary Langsdale reported on the Risk Subcommittee, with its most recent meeting held on September 7, 2017, which focused on the peer review that was just completed and would be a topic of discussion at the joint meeting with the Committee on Legal and Compliance that would be held later in the day. The Subcommittee recommended approval of updated operating guidelines, which were unanimously approved.

E. Update on Status of External Financial Statements Audit and Other Audit Matters

Joe Doncsecz reported that all is on track for the review and the timeline is progressing on schedule.

In other matters, a motion was made and unanimously approved to reappoint auditors for Nittany Insurance.

The public meeting was adjourned at 8:50 a.m., at which time the Committee went into conference and executive session.

Respectfully submitted,

Janine S. Andrews
Director
Office of the Board of Trustees