

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

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**COMMITTEE ON AUDIT AND RISK
MINUTES OF MEETING
VOLUME AR 8**

July 21, 2016

A meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held in Room 108, Nesbitt Academic Commons, Penn State Wilkes-Barre, on Thursday, July 21, 2016 at 7:30 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; Donald G. Cotner, Vice Chair; Edward B. Brown III; Valerie L. Detwiler; Keith E. Masser; and, Elliott W. Weinstein. Also attending were staff members Eric J. Barron, Nicholas P. Jones, Joseph J. Doncsecz, David J. Gray, Stephen S. Dunham, Frank T. Guadagnino, Daniel P. Heist, and Gary W. Langsdale. David C. Gindhart, Senior Director for Information Technology for Finance and Business, also was in attendance.

PUBLIC MEETING 7:30 a.m.

Committee Chair Rakowich called the meeting to order.

A. Approval of Minutes from May 5, 2016 meeting

The Committee voted and approved the minutes of the May 5, 2016 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. Dan noted that in October the Committee will be reviewing financial statements, with a target of having a telephonic meeting on October 21 at 9:30 a.m.

C. Informational Item – Acknowledgement of Code of Ethics

Joe Doncsecz reviewed the intent of this form, as both Joe and David Gray sign this annually. While not required to do so by any external obligations, this is a self-imposed business practice and in line with best practices.

D. F&B IT Transformation Update

With an introduction from David Gray, David Gindhart reviewed the transformation of IT services within Finance and Business, including the transformation strategy and plan. The strategy of driving efficiencies of the infrastructure and focusing IT resources on business problems provides the basis for the plan, which will include reversing the current Finance and Business IT infrastructure sprawl and determining associated touchpoints for full implementation.

E. Internal Audit Items

Dan Heist noted that Committee members received the June 30, 2016 Follow-up Report/Open Issue Status document. A discussion occurred regarding the possibility of providing a sense, in future reports, of criticality or prioritization. The annual internal audit plan and the internal audit department charter were unanimously approved with Trustee Masser providing motions for each, with seconds offered by Trustee Weinstein.

F. Update from Risk Subcommittee

Don Cotner and Gary Langsdale provided an update on the University Risk Management Plan, a best practice that addresses a gap that the individuals involved in managing and overseeing risks could miss a step in dealing with a risk, and this document provides guidance on how the processes are undertaken.

The public meeting was adjourned at 8:36 a.m., at which time the Committee went into executive session.

Respectfully submitted,

Janine S. Andrews
Director
Office of the Board of Trustees