

**THE PENNSYLVANIA STATE UNIVERSITY  
BOARD OF TRUSTEES**

**COMMITTEE ON AUDIT AND RISK  
MINUTES OF MEETING  
VOLUME AR 13**

**July 20, 2017**

A meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held on Thursday, July 20, 2017, in Room 140, Olmsted Building, Penn State Harrisburg. The meeting was held pursuant to Notice which was mailed to each of the members.

The following members constituting a quorum, were present: Donald G. Cotner, Vice Chair; Edward B. Brown III; Valerie L. Detwiler; Cynthia A. Dunn; Walter C. Rakowich, Chair; and, Elliott Weinstein

Also attending were staff members Joseph J. Donscecz, Stephen S. Dunham, David J. Gray, Daniel P. Heist, Nicholas P. Jones, Michael J. Kubit, Gary W. Langsdale, and Donald J. Welch.

**PUBLIC MEETING 1:30 p.m.**

Walt Rakowich called the meeting to order and welcomed the public.

**A. Approval of minutes from May 4, 2017 meeting**

The Committee voted and approved the minutes of the May 4, 2017 meeting

**B. Roles and Responsibilities Matrix**

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

**C. Informational Item – Acknowledgement of Code of Ethics**

It was noted that the intent of this form, signed annually by Joe Donscecz and David Gray, is not required, rather, this is a self-imposed business practice that is in line with best practices.

**D. IT Update from Michael Kubit, CIO**

Michael Kubit provided an IT update, including the important focus of exploring specific needs of colleges juxtaposed with strategic imperatives and initiatives, and the support by the academic community regarding initiatives and directions.

**E. Internal Audit Items**

Dan Heist noted that the Committee received the June 30, 2017 Follow-up Report/Open Issues Status document. Dan provided context around several open issues that have not yet met deadline, with all however having provided information on arrangements and circumstances so that an appropriate timeline can be established. The internal audit plan (with a motion from Trustee Weinstein, seconded by Trustee Brown) and the internal audit department charter (with a motion from Trustee Brown, seconded by Trustee Cotner) were unanimously approved.

**F. Update on Risk Subcommittee**

Don Cotner and Gary provided an update on the Risk Subcommittee, including its meeting on July 6, 2017. It was noted that the peer review of ERM would take place the week following this meeting, with a report anticipated for presentation at the joint Audit and Risk/Legal and Compliance meeting during the Board's September 2017 meeting cycle. A motion was made by Trustee Cotner, seconded by Trustee Detwiler, to approve the Risk Management Plan, and that motion passed unanimously.

The meeting was adjourned at 2:25 p.m. An executive session was held immediately prior to the public meeting.

Respectfully submitted,

Jeanie Andrews  
Associate Secretary, Board of Trustees