

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON AUDIT AND RISK
MINUTES OF MEETING
VOLUME AR 12**

May 4, 2017

A meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held on Thursday, May 4, 2017, in Room 221, Penn Stater Conference Center Hotel. 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; Walter C. Rakowich, Chair; and, Elliott Weinstein

Also attending were staff members Joseph J. Doncsecz, David J. Gray, Daniel P. Heist, Nicholas P. Jones, Michael J. Kubit, Gary W. Langsdale, and Donald J. Welch; and, Student Representative Brianne Pragg was also in attendance as well as Jessica Chen and Edward Krzemien from the audit firm Deloitte & Touche.

PUBLIC MEETING 9:15 a.m.

Before calling the meeting to order, Walt Rakowich, Chair, welcomed and introduced Brianne Pragg newly elected Vice President of GPSA and student representative on the Board.

Walt also congratulated and recognized Trustee Ted Brown for receiving the 2017 Lifetime Achievement Award at the DRI (Disaster Recovery Institute) International Awards of Excellence Gala on February 28, 2017.

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

A. Approval of minutes from February 23, 2017 meeting

The Committee voted and approved the minutes of the February 23, 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. Annual Review of Committee Charter

Walt Rakowich asked if trustees had an opportunity to review the charter and if they had any questions on the operating guidelines. It was passed unanimously.

D. Review June 30, 2016 Audit Reports

Joe Doncsecz gave an update of the Office of Management and Budget Uniform Guidance Audit Reports, noting that the University received a clean report, with the University deemed a low-risk auditee.

E. IT Security and CISO Update

Don Welch, CISO, gave an update on informational technology security and cybersecurity. He noted efforts to work on a University-wide Information Centered Strategy instead of unit centered approach. A discussion occurred regarding the plan to consolidate numerous servers to larger data centers that are more secure. The plan should be in full effect over the next 18-24 months.

F. Internal Audit Update

Dan Heist gave an Internal Audit update report, including the status of open issues as of March 31, 2017. Dan also reviewed the Internal Audit department's customer satisfaction surveys to assess quality assurance standards, which are framed by the Institute of Internal Auditors' Standards.

G. Update on Risk Subcommittee

Don Cotner and Gary Langsdale gave an update and Gary will give a report to the full board at the July Meeting.

The meeting was adjourned at 10:00 a.m. An executive session was held immediately prior to the public meeting.

Respectfully submitted,

Carmella Mulroy-Degenhart
Assistant Secretary, Board of Trustees