



**COMMITTEE ON AUDIT AND RISK
BOARD OF TRUSTEES
THE PENNSYLVANIA STATE UNIVERSITY**

MINUTES OF MEETING

January 16, 2014

A meeting of the Committee on Audit and Risk of the Board of Trustees was held in Room 219 of The Penn Stater Conference Center Hotel on Thursday, January 16, 2014 at 11:00 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: Linda B. Strumpf, Vice Chair, Edward B. Brown III, Donald G. Cotner, and Mark H. Dambly. Karen B. Peetz, Chair, attended the meeting telephonically. Also attending were staff members Regis W. Becker, Joseph J. Doncsecz, Stephen Dunham, David J. Gray, Daniel P. Heist, Nicholas P. Jones, Gary W. Langsdale; Jessica Chen, Edward Krzemien, and Tara Weiner of the audit firm Deloitte & Touche.

Chair Peetz called the meeting to order. The following agenda items were reviewed:

The committee voted and approved the minutes of the November 1, 2013 meeting.

Dan Heist noted the Roles and Responsibility Matrix and the idea was considered to have regular off-cycle meetings of the Audit and Risk Committee.

Trustee Brown presented the idea of dividing the committee into a separate Audit Committee and a separate Risk Committee; It was decided that this idea would not be discussed in detail until a future meeting.

Gary Langsdale gave an overview Emergency Risk Management processes, the current risks the University faces, and mentioned the proper handling and coverage of these risks.

Dan Heist gave an update on the audit follow-up process, and a discussion followed regarding the time length given to solve audit issues.

Joseph Doncsecz discussed the engagement letter to Deloitte & Touche and addressed the audit partner rotation, as well as the record retention of audit work papers, conflict of interest, and fraudulent influence.

The meeting was adjourned at 11:45 a.m.