

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

MINUTES OF MEETING

May 8, 2014

A meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held in Room 219 of The Penn Stater Conference Center Hotel on Thursday, May 8, 2014 at 1:30 p.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 Strumpf, Vice Chair, Edward B. Brown III, Donald G. Cotner, and Mark H. Dambly. Also attending were staff members Joseph J. Doncsecz, David J. Gray, Daniel P. Heist, Gary W. Langsdale, Kevin M. Morooney, Susan E. Stout; Jessica Chen, Edward Krzemien, and Tara Weiner of the audit firm Deloitte & Touche.

PUBLIC MEETING 1:30 PM TO 1:50 PM

Mark Dambly called the meeting to order and welcomed the public.

A. Approval of minutes from January 30, 2014 meeting

The Committee voted and approved the minutes of the January 30, 2014 meeting.

B. Roles and Responsibilities Matrix

Dan Heist reviewed the Roles and Responsibilities Matrix with the Committee. Chair Peetz was unable to attend the MSHMC Audit and Compliance meeting. Dan Heist and Karen Peetz will do a teleconference with MSHMC's John May and Dennis Brenckle before the July BOT meeting.

C. Annual Review of Operating Guidelines

The Committee performed its annual review of its Charter and no changes were made.

D. Review June 30, 2013 Office of Management and Budget (OMB) Circular A-133 Reports

Joseph Doncsecz reviewed the OMB Circular A-133 reports as prepared by Deloitte & Touche. There were no control deficiencies or material weaknesses noted.

June 30, 2014 Overview of External Audit

Ed Krzemien, Deloitte Audit Partner, presented an overview of their audit work for Penn State University including all campuses, the Milton S. Hershey Medical Center and the Corporation for Penn State. Their report for the University will be issued in October 2014.

E. Audit Follow-up Report

Dan Heist reviewed the Internal Audit Follow-up Report and highlighted the percentage of open issues to total issues is appropriate.

The meeting was adjourned at 1:50 p.m.

Separate Executive Sessions were conducted with Deloitte & Touche, the Internal Audit Director, and Management.