

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON AUDIT AND RISK
MINUTES OF MEETING
VOLUME AR 19**

October 23, 2018

A telephonic meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held, on Tuesday, October 23, 2018 at 8:45 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 (presiding); Edward B. Brown III, Vice Chair; Donald G. Cotner, and Brandon Short. Also attending were Joseph J. Doncsecz, David J. Gray, Frank T. Guadagnino, Daniel P. Heist, Nicholas P. Jones, Michael Kubit, Gary W. Langsdale, and Donald J. Welch; and Student Representative Synthea Hairston. Also, in attendance from the audit firm Deloitte were Edward Krzemien, and Jill Strohmeier.

PUBLIC MEETING 8:45 a.m.

Chair Rakowich called the meeting to order.

A. Approval of Minutes from July 19, 2018

The Committee voted and approved the minutes of the July 19, 2018 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.

C. Approval of the Risk Subcommittee's Operating Principles

Gary Langsdale presented the Risk Subcommittee's Operating Principles and the committee voted and approved them.

D. Review 2017-2018 Audited Financial Statements

Joe Doncsecz reviewed the 2017-2018 audited financial statements, including the draft of Deloitte's opinion, subject to acceptance by the Committee. Among the areas of information and discussion were the balance sheet review, statement of activities, statement of cash flows, and a review and context of various fluctuations. The audited financial statements were unanimously accepted on behalf of the Board.

E. Approval of Nittany Insurance External Audit Engagement Letter

Gary Langsdale presented information about the auditing firm, Crowe Horwath to the Audit and Risk committee. They voted and approved the audit engagement for Crowe Horwath Nittany Insurance Company.

The public meeting was adjourned at 9:45 a.m., at which time the Committee went into conference and executive session. An executive session was also held from 8:00-8:45 a.m.

Respectfully submitted,

Shelly Zeigler-Byers
Administrative Support
Office of the Board of Trustees