

**PENN STATE UNIVERSITY COMMITTEE ON AUDIT AND RISK ROLES AND RESPONSIBILITIES MATRIX
FISCAL YEAR ENDED JUNE 30, 2024**

ROLES AND RESPONSIBILITIES	Meeting Date				Comments
	Sept. 2023	Nov. 2023	Feb. 2024	May 2024	
Receive update of internal audit hotline investigations, if necessary	X	X	X	X	
Meet privately with external auditors	X	X	X	X	
Meet with the internal auditor	X	X	X	X	
For those risks for which the Committee has been charged with oversight responsibility, at least once per year review with the Senior Administration individual(s) assigned for managing and monitoring those risks. For any of these risks which are delegated to the Subcommittee on Risk, receive status updates from the Subcommittee as to its progress. Report to the full Board of Trustees the results of such review(s) on annual basis.	X	X	X	X	
Receive IT updates from CISO and CIO on IT security matters, emerging topic(s) and system implementations	X	X	X	X	
Receive update on University's Enterprise Risk Management efforts/ report out from Risk Subcommittee and an update on enterprise risks assigned to the Board for oversight	X	X	X	X	
Review and approve annual internal audit plan	X				
Assess the performance of the Committee on Audit and Risk	X				
Perform a detail review of the financial statements with the Associate Vice President for Budget and Finance and Senior Vice President for Finance and Business/Treasurer, including the application of generally accepted accounting principles to the financial statements, and other financial governance issues		X			
Review required external auditor communications		X			
Receive report from the Associate Vice President for Budget and Finance and Senior Vice President for Finance and Business/Treasurer on the University's system of internal control in connection with external auditor required communications.		X			
Review current and prior year management letter, along with the University's response and current status, as provided by the Associate Vice President for Budget and Finance and the Senior Vice President for Finance and Business/Treasurer		X	X		Preliminary comments reviewed during Nov. meeting/ Final letter with mgmt. responses reviewed during Feb. meeting.
Review and approved ERM Plan			X		
Review draft engagement letter and scope of audit from the external audit firm and confirm independence of external auditor			X		
Approve recommendation from the Associate Vice President for Budget and Finance and Senior Vice President for Finance and Business/Treasurer for the appointment of the audit firm and the related audit fee			X		
Receive an annual report on the activity referred to Internal Audit from the University's ethics and compliance hotline			X		
Review current University Risk List after it has been reviewed by Risk Subcommittee			X		
Review and approve Risk Sub-Committee Operating Guidelines				X	
Receive update on University insurance program and industry trends				X	
Annually review and approve the Internal Audit Department Charter				X	
Review Operating Guidelines for the Committee on Audit and Risk and adopt any changes as needed				X	
Review and approve engagement letter and scope of audit from the external audit firm for Nittany Insurance Company				X	
Review with University management the results of the annual Office of Management and Budget Uniform Guidance report and any other audits prepared by the external auditors				X	
Receive an update from Intercollegiate Athletics (ICA) leadership on policies over and reporting requirements of outside organizations (booster clubs) with respect to their finance and fund-raising activities. Specifically these procedures and reports should address all funds raised and expended by booster clubs on behalf of ICA. Additionally, ICA should report on who at the University is responsible for oversight of the booster clubs.				X	
Review the "NCAA Agreed-Upon Procedures" report from Plante Moran with respect to procedures performed by them as required by NCAA legislation.				X	
Review external audit firm's audit plan for the upcoming year				X	

INFORMATIONAL ITEMS PROVIDED IN BOARD EFFECT

Review internal audit reports, significant issues, and recommendations made by internal audit, as well as the adequacy of management's corrective actions.	X	X	X	X	
Receive and review report from Management on the President's discretionary budgets	X				
Review with University management the IRS Form 990's for its related entities under the Corporation for Penn State and University's Right-to-Know Information		X	X	X	

- - Task completed
- - Scheduled and to be completed
- - Task not performed

AUDIT PLAN FOR THE FISCAL YEAR ENDING JUNE 30, 2024

LIMITED SCOPE – HIGH LEVEL CONTROLS; FRAUD RISK

- Campuses and Colleges:
 - Hazleton
 - Behrend
 - Shenango
 - Health and Human Development
 - Liberal Arts

FINANCIAL AND/OR IT INTERNAL CONTROL AND PROCESS AUDITS

- Research Spot Audits: *
 - College of Engineering – Larson Transportation Institute
 - College of Science – Department Biology
 - College of Medicine – Department of Pediatrics
 - College of Health and Human Development – Nutrition Education Program
 - College of Agriculture – Department Plant Science
- Pharmacy
- Section 117 Reporting*
- Subrecipient Monitoring and Management*
- Budget Office – Data Accuracy and Access
- Treasury Office and Administration
- Student Fees
- Research Accounting

FINANCIAL/COMPLIANCE AUDITS PERFORMED ANNUALLY

- Athletics – NCAA Compliance – rotation 2023/24
- Executive Expense Reimbursement – Calendar 2023
- Trustee Expense Reimbursement – Fiscal 2022/23

INFORMATION SYSTEMS

- Inventory of Software and Applications/ Purchasing of non-centralized Software
- Maxient access and permissions
- Central Firewall Administration

CONSULTING/ SPECIAL PROJECTS

- Special Investigations

INTERNAL DEPARTMENT INITIATIVES/ UNIVERSITY SUPPORT/ CONSULTING

- Enterprise-Wide Risk Management – Risk Council Ex-officio member
- Compliance and Ethics Council
- Committee on Audit and Risk Support
- Continuous Monitoring/ Data Analytics
- Compliance & Ethics Hotline Investigations and Support
- F&B Strategic Plan Teams/ Other F&B Key Initiatives
- University-Wide Task Force/ Committee Support- Privacy Council, Conflict of Interests/ Institutional Committee, F&B Diversity, Equity & Inclusion Team, International Security and Compliance, IT Advisory Council
- External Auditor Support (D&T, DCAA, etc.)
- CISO Advisory Board
- SIMBA Executive Steering Committee
- Support of OST's

FISCAL YEAR ENDED 2023 CARRYOVER

- Reports in draft status or fieldwork complete:
 - Visiting Scholars*
 - Huck Institute*
- Executive Expense Reimbursement 2021/22 – In process
- Intercollegiate Athletics – In process
- Parking Operations – In process
- Engineering – In process
- University Health Services – In process
- Power BI Security and Permissions – In process
- Virtual Hosting – In process
- College of Engineering – Department of Mechanical Engineering – In process*
- College of Science – Department of Chemistry – In process*
- College of Agriculture – Department of Entomology – In process*
- College of Medicine – Department of Medicine*
- Research Cost Transfers*
- OPP Renovations
- College of Nursing - IT
- Institute for Computational & Data Sciences
- Abington
- Scranton
- Earth and Mineral Sciences
- Dickinson School of Law
- NCAA Compliance Rotation 2022/23
- Canvas

Audits Designated by * are research specific audits.

IT & Cybersecurity
Update
September 27th, 2023



BOARD OF TRUSTEES
Audit & Risk Committee

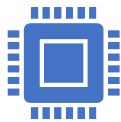
PUBLIC SESSION UPDATE

Duo to Microsoft MFA Transition
Key Email Security Enhancements

Duo to Microsoft MFA Transition

Currently enrolled students, faculty, and staff:	120,000
Remaining Duo users to migrate:	42,000
Final cutover date for users:	11/14/23
Final cutover date for system integrations:	1/1/24
Project end date:	2/28/24

Key Email Security Enhancements



Advanced Phishing Threshold

Moving from level 4 (lowest) threshold to level 3

Email that is highly likely to be phishing by Microsoft AI will be blocked

Already tested and working well in a pre-production environment

Plan to put into production during this semester



Email sender authentication

Ensures the validity of messages received from the authenticated sender

Two business critical services have been transitioned:

- Cashnet, used to collect tuition payments
- Cornerstone, used for annual compliance training, and other HR training

Working with department owners of other business critical systems that rely on email