

**THE PENNSYLVANIA STATE UNIVERSITY  
BOARD OF TRUSTEES**

**COMMITTEE ON AUDIT AND RISK  
MINUTES OF MEETING  
VOLUME AR 41**

**June 20, 2023**

A meeting of the Committee on Audit and Risk was held on Tuesday, June 20, 2023, at 8:00 a.m.

The following members, constituting a quorum, were present: Rakowich, Brown, Bendapudi (Ex Officio), Black, Cairns, de Levie, Dunn, Hasenkopf, Lubrano, and Pope. Also attending was the Governor's Representative Myers. Staff members present included Brautigam, Guadagnino, Harvey, Heist, Matty, Oziemblowsky, Raab, Schwartz, Smith, Teachey, Thorndike, and Wagner.

The meeting was called to order by Chair Rakowich at 8:00 a.m. He welcomed panelists, and thanked Trustee Pope for her dedicated service to the Committee. He noted Trustee Black will assume Chair leadership and welcomed Trustee Quintos and Governor's Representative Myers to the Committee. He said for the public attending via Microsoft Livestream the agenda and supporting materials would be available at <https://trustees.psu.edu/>.

Chair Rakowich called for a motion to approve the *Minutes* of the May 4, 2023, meeting of the Committee. A motion was put forward by Trustee de Levie, seconded by Trustee Cairns, and approved unanimously.

Chair Rakowich introduced Virginia Teachey, Associate Vice President for Budget and Finance, who provided a review of Plante Moran's internal audit plan. Teachey introduced Plante Moran representatives Brian Grecko, Katie Thornton, and Vicki VanDenBerg. VanDenBerg outlined audit processes, timeline, and scope. Thornton noted the audit's goal is to express an opinion on university financial statements and major federal programs, provide reasonable assurance, and gain an understanding of internal controls. She stated Plante Moran would supply an opinion on university and federal programs as well as other audits and examinations and generate reports on internal control over financial reporting and the conduct of the audit by November. Overall, Plante Moran would review internal controls, document and test key processes, adopt a risk-based approach, and utilize group audit standards for Penn State, Penn State Health, and other consolidated entities. Further, the audit approach would comply with Office of Management and Budget (OMB) standards and assess programs as determined by a rotational schedule, including Student Financial Assistance Cluster (SFA), State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP), Smith-Lever Funding, and programs if over four million dollars that have not been tested in the last two years, or programs over one million dollars that are considered high risk. Substantive discussion occurred regarding the audit approach and fiscal year audit and testing schedule deliverables.

Grecko discussed ancillary audits, to include Airport Passenger Facility Charge; Centre County Higher Education Authority; WPSU-TV and WPSU-FM; Ben Franklin Technology Center; Penn State University Philanthropic Fund; and Pennsylvania state department program audits. He said Plante Moran would additionally conduct audits on Agreed Upon Procedures (AUPs), such as NCAA; Nuclear Regulatory Commission; and Pennsylvania Department of Human Services. Productive discussions took place related to audit timing and key dates.

Chair Rakowich called for a motion to approve the fiscal year 2023 audit plan from Plante Moran, which was put forward by Trustee Cairns, seconded, and approved unanimously,

Chair Rakowich adjourned the public meeting at 8:32 a.m., at which time the Committee went into conference session meeting individually and privately with management, and Plante Moran representatives and the Committee only.

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The June 20th, 2023 public meeting of the Committee on Audit and Risk can be viewed in its entirety [here](#).

Respectfully submitted,

Thomas Oziemblowsky  
Associate Director  
Board of Trustees