A telephonic meeting of the Committee on Audit and Risk (the Committee) of the Board of Trustees was held in Room 211, Penn Stater Conference Center Hotel, on Friday, October 20, 2017 at 9:30 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; Cynthia A.Dunn; Ryan J. McCombie; and, Elliott W. Weinstein. Also attending were Joseph J. Doncsecz, Stephen S. Dunham, David J. Gray, Frank T. Guadagnino, Daniel P. Heist, Nicholas P. Jones, Michael J. Kubit, Gary W. Langsdale, and Donald J. Welch; and Faculty Representative James A. Strauss and Student Representative Hunter DeBellis. Also in attendance from the audit firm Deloitte were Jessica Chen, Edward Krzemien and Matthew Stelling.

PUBLIC MEETING 9:30 a.m.

Chair Rakowich called the meeting to order.

A. Approval of Minutes from September 14, 2017

The Committee voted and approved the minutes of the September 14, 2017 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. Review 2016-2017 Audited Financial Statements

Joe Doncsecz reviewed the 2016-2017 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.
D. **Internal Audit September 30, 2017**

Dan Heist reviewed and discussed the Audit Follow-Up Report as of September 30, 2017. Discussion included noting that ten open issues audits were completely closed out, and that the Eberly College of Science is closed.

The public meeting was adjourned at 10:30 a.m., at which time the Committee went into conference and executive session. An executive session was also held from 8:30-9:00 a.m.

Respectfully submitted,

Janine S. Andrews
Director
Office of the Board of Trustees