

**UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•MEDICAL•LAW•ONLINE**

**MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE**

Wednesday, December 9, 2020; 8:00 a.m.

Remote Meeting

**Pursuant to the Governor's Order Suspending Certain Provisions of the
Open Meeting Law, G.L. c.30A, s.20 dated March 12, 2020**

Committee Members Present: Chair Kelleher; Vice Chair Karam; Trustees O'Brien, Scheibel, Woolridge and Wu

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Collins, Moloney, Suárez-Orozco and Subbaswamy; Interim Chancellor Preble; Director of Internal Audit David; University Controller Cevallos; Chief Information Officer Letchford; Chief Information Security Officer Smith

KPMG: Brock Romano, Engagement Partner; David Gagnon, Account Executive Partner

Faculty Representatives: Professor Hoagland, UMass Amherst

Documents Used:

- Meeting Minutes: June 10, 2020
- Internal Audit Update, Doc. T20-008
- Internal Audit Charter, Doc. T06-061, as amended
- University's Annual Financial Statements, Doc. T20-049
- Report by KPMG, Doc. T20-027

Chair Kelleher convened the meeting at 8:08 a.m.

On behalf of the Chair, Mr. David advised that the meeting was being recorded in accord with the Open Meeting Law, Massachusetts General Law Chapter 30A and the Massachusetts Attorney General's Guidelines, and those who provided proper advance notice to the Chair are allowed to conduct their own recording. Mr. David then stated that the Governor of Massachusetts issued an executive order on March 12, 2020, that was effective immediately, and will remain in place until it is rescinded or the state of emergency that was declared is terminated. The order is applicable to UMass Board of Trustees meetings because UMass is a public body.

Under the Emergency Order, the UMass Board may now meet without the Chair or a physical quorum of members present, as those requirements have been suspended. All members of the Board may participate by remote virtual means, without affording public access to the physical meeting locations, and without any subscription, toll or charge to the public. Under the Order, public access to meeting locations will not be required as long as they are engaged with adequate and alternative means of access available.

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Issues and matters that relate to meetings of public bodies that are not addressed in the Order remain unchanged and fully applicable to the activities of public bodies, and are being carried out are subject to the provisions in The Attorney General's Open Meeting Law Guidelines and MGL c. 30A, sections 18-25; and the UMass Board of Trustees By-Laws in Document T91-100, specifically Article II, Sections 1-3, and 6-7; and Article III, Section 4.

Any member of the public wishing to address the Board regarding an agenda item or issue related to the agenda, or to make an audio or video recording of the open public session of the Board meeting, was provided notice by the Secretary of the Board through a posting indicating that such written requests needed to be received no later than 24 hours prior to the Board meeting. Under the law, the Chair has complete discretion in granting or denying the request to speak, and may limit the duration that the public has to address the Board. These requirements were all done consistent with the UMass Board By-Laws T91-100, Article II, Section 3.; and OAG OML Guide and Educational Materials, January 2018, pp. 17-18.

Mr. David then read the remote meeting instructions and guidelines.

Consideration of Minutes of the prior meeting of the Committee

Chair Kelleher stated that the Committee was provided with a draft copy of the minutes of the June 10, 2020 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair Kelleher then announced the meeting's agenda.

Report by the Director of Internal Audit

Mr. David provided a brief summary of Internal Audit's activity during fiscal year 2020, including progress against its audit plan. He highlighted the number of projects Internal Audit completed and is conducting and a status of recruiting efforts. He went on to discuss high level trends and observations, improvements made, specific risk areas and common findings his team's work has highlighted over the last five years. He also provided insight into how these risks and findings intersect with the University's Enterprise Risk Management risks and how they are covered by his team's engagements.

Mr. David provided a status of external audit activity around the University, including the University's and its related entities' financial statement audits and federal grant audits.

Summary of Fiscal Year 2020 Financial Statements

Mses. Calise and Cevallos provided highlights of the University's fiscal year 2020 financial results, including the impact of Covid-19, revenues, expenses, net position and operating margin.

Report by KPMG

Mr. Romano presented results from KPMG's audits of the University's Financial Statements and noted that the Federal Uniform Guidance and Massachusetts Financial Aid compliance audits were ongoing due to delayed Federal CARES Act audit guidance. He stated, among other things, required communications, that to date there are no Uniform Guidance audit findings and the audit of the University's Financial Statements resulted in an unmodified audit opinion. He also stated that there were no material control weaknesses or significant control deficiencies identified and

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discussed control observations that were reported to Management. Mr. Gagnon then provided higher education industry update that included, among other things, Covid-19 impacts, CARES Act considerations and new regulations. The Committee asked questions to which Mr. Romano and Mr. Gagnon responded.

Action Item #s 1 & 2: Approval of the Internal Audit Charter, Doc. T06-061 and Approval of the University's Annual Financial Statements, Doc. T20-049

Vice Chair Karam asked for a motion to approve the Internal Audit Charter and the University's Annual Financial Statements. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion. It was moved and seconded.

To recommend that the Board approve the following:

- Internal Audit Charter; and
- University's Annual Financial Statements.

Vice Chair Karam then asked for a Roll Call vote and the Secretary called the Roll with each Committee Member asked to vote yes or no.

Vice Chair Karam voted for the motion as did Trustees O'Brien, Scheibel, Woolridge and Wu. Chair Kelleher also voted for the motion.

Executive Session Announcement

Chair Kelleher then asked the Committee to vote by way of Roll Call Vote to enter into Executive Session to discuss the deployment of information technology security strategies and tools by the University pursuant to General Law Chapter 30A, section 21(a)(4) to comply with the provisions of General Laws to protect University systems and data.

Chair Kelleher announced that the meeting would adjourn at the conclusion of the Executive Session.

It was moved and seconded and the Secretary called the roll with each Committee Member asked to vote yes or no to enter in Executive Session for those purposes listed. Chair Kelleher voted for the motion as did Vice Chair Karam and Trustees O'Brien, Scheibel, Woolridge and Wu.

The time was 9:10 a.m.

Christina Kelley
Assistant Secretary to the Board