

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

**MINUTES OF THE MEETING OF THE  
AUDIT AND RISK COMMITTEE**

**Monday, December 14, 2022; 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:** Chairman Karam; Trustees Berry, O'Brien and Wu

**Committee Members Absent:** Chair Scheibel; Vice Chair Kelleher

**University Administration:** President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Subbaswamy, Suárez-Orozco, Fuller, Chen and Collins; Director of Internal Audit David; Assistant Director of Internal Audit Scano; University Controller Hitchcock; Director of Enterprise Risk Management Packard

**KPMG:** Brock Romano, Engagement Partner; David Gagnon, Account Executive Partner; Nicole Darling, Senior Manager

**Faculty Representatives:** Professor Hoagland, UMass Amherst; Professor Kim, UMass Boston

**Documents Used:**

- Meeting Minutes: June 1, 2022
- Internal Audit Update, Doc. T22-006
- UMass Enterprise Risk Management Program, Doc. T22-007
- UMass Financial Results, Doc. T22-072
- KPMG UMass Report to the Audit Committee, Doc. T22-016
- UMass Annual Financial Statements Report 2022, Doc. T22-058

Chairman Karam convened the meeting at 8:03 a.m.

Director of Internal Audit David stated that the Governor of Massachusetts executive order on March 12, 2020, that was effective immediately, was extended to March 31, 2023. 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.

Director of Internal Audit David then provided the remote meeting instructions and guidelines.

**Consideration of Minutes of the prior meeting of the Committee**

Chairman Karam stated that the Committee was provided with a draft copy of the minutes of the June 1, 2022 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chairman Karam then announced the meeting's agenda.

**Report by the Director of Internal Audit**

Director of Internal Audit David briefed the Committee on Internal Audit's fiscal year 2022 activity and results, including the trends and observations highlighted by his team's work, and he provided an update on the Committee's and Internal Audit's priorities. He also discussed information security risk and provided insight into its impact globally, risks to the University, and Audit's role in supporting Management's effort to combat this risk.

Director of Internal Audit David also 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.

**Enterprise Risk Management Report**

Director of Enterprise Risk Management Packard provided an Enterprise Risk Management Program update and progress made capturing and assessing the University's top five risks and related mitigation strategies and highlighted the preliminary results for three of the five, including information security, financial sustainability, and facilities and deferred maintenance risks.

**Summary of Fiscal Year 2022 Financial Statements**

Senior Vice President Calise and University Controller Hitchcock provided highlights of the University's fiscal year 2022 financial results, including the impact of federal and state Covid-19 funds, revenues, expenses, net position and operating margin.

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**Report by KPMG**

Mr. Romano and Ms. Darling presented results from KPMG's audits of the University's Financial Statements and Federal Uniform Guidance which was ongoing. He stated, among other things, required communications and that 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 regarding the University's Financial Statement audit, and to date one Uniform Guidance finding was identified that was determined to be a significant control deficiency. Mr. Gagnon then provided a higher education industry update that included, among other things, his insights into trends and emerging matters like inflation, investment returns, staffing shortages and cyber security. The Committee made comments and asked questions to which Mr. Romano and Mr. Gagnon responded.

**Action Item #1: Approval of the University's Annual Financial Statements, Doc. T22-058**

Chairman Karam asked for a motion to approve 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 by Trustee Wu and seconded by Trustee O'Brien.

To recommend that the Board approve the following:

- University's Annual Financial Statements.

Chairman Karam voted for the motion as did Trustees Berry, O'Brien and Wu.

**Executive Session Announcement**

Chairman Karam 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 personnel or devices, or related strategies pursuant to General Law Chapter 30A, section 21(a)(4) to comply with the provisions of General Laws to protect University systems and data.

Chairman Karam announced that the meeting would adjourn at the conclusion of the Executive Session.

It was moved by Trustee Wu and seconded by Trustee O'Brien 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. Chairman Karam voted for the motion as did Trustees Berry, O'Brien and Wu.

The time was 9:08 a.m.

Zunilka Barrett  
Secretary to the Board