

UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

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

Wednesday, August 16, 2006; 8:00 a.m.
Amherst Room
225 Franklin Street – 33rd Floor
Boston, Massachusetts

Committee Members Present: Chair White; Trustee McCarthy; Chair Karam

Committee Members Absent: Vice Chair Boyle; Trustee Dubilo

University Administration: President Wilson; Interim General Counsel Bench; Vice Presidents Lenhardt and Gray; Chancellors Lombardi, Collins, MacCormack and MacKenzie; Mr. Harrison, Director of Auditing; Ms. Wilda, University Controller; Mr. Naughton; Vice Chancellors for Administration and Finance Hatch, Zekan and Griffin; Deputy Chancellor Stanton

Faculty Representatives: Professor Gibbs, UMASS Dartmouth

PricewaterhouseCoopers: Mr. Paul Hanley, Engagement Partner; Ms. Melissa Palmer

Chair White convened the meeting at 10:11 a.m.

The first item on the agenda was **Consideration of Minutes of the Prior Meeting of the Committee.**

It was moved, seconded and

VOTED: To approve the minutes of the May 17, 2006 meeting of the Committee.

The first item was the **Report by the Director of Auditing.** Mr. Harrison summarized the audit related activity in process throughout the University's five campuses and central offices. Audits are on-going within the internal audit staff. He briefed the Committee about the process to obtain bid proposals and the appointment of an independent firm for the Intercollegiate Athletic NCAA reviews.

The Committee received a draft revised Audit Charter; this will be an item for action at the next meeting. A long-range audit plan was presented as well consisting of subject areas of recommended audit activity which will be reviewed at the November meeting as well.

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The next item was from PricewaterhouseCoopers on the **FY2006 Audit Plan and Update**. Mr. Paul Hanley the engagement partner for the University and Melissa Palmer reported on the Audit Service Plan for the Annual Financial Report and the Federal Financial Assistance Review. The Committee was also briefed on emerging accounting and regulator issues in the Higher Education industry.

The next item was **Process Review of Selected Functions within Administration and Finance, UMASS Lowell**. Mr. Harrison reported that the Vice Chancellor from the Lowell campus requested an independent review of certain business functions within the Administration and Finance area to determine if improvements were needed in the control environment. Improvements have been made and a follow-up will take place in the future.

Chancellor MacKenzie commended Vice Chancellor Griffin for recognizing the seriousness of this issue.

It was then moved, seconded and

VOTED: To recommend that the Board accept the following Audit Report:

1. Process Review of Selected Functions within Administration and Finance, UMASS Lowell (Doc. T06-042)

The meeting adjourned at 11:07 a.m.

Barbara F. DeVico
Secretary to the Board of Trustees