

**UNIVERSITY OF MASSACHUSETTS
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**MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE**

**Wednesday, June 11, 2014; 10:00 a.m.
Amherst Room
225 Franklin Street – 33rd Floor
Boston, Massachusetts**

Committee Members Present: Chair Furman; Vice Chair Woolridge; Trustees Campbell and Collins; Chairman Thomas

Committee Members Absent: Trustee Buonomo

University Administration: President Caret; General Counsel Heatwole; Chancellors Subbaswamy, Motley, Grossman and Collins; Director of Internal Audit David

Faculty Representatives: Ms. Billings, UMass Amherst

Grant Thornton: Claire Esten; Mary Foster; Brittany Kelley

Documents Used: -Internal Audit Update, Doc. T14-048
-FY2014 Audit Scoping Presentation, Doc. T14-049
-FY2015 Internal Audit Plan, Doc. T14-039
-NCAA Football Attendance Audit Report, UMass Amherst, Doc. T14-040

Chair Furman convened the meeting at 10:03 a.m. and stated that the Committee had been provided with draft minutes for the February 12, 2014 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair Furman reviewed the agenda.

Report by the Director of Internal Audit:

Mr. David briefed the Committee on the **Fiscal Year 2015 Audit Plan**, including high-level overviews of the processes used to perform audits and those used to determine the universe of potential audits. He described the audit planning process and the drivers, including risk assessment and available audit resources that contributed to selecting audits for the Fiscal Year 2015 Audit Plan. He then highlighted certain higher risk areas that are included in the Audit Plan. In addition, he provided a summary of Internal Audit's mission and role at the University, and discussed the Internal Audit organization, including staff resources and their qualifications.

Mr. David also reported on the completion of two external audits: Amherst Football Attendance Audit and the Office of the State Auditor's ("OSA") University-wide Expenditure

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Review. He noted that the Amherst Football Attendance Audit resulted in an unqualified audit opinion. Regarding the OSA review, he stated that few observations were reported, described the observations and noted that University fared well considering the amount of testing performed. Furthermore, the OSA reported that it found the University maintained adequate controls over financial and management activities and complied with applicable laws, regulations, policies and contractual requirements.

Report by Grant Thornton:

Engagement Partner Esten and Audit Supervisor Kelley reviewed their firm's **Fiscal Year 2014 Audit Scoping Presentation** and highlighted its focus and certain differences from their prior year audit. They also made required communications to the Committee that included among other things discussing their firm's responsibilities, risk assessment and audit scope as well as relevant technical accounting updates and relevant regulatory changes.

Members of the Committee made inquiries to which Ms. Esten and Kelley responded. The Committee inquired about several topics, including and among others: audit coordination with University Internal Audit, and OMB Circular A-133 audit sampling.

Ms. Foster discussed current trends to watch in higher education. She highlighted a number of topics, including enterprise risk management, governance, government funding, enrollment, demographic changes, student debt and outcomes, rating agency concerns and fundraising.

Members of the Committee and University Administration made inquiries to which Ms. Foster responded.

Action Items:

Chair Furman requested the approval of the **FY2015 Internal Audit Plan** and the **Football Attendance Report, UMass Amherst**. Chair Furman asked for questions or discussion. It was moved and seconded.

To recommend that the Board approve the following:

1. FY2015 Internal Audit Plan (T14-039)
2. Football Attendance Audit Report, UMass Amherst (T14-040)

The Chair asked for a vote and the motion passed unanimously.

Chair Furman then asked the Committee to vote to enter into **Executive Session** pursuant to Chapter 30A, Section 21(a)(5), and under section 21(a)(7) to comply with the provisions of another general law, specifically: General Law Chapter 66A, General Law Chapter 214, Section 1B, and General Law chapter 4, section 7, (26)(c) and (f) to maintain the confidentiality of the personnel matters that will be discussed and for the **Consideration of prior Executive Session minutes**.

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It was moved and seconded and the Secretary called the roll with each Trustee asked to vote yes or no to enter into Executive Session for those purposes listed. Chair Furman voted for the motion as did Vice Chair Woolridge; Trustees Campbell and Collins, and Chairman Thomas.

The time was 10:47 a.m.

Kate Wilkinson
Staff Assistant