

UNIVERSITY OF MASSACHUSETTS  
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MINUTES OF THE MEETING OF THE  
AUDIT COMMITTEE

Wednesday, June 8, 2016; 10:00 a.m.  
Amherst Room  
One Beacon Street – 31st Floor  
Boston, Massachusetts

**Committee Members Present:** Chair Furman; Trustees Buonomo and Campbell; Chairman Woolridge

**Absent Trustees:** Vice Chair Collins

**University Administration:** President Meehan; General Counsel Heatwole; Senior Vice President Wilda; Chancellors Subbaswamy, Motley, Helm, Moloney and Collins; Director of Internal Audit David; Internal Audit Senior Manager McCormick

**Grant Thornton:** Claire Esten, Engagement Partner; Mary Foster, Managing Director; Brittany Kelley, Manager; Carolyn Wagner, Manager

**Documents Used:**

- Meeting Minutes: December 2, 2015 (Open Session)
- Internal Audit Update, Doc. T16-028
- FY2016 Audit Scoping Presentation, Doc. T16-043
- FY2017 Internal Audit Plan, Doc. T16-033

Chair Furman convened the meeting at 11:57 a.m. and stated that the Committee had been provided with a draft copy of the Open Session minutes of December 2, 2015 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair Furman then announced the day's agenda.

**Report by the Director of Internal Audit**

Mr. David provided a brief summary of Internal Audit's self-assessment review that was performed to determine if the department complies with the Institute of Internal Audit's *International Standards for the Professional Practice of Internal Audit* (the "Standards"). He highlighted that the review found the department generally conformed with the *Standards* and a few areas for improvement were identified. He noted that procedures have been implemented to address those areas and that an external quality assessment review is scheduled to take place during 2017. He then discussed the **Fiscal Year 2017 Internal Audit Plan**, including how audits were selected; examples of areas throughout the University to be audited; required and risk based audits; and allocated consultative and investigative project time. In addition, he highlighted risks

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to completing the Audit Plan and that the Audit Plan is necessarily flexible to accommodate ad-hoc requests from management and the Committee.

Mses. Esten, Warger and Kelley reviewed their firm's **FY2016 Audit Scoping Presentation** and highlighted its areas of 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 and management's responsibilities, risk assessment, audit scope, OMB Circular A-133, audit timeline as well as relevant technical accounting updates and regulatory changes. They spoke briefly about the fiscal year 2017 adoption of Governmental Accounting Standards Board 72, *Fair Value Measurement and Application* ("GASB 72"). Members of the Committee made comments and inquiries regarding GASB 72 to which Mses. Esten and Warger responded.

Ms. Foster then discussed industry updates and current trends to watch in higher education. She highlighted a number of topics, including enterprise risk management, allocation of resources, and performance indicators. Committee members and University Administration made inquiries to which Ms. Foster responded.

Chair Furman then asked for a motion to approve the **FY2017 Internal Audit Plan**. Chair Furman 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:

- FY2017 Internal Audit Plan (Doc. T16-033)

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

Chair Furman then asked the Committee to vote to enter into **Executive Session** for a **Discussion of investigation pursuant to General Law Chapter 30A, section 21(a)(7) to comply with the provisions of General Laws to protect the privacy rights of individuals.**

Chair Furman announced that the Committee will not reconvene in open session.

It was moved and seconded and the Secretary called the roll with each Trustee asked to vote yes or no to enter in Executive Session for the purpose listed. Chair Furman voted for the motion as did Trustees Buonomo and Campbell. Chairman Woolridge also voted for the motion.

The time was 12:19 p.m.

Christina Kelley  
Assistant Secretary to the Board