Chair Furman convened the meeting at 8:02 a.m.

Consideration of Minutes of the prior meeting of the Committee
Chair Furman stated that the Committee was provided with a draft copy of the minutes of the September 4, 2019 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair Furman then welcomed Trustee Kelleher as the newest member of the Committee and announced the meeting’s agenda.
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Report by the Director of Internal Audit  
Mr. David provided a brief summary of Internal Audit’s activity during fiscal year 2019, including progress against its audit plan. He highlighted the number of projects Internal Audit completed and is conducting and other audit plan statistics. He then went on to provide the Committee with a presentation on cyber risk and security, what is done at the University to prevent and detect it and its impact on higher education. The Committee discussed with Mr. David and Management, among other things, cyber liability insurance, cyber security training and the University’s communication plan if a cyber incident occurs.

President Meehan took the opportunity to introduce the University’s new Executive Director of Communications John Hoey to the Committee.

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

Summary of Fiscal Year 2019 Financial Statements  
Mses. Calise and Cevallos provided highlights of the University’s fiscal year 2019 financial results, operating margin, budget to actual comparisons and improvements made to the year-end financial statement processes and the financial statements. The Committee asked questions about the year-end close process in general and regarding the University of Massachusetts Building Authorities (“UMBA”), to which Mses. Calise and Cevallos responded. President Meehan then introduced the new Executive Director of the UMass Building Authority Barbara Kroncke who also responded to the Committee’s questions.

Report by KPMG  
Mr. Romano and Mr. Kenney presented results from KPMG’s audits of the University’s Financial Statements and Federal Uniform Guidance compliance. They highlighted, among other things, significant risks, their areas of focus, and other required communications. They noted that the Uniform Guidance audit resulted in no findings, the audit of the University’s Financial Statements resulted in an unmodified audit opinion and they agreed with how Management handled identified audit misstatements. They also stated that there were no material control weaknesses or significant control deficiencies identified and discussed control observations that were reported to Management. Mr. Romano also commented about their evaluation of the accounting for the public private partnership activity across the University and no issues of concern were noted. The Committee asked questions to which Mr. Romano and Mr. David responded.

Action Item #s 1, 2 & 3: Approval of the Internal Audit Charter, Doc. T06-061; Approval of the University’s Annual Financial Statements, Doc. T19-061; and Approval of the Report on Major Federal Program Compliance with OMB Uniform Guidance, Doc. T19-062

Chair Furman asked for a motion to approve the Internal Audit Charter, the University’s Annual Financial Statements, and the Report on Major Federal Program Compliance with OMB Uniform Guidance. She 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.
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To recommend that the Board approve the following:

- Internal Audit Charter;
- University’s Annual Financial Statements; and

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

Executive Session Announcement
Chair Furman then asked for a 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 Furman 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 Trustee asked to vote yes or no to enter in Executive Session for those purposes listed. Chair Furman voted for the motion as did Vice Chair Karam and Trustees Kelleher and Woolridge.

The time was 9:09 a.m.

Christina Kelley
Assistant Secretary to the Board