

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

Wednesday, September 4, 2019; 2:30 p.m.

University of Massachusetts Lowell

University Crossing

Moloney Hall A – 2nd Floor

220 Pawtucket Street

Lowell, Massachusetts

Committee Members Present: Chair Furman, Vice Chair Karam; Trustee O'Brien

Committee Members Absent: Trustees Woolridge and Wu

Other Trustees: Trustee Kelleher

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Subbaswamy, Moloney and Newman; Dean Flotte; Director of Internal Audit David; Chief Information Officer Letchford

KPMG: Brock Romano, Engagement Partner; Steve Kenney, Senior Manager

Documents Used:

- Meeting Minutes: March 27, 2019 (Open and Executive Session)
- Internal Audit Update, Doc. T19-002
- FY2020 Internal Audit Plan, Doc. T19-019
- KPMG FY2019 Audit Planning Presentation, Doc. T19-035

Chair Furman convened the meeting at 2:51 p.m.

Consideration of Minutes of the prior meeting of the Committee

Chair Furman stated that the Committee had been provided with a draft copy of the minutes of March 27, 2019 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair Furman then announced the meeting's agenda.

Report by the Director of Internal Audit

Mr. David provided a brief summary of University Internal Audit's mission, purpose, reporting lines and the independence it provides. He also discussed talent acquisition, the importance of information technology audit and security skills in audit, the use of data analytics to enhance audit efficiency, and value added ad-hoc projects his team performed over the last year.

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Mr. David then presented the Fiscal Year 2020 Internal Audit Plan including an overview of the process utilized to identify and risk rate auditable areas; the risk based approach to determine which audits were chosen for the Audit Plan; examples of areas throughout the University to be audited; and time allocated for consulting projects. Mr. David also described the connection between the University's Enterprise Risk Management (ERM) program and Internal Audit planning, and provided examples of ERM risks that are scheduled to be covered by the Audit Plan. In addition, he discussed risks to completing the Audit Plan and that the Audit Plan is necessarily flexible to accommodate ad-hoc requests from Management and the Committee. Committee members asked questions, to which Mr. David and Management responded.

Report by KPMG

Mr. Romano and Mr. Kenney reviewed KPMG's Fiscal Year 2019 Audit Planning Presentation and required communications, including their risk assessment process, areas of focus, significant risks and technical accounting updates. Committee members asked questions regarding, among other things, findings related to Public Company Accounting Oversight Board's review of KPMG and the additional services and capabilities KPMG can provide to the University, to which Mr. Romano and Management responded.

Action Item #1: Approval of the FY2020 Internal Audit Plan, Doc. T19-019

Chair Furman then asked for a motion to approve the FY2020 Internal Audit Plan. 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.

To recommend that the Board approve the following:

- FY2020 Internal Audit Plan

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

There being no further business, the meeting adjourned at 3:49 p.m.

Christina Kelley
Assistant Secretary to the Board