

**UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•MEDICAL•LAW**

**MINUTES OF THE MEETING OF THE
AUDIT AND RISK COMMITTEE**

Monday, December 11, 2023; 1:00 p.m.

Remote Meeting

**Pursuant to the Governor's Order Suspending Certain Provisions of the
Open Meeting Law, G.L. c.30A, s.20 dated March 12, 2020**

Committee Members Present: Chair Scheibel; Vice Chair Kelleher (joined at 1:12 p.m.); Trustees Alden, O'Brien (left at 2:10 p.m.), Toye and Wu

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Reyes, Suárez-Orozco, Fuller, Chen and Collins; Vice Chancellors Mangels, Kirleis, Doyle, O'Riordan, and Lindstedt; Chief Audit Officer David; Assistant Director of Internal Audit Scano; Assistant Vice President of Enterprise Risk Management Packard; System Chief Information Officer Milligan; System Chief Information Security Officer Smith; Campus Chief Information Officer Misra

Faculty Representatives: Professor Hoagland, UMass Amherst; Professor Haroon, UMass Boston

KPMG: Brock Romano, Engagement Partner; Sara Timmerman, Senior Manager

Documents Used:

- Meeting Minutes: May 31, 2023
- University's Annual Financial Statements, Doc. T23-048
- Audit and Risk Committee Charter, Doc. T03-030, as amended
- FY2023 Financial Results Summary, Doc. T23-056
- Independent External Auditors (KPMG) Report, Doc. T23-015
- Enterprise Risk Management Report, Doc. T23-014
- Internal Audit Report, Doc. T23-013

Chair Scheibel convened the meeting at 1:01 p.m.

Chief Audit Officer David stated that the Committee continues to meet remotely under the Governor's executive order issued on March 12, 2020, which has been extended until March 31, 2025. The Committee will address necessary and required Action Items for Board vote in open session, and where required, in Executive Session.

Any member of the public wishing to address the Board regarding an agenda item or issue directly related to the UMass publicly posted agenda, must have provided the Secretary of the UMass Board with a written request no later than 24 hours prior to the Board or Committee meeting occurring. The Chair of the Board or Board Committee shall have complete discretion in granting

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or denying the request to speak, applying applicable UMass and MA Attorney General guidelines, and may limit the duration that each public speaker has to address the Board. The Secretary has received no requests to speak, or to make an audio or videotape of the meeting.

Consideration of Minutes of the prior meeting of the Committee

Chair Scheibel stated that the Committee was provided with a draft copy of the minutes of the May 31, 2023 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair Scheibel then welcomed Student Trustees Amelia Toye from the UMass Chan Medical School and Fahad Alden from UMass Lowell to the Committee. She then announced the meeting's agenda.

Fiscal Year 2023 Financial Results Summary

Senior Vice President Calise and University Controller Hitchcock provided highlights of the University's fiscal year 2023 financial results, including its revenues, expenses, net position and operating margin. The Committee made comments and asked questions to which Senior Vice President Calise and University Controller Hitchcock responded.

Independent External Auditor Report

Mr. Romano and Ms. Timmerman presented results from KPMG's audit of the University's Financial Statements, and an update on the Federal Uniform Guidance and Massachusetts Office of Student Financial Assistance ("MOSFA") audits which were both ongoing. Mr. Romano highlighted, among other things, their required communications, that the audit of the financial statements resulted in an unmodified audit opinion and there were no material control weaknesses or significant control deficiencies identified, and to date, no Federal Uniform Guidance or MOSFA findings. Ms. Timmerman reviewed the detailed results of areas audited. The Committee made comments and asked questions to which University management, Mr. Romano and Ms. Timmerman responded. Mr. Romano also discussed his pending retirement and Mr. David Gagnon's transition to take over as the engagement partner. Chair Scheibel and President Meehan thanked Mr. Romano for his service to the University.

Enterprise Risk Management Report

Assistant Vice President of Enterprise Risk Management Packard provided an Enterprise Risk Management Program update, including the evaluation of mitigation strategies' impact on risk assessments and the progress made reassessing the University's priority risks. She also provided insight into the updated fiscal year 2024 priority risk rankings. The Committee made comments and asked questions to which University Assistant Vice President of Enterprise Risk Management Packard responded.

Internal Audit Report

Chief Audit Officer David briefed the Committee on Internal Audit's fiscal year 2023 activity and results, including the trends and observations highlighted by his team's work, and provided an update on the Committee's and Internal Audit's priorities. Assistant Director of Internal Audit Scano provided the Committee with insights into data centers, including their importance to an organization's everyday activities, their impact globally, risks to the University, and Audit's role in supporting Management's effort to protect its data and equipment housed in data centers.

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Chief Audit Officer David also provided a status of external audit activity around the University, including the University's and its related entities' financial statement audits, state operational and information technology audits, and federal grant audits. The Committee made comments and asked questions to which Chief Audit Officer David responded.

Action Items #1&2: Approval of the University's Annual Financial Statements, Doc. T23-048 and Approval of the Audit and Risk Committee Charter, Doc. T03-030, as amended

Chair Scheibel asked for a motion to approve the University's Annual Financial Statements, Doc. T23-048 and to approve the Audit and Risk Committee Charter, Doc. T03-030, as amended. It was moved by Vice Chair Kelleher and Trustee Wu seconded.

To recommend that the Board take the following action:

To approve the University's Annual Financial Statements

And,

To recommend that the Board take the following action:

To approve the changes to the Audit and Risk Committee Charter.

The Chair then asked for a roll call vote and the Secretary called the roll with each committee member asked to vote yes or no. Chair Scheibel and Vice Chair Kelleher voted for the motion as did Trustees Wu. Trustee O'Brien was absent for the vote.

Chair Scheibel asked for a motion to place the action items on the Consent Agenda for the full meeting of the UMass Board. It was moved by Vice Chair Kelleher and Trustee Wu seconded.

The Chair then asked for a roll call vote and the Secretary called the roll with each committee member asked to vote yes or no. Chair Scheibel and Vice Chair Kelleher voted for the motion as did Trustee Wu. Trustee O'Brien was absent for the vote.

Executive Session Announcement

Chair Scheibel asked for a roll call vote to enter into Executive Session to discuss the deployment of information technology security personnel or devices, or related strategies pursuant to General Law Chapter 30A, section 21(a)(4) to comply with the provisions of General Laws to protect University systems and data. She stated that the meeting will adjourn at the conclusion of the Executive Session. The motion was moved by Vice Chair Kelleher and Trustee Wu seconded.

The Secretary called the roll. Chair Scheibel and Vice Chair Kelleher voted for the motion as did Trustees Wu. Trustee O'Brien was absent for the vote.

The Chair asked those invited to attend the Executive session to join that meeting via the Zoom link they received.

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Chair Scheibel adjourned the meeting.

The time was 2:15 p.m.

Chelsey L. Burke
Assistant Secretary to the Board