

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

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

Wednesday, May 31, 2023; 8:00 a.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; Trustees Berry, O'Brien and Wu

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Subbaswamy, Fuller, Chen and Collins; Chief Audit Officer David; Assistant Director of Internal Audit Scano; Assistant Vice President of Enterprise Risk Management Packard

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

Documents Used:

- Meeting Minutes: December 14, 2022 (Open and Executive Session)
- Internal Audit Update - FY2024 Audit Plan, Doc. T23-013
- UMass Enterprise Risk Management Program, Doc. T23-014
- KPMG UMass Discussion with Those Charged with Governance - Audit plan and strategy for the year ending June 30, 2023, Doc. T23-015
- FY2024 Internal Audit Plan, Doc. T23-028

Chair Scheibel convened the meeting at 8:00 a.m.

Chief Audit Officer David stated that the Governor of Massachusetts executive order on March 12, 2020, that was effective immediately, was extended to March 31, 2025. The order is applicable to UMass Board of Trustees meetings because UMass is a public body.

Under the Emergency Order, the UMass Board may now meet without the Chair or a physical quorum of members present, as those requirements have been suspended. All members of the Board may participate by remote virtual means, without affording public access to the physical meeting locations, and without any subscription, toll or charge to the public. Under the Order, public access to meeting locations will not be required as long as they are engaged with adequate and alternative means of access available.

Issues and matters that relate to meetings of public bodies that are not addressed in the Order remain unchanged and fully applicable to the activities of public bodies, and are being carried out are subject to the provisions in The Attorney Generals Open Meeting Law Guidelines and MGL

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c. 30A, sections 18-25; and the UMass Board of Trustees By-Laws in Document T91-100, specifically Article II, Sections 1-3, and 6-7; and Article III, Section 4.

Any member of the public wishing to address the Board regarding an agenda item or issue related to the agenda, or to make an audio or video recording of the open public session of the Board meeting, was provided notice by the Secretary of the Board through a posting indicating that such written requests needed to be received no later than 24 hours prior to the Board meeting. Under the law, the Chair has complete discretion in granting or denying the request to speak, and may limit the duration that the public has to address the Board. These requirements were all done consistent with the UMass Board By-Laws T91-100, Article II, Section 3.; and OAG OML Guide and Educational Materials, January 2018, pp. 17-18.

Chief Audit Officer David then provided the remote meeting instructions and guidelines.

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 December 14, 2022 meeting and asked for any corrections. With no corrections, the minutes were approved.

Pursuant to Mass General Laws Chapter 30A and under the Office of The MA Attorney General, Open Meeting Law Guide and Educational Materials, General Counsel Leone, under the delegation of the UMass Board of Trustees, has determined that the Executive Session minutes will not be released at this time, and should remain confidential because publication would defeat the lawful purposes of the executive session.

Chair Scheibel then announced the meeting's agenda and thanked Student Trustee Bethany Berry for her service to the Committee and Board since her tenure on the Board was expiring.

Internal Audit Report

Chief Audit Officer David summarized University Internal Audit's ("Audit") mission, purpose and the independence provided by its reporting line to the Committee. He went on to discuss Audit's quality assurance processes and highlights from its continuous improvement program, and provided an update on recruiting and organizational changes, including the addition of the Compliance Audit Team. Assistant Director Scano then briefed the Committee on the 2024 Internal Audit Plan ("Plan"), including an overview of the risk-based approach used to determine the areas of focus and the types of audits that are scheduled. He also provided insight into how Management's and the Committee's input, key University and emerging risks, like artificial intelligence, and industry benchmarking informed the Plan. He also reviewed how the Plan's time was allocated across various areas of the University and projects. Chief Audit Officer David concluded by describing risks to completing the Plan, that it is necessarily flexible to accommodate future requests and that significant changes to it will be communicated to Management and the Committee. The Committee asked questions to which Chief Audit Officer David responded.

Enterprise Risk Management Report

Assistant Vice President of Enterprise Risk Management ("ERM") Packard provided an ERM program recap that highlighted its two-year, fiscal year 2023 – 2024 cycle, projects underway, and

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next steps in the program's cycle. She also discussed the risk assessment process and specific mitigation strategy assessments for several of the University's priority risks.

Independent External Auditor Report: UMass Discussion with Those Charged with Governance - Audit plan and strategy for the year ending June 30, 2023

Mr. Romano and Ms. Timmerman reviewed KPMG's UMass Discussion with Those Charged with Governance - Audit plan and strategy for the year ending June 30, 2023. They discussed the scope, deliverables, risk assessment and areas of focus for their financial statement audit, the scope of the single audit, regulatory and technical accounting updates, and other required communications. Mr. Gagnon then provided a higher education industry update that included, among other things, tuition, fees and auxiliary revenue reporting, talent management, and cyber security. The Committee made comments and asked questions to which Mr. Romano, Mr. Gagnon and Management responded.

Action Item #1: Approval of the FY2024 Internal Audit Plan, Doc. T23-028

Chair Scheibel asked for a motion to approve the FY2024 Internal Audit Plan. She indicated that the Committee had a chance to review the background material provided and asked for questions or discussion. It was moved by Vice Chair Kelleher and Trustee O'Brien seconded.

To recommend that the Board approve the following:

- FY2024 Internal Audit Plan, T23-028.

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 Berry, O'Brien and Wu.

Chair Scheibel adjourned the meeting.

The time was 9:02 a.m.

Zunilka Barrett
Secretary to the Board