MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

Tuesday, June 19, 2018; 2:00 p.m.
University of Massachusetts Dartmouth
Woodland Commons
285 Old Westport Road
North Dartmouth, Massachusetts

Committee Members Present: Chair Furman, Vice Chair Karam; Trustees Buonomo, Woolridge and Wu

Committee Members Absent: Trustee O’Brien

Other Trustees: Trustees Fubini, Reid and Scheibel

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Subbaswamy, Johnson, Moloney and Collins; Director of Internal Audit David

Grant Thornton: Clair Esten, Partner; Jim Cataldo, Senior Manager; Hassan Khan, Senior Manager

Documents Used:
- Meeting Minutes: April 4, 2018
- Internal Audit Update
- FY2019 Internal Audit Plan, Doc. T18-035
- Enterprise Risk Management (ERM) Update, Doc. T17-016
- Grant Thornton: FY2018 Audit Planning Presentation, Doc. T18-043

Chair Furman convened the meeting at 2:05 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 Open Session minutes of April 4, 2018 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 then updated the Committee on staffing resources and the successful cultivation of talent internally. He highlighted examples of ad-hoc projects where Internal Audit provided Management with valuable assistance in a number of areas beyond its normal audit assurance services. He presented the Fiscal Year 2019 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; required and
risk based audits; and allocated consultative and investigative project time. Mr. David also described Internal Audit’s responsibility to review risk management processes, the connection between Enterprise Risk Management (‘‘ERM’’) and Internal Audit planning and examples of ERM risks that are scheduled to be covered during next year’s 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 responded.

Enterprise Risk Management Update
Mr. Hescock provided an ERM program update to the Committee. He walked through the significant progress made since he last updated the Committee and expectations for the coming year. He also discussed the development of the first System-wide ERM Report and provided a summary of the top risks in each of the ten ERM risk groups as identified by University Management. To provide the Committee with more insight into top information technology ERM risks, Chief Information Officer John Letchford and Chief Information Security Officer Brad Smith discussed enterprise-wide information technology, including cybersecurity and disaster recovery. Committee members and Trustee Fubini asked questions about various topics, including among others cyber and data security, cloud technology and European Union General Data Protection Regulation to which Mr. Letchford and Mr. Hescock responded.

Report by Grant Thornton
Grant Thornton’s Partner Claire Esten and Senior Managers Cataldo and Khan reviewed their firm’s Fiscal Year 2018 Audit Planning Presentation and required communications, including their risk assessment process, areas of focus, and technical updates. Ms. Esten discussed Governmental Accounting Standard Board’s (“GASB”) reexamination of the accounting for and reporting of public-private partnership transactions, and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Committee members asked questions to which Ms. Esten and Management responded.

Action Item #1: FY2019 Internal Audit Plan, Doc. T18-035
Chair Furman then asked for a motion to approve the FY2019 Internal Audit Plan. It was moved and seconded.

To recommend that the Board approve the following:

- FY2019 Internal Audit Plan

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

There being no further business, the meeting adjourned at 3:39 p.m.

Christina Kelley
Assistant Secretary to the Board