Chair White convened the meeting at 10:36 a.m.

The first item on the agenda was Consideration of Minutes of the Prior Meeting of the Committee.

It was moved, seconded and

VOTED: To approve the minutes of the November 9, 2005 meeting of the Committee.

The next item was the Audit Activity Report. Mr. Harrison reported on today’s agenda items and summarized related system-wide audit activity throughout the University. He also noted having met with Chair White since the last meeting of the Committee. A plan has been put in place for the re-bidding of the University’s Financial Audits, and an Evaluation Team has been developed with the goal to conclude the re-bidding process by the end of March.
Mr. Harrison indicated having entered into a contract for pre-implementation review work on the PeopleSoft Grant Project with PricewaterhouseCoopers. This is a new business module with our PeopleSoft system. The implementation is coordinated through Vice President David Gray. He also indicated that Internal Audit Reports on system-wide Emergency Preparedness, Background Checks, and Time and Attendance Reporting Controls (at the President’s Offices) may be presented at the next meeting of the Committee.

Mr. Harrison then indicated that **Other Audit Subjects Complete and In-Process Activity** was an Informational Item which was included in the mailing packets. This information is based on a number of questions raised at the last meeting of the Committee along with PricewaterhouseCoopers communications.

The next item for action was the **Audit Reports**. Mr. Hanley, Engagement Partner from PricewaterhouseCoopers provided an update on the **Report on Federal Financial Assistance Programs in Accordance with OMB Circular A-133 and the Report on Massachusetts Student Financial Assistance Programs, UMASS Boston, UMASS Lowell**. The scope of the Audit Reports, procedures applied, and findings were presented and discussed at the last meeting of the Committee in DRAFT form. The reports are now finalized and there were no instances of material noncompliance in accordance with Government Auditing Standards.

Mr. Hanley then reported on the **PricewaterhouseCoopers University Management Letter**. The Management Letter is the Letter of Comments and Recommendations in regard to Accounting and Operating Controls and Procedures. The University has implemented various initiatives and continues to improve its internal controls system.

Trustee McCarthy expressed concerns with the function of the Internal Audit Office and whether it poses a risk to the University and requested a comparison of the functions and internal audit office infrastructure of other universities.

It was moved, seconded and

**VOTED:** To recommend that the Board accept the following Audit reports:


2. Report on Massachusetts Student Financial Assistance Programs, UMASS Boston, UMASS Lowell (Doc. T05-069)

3. PricewaterhouseCoopers University Management Letter (Doc. T06-004)
Mr. Harrison then reported on the **Intercollegiate Athletic Programs, UMASS Amherst**. This audit was conducted in compliance with new NCAA audit guidelines and presented no issues of concerns with the operation of the Athletics Program. In FY2007, there will be a bid for a tri-annual review for the Lowell campus.

Mr. Harrison reported on **WFCR-FM and Friends of WFCR, Combined Financial Statements, Management Letter, Communication Letter** and **WUMB-FM Financial Statements, Independent Auditor’s Report on Internal Control, Communication Letter**. These annual audits are required by the Corporation for Public Broadcasting (CPB). The Radio Stations must meet certain criteria established by the CPB in order to receive funding in the form of grants. The audits received unqualified opinions.

It was moved, seconded and **VOTED**: To recommend that the Board accept the following Audit reports:

1. WFCR-FM and Friends of WFCR, Combined Financial Statements, Management Letter, Communication Letter (Doc. T06-001)


3. Intercollegiate Athletic Programs, UMASS Amherst (Doc. T06-003)

There being no further business, the meeting adjourned at 11:04 a.m.

Zunilka Barrett
Staff Associate