

**SPECIAL MEETING OF THE
AUDIT COMMITTEE**
Connecticut State Colleges and Universities
Board of Regents for Higher Education
Room 209
39 Woodland Street
Hartford, Connecticut

Monday, April 22, 2013, at 9:30 a.m.

Minutes

REGENTS PRESENT

Craig Lappen, Chair
Michael Pollard (Telephonic)
Nick Donofrio (Telephonic)

BOR/CONNSCU STAFF PRESENT

Dennis Murphy, Interim Chief of Staff; William Bowes, Chief Financial Officer; Steve Weinberger, Vice President for Human Resources; Karen Stone, Internal IT Auditor; Rosalie Butler, Administrative Assistant for Finance

With a quorum present, the meeting was called to order at 9:30 a.m.

- Approval of the December 6, 2012 and December 21, 2012 meeting minutes

The minutes of the December 6, 2012 meeting were unanimously approved, as amended (date correction to June 7, 2012 in Item #1). The minutes of the December 21, 2012 were unanimously approved, as written.

- **Vote** to move to Executive Session (*to discuss the appointment, employment, performance, evaluation, health or dismissal of a public officer or employee*)

Committee Chairman Lappen requested a motion to enter into Executive Session. The Committee voted unanimously to go into Executive Session at 9:35 AM to discuss the matter, above. Messrs. Murphy and Weinberger remained. All other ConnSCU staff left the meeting.

- Executive Session ended at 9:50 a.m.
- The Committee returned to Open Session at 9:50 a.m.

Committee Chairman Lappen asked for a motion to forward a recommendation to the full Board of Regents for appointment of Karen Stone as Director of Internal Audit for the Connecticut State Colleges and Universities. Regent Pollard so moved, with a second by Regent Donofrio. The motion was unanimously approved.

- Presentation by O'Connor & Drew P.C. – Audit of Charter Oak State College and Connecticut Distance Learning Consortium for the Fiscal Year ended June 30, 2012

Cliff Williams, CFO, Charter Oak State College
Lawrence Wilkinson, Director of Finance, Charter Oak State College
Steve Cohen, Principal, O'Connor & Drew P.C.

Messrs. Williams, Wilkinson and Cohen joined the meeting at 9:55 a.m.

Mr. Cohen provided Committee members with an overview of the audit of Charter Oak State College and Connecticut Distance Learning Consortium for FY2012. They indicated they had been given full and complete access to the books, records and staff. O'Connor and Drew will issue an unqualified or "clean" opinion for FY12, with two recommended adjustments and no findings of either material control weaknesses or significant deficiencies.

Acceptance of the FY2012 Financial Statements for Charter Oak State College and the Connecticut Distance Learning Consortium was unanimous. Motion, Donofrio: Second, Pollard.

- Appointment of PriceWaterhouseCoopers as external audit for the audits of the state universities and the community colleges for fiscal year ended June 30, 2013.

CFO William Bowes indicated that one of the responsibilities of the audit committee is to appoint external auditors. PriceWaterhouseCoopers (PWC) is currently under contract with the board to provide audit services for the state universities. Because of the exceptional service provided by PWC and its knowledge of current issues within the ConnSCU system, Mr. Bowes recommended that PWC be appointed to provide the services for the next audit and that the community colleges be brought into the current state university agreement. By doing so, PWC would agree to hold fees constant for two more years for the community colleges, thus generating some savings for the system. Mr. Bowes did not recommend including Charter Oak State College (COSC) in this agreement due to the price quoted by PWC. He stated that COSC would either renew the agreement with the current audit firm, or rebid the agreement with appointment of the external auditor to be approved by the audit committee at the June meeting.

Appointment of PriceWaterhouseCoopers as external auditor for the audits of the state universities and the community colleges for fiscal year ended June 30, 2013 was unanimous. Motion, Donofrio: Second, Pollard.

Regent Pollard requested that the staff provide additional information to ensure that including the community colleges within the current state university agreement is in accordance with state regulations.

The meeting was adjourned at 10:45 a.m. on a motion by Regent Donofrio, seconded by Regent Pollard.