

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

Wednesday, June 7, 2012, at 10:00 a.m.
Room 123

Minutes

REGENTS PRESENT

Lewis Robinson, BOR Chair
Craig Lappen, Audit Committee Chair
Michael Pollard
Nick Donofrio (Telephonic)

BOR/CONNSCU STAFF PRESENT

Michael Meotti, EVP; William Bowes, CFO; Cliff Williams, Chief Financial and Administrative Officer, COSC; Charlene Casamento, CFO, CCSU; Mitch Knight, Director of Internal Audit; Rosalie Butler, Administrative Assistant for Finance

PWC STAFF PRESENT

LeeAnn Leahy, Transition Partner; Ray Vicks, Partner; Carol Ruiz, Managing Director (for CSU); Shannon Smith, Managing Director, (for CCCs); Steve Manocchio, IT Director

With a quorum present, the meeting was called to order at 10:00 a.m. Items were discussed out of agenda order.

1. Minutes of the January 11, 2012 meeting

The minutes of the January 11, 2012 meeting were unanimously approved on a motion by Regent Pollard, seconded by Regent Donofrio.

2. Approval of Audit Committee Charter

Chairman Lappen turned to CFO Bowes for further explanation. Pursuant to its first meeting in January 2012, the Audit Committee agreed to the creation of an Audit Committee Charter. An initial draft was presented and reviewed at the January meeting. The Committee had requested certain revisions to the draft, as well as review from the independent audit firm assigned to audit both the Connecticut State Universities and Community Technical Colleges. The charter presented reflected the results of consultation with PricewaterhouseCoopers and a review of several charters of similar governance organizations. CFO Bowes further explained that when

fully implemented, the Charter will provide for appropriate accountability, responsibility and transparency in accord with best practices.

The Audit Committee Charter was approved on a motion by Regent Donofrio, seconded by Regent Pollard.

3. Approval of Internal Audit Charter

Director of Internal Audit Mitch Knight provided a brief overview of the proposed Internal Audit Charter. Similar to the Audit Committee Charter, it provides the authority and access for Internal Audit staff to perform their function.

The Internal Audit Charter was approved on a motion by Regent Donofrio, seconded by Regent Pollard.

4. Resolution concerning The Leadership, Responsibility, and Ongoing Operational Management of the Information Security Programs for the Board of Regents of Higher Education and its Institutions

EVP Meotti provided details on the proposed Information Security Program, indicating it would bring shared responsibility to the Community Technical Colleges and State Universities, who will bear the monetary cost resulting from any security breaches. Annual reporting will be a requirement.

Regent Donofrio suggested the Resolution encompass senior staff and include both an amnesty period and a day of IT Plan review. Committee members requested a wording change in the third “WHEREAS” to elevate senior staff above the Chief Information Officers. The committee also recommended, in the fourth “RESOLVE” clause, that the role of the BOR Chief Information Officer be to oversee all investigations rather than conduct all investigations.

The Resolution was approved, as amended, by Regent Pollard, seconded by Regent Donofrio.

5. Audit Plan for FY13

Director of Internal Audit Mitch Knight gave a broad overview of the Internal Audit Plan for FY13. Staffing levels, scope and review cycle were discussed.

The FY13 Internal Audit Plan was accepted on a motion by Regent Donofrio, seconded by Regent Pollard.

6. Audit Proposal – CSU (Lee Leahy, Carol Ruiz)
Audit Proposal – CCCs (Shannon Smith)

PricewaterhouseCoopers staff provided Regents with a detailed overview of their FY13 Audit Plan, including the communications framework, areas of audit emphasis, timetable and estimated cost. Raymond Vicks was introduced as the new engagement partner to oversee both the Community College and State University audits.

PwC staff left the meeting at 10:45AM. No action was taken.

7. Charter Oak State College External Audit RFP

Chief Financial and Administrative Officer Cliff Williams reported on the status of the Charter Oak State College External Audit RFP.

8. Quarterly Internal Audit Report

The Committee heard a report on the status of Third Quarter 2012 Internal Audit Activities from Director of Internal Audit Mitch Knight.

9. Risk Management

Committee members received an overview of planned Enterprise Risk Management and areas to be covered. An orientation session is to be offered in September, given by PricewaterhouseCoopers.

10. Other Business

With no other business to discuss, the meeting was adjourned at 12:08 p.m. on a motion by Regent Pollard, seconded by Regent Donofrio.