

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

Tuesday, September 17, 2013, at 1:30 p.m.

Minutes

REGENTS PRESENT

Craig Lappen, Chair
Michael Pollard

REGENTS ABSENT

Nick Donofrio

BOR/CONNSCU STAFF PRESENT

Liz Caswell, Chief of Staff; Karen E. Stone, Director of Internal Audit; Juliet Manalan, Director of Public Affairs & Marketing; Ernestine Weaver, Counsel; Rosalie Butler, Administrative Assistant for Finance

With a quorum declared, the meeting was called to order at 1:30 p.m.

1. Approval of the June 12, 2013 Meeting Minutes

The minutes of the June, 2013 special meeting were unanimously approved, as written.

1. Quarterly Internal Audit Open Items Report

Director of Internal Audit Karen E. Stone reported on quarterly activities, citing the focus remained primarily in the audits of firewalls and routers at the four universities.

2. Revised Audit Plan for FY14

Director Stone indicated that audits had been added for Accounts Payable at Eastern and Western Connecticut State University. Conversely, a financial aid audit was removed from the Plan to balance staff hours.

The revised FY14 Internal Audit Plan was accepted on a motion by Regent Pollard, seconded by Regent Lappen.

3. Redesigned Report Rating System

Director Stone explained the report rating system as currently in place is insufficient in its reflection of the control environment. The new system will have 5 categories, rather than 3, to more accurately reflect the control environment.

The revised Report Rating System was accepted on a motion by Regent Pollard, seconded by Regent Lappen.

4. ECSU Financial Aid Allocation Process

Director Stone provided an overview of the audit of 2011-2012 financial aid allocation at Eastern CT State University. The process was determined to be satisfactory, with only minor issues.

5. 39 and 61 Woodland Street System Office Firewall and Router Audits

Director Stone reviewed the report on internal and management controls environment over 39 and 61 Woodland Street System Office Firewall and Routers. Management's responses to auditors' comments were discussed.

6. Auditors of Public Accounts Report – Board of Trustees of Community-Technical Colleges System for the Fiscal Years Ended June 30, 2010 and 2011

Chairman Lappen explained the Auditors of Public Accounts had released the above report earlier in the week. Despite the fact the comments are somewhat dated, Chairman Lappen expressed concern about the number of repeat findings and stressed that they must not recur. The Committee was advised that Dr. Gray had addressed this topic at the September 16th meeting of the Council of Presidents.

7. Hiring Update

Director Stone indicated that an IT Auditor had been hired since the Audit Committee last met. Candidates are currently being interviewed for a financial/operational auditor position. Discussion of allocation/staffing resources followed.

8. *Move to Executive Session: For the purposes of discussing records of standards, procedures, processes, software and codes, not otherwise available to the public, the disclosure of which would compromise the security and integrity of an information technology system*

Committee Chairman Lappen requested *a motion to enter into Executive Session. The Committee voted unanimously to go into Executive Session at 1:50 PM to discuss the matter, above. The Chairman requested Karen Stone, Ernestine Weaver and Rosalie Butler remain. All other staff left the meeting.*

9. Return to Open Session

Executive Session ended and the Committee returned to Open Session at 2:10 PM. No action was taken.

The meeting was adjourned at 2:10 p.m. on a motion by Regent Pollard, seconded by Regent Lappen.