

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

Thursday, December 6, 2012, at 10:00 a.m.  
Room 209

Minutes

**REGENTS PRESENT**

Craig Lappen, Chair  
Michael Pollard  
Nick Donofrio

**BOR/CONNSCU STAFF PRESENT**

Philip Austin, Interim President; Dennis Murphy, Interim Chief of Staff; William Bowes, Chief Financial Officer; Steve Weinberger, VP of Human Resources; Wendy Chang, Chief Information Officer Ernestine Weaver, Counsel; Mary Lenehan, Assistant Attorney General; Karen Stone, Internal IT Auditor; Ray Yirga, Director of Accounting & Finance; Susan Grant, Senior Finance Officer; Rosalie Butler, Administrative Assistant for Finance

**MARCUM LLP STAFF PRESENT**

Michael Brooder, Partner  
James Miller, Senior Manager

**PWC STAFF PRESENT**

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.*

1. Minutes of the June 7, 2012 meeting

*The minutes of the January 11, 2012 meeting were unanimously approved, as written.*

1. Presentation by Marcum, LLP –Audit of Project Expenditures of CSUS 2020 during the Fiscal Year ended June 30, 2011: Michael Brooder, Partner; James Miller, Senior Accountant

Messrs. Brooder and Miller provided Committee members with an overview of their audit of CSUS 2020 Project Expenditures for FY2012. They indicated they had been given full and complete access to the books, records, staff and management at both the System Office, DPS and

the four universities. Pending the receipt of a confirmation letter from the Attorney General's office, Marcum staff will issue an unqualified or "clean" opinion, with no recommended adjustments and no findings of either material control weaknesses or significant deficiencies.

*Acceptance of the Audit of CSUS 2020 Project Expenditures for FY2012 was deferred, pending receipt of litigation correspondence from the Attorney General's office.*

*Marcum Staff left the meeting at 10:25 a.m.*

### 3. Overview of CSU/CCC Financial Statements/Highlights

CFO Bowes provided Regents with a high-level overview of the FY2012 Financial Statements for the Connecticut State Universities and Community Colleges, including Management's Discussion and Analysis; Statements of Net Assets, Revenues Expenditures and Changes in Net Assets; Statement of Cash Flows and Notes to the Financial Statements.

4. Presentation by PricewaterhouseCoopers LLP – FY2012 Financial Statements and Management Letters for the Connecticut State Universities and Community Colleges: Ray Vicks, Lead Engagement Partner; Steven Manocchio, Risk Assurance Director; Carol Ruiz, Senior Manager; Shannon Smith, Manager

PricewaterhouseCoopers staff provided Regents with a detailed overview of FY2012 Financial Statements, Management Letters and other required communications for the Connecticut State Universities and Community Colleges. An unqualified opinion has been issued on the financial statements. There were no material weaknesses or significant deficiencies.

*The FY2012 Financial Statements, Management Letter and Required Communications were unanimously accepted on a motion by Regent Donofrio, seconded by Regent Pollard.*

### 5. Update on Internal Auditor Search Process

VP Weinberger provided Regents with a status of the search for a ConnSCU Director of Internal Audit.

### 6. Western CSU Security Issues/Security Matters

Citing Connecticut General Statute 1-210(b)(20) "Records of standards, procedures, processes, software and codes, not otherwise available to the public, the disclosure of which would compromise the security or integrity of an information technology system...", Chairman Lappen called for a motion to move into Executive Session. He requested CIO Chang, CFO Bowes, Attorney Weaver and Ms. Stone remain. He announced no votes would be taken in Executive Session. All other staff left the meeting.

*Motion: Pollard; Second: Donofrio. Motion carried. Move to Executive Session at 11:55 AM.*

*At 12:40 PM, Chairman Lappen announced the meeting had returned to Open Session and that no votes were taken during Executive Session.*

*On a motion by Regent Donofrio, seconded by Regent Pollard, the meeting was adjourned at 12:40 PM.*