

BOARD OF TRUSTEES  
THE CITY UNIVERSITY OF NEW YORK

SUBCOMMITTEE ON  
AUDIT

MINUTES OF THE MEETING  
MAY 4, 2011

The meeting was called to order at 5:07 p.m.

There were present:

**Committee Members:**

Hon. Peter S. Pantaleo, Chair  
Hon. Rita DiMartino  
Hon. Philip Berry  
Prof. Terrence Martell, faculty member

**Trustee Staff:**

Senior Vice Chancellor and Secretary of the  
Board Jay Hershenson  
Senior Vice Chancellor and General Counsel  
Frederick Schaffer  
Deputy to the Secretary Hourig Messerlian  
Mr. Steven Quinn

**University Staff:**

Chancellor Matthew Goldstein  
Executive Vice Chancellor and Chief Operating  
Officer Alan Dobrin  
Senior Vice Chancellor Marc V. Shaw  
Associate Vice Chancellor Matthew Sapienza  
University Controller Barry Kaufman  
University Deputy Controller Miriam Katowitz  
University Assistant Controller Thomas Zhou

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<b>Cal. No.</b>	<b>DISPOSITION</b>
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The agenda items were considered in the following order:

**I. ACTION ITEMS:**

- A. APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 26, 2011. The minutes were approved as submitted.**

**II. INFORMATION ITEMS:**

- A. 2010 INTERNAL Control Report (KPMG)**

\*\*\*REPORT FROM SHELLY MASI, PARTNER, AND IRENE CRASTO, MANAGER, KPMG\*\*\*

In response to a question regarding four instances of non-timely removal of terminated employees from IT access, University Controller Barry Kaufman stated that in most instances these are people that would have had access only at their office. There is certainly no indication of a security breach or anything like that.

In response to a question regarding continuing recommendations, Shelly Masi of KPMG stated that when the audit reports indicate a continuing recommendation, it is because the finding was cited in the prior year as a comment and was noted again because it was not completely resolved by the college. Within the comment KPMG asks that the college management respond and provide a status and their progress to it. In most cases the response does say what they have done to date. This is also reviewed by the University Controller's Office.

- B. 2010 A-133 Report (KPMG)**

\*\*\*REPORT FROM SHELLY MASI, PARTNER, AND IRENE CRASTO, MANAGER, KPMG\*\*\*

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In response to several question regarding reported findings, Shelly Masi of KPMG stated that on the A-133 audit the determination of a significant deficiency depends on the number of findings in one particular area, not the dollar amount. The number of findings that constitutes a significant deficiency depends in part on the number that you are sampling.

**C. 2011 Engagement Letter (KPMG)**

\*\*\*REPORT FROM SHELLY MASI, PARTNER, AND IRENE CRASTO, MANAGER, KPMG\*\*\*

In response to a question on financial statements, University Controller Barry Kaufman stated that KPMG does not audit individual college financial statements.

Shelly Masi of KPMG added that that would require auditing at a different materiality level.

In response to a question regarding auditing of fraud risks, Shelly Masi of KPMG stated that the auditing standard used is CS-99, which required for all financial statement audits public and non-public.

**D. 2011 Audit Plan - Draft (KPMG & OUC)**

\*\*\*REPORT FROM SHELLY MASI, PARTNER, AND IRENE CRASTO, MANAGER, KPMG\*\*\*

**I. ACTION ITEMS, continued:**

**B. POLICY CALENDAR**

1. Approval of Audit Plan. Following discussion, the item was unanimously approved.

The Subcommittee adjourned to go into Executive Session at 5.35 p.m.

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The Executive Session of the Subcommittee on Audit was called to order at 5:35 p.m.

There were present:

**Committee Members:**

Hon. Peter S. Pantaleo, Chair  
Hon. Rita DiMartino  
Hon. Philip Berry  
Prof. Terrence Martell, faculty member

**Trustee Staff:**

Senior Vice Chancellor and Secretary of the  
Board Jay Hershenson  
Senior Vice Chancellor and General Counsel  
Frederick Schaffer  
Deputy to the Secretary Hourig Messerlian  
Mr. Steven Quinn

**University Staff:**

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Senior Vice Chancellor Marc V. Shaw  
Associate Vice Chancellor Matthew Sapienza  
University Controller Barry Kaufman  
University Deputy Controller Miriam Katowitz  
University Assistant Controller Thomas Zhou

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<b>Cal. No.</b>	<b>DISPOSITION</b>
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The agenda items were considered in the following order:

**II. INFORMATION ITEMS, continued:**

**E. Related Entities Audit RFP (OUC)**

The Subcommittee adjourned from Executive Session at 5:53 p.m. to reconvene in Public Session

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The Public Session of the Subcommittee on Audit was reconvened at 5:53 p.m.

There were present:

**Committee Members:**

Hon. Peter S. Pantaleo, Chair  
Hon. Rita DiMartino  
Hon. Philip Berry  
Prof. Terrence Martell, faculty member

**Trustee Staff:**

Senior Vice Chancellor and Secretary of the  
Board Jay Hershenson  
Senior Vice Chancellor and General Counsel  
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Senior Vice Chancellor Marc V. Shaw  
Associate Vice Chancellor Matthew Sapienza  
University Controller Barry Kaufman  
University Deputy Controller Miriam Katowitz  
University Assistant Controller Thomas Zhou

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**Cal. No.**

**DISPOSITION**

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The meeting was adjourned at 5:54 p.m.