

BOARD OF TRUSTEES  
THE CITY UNIVERSITY OF NEW YORK

SUBCOMMITTEE ON  
AUDIT

MINUTES OF THE MEETING  
MARCH 6, 2012

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

There were present:

**Committee Members:**

Hon. Peter S. Pantaleo, Chair  
Hon. Rita DiMartino  
Prof. Terrence Martell, faculty member  
Hon. Kafui Kouakou, student 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 Associate Controller Thomas Z. 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 FEBRUARY 6, 2012. The minutes were approved as submitted.**

**II. INFORMATION ITEMS:**

- A. 2011 A-133 Report**
- B. 2011 Internal Control Report**
- C. Discussion of Key Issues**

\*\*\*REPORTS FROM SHELLY MASI, PARTNER, AND ERIN SCHEMBARI, SENIOR MANAGER, KPMG\*\*\*

In response to a finding on the failure of several colleges to file program participation agreements with the Department of Education, University Controller Barry Kaufman stated that CUNY has implemented a procedure to address the issue. Colleges will now complete the program participation agreement, then send it to the Office of Academic Affairs, where the agreement will be reviewed before it is submitted to the U.S. Department of Education. He added that all the programs in question qualified for TAP and this was really an administrative oversight on the part of the colleges, which was discovered by the Office of the University Controller because of the new ruling that the U.S. Department of Education had on gainful employment that forced degree granting institutions to look at their certificate programs. CUNY and a lot of other institutions were caught in this situation, and it is assumed that there will not be a penalty imposed.

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Mr. Kaufman noted that in the years since he became the University Controller at CUNY this is the best A-133 audit report that the university has had. There are basically three findings in the 2011 report. There are no R2T4 findings in the report, whereas several years ago CUNY was having serious problems with this issue. An attempt was made to address this through the hard work of staff in the Office of the University Controller, the Office of Internal Audit, and the Office of Enrollment Management who met with the colleges on a monthly basis, directing them to appoint an R2T4 coordinator, and brought the issue under control.

Executive Vice Chancellor and Chief Operating Officer Allan Dobrin thanked University Controller Kaufman for staying the course, and added that the University owes him a debt of gratitude.

In response to a concern noted by Prof. Terrence Martell about terminated individuals' access to CUNY's financial accounting systems, University Controller Kaufman stated that he would work with COHR about once again sending notification out to the various departments in Central Office, and with Vice Chancellor Gloriana Waters about bringing the issue of proper notifications up as an agenda item when she next meets with the campus HR directors.

**I. ACTION ITEMS, continued:**

**B. POLICY CALENDAR**

1. RESOLVED, that the A-133 report for the year ended June 30, 2011 as presented in Draft is approved for filing.

Following discussion, the item was unanimously approved.

The Subcommittee on Audit meeting was adjourned at 5:41 p.m.