The meeting was called to order at 6:24 p.m. Committee on Fiscal Affairs Chair Joseph J. Lhota chaired this meeting in place of Subcommittee on Audit Chair Peter S. Pantaleo who was unable to attend the meeting.

There were present:

**Committee Members:**
- Hon. Philip Alfonso Berry
- Hon. Rita DiMartino
- Prof. Terrence Martell, faculty member

**Observers:**
- Hon. Joseph J. Lhota, chairing
- Hon. Valerie Lancaster Beal
- Hon. Carol A. Robles-Roman
- Prof. Kay Conway
- Mr. Joseph Awadjie

**University Staff:**
- Executive Vice Chancellor and Chief Operating Officer Allan H. Dobrin
- Senior Advisor to the Chancellor for Fiscal Policy Marc V. Shaw
- Vice Chancellor Matthew Sapienza
- University Controller Leonard Zinnanti
- University Deputy Controller Miriam Katowitz
- University Associate Controller Thomas Z. Zhou

**Trustee Staff:**
- Senior Vice Chancellor and Secretary of the Board Jay Hershenson
- Deputy to the Secretary Hourig Messerlian
- Ms. Towanda Lewis
- Mr. Steven Quinn
- Mr. Anthony Vargas

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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 DECEMBER 4, 2013.** The minutes were approved as submitted.

**II. INFORMATION ITEMS:**

A. **KPMG A-133 Audit Report**

***PRESENTATION BY SHELLY MASI, PARTNER (via telephone), AND JOHN EUSANIO, SENIOR MANAGER, KPMG***

In response to a question from University Faculty Senate (UFS) Chair and Trustee Terrence Martell, Ms. Shelly Masi stated that there were a few items that did not rise to the level of an audit finding. They will be included in the Management Letter that KPMG will be providing later this month. But there were some instances where it was noted that the cost of attendance of students was not adjusted upon a withdrawal and that was simply because they knew that they had adjusted the correct aid, but yet it was not documented officially in the files. When somebody drops a semester and their cost of attendance changes, this ultimately could impact the federal funding that they receive. Going forward, KPMG has recommended that procedures be put in place so that when that happens, it would be officially documented.
Executive Vice Chancellor and Chief Operating Officer Allan Dobrin stated that he would be remiss if he did not thank Vice Chancellor Matthew Sapienza and his staff, Gordon Taylor and his staff, Barry Kaufman and Robert Ptachik for a remarkable finding.

In response to a question from Fiscal Affairs Chair Joseph Lhota, Ms. Masi stated that the definition of a major program is a program that KPMG is auditing. As Mr. John Eusanio mentioned on the schedule of federal awards, the University had three federal programs that are included, but KPMG only audited financial assistance.

In response to a question from Fiscal Affairs Chair Lhota, University Deputy Controller Miriam Katowitz stated that this report just covers the University; it does not pertain to the funds that are held at the college level. The individual auxiliaries, associations, and childcare centers have to have their own audits and those audits would follow the A-133 for their auditors to do the same kind of reports.

I. ACTION ITEMS, continued:

B. POLICY CALENDAR

1. RESOLVED, that the A-133 report for the year ended June 30, 2013 as presented in Draft is approved for filing.

   Following discussion, the item was unanimously approved.

The Subcommittee on Audit meeting was adjourned at 6:43 p.m.