

BOARD OF TRUSTEES
THE CITY UNIVERSITY OF NEW YORK

SUBCOMMITTEE ON
AUDIT

MINUTES OF THE MEETING
APRIL 1, 2013

The meeting was called to order at 5:00 p.m.

There were present:

Committee Members:

Hon. Peter S. Pantaleo, Chair
Hon. Rita DiMartino
Hon. Philip Alfonso Berry
Prof. Terrence Martell, faculty member
Hon. Kafui K. Kouakou, student member

University Staff:

Chancellor Matthew Goldstein
Associate Vice Chancellor Matthew Sapienza
Acting University 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

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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 18, 2012.** The minutes were approved as submitted.

II. INFORMATION ITEMS:

- Overview of A-133 Report by KPMG

PRESENTATION BY SHELLY MASI, PARTNER, AND JOHN EUSANIO, SENIOR MANAGER, KPMG

In response to a question from Vice Chairperson Philip Alfonso Berry, Ms. Shelly Masi stated that there has been progress on the complete disaster recovery plan at the colleges. Management's response is that once the implementation of PeopleSoft and CUNYfirst are completed, the colleges will then be covered by the disaster CUNYfirst recovery plan.

In response to a question from Chancellor Matthew Goldstein, Ms. Masi stated that CUNY's schedule of federal awards does not include any awards for the Research Foundation. There is a separate audit done for the Research Foundation and any findings are reported in a separate A-133 report.

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- Management Letter by KPMG

PRESENTATION BY SHELLY MASI, PARTNER, AND JOHN EUSANIO, SENIOR MANAGER, KPMG

In response to a question from Vice Chairperson Berry, Ms. Masi reported that through the process of the audit, KPMG reviewed a sample of about 170 students. Federal regulations state that based on the identified risk criteria a sample of either 25/40 or 60 students is required when KPMG is auditing for material noncompliance. There may be smaller noncompliance issues that KPMG is not finding because it is not an objective of the audit. KPMG indicated that if there were any other findings during the audit that the findings would have been included in the management letter.

Subcommittee Chair Peter S. Pantaleo stated that on behalf of the members of the Subcommittee on Audit, the Chancellor and the financial team, the fact that there were no findings from the A133 Audit was not an accident. It is the result of diligent hard work and application and a great deal of acumen. "I want to thank Senior Vice Chancellor Marc Shaw, Associate Vice Chancellor Matthew Sapienza as well as Acting University Controller Miriam Katowitz. You are one of the architects that were there with Barry Kaufman and we thank you for setting this up and making things work the way they do and that also goes for University Associate Controller Thomas Zhou, who has been here throughout the entire process. I do not know how rare it is for major university systems to have an audit that is this clean. I have to believe it is not the norm, but probably the exception and it is an exception for a reason that the team in place is now certified and verified to have done an outstanding job. To KPMG, we very much appreciate your services."

Acting University Controller Miriam Katowitz stated that a lot of the credit has to go to the colleges, because they do the detail work. The Office of University Controller works with them to make sure they understand the overlay and the requirements, but they actually do all the process in these cases.

Vice Chairperson Berry added that the Board really appreciates the work of all of the individuals at a number of different levels.

The Subcommittee on Audit meeting was adjourned at 5:22 p.m.