

**Minutes of the Meeting of the
Audit Committee of the Board of Trustees of the
State University of New York
September 14, 2010
Draft**

The Audit Committee of the Board of Trustees of the State University of New York met in New York City on September 14, 2010 at 12:30 p.m.

Committee members present: Chairman Hunt, Trustee Belluck, and Trustee Lewin.

Staff present: Ms. Rimai, Mr. Abbott, Ms. Preston, Mr. Matthews, Mr. Thurlow, and Mr. McGrath (by phone),

The meeting was called to order at 12:47 p.m. by Chairman Hunt. The minutes of the previous meeting of the Committee were unanimously approved.

The first item on the agenda was a presentation by Monica Rimai, Senior Vice Chancellor and Chief Operating Officer regarding the importance of the audit committee and System Administration's role in coordinating and working with the committee.

The second item on the agenda was a review by Kathy Preston, the Officer-in-Charge, Office of the Vice Chancellor for Financial Services and Hospitals regarding the process for selecting the firm that will be conducting the audit of the University Hospital's financial statements. The firm selected was Fust Charles Chambers LLP. The audit committee accepted the resolution to award the contract for audit services to Fust Charles Chambers LLP and recommended presenting the resolution to the Board of Trustees for approval.

The third item on the agenda was a review of the University Auditor's audit plan for the 2010-11 fiscal year. The Office of the University Auditor provided an overview of the risk assessment process that was utilized to determine those areas for audits. The risk assessment process and analysis of available audit resources resulted in the identification of six areas for audit. The areas identified for audit include financial management practices, information security, income fund reimbursable accounts, athletics, procurement card, and pharmaceutical inventories. The 2010-2011 Office of the University Auditor Audit Plan was approved by the Committee.

The fourth item on the agenda was a review of the Audit Committee's activities for the 2009-10 fiscal year. The University Auditor presented a summary report of the actions taken by the Audit Committee and the activities of the Committee. The 2009-10 Audit Committee Report was unanimously accepted and will be presented to the Board of Trustees. Through these activities, the Audit Committee helped set the "tone at the top" for quality financial reporting, effective internal controls, safeguarding assets, compliance with laws and regulations, effective use of resources, and accomplishment of goals and objectives.

Chairman Hunt then called for an Executive Session under provisions of Section 105 of Article 7 of the Public Officers Law. It was unanimously agreed to convene an Executive Session at 1:30 p.m. for the purposes specified by Chairman Hunt.

Chairman Hunt recessed the Executive Session at 2:20 p.m. No motions or actions were taken in Executive Session. The Audit Committee Meeting was reconvened at this time.

There being no further business, the meeting was adjourned at 2:20 p.m.