1. Approval of November 12, 2013 minutes  
   **Action Item**

2. Deloitte & Touche, LLP discuss plan for 2013 - 2014

3. Deloitte & Touche, LLP discuss anticipated billing for 2013 - 14 services

4. Recommendation to appoint audit firm for Fiscal Year ended July 31, 2014  
   **Action Item**

5. Internal Audit’s Audit plan progress

6. Other Business

7. Executive Session with Deloitte & Touche

8. Executive Session with the Internal Auditor
The meeting was called to order at 9:32 a.m. by John Simmons.

1. **ACTION ITEM #1: Approval of May 16, 2013 Minutes**
   Mr. Simmons asked for approval of the minutes. All were in favor, and the minutes were approved.

2. **Update Fiscal Year 2013 Year-End Audit with Deloitte & Touche**
   Elaine Reyes reported that their team is currently in the field at this time working on testing and reporting procedures. They are looking at investments, testing of income statements, and manager or partner review. A draft of the financial statements will be ready for the November meeting. Ms. Hoffman mentioned that a hard copy draft of the financials will be sent to the committee members a week in advance of the November meeting but it will not be emailed.

3. **Internal Audit Update**
   Ms. Hoffman gave the following update:
   - Work with Deloitte & Touche inputting trial balance numbers into their system and testing for financial aid clusters has been completed.
The audit has begun on Athletics and Wellness covering NAIA compliance eligibility and also operations and facilities. Concessions will also be reviewed.

Reporting for parking services is in process. So far there are no issues. Citations is the only item left to be tested.

The opening meeting with Athletic and Wellness to discuss their compliance and operations processes has been completed.

Regarding Institutional Research and Effectiveness (OIRE), the wrong information was reported two years ago due to a migration issue. The financial aid system was updated with PowerFaids but the data which went to Institutional Research and Effectiveness was skewed when it was converted into report format. However, they self reported and there was no backlash from it. The problem has been addressed.

Another issue that arose is occasionally a student’s private information will be unencrypted in emails. Ms. Hoffman stated that, in cases such as this, the staff must encrypt the information, which is part of University policy. She said that when OIRE receives emails with unencrypted critical information, they should contact Kathy Gros in Students Records to notify her of the offense. Ms. Gros will contact the sender to handle.

Mr. Simmons inquired whether or not the communication of sensitive data has been discussed with I.T. Mr. Bell replied that they are looking into it. Last week he spoke with Bret Jacobs, Chief Information Officer, who said there is a new program which will be pilot tested that will search and intercept that information.

Regarding the Center for International Education and Study Abroad, discussions are still underway on the issue of student monies being wrongly deposited. She said that the students either are being overpaid or underpaid at times. The professor who is the program manager is in control of the budget and should monitor the accounts. She stated that she plans to meet with Jay Calamia and Leon Mathes to discuss the process. It will probably become an annual audit for the next couple of years. Fr. Soukup asked if the trips are led by a single faculty member. Ms. Hoffman responded that there is one person in charge but added that there are other adults on the trip. Mr. Calamia noted that it is coordinated with Ric Bell. Mr. Bell added that a policy has been initiated which requires at least two faculty members to attend. It will become effective as new programs begin.

There were no issues relative to the Summer Abroad Program for the law school.

There were no issues relative to Government Relations.

4. Other Business

Mr. Simmons inquired about the student assistant in the Internal Audit Office. Ms. Hoffman responded that Samantha Crueller, her assistant, came on board last April. In a few weeks, Ms. Hoffman and Ms. Crueller will begin the process to hire a new student for the spring. Ms. Hoffman mentioned that she is exposing Samantha to many aspects of auditing in the hopes that she will better understand the theory and processes that will be part of the curriculum in the auditing class she will be enrolled in next year.

Mr. Simmons then asked for an update on legal matters and compliance. Ms. McCarthy stated that a compliance calendar was created in the spring, and she updated it for the fall (which she distributed). She said that the bold-faced items are those with deadlines which are in compliance. She noted two updates in the accounting and fiscal management areas that were not available before the calendar was printed. First, the FBAR form was filed in June 2013, and the
Form 990 was filed on May 29\textsuperscript{th}. The Payment Card Industry Security Standards is a new addition.

Mr. Chase broached the subject of donations not being directed as intended by the donor. He stated that it did not seem like a typical occurrence at Loyola. Ms. Hoffman responded that the process has been tested numerous times. She reviews the date on the check and the date of receipt with the deposit particulars, and she has never found a problem.

Dr. Faust then inquired as to what is done to confirm that a donation comes from a legitimate source. Ms. McCarthy stated that Form 8300 must be filed if the donation is over $10K. Ms. Bolt added that if the Justice Department finds the donor has a criminal connection, they would alert the university. Mr. Calamia joined in to say that the university would not cash a check from someone questionable nor would they choose an honorary degree recipient with a dubious reputation. In other words, he said, the university would be reluctant to accept monies from Planned Parenthood or an abortion group. Ms. Bolt agreed and said that if a student wanted to do an internship with Planned Parenthood, it would be recommended that he/she find another internship. She did note, however, that if a company is connected too deeply, it may be difficult to find but they do their due diligence to investigate. She said that they review a majority of the contracts but do not look at every single owner.

Mr. Simmons asked if securities are cashed immediately when donated. Mr. Mathes responded yes, within a few days. Ms. Hoffman remarked that in the past there was a safe which contained donations such as a coin collection and a Rolex watch which sat for a number of years. Ms. Bolt stated that there is a policy now which requires that gifts such as this must be sold and not retained.

Mr. Simmons asked if Ric Bell had a report for the committee. Mr. Bell stated that currently he is working on emergency management and dealing with the insurance market. He said that the cost of flood insurance has increased but noted that the university is well insured. He said that the renewal for Veritas House for flood coverage costs $7200 with a $10K deductible. The rates could not be grandfathered in for that building.

Mr. Simmons asked if the university is self insured for medical coverage. Mr. Mathes responded no, and Mr. Calamia added that there was no premium increase with Blue Cross for 2013.

Fr. Soukup asked how the government shutdown has affected compliance reporting. Mr. Mathes said that they have been able to draw money down for financial aid, Pell grants, etc. from the Office of Education. He said that other grants have not been affected. Ms. McCarthy stated that for electronic filing, there is a system where you lock in the data and get a confirmation. However, she said, they were unable to get a confirmation but expect one in the next two weeks.

Mr. Simmons asked if Mr. Calamia had anything to report. Mr. Calamia stated that both the finance committee and academic/student affairs committee were scheduled to meet today. He expected both meetings to be very informative as updates would be given as to where we are and
what will be done to correct the situation. He said that the university is fortunate to have two talented individuals who can offer their expertise. Roberta Kaskel is the interim vice president for enrollment who has previously worked in that area at another institution. Mr. Calamia stated that he is extremely impressed with the decision to bring Ms. Glass on board. He added that Father Wildes has established a sub-committee with Barry LeBlanc as chair. This will be an opportunity for the trustees to get an understanding of enrollment management, admissions, and financial aid. Mr. Simmons extended his thanks to Mr. Calamia and his team for all of their work.

Fr. Soukup inquired as to the status of the whistleblower policy. Ms. Bolt responded that it has been finalized although there is no scheduled launch date to the community.

Mr. Chase noted that he is not a member of the audit committee but just wanted to sit in on a meeting. Mr. Simmons assured him that he is always welcome.

5. Executive Session with Deloitte & Touche
The Audit Committee members went into executive session with the auditors from Deloitte & Touche.

6. Executive Session with the Internal Auditor
The Audit Committee members went into Executive Session with Internal Auditor, Lynn Hoffman.

7. Adjournment
There being no further business, the meeting was adjourned. The next meeting is scheduled for Tuesday, November 12, 2013 at 9:30 a.m. in Seminar Room #1 of the Monroe Library.