



PURDUE UNIVERSITY BOARD OF TRUSTEES

AUDIT AND ENTERPRISE RISK COMMITTEE

APRIL 5, 2024 | MINUTES

A meeting of the Audit and Enterprise Risk Committee of the Board of Trustees convened at 9:21 a.m. (CDT) Friday, April 5, 2024, in the Student Union and Library, Alumni Hall, Purdue University Northwest, Hammond, Indiana.

All members of the Committee were present: Vanessa Castagna, chair; JoAnn Brouillette; and Theresa Carter. Other trustees in attendance were: Sonny Beck; Michael Berghoff; Kevin Boes; Malcolm DeKryger; and Michael Klipsch; Gary Lehman and Shawn Taylor.

Officers and administrators in attendance were: Mung Chiang, president; Patrick Wolfe, provost and executive vice president for academic affairs and diversity; Chris Ruhl, chief financial officer and treasurer; Eva Nodine, vice president, deputy cfo, assistant treasurer, and assistant secretary; Steve Schultz, senior vice president and general counsel; Cindy Ream, corporate secretary and senior executive assistant to the Board; and Chris Holford, chancellor, Purdue University Northwest.

I. Approval of Minutes: October 6, 2023; December 8, 2023

Upon proper motion duly made and seconded, the Committee voted unanimously to approve the minutes for meetings convened on October 6, 2023, and December 8, 2023.

II. (SW) Approval of the Internal Audit 2023 Annual Report* (including the Audit Charter Approval)

Madina Sabirova, Chief Audit Executive presented an overview of the 2023 Internal Audit. She noted that the annual report summarizes the internal audit's accomplishments and performance during the 2023 calendar year. She shared some highlights and provided information about the updated internal audit charter. She stated the charter, crucial for internal audit success, must be approved annually by the governing body. Ms. Sabirova confirmed the Internal Audit's independence and objectivity, with the chief audit executive reporting directly to both the governing body and executive management. Supporting materials were filed with the minutes.

Following Ms. Sabirova's presentation and upon proper motion duly made and seconded, the Audit and Enterprise Risk Committee voted unanimously to recommend full Board approval of the Internal Audit 2023 Annual Report (including the Audit Charter Approval).

III. ERM Update and 2024 Audit Plan Review

Ms. Sabirova stated that Enterprise Risk Management (ERM) is an ongoing process with the purpose of identifying, assessing, mitigating, monitoring, and communicating key risks to advance the University's mission and strategic goals. She noted that ERM is focused on preserving and protecting the University's reputation and organizational resilience by proactively preventing potentially adverse events. Ms. Sabirova shared 2023 risk assessment results and mentioned slight differences in risk distribution between 2022 and 2023 could be attributed to refinements made during 2023 risk assessment. She noted three areas of impact of the ERM program which include risk -aware culture, proactive crisis management and organizational resilience.

Committee Chair Castagna reminded the Board that the changes implemented over the past couple of years were designed to integrate risk management and assessment into the organization's daily operations. She emphasized that the approach has evolved beyond annual snapshots, as the ERM team has developed a robust procedural methodology. Trustee Castagna highlighted that this marks the second full year of this initiative, with ongoing adjustments being made as needed. She commended the unique and thorough approach to evaluating and measuring risk. In response to a question about how risks are identified, Ms. Sabirova outlined the comprehensive process, which incorporates a variety of internal and external channels for risk assessment.

In conclusion, Ms. Sabirova provided a summary of the 2024 Audit Plan, including a visual representation that illustrates how the audit plan aligns with identified risks to ensure comprehensive risk coverage for the University. A copy of the ERM Update and the 2024 Audit Plan Overview was filed with the minutes. No Committee action was required.

By consent, the meeting adjourned at 9:34 a.m. (CDT)