

**MINUTES OF THE AUDIT COMMITTEE MEETING OF THE  
UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY**

**Wednesday, December 11, 2024, at 9:00 am**

**REMOTE MEETING**

**PUBLIC LINK (Via Zoom)**  
**<https://umassp.zoom.us/j/98427236278>**

**DIAL-IN INFORMATION**  
**646-876-9923 or 301-715-8592**  
**Webinar ID: 984-2723-6278**

The Audit Committee (the “Committee”) convened on Wednesday, December 11, 2024. The meeting began at 10:00 am. In attendance were the following:

**Committee Members Present:** Gerald Colella, Audit Committee Chair; Mary Burns, James McGaugh, and Kelly O’Neill.

**Building Authority Personnel:** Barbara J. Kroncke, Executive Director; David P. Mullen, Deputy Director/General Counsel/Director of Capital Projects; Aaron D’Elia, Chief Financial Officer; Julie Kenny, Manager of IT and Administration; Larissa Serebryanaya, Controller.

**University of Massachusetts System Office:** Patrick Hitchcock, Controller, UMass President’s Office

**Others:** David Gagnon, KPMG; Zachary Penfold, KPMG

In total, including all the individuals mentioned above, there were 23 participants in this meeting.

Committee Chairperson Gerry Colella convened the meeting at 9:00 a.m.

Committee Chair Colella welcomed everyone to the meeting. Mr. Colella took a moment to wish everyone happy holidays. He hopes that everyone has the opportunity to spend quality time with family, friends and loved ones.

Committee Chair Colella asked Mr. Mullen to review the Technology Usage for the meeting.

Mr. Mullen reviewed the Governor’s Executive Order that allows for remote participation which has been extended through March 31, 2025, and explained the requirements of the Open Meeting Law. Mr. Mullen then turned the meeting over to Committee Chair Colella.

Committee Chair Colella asked Mr. Mullen to take a roll call of members participating remotely.

Committee Chair Colella turned the meeting over to Executive Director Kroncke.

Executive Director Kroncke thanked everyone for attending the meeting. Executive Director Kroncke stated that this will be the last Audit Committee meeting before the new year and wanted to take a moment to wish everyone Happy Holidays and a wonderful New Year.

Executive Director Kroncke stated that the Committee would hear from KPMG regarding the Fiscal Year 2024 audit. It was also noted by Executive Director Kroncke that the Committee would be provided with updates on the ongoing construction audits which have been progressing well to date.

Executive Director Kroncke turned the meeting back over to Committee Chair Colella.

Committee Chair Colella asked for a motion to approve the minutes from the May 9, 2024, Audit Committee meeting. A motion was made by James McGaugh and seconded by Mary Burns.

A roll-call vote was taken, and it was moved, seconded and unanimously

**VOTED:** To approve the Audit Committee Meeting minutes from the May 9, 2024, meeting.

Committee Chair Colella thanked Mr. Mullen.

Committee Chair Colella introduced David Gagnon and Zach Penfold from KPMG and asked that they provide their report on the 2024 Audit Plan.

KPMG, through David Gagnon and Zachary Penfold, presented their engagement scope, timetable, and communications plan regarding the audit.

Mr. Gagnon gave a brief update on audit results required communications and other matters. Mr. Gagnon spoke briefly on the audit results in which there were no issues identified, no matters to communicate or report and no findings. Mr. Gagnon spoke of the Building Authority's clean audit process. He also expressed his appreciation on the quality communications and support that were received from management.

Mr. Penfold also reviewed audit results. Mr. Penfold stated that during the audit, KPMG confirmed balances with financial institutions, reviewed year end reconciling items between book and bank, tested samples of CIP additions and CIP transfers out, tested mathematical accuracy of procedures, reviewed mapping of trial balance accounts, tested samples of accrued expenses and performed searches for unrecorded liabilities to name a few. Mr. Penfold stated that there were no issues identified, no matters to communicate or report and no findings.

Committee Chair Colella thanked KPMG for their presentation and asked Mr. D'Elia if he had any matters for the Committee.

Mr. D'Elia thanked Committee Chair Colella.

Mr. D'Elia opened his remarks by thanking Larissa Serebryanaya and the Finance Team for the outstanding job they did this year preparing the Building Authority's financial statements. Mr. D'Elia said that the Building Authority is lucky to have to have such an outstanding team.

Mr. D'Elia reiterated comments made by KPMG during their presentation and stated that the audit was a long process and appreciated the partnership with KPMG.

Mr. D'Elia said that he appreciated the Audit Committee's time and is happy to answer any questions that the Committee may have.

With no questions asked, Committee Chair Colella asked for a motion to accept the results of the Fiscal Year 2024 Audit. A motion was made by Mary Burns and seconded by James McGaugh.

A roll-call vote was taken, and it was moved, seconded and unanimously

**VOTED:** To approve the results of the Fiscal Year 2024 Audit.

Committee Chair Colella asked Mr. Mullen to give an update on the construction audits.

Mr. Mullen stated that Building Authority currently has seven projects under audit and three more are scheduled to begin over the next three months. Mr. Mullen stated that on July 31, 2024, the Building Authority conducted a procurement process to add to its bench of audit firms. The Building Authority received six responses and has selected three firms bringing the total to six firms. All three new firms have substantial construction audit experience. These firms include:

- Cohn Reznick
- Anchor Enterprises
- Fort Hill Associates
- KPMG
- Deloitte
- CBIZ

Mr. Mullen stated that the program is going well and has increased transparency in addition to produced savings for the Building Authority. The Building Authority currently has a three-phase construction audit process: Pre-GMP (Guaranteed Maximum Price), Interim and Closeout/Final. Mr. Mullen noted that at the pre-GMP stage the Building Authority establishes the baseline to be followed. It is then followed up at the interim and closeout stages to validate and confirm that the Building Authority processes are being followed. Mr. Mullen stated that the Building Authority has been told by its auditors that since the implementation of the three-stage construction process, the Building Authority has seen more diligence and requisite backup documentation on the behalf of its contractors.

Mr. Mullen turned the meeting back to Committee Chair Colella.

Committee Chair Colella thanked Mr. Mullen and stated that there was no further business to discuss. He noted that the next Audit Committee meeting will be held on Tuesday, May 20,

2025. Mr. Colella also mentioned that he will be making a presentation to the full Building Authority Board later today, regarding this meeting.

Committee Chair Colella asked for a motion to adjourn the meeting.

A motion was made by James McGaugh, seconded by Mary Burns.

A roll-call vote was taken, and it was moved, seconded and unanimously.

**VOTED:** To adjourn the meeting at 9:23 a.m.