



Board of Trustees

Audit Committee

October 11, 2023

Minutes

President's Boardroom, Horace Mann Center

A live stream of the meeting for public viewing also took place on YouTube.

MEMBERS PRESENT: Committee Chair Theresa Jasmin, Vice Chair William Reichelt, Secretary Madeline Landrau, Trustee Dr. Gloria Williams, and Board Chair Ali Salehi, ex-officio member

MEMBERS PARTICIPATING REMOTELY: Trustee Melissa Alvarado

TRUSTEE GUESTS PRESENT: Trustees Daniel Currier, George Gilmerⁱ, Dr. Robert Martin, and Chris Montemayor

Also present and participating were Westfield State University President Dr. Linda Thompson, Administration and Finance Vice President Stephen Taksar, Assistant Vice President of Information Technology Services Alan Blair, Assistant Director of Veterans and Military Services Robert Vigneault, Director of Emergency Preparedness and Response Tom Kettle, as well as Dave Dilulis and Ryan Sheehan from WithumSmith & Brown, PC., and joining remotely were Samantha Spezeski and Michael Santolucito of The Boston Consortium for Higher Education.

Committee Chair Jasmin called the meeting to order at 2:04 PM and a roll call was taken of the committee members participating as listed above. It was announced that the meeting was being livestreamed and captured as recorded.

MOTION made by Trustee Williams, seconded by Trustee Landrau, to approve the minutes of the June 13, 2023, meeting. There being no discussion, **ROLL CALL VOTE** passed motion unanimously with Trustees voting in the affirmative: Reichelt, Landrau, Alvarado, Williams, Jasmin, and Salehi.

Motion – FY23 Audit Report. WithumSmith & Brown, PC representatives highlighted the information provided in the required communications and financial statements. The State Ethics office was consulted to confirm that there are no issues with student trustee Daniel Currier working as an intern at their firm. Trustee Currier did not perform any work on the audit of the University's or the Foundation's financial statements, and will recuse himself from voting on the audit report. Now required to be added to the assets and liabilities are subscription-based IT agreements with payments over a year. At adoption, this added \$750K in assets and liabilities to the University's balance sheet, but had little impact on the University's net position. The auditors also discussed the OPEB liabilities reflected on the University's balance sheet, which reflect obligations that will be paid by the state but are reflected in the financial statements of the state's various institutions. Because of these liabilities, none of the state universities have a positive net position. The figures without the OPEB numbers give a more accurate view of the University's financial health.

Approved 12/13/23

Page 1 of 3

MOTION made by Trustee Landrau, seconded by Trustee Williams, to recommend approval to the full Board:

To accept the annual report for fiscal year ending June 30, 2023, as prepared by the university's Administration and Finance Division and to authorize the submission of this report to the State Comptroller's Office, the Massachusetts Department of Higher Education, and the State Auditor's Office, as required by the Massachusetts Department of Higher Education. This annual report includes the Westfield State University FY23 Financial Statements, audited by WithumSmith and Brown, P.C.

There being no further discussion, **ROLL CALL VOTE** passed motion unanimously with Trustees voting in the affirmative: Reichelt, Landrau, Alvarado, Williams, Jasmin, and Salehi.

Internal Audit Report: Student Accounts/Bursar. Boston Consortium representatives reviewed the objectives and scope of the key areas reviewed in the internal audit of the Student Accounts/Bursar office. Boston Consortium concluded based on their audit that controls over processes and procedures appear to be functioning as designed, but there were five areas where opportunities for improvement exist. The findings and management's responses were discussed. The addendum provided common industry practices to consider in benchmarking policies. Committee Chair Jasmin stated the findings and management responses will be added to future meeting agendas for discussion and The Boston Consortium will provide an open issues matrix to use at each meeting.

Internal Audit Update: Grants Office. The next internal audit performed by the Boston Consortium will be of the Grants office. A review of the procedures for pre- and post-awards will be made with information on best practices.

External Audit Update: Payment Card Industry Data Security Standards (PCI-DSS). The state-mandated PCI assessment found zero findings again this year. The University has been in compliance with the standards, as amended, from 2017-2022. The University asked to be assessed at the current and future regulations to be implemented in 2025 and was fully compliant in both levels.

External Audit Update (State Auditor): Cybersecurity Awareness Training. The University is one of 19 state agencies being audited specifically for employees' completion of annual cybersecurity training. The audit will be completed next summer. Students are currently exempt from the training, but it was suggested to include them.

Compliance Survey Update (Dept. of Veterans Affairs): VA Beneficiary Records. The Department of Veterans Affairs conducted a virtual survey in August to confirm that the University was in compliance with the VA's requirements related to programs for veterans. There was one small finding that was considered to be a clerical error. All other areas audited were found to be in compliance. There are 261 students using VA services and 300 students that are military connected.

Enterprise Risk Management (ERM) Update. The ERM team identified the top ten risks in the context of the likelihood and risks of them happening. The next step is to identify the top three-to-four and then assign names to the risks to start addressing and mitigating. Enrollment and cybersecurity were at the top of the risks. The ERM team will provide advice to cabinet and will then share at an upcoming committee meeting.

There being no other business,

MOTION made by Trustee Landrau, seconded by Trustee Williams, to adjourn. There being no discussion, **Motion passed unanimously**. There being no discussion, **ROLL CALL VOTE** passes motion unanimously with Trustees voting in the affirmative: Reichelt, Landrau, Alvarado, Williams, Jasmin, and Salehi.

Meeting adjourned at 3:24 PM.

Attachments presented at this meeting:

- a. Draft Minutes of 6-13-23
- b. Motion – FY23 Audit Report
- c. FY23 Audit Report (Required Communication)
- d. FY23 Audit Report (Draft)
- e. Internal Audit Report, Student Accounts, Bursar
- f. Internal Audit Update, Grants Office
- g. External Audit Update, Payment Card Industry Data Security Standards (PCI-DSS)
- h. External Audit Update (State Auditor), Cybersecurity Awareness Training
- i. Compliance Survey Update (Dept. of Veterans Affairs), VA Beneficiary Records
- j. Compliance Survey Update (Dept. of Veterans Affairs), VA Beneficiary Records (Report)

ⁱ Trustee Gilmer joined the meeting at 2:22 PM