Boards of Trustees committee members in attendance: Secretary Martin, Trustee Slakey, and Trustee Magovern.

Excused absences: Committee Chair Hagan and Vice Chair Sullivan.

Dr. Ramon S. Torrecilha, President of Westfield State University was also present.

Due to the excused absences of Committee Chair Hagan and Vice Chair Sullivan, Secretary Martin fulfilled the role of Chair.

The meeting was called to order by Committee Secretary Martin at 5:00 PM.

Committee Secretary Martin called for the nomination of a Chair Pro Tempore. Trustee Magovern nominated Committee Secretary Martin. Trustee Slakey seconded the nomination. Committee Secretary Martin called for the vote. The vote was unanimous that Committee Secretary Martin be the Chair Pro Tempore.

Chair Pro Tempore Martin brought forth the minutes of the October 6, 2016 Audit Committee Meeting for approval.

**MOTION** was made by Trustee Slakey to approve the minutes of the October 6, 2016 meeting. This motion was seconded by Trustee Magovern. Chair Pro Tempore Martin asked if there were any further questions or comments. Hearing none, the vote was called. All voted in favor of the Motion to approve the minutes of the October 6, 2016 meeting.

Chair Pro Tempore Martin moved forward to Items for Information on the agenda and introduced Olivia L. Bischoff, Associate Director, Administration and Finance. Ms. Bischoff presented on the Performance Audit. Ms. Bischoff explained that the Office of the State
Auditor finalized their performance audit report on November 23. This report was consistent with the draft reviewed at the October Audit Committee meeting. There was only one finding in Inventory Control with no findings in the Clery Act reporting, travel and expenditure testing, or reporting of variances and losses in accordance with Chapter 647. Ms. Bischoff stressed that regarding Inventory Control, this is an issue that all state institutions are dealing with. Of the 8 reports that the State Auditors have issued to state universities and community colleges this year, all have contained inventory control findings. The university is working diligently to address the issue. Ms. Bischoff reminded the committee that inventory control policy updates were approved by the board of Trustees in October. Many items in the action plan have already been implemented, including trainings, email reminders, and a new online asset reallocation form.

Chair Pro Tempore Martin stated that Inspector General and Controller recommendations have been complied with. He asked if there was any further discussion or any questions. Hearing none, the agenda moved forward to Items for Discussion. Ms. Bischoff brought forward the Enterprise Risk Management Update and the Risk Dashboard. She stated that the Enterprise Risk Management Committee (ERM) has been focusing on reviewing the risk management plans that were submitted following the FY15 risk assessment. She continued that the committee meets with risk owners to review the plans so that the committee can get a better understanding of the risks and the controls in place to mitigate those risks. The meetings provide a format to ask questions, brainstorm new ideas with the risk owners, and provide feedback on the plan. She referred to the Risk Dashboard attachment and explained that the committee has been working diligently this semester to finish reviewing all plans. There are three remaining areas that will be reviewed in early 2017 (Budget and Fiscal Responsibility, Study Abroad, and Strategic Planning/Forecasting). After the final plans are reviewed, the focus will turn to preparing for the next risk assessment cycle. Ms. Bischoff then explained the Risk Dashboard ratings and risk responses.

There was discussion as to the committee itself and how members are selected for the committee. Trustee Slakey noted that the process is presented; however, how does this lead to better outcomes and could this be presented to the committee in the future.

Chair Pro Tempore Martin asked if there were any further questions or comments. Hearing none, Ms. Bischoff brought forward the Internal Audit Update per Audit Charter responsibility #12—Committee shall receive a progress report in the internal audit schedule.

Ms. Bischoff stated that she has finished testing for the Travel internal audit and is in the process of finalizing the report. She noted that although the staff are doing an excellent job making sure that all expenditures are in compliance with the Travel Policy, there seems to be confusion by travelers surrounding the policy and forms. Per the Travel Policy, an annual travel training session will be offered (there hasn’t been one offered since November 2014).
Ms. Bischoff will conduct follow-up cash receipts audits with the assistance of a work study student. She will also be conducting the Procurement Internal Audit follow-up with Chris Raymond, Director, Procurement and Administrative Services.

Ms. Bischoff explained the Motion in which it is requested that there be an update of the FY17 Internal Audit Schedule.

Chair Pro Tempore Martin asked if there were any questions or further discussion. Hearing none, he asked for a Motion. Trustee Magovern made the Motion as follows:

**MOTION:** To approve the Revised FY17 Internal Audit Schedule, as presented. Trustee Slakey seconded the Motion. Chair Pro Tempore asked if there was any discussion and hearing none, called for the vote. The vote was unanimous in favor of this Motion.

The next Item for Action was brought forward, Motion—Uniform Guidance Report. This was addressed by David Dilulis of O’Connor and Drew, PC. Mr. Dilulis explained the report in detail to the committee including the findings and corrective actions. For example: Under federal work study, an instance of one individual working during scheduled class time. The corrective action was identified to provide training for supervisors and students to ensure accuracy and compliance with the federal work study regulations.

Mr. Dilulis stated that Westfield State University is considered a “low risk” auditee.

Mr. Dilulis brought forward the next report, the Massachusetts Office of Student Financial Aid Report. There were no findings for the year ending June 30, 2016. A finding from FY2013 was reviewed regarding the calculation of refunds to the Commonwealth of Massachusetts. It was noted that the university’s review process and use of software to ensure that refund calculations are mathematically accurate appears to be working.

Chair Pro Tempore Martin asked if there were any questions or comments. Hearing none, he asked for the Motions to be brought forward. As read by Chair Pro Tempore Martin:

**MOTION:** To accept the audit report on the audit procedures required pursuant to OMB Uniform Guidance for fiscal year ended June 30, 2016 as prepared by the firm of O'Connor & Drew, P.C., and to authorize the submission of this report to the Federal Audit Clearinghouse and to other parties as required by OMB Uniform Guidance and the Commonwealth of Massachusetts. Trustee Slakey moved to make the Motion as read. Trustee Magovern seconded the Motion. Chair Pro Tempore Martin asked if there was any discussion and hearing none, called for the vote. The vote was unanimous in favor of this Motion.
Chair Pro Tempore Martin asked if there were any questions or comments. Hearing none, he asked for the Motions to be brought forward. As read by Chair Pro Tempore Martin:

**MOTION:** To accept the agreed upon procedures report pursuant to the Massachusetts Office of Student Financial Assistance attestation guide for fiscal year ended June 30, 2016 as prepared by the firm of O’Connor & Drew, P.C., and to authorize the submission of this report to the State Comptroller’s Office and the Department of Higher Education. Trustee Magovern moved to make the Motion as read. Trustee Slakey seconded the Motion. Chair Pro Tempore Martin asked if there was any discussion and hearing none, called for the vote. The vote was unanimous in favor of this Motion.

Chair Pro Tempore Martin asked if there was any other business. There being none, he asked for a Motion to adjourn the meeting. Trustee Magovern made the Motion to adjourn the meeting, and Trustee Slakey seconded the motion. Chair Pro Tempore Martin called for the vote. The vote was unanimous in favor of the Motion to adjourn.

The meeting was adjourned at 5:35 PM.

Attachments presented at this meeting:

- d. Risk Dashboard—December 2016
- e. Revised FY17 Internal Audit Schedule
- f. Motion—Revised FY17 Internal Audit Schedule
- g. Uniform Guidance Report
- h. Motion—Uniform Guidance Report
- i. Massachusetts Office of Student Financial Aid Report
- j. Motion—Massachusetts Office of Student Financial Aid Report