



Board of Trustees

Audit Committee

Minutes

April 4, 2017

Board of Trustees committee members in attendance: Committee Chair Hagan, Vice Chair Sullivan, Secretary Martin, and Trustee Slakey.

Excused absence: Trustee Magovern

Trustee guests present: Trustee Marcus

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

The meeting was called to order by Committee Chair Hagan at 5:00 PM.

Committee Chair Hagan announced that the meeting will be audio recorded.

Committee Chair Hagan brought for the minutes from the December 6, 2016 Audit Committee meeting.

MOTION was made by Trustee Slakey, seconded by Trustee Martin, to approve the minutes of the December 6, 2016 meeting. Trustees Hagan & Sullivan abstained since they were not at the meeting. **Motion passed unanimously.**

Olivia L. Bischoff, Associate Director of Risk Management, discussed training scheduled for April 13 for fraud awareness, the consequences of fraud, and to provide tools to assist in the prevention and detection of fraud. This training is offered as part of the university's anti-fraud plan. The training is open to the campus community and trustees and there are 42 confirmed employees attending. A shorter version of the training will be available on MyWestfield. There were trainings in November 2014 and March 2016 and records were kept of who attended those trainings so there is a list of who has participated in the training.

Ms. Bischoff continued by stating the committee has reviewed all risk management plans, which includes the current cycle. The survey that was provided ranked the risks on a 1-5 scale, which were compiled and assigned to risk owners, who determined impact and probability of those risks. These went to the Interim President, Vice Presidents, Board of Trustees, IT Services, Human Resources, and Facilities and Operations.

This procedure was done to get baseline information to get the process started. We may consider other more targeted approaches that hit the main areas of risk, such as compliance risk or educational risk in the future.

When members of the institution first filled out the survey identifying potential risks, it was difficult to identify those risks. The next survey should be more pointed. Some organizations have workshops and have an outside facilitator who has conversations with senior leadership and trustees asking what they are most worried about. Decisions would then need to be made about which risks are more “important,” i.e. enrollment management, health and safety, community relations, vs. financial weight.

Source of risk is also important, whether by internal behaviors or national trends. Some risks might be important for some departments but not others, so the higher level risks that rise to the top need to be addressed. Lower level risks can be addressed in the departments.

Before the next step of assessments is launched, there should be some training in risk assessment. The staff should then come up with a plan/assessment of risk that comes to the committee and then to the full board.

Ms. Bischoff went on to state that last year (FY16) O’Connor & Drew was selected as the audit firm for the three-year bid and that the university receives a discount because more than 7 state institutions selected them as their auditors. Seventeen of 24 higher learning institutions use this firm. They are engaged for “3 & 1 & 1” (3 years with the option of additional 4th and 5th year if we want them) and FY17 is the second year of that term. The fee is \$77,500 for the current year, which is a 3% increase from last year. The firm rotates the staff accountants annually so the same accountants are not looking at our records every year. Vice President Taksar added that it is good to ask for bids after 4-5 years.

There being no further discussion, **MOTION** made by Trustee Slakey, seconded by Trustee Martin, to engage the accounting firm of O’Connor and Drew, P.C. for FY17 audit services.
Motion passed unanimously.

It was questioned whether there was any reason to have the auditors do a “special” audit of any area that the committee or board thinks should be done. The university does have an internal audit committee that can look into certain areas of concern.

Trustee Sullivan made the motion to adjourn, which was seconded by Trustee Martin.
Motion passed unanimously.

The meeting was adjourned at 5:37 pm.