



Board of Trustees

Audit Committee

Minutes

President's Boardroom, Horace Mann Center

December 7, 2017

Board of Trustees committee members in attendance: Vice Chair Landrau, Secretary Hill, and Trustee Magovern.

Excused absence: Committee Chair Sullivan

Trustee guests present: Trustees Marcus, Martin, Queenin, Slakey and Swan.

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

The meeting was called to order by Committee Vice Chair Landrau at 12:30 PM.

Vice Chair Landrau stated that with the absence of Committee Chair Sullivan, and in accordance with the committee charter, there was a need for a motion to designate a chair pro tempore.

MOTION made by Trustee Hill, seconded by Trustee Magovern, to designate Trustee Landrau as the chair pro tempore of the audit committee meeting. **Motion passed unanimously.**

Committee Chair Pro Tem Landrau moved forward to agenda item Approval of Minutes and asked for a Motion.

MOTION was made by Trustee Magovern, seconded by Trustee Hill, to approve the minutes of the October 12, 2017 meeting. **There being no discussion, Motion passed unanimously.**

Committee Chair Pro Tem Landrau brought forward Items for Information and welcomed Olivia Bischoff, Associate Director of Risk Management, to the table. Ms. Bischoff directed the trustees' attention to the Key Control Internal Audit. Stephen Taksar, Vice President for Administration and Finance, stated that a strategy needs to be developed for an appropriate campus-wide key/security management system. Some items needing correction will be accomplished quickly, while others are going to take longer and be expensive. As shown in the Internal Audit report, specific action items are taking place now, while others need more review and analysis. There needs to be a broad assessment of the entire system of processing, distribution, and accountability for keys since there are currently many systems in place. Decisions need to be made whether to go to card access for specific locations, which will be part of an overall campus-wide strategy. Kevin Cochran, Director of Facilities and Operations, stated that master keys will not be issued just because someone asks for one; each request will have to be presented to Vice President Taksar. There are a number of master and grand master keys unaccounted for dating back several years. Going forward, all

renovations and new construction will use card access for entrance; the cost for those types of doors/system is approximately \$5,000. Onboard and exiting procedures are also being reviewed with Human Resources to improve accountability and tracking.

All contractors and vendors are now required to sign in and out in a binder so that it is known who is on campus and what they are doing for work.

Ms. Bischoff stated she is currently halfway through the dining service audit and has reviewed the departments of procurement and catering. She will give a report of those audits at the February meeting. She will also implement a tracking spreadsheet on prior internal audits in accordance with Section IV (16) of the committee charter.

Committee Chair Pro Tem Landrau moved to discussion item committee charter. The existing charter was approved in 2014 and last reviewed in 2016. It was agreed that the existing charter is better than the proposed charter and that the matter be tabled until it could be discussed with Committee Chair Sullivan.

Mr. David Dilulis from O'Connor & Drew, P.C., was welcomed to the table to share the last component of the annual audit (Uniform Guidance) needed to complete the year end report. Under the Schedule of Findings and Questioned Costs, there were no issues found with the internal control system with financial reporting. Under the Federal Awards, there were findings of significant deficiencies that are not considered to be material weaknesses which are required to be reported in accordance with the Uniform Guidance Report. Westfield State does qualify as a low risk auditee as shown on page 10.

Two findings were found. The first was that three outstanding checks aged over 240 days were due to credit balances caused by Title IV aid. These checks should have been returned to the Department of Education. The second finding was that students who took summer courses and graduated in August 2016 were reported to the National Student Loan Data System (NSLDS) as May graduates. Since student loans are deferred for six months after graduation, this date impacted the date the student's deferment began. The University agreed with the auditor's recommendations to address these findings.

Mr. Dilulis shared the good news that management had corrected all three findings from prior years.

MOTION was made by Trustee Hill, seconded by Trustee Magovern, to accept the audit report on the audit procedures required pursuant to the Office of Management and Budget (OMB) Uniform Guidance for fiscal year ending June 30, 2017 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. **There being no further discussion, Motion passed unanimously.**

There being no further business, Committee Chair Pro Tem Landrau asked for a Motion to adjourn.

MOTION was made by Trustee Hill, seconded by Trustee Magovern, to adjourn. **Motion passed unanimously.**

The meeting was adjourned at 12:50 PM.

Attachments presented at this meeting:

- a. Minutes 10-12-17
- b. Internal Audit Update (Key Control)

- c. Committee Charter (Existing)
- d. Committee Charter (Proposed)
- e. Motion – Uniform Guidance Report
- f. Uniform Guidance Report