Board of Trustees
Audit Committee
Minutes

President’s Boardroom, Horace Mann Center
April 26, 2018

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

Excused absence: Vice Chair Landrau

Trustee guests present: Trustee Hagan, Marcus, Martin, Martinez-Alvarez, Queenin (entered at 1:44 PM), Slakey and Swan.

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

The meeting was called to order by Committee Chair Sullivan at 1:38 PM.

Committee Chair Sullivan 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 December 7, 2017 meeting. **There being no discussion, Trustee Sullivan abstained and the Motion passed unanimously.**

Committee Chair Sullivan brought forward items for information and welcomed Olivia Bischoff, Associate Director of Risk Management, to the table. Ms. Bischoff stated that earlier in the week 25 employees attended the fraud prevention training. The goals for the training are to raise awareness as part of the University’s anti-fraud plan. She is working with the comptroller’s office to conduct faculty-specific training as currently we only have staff attending trainings. It is voluntary for staff to attend the trainings, but it is encouraged that cash handlers and inventory staff attend. Training cannot be required because of bargaining agreements.

Trustee Queenin entered the meeting at 1:44 PM.

The next agenda item, Preliminary Audit Determination, was introduced and Vice President Taksar shared that the uniform guidance audit showed findings last fall of not closely monitoring credit balance refunds. Although the auditors did not think it was a significant issue, the Department of Education asked for more information. Lisa Freeman, Associate Vice President of Finance and Administration, stated that there were three students who had outstanding checks for $10 so the Department of Education requested a full file review, which was completed on April 11, resulting in the Department asking for a plan and documented refund procedures, which was done. As of today, we are still waiting for a response from them.
There were also 119 students whose summer FY17 enrollment resulted in graduation and their records will be manually updated in May so there will not be a subsequent finding when the auditors come back.

For the next agenda item, Vice President Taksar referenced the Enterprise Risk Management document in the meeting material which listed how to implement a strategy toward the risk management process. The goal is to get more faculty involved in the process and to get them engaged in significant issues and break down the silos between faculty and staff. This will help understand roles in risk management. It may delay the training and implementation until we can do the faculty training. Ms. Bischoff shared that she and the cabinet attended a workshop in December and the consultant Brad Curley stated how important it was to engage the cabinet. FY18 budget priorities were focused on as the objectives to determine the top risks.

Trustee Hill left the meeting at 1:57 PM and returned at 2:00 PM.

Ms. Bischoff shared the next steps and stated that the Board will receive semi-annual dashboards on the Top 10 Risks. Vice President Taksar stated that other institutions are not publishing their risks or risk strategies and Trustee Queenin said that it is worth having those same discussions. Some of the risks identified in cabinet put the institution at a disadvantage if we publicize those risks. At the retreat there will be some time spent looking at the Top 10 Risks. The strategic plan will also be discussed at length as part of a parallel discussion.

Committee Chair Sullivan moved to the next agenda item and stated that the Audit Committee has an existing charter which is extensive. It has been reviewed and should remain as it is with a few minor grammatical changes, to which the committee agreed.

**MOTION** was made by Trustee Sullivan, seconded by Trustee Hill, to approve and adopt the updated Westfield State University policy 0440 Reporting Violations of Laws, Rules, or Regulations (Whistleblower), as presented. **There being no discussion, the Motion passed unanimously.**

**MOTION** was made by Trustee Sullivan, seconded by Trustee Hill, to approve the new Westfield State University policy on Record Retention and Destruction, as presented.

Ms. Bischoff stated that the University is subject to the state’s record retention schedules and there is a procedure document in place on MyWestfield outlining the process. The proposed policy is the first step in educating employees on the state’s policy on destroying data in compliance with Massachusetts law. The University has an administrative council at which Ms. Bischoff will do a presentation so that managers can go back to their respective departments to explain the policy. There will also be different training options related to email retention that need to be taken by employees. This information will also be added to onboarding for new employees regarding the records they make and retain. Records liaison officers are allowed to sign off on requests for records destruction and make sure all forms have been filled out and sent correctly to the state Records Conservation Board. It was noted that it is important to have machines in place that are able to read outdated versions of electronic data as technology changes so rapidly. Records will be kept of the employees that have taken the training.

**There being no further discussion, the Motion passed unanimously.**
AMENDED MOTION was made by Trustee Sullivan, seconded by Trustee Hill, to engage the accounting firm of O’Connor and Drew, P.C. for FY18 audit services, contingent upon their providing us a copy of their 2018 Peer Review Report.

It was discussed that we have been with O’Connor and Drew since 2011 and that it is a joint procurement for the whole state system with the presumption that we are getting a better rate. President Torrecilha stated that we need to do our due diligence every year and ask them what their position is with respect to minorities and women as partners and what their fee structure is. O’Connor and Drew will be at the June meeting to present their plan and then present reports in October. In order to do that, they need to start in May and approval is needed today to engage them. It was requested to flag for next year that their inclusiveness and fee structure be included at the engagement meeting in April or that they be available by telephone during the meeting.

There being no further discussion, the Motion as amended passed unanimously.

There being no further business, Committee Chair Sullivan asked for a Motion to adjourn.

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

The meeting was adjourned at 2:27 PM.

Attachments presented at this meeting:

a. Minutes of December 7, 2018
b. U.S. Department of Education FY17 Preliminary Audit Determination Letter
c. Enterprise Risk Management Update
d. Existing Committee Charter
e. Proposed Committee Charter
f. Motion – Reporting Violations of Laws, Rules, or Regulations (Whistleblower) Policy
g. Reporting Violations of Laws, Rules, or Regulations (Whistleblower) Policy (Update)
h. Motion – Records Retention and Destruction Policy (New)
i. Records Retention and Destruction Policy (New)
j. Motion – Audit Firm Selection
k. FY18 Engagement Letter – O’Connor & Drew, P.C