



Board of Trustees

Audit Committee

Minutes

President's Boardroom, Horace Mann Center

April 24, 2019

MEMBERS PRESENT: Committee Chair Martinez-Alvarez, Vice Chair Hill, Secretary Magovern, and Trustee Landrau.

MEMBERS PARTICIPATING REMOTELY: Trustee Slakey

TRUSTEE GUESTS PRESENT: Trustees Martin, Queenin, Sullivan and Swan.

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

The meeting was called to order at 10:05 AM by Committee Chair Martinez-Alvarez, who stated that Trustee Slakey and David Dilulis of O'Connor and Drew PC were participating in the meeting remotely and that all votes would be by roll call. She then asked for a motion to approve the minutes of the February 7, 2019 meeting.

MOTION was made by Trustee Magovern, seconded by Trustee Hill, to approve the minutes of the February 7, 2019 meeting.

ROLL CALL VOTE taken:

Terrell Hill - Yes

Madeline Landrau - Yes

Robert Magovern - Yes

Lydia Martinez-Alvarez - Yes

Linda Slakey - Yes

The Motion passed unanimously.

Committee Chair Martinez-Alvarez welcomed Stephen Taksar, Vice President of Administration and Finance who stated the Enterprise Risk Management plan was moving ahead but had slowed with the vacancy in the Associate Director of Risk Management position. Brad Hurley, a risk management consultant who has assisted Westfield State in the past, is willing to come back and help out until the position is filled. A contract is being issued and an implementation plan will be mapped out with Mr. Hurley over the next few months.

Dr. Susan Leggett, Chief of Staff, gave an update on policy review and stated that policies have been reviewed and tracked over the last twenty months and now alignment between policies embedded on the University web pages and policies located on the policy home page is being performed.

Committee Chair Martinez-Alvarez proceeded to the next agenda item and emphasized the importance of the Associate Director of Risk Management position and stated that the committee should spend enough time discussing it. The Update and Discussion document was referenced and there was discussion as follows:

- The Audit Committee Charter states the committee determines how internal audits are carried out and the Charter should be used as a guideline.
- Dual reporting needs to be reviewed. It is a challenging structure with two supervisors, which is listed only in the job description, not the Audit Committee Charter. A single reporting structure to the Vice President of Administration and Finance was recommended, with internal audit and other related processes in the division of Administration and Finance reported to another University staff member, such as the Chief of Staff.
- “Direct reporting relationship” was a recommendation of the Office of Inspector General (OIG) report, which should be considered when deciding on the reporting. This position was created as a result of the OIG investigation.
- There is need to improve the independence of the internal audit function.
- The committee should determine whether the internal audit function will reside within the University or be outsourced and then create the structure to support this approach.
- Dave Dilulis from O’Connor and Drew shared how an internal audit would work if outsourced.
- Some items to be considered for an outsourced auditor are:
 - Who would be responsible for giving this person the tasks?
 - Targeted audits would be assigned at the direction of the University, the Vice President of Administration and Finance, or the Audit Committee.
 - Look at the whole institution for risks, performing agreed-upon procedures.
 - Look at processes and report any findings, providing recommendations.
 - Who would give oversight?
 - What would the financial aspect be?
- Westfield State is the only university that has a formal internal auditor function as part of an Associate Director.
- The Board needs to ensure that in the instance of a problematic report, there are clear paths that will be followed.
- This topic needs additional time for discussion so another Audit Committee meeting will be scheduled within a week to discuss just this matter. It was requested that Vice President Taksar present pros and cons between an internal versus external auditor and present recommendations at that meeting. It would be helpful to have Dave Dilulis be part of the discussion as well.

Lisa Freeman, Associate Vice President of Administration and Finance, presented the next agenda item and stated that the University was in year four of their contract with the audit firm with the option to renew for one more year. There was a \$2,500 increase from the prior year assessed to every institution throughout the state. The engagement letter is attached with no change from last year. There is no limit on the amount of time an audit firm is engaged, but it is wise to rotate the management and the firm periodically. The manager assigned to Westfield State is in his fourth year and the committee requested O’Connor and Drew to change the manager this year.

MOTION was made by Trustee Hill, seconded by Trustee Magovern, to engage the accounting firm of O’Connor and Drew, P.C. for FY19 audit services.

ROLL CALL VOTE taken:
Terrell Hill - Yes

Madeline Landrau - Yes
Robert Magovern - Yes
Lydia Martinez-Alvarez - Yes
Linda Slakey - Yes

The Motion passed unanimously.

There being no further business, Committee Chair Martinez-Alvarez asked for a motion to adjourn.

MOTION was made by Trustee Magovern, seconded by Trustee Landrau, to adjourn.

ROLL CALL VOTE taken:

Terrell Hill - Yes
Madeline Landrau - Yes
Robert Magovern - Yes
Lydia Martinez-Alvarez - Yes
Linda Slakey - Yes

The Motion passed unanimously.

The meeting was adjourned at 10:38 AM.

Attachments presented at this meeting:

- a. Minutes of February 7, 2019 meeting
- b. Associate Director Update (Summary)
- c. Associate Director Update (Committee Charter)
- d. Motion – Audit Firm Selection
- e. Engagement Letter