



## Board of Trustees

Audit Committee

### Minutes

President's Boardroom, The Horace Mann Center

December 11, 2019

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**MEMBERS PRESENT:** Committee Chair Boudreau, Vice Chair Landrau, and Trustees Alvarado and Martin

**MEMBERS EXCUSED:** Secretary Martinez-Alvarez

**TRUSTEE GUESTS PRESENT:** Trustees Magovern, Queenin, and Williams.

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

The meeting was called to order at 1:10 PM by Committee Chair Boudreau, who recognized the following students from the Student Government Association joining the meeting: Liz Ferrara, the legislative secretary, Kaytlyn Mekal, the president, and Aaron Lessing, who will be taking over as the SGA executive secretary for next semester.

**MOTION** made by Trustee Martin, seconded by Trustee Landrau, to approve the minutes of the October 10, 2019 meeting. **Motion passed unanimously.**

Committee Chair Boudreau moved item number 5 up in the agenda to accommodate Mr. Dave Dilulis from O'Connor and Drew joining the meeting by telephone.

Mr. Dilulis gave an overview of the Uniform Guidance Report presented:

- The financial audit and financial single audit showed no material weaknesses and no noncompliance issues.
- The single audit was unmodified with no material weaknesses. Two minor deficiencies must be disclosed with the findings reported on pages 12 and 15. With nearly \$43 million in federal awards as shown on page 6, the findings are small, but still must be reported to the federal government.
  - The first is failure to report student enrollment changes within 60 days. Controls are functioning as intended. Page 13 lists the condition and the result. Management agreed and provided a response with their corrective action plan.
  - The second finding relates to unclaimed funds. Out of ten students tested, two had unclaimed funds. Management's corrective plan was listed.

It was questioned whether the corrective action closes the case. On next year's single audit, if there are no findings, it will be shown as remedied. The follow up has been completed. Trustee Boudreau stated these findings are reportable no matter the size but the good news is they are not significant. Financial aid is very complex. A \$4.50 refund and change of status dates are miniscule. Mr. Stephen Taksar, Vice President of Administration and Finance, stated that last year there were no findings and it is hard to be 100% correct every year.

**MOTION** made by Trustee Martin, seconded by Trustee Alvarado, 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, 2019 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.**

Committee Chair Boudreau brought forth the next agenda item and requested Mr. Taksar to give an update on the Associate Director for Risk Management search. Mr. Taksar stated a search was conducted over the summer to fill this position after working through the nuances of reporting and segregation of duties. After receiving approximately 12 applications, none of whom were really qualified, a finalist was identified who ended up having no risk management experience. It is difficult to find one person who could do both portions of the job well. Mr. Taksar is suggesting putting the position on hold for a short time while the restructuring on campus is evaluated and make a decision on how to go forward after the budget and Voluntary Separation Incentive Plan (VSIP) results were analyzed in the next four- to six-weeks. Risk management is a hard skill set to find and Trustee Alvarado offered her assistance with revising this job description. Any changes related to the whistleblower reporting is posted and is now part of the policy. Most institutions don't have a specific position doing this type of work, or they lump it in with another job and most are not doing internal audits. This is a hybrid position and very unique to the system. Audits are not being done right now and the enterprise risk management plan is not being followed because there is no one to do the work. The internal audit may need to be contracted out.

Committee Chair Boudreau brought forth the next agenda item and requested Mr. Alan Blair, Chief Information Officer, to give an update on Information Technology and Cybersecurity Observations from the FY19 Audit Report. Mr. Alan Blair discussed the action plan on the findings from the audit report.

- The main software is Banner and there are a few other programs that are external, such as the mannequins in the health sciences. Information Technology will send out software to remove privileges to download programs, which takes care of items number two and seven in the report.
- Data protection (items number 13 and 17) is being implemented to restrict removable media from computers and to provide security awareness and education. Human Resources is working on an onboarding process with security training.
- The timeline should be solidified by the end of December with the goal of accomplishing all plans by the end of the fiscal year.
- Some employees will find these plans difficult as they transition to new restrictions, but education needs to be provided to campus so everyone understands why the process is being implemented.

There being no further business, **MOTION** made by Trustee Landrau, seconded by Trustee Alvarado, to adjourn. **Motion passed unanimously.**

Meeting adjourned at 1:35 PM.

Attachments presented at this meeting:

- a. Draft of October 10, 2019 Minutes
- b. Information Technology and Cybersecurity Observations (Action Plan)
- c. Motion – Uniform Guidance Report
- d. Uniform Guidance Report (Draft)