



Board of Trustees

Audit Committee

February 8, 2024

2:00 p.m.

President's Boardroom, Horace Mann Center

A live stream of the meeting for public viewing will also take place at the following link: <https://www.westfield.ma.edu/live>

1. Call to Order	Committee Chair Jasmin
2. Approval of Minutes a. December 13, 2023	Committee Chair Jasmin
3. Items for Action a. Motion – Uniform Guidance Report	WithumSmith & Brown
4. Items for Discussion a. Enterprise Risk Management (ERM)	Stephen Taksar
5. Items for Information a. Internal Audit Update/Report: Grants Office	Boston Consortium Internal Audit

Attachment(s):

- a. Minutes 12-13-23 (Draft)
- b. Motion – Uniform Guidance Report
- c. Uniform Guidance Report (Draft)



Board of Trustees

Audit Committee

December 13, 2023

Conference Room 107, Parenzo Hall

A live stream of the meeting for public viewing took place on YouTube.

Committee Members Present: Theresa Jasmin (Chair), William Reichelt (Vice Chair), Melissa Alvarado, Gloria Williams, and Ali Salehi (ex-officio member).

Committee Members Excused: Madeline Landrau (Secretary).

Committee Chair Jasmin called the meeting to order at 1:41 p.m., announced committee members, and stated the meeting was being livestreamed and recorded.

Minutes – October 11, 2023

MOTION made and seconded, to approve the minutes of the October 11, 2023, Audit Committee meeting. There being no discussion, **motion passed unanimously**.

Internal Audit Follow-Up: Student Accounts/Bursar

Progress is being made on audit recommendations. The Committee would like a high-level progress update twice a year, December and June.

Enterprise Risk Management (ERM)

The Enterprise Risk Management Working Group has identified eight preliminary risks to the University. Enrollment and retention scored the highest. The President's Cabinet will go through the same exercise as the working group to come up with a list of their top risks, before the top risks to the University are solidified. The University and Committee will focus on the top 2-3 risks, focusing on small, manageable portions of each risk. The Committee advised not to make the risks too broad but rather focused, which is more manageable than a broad risk. The Committee also advised not spending too much time refining and trying to put a fine point on the risks. Action needs to start soon.

Internal Audit Update/Report: Grants Office

The audit is well underway and expected to be complete by the end of January 2024 with a final report to the Committee at the February 2024 meeting, barring any unforeseeable circumstances.

Audit Committee Policy (0460)

The Committee's charter was updated in June 2023, identifying the Committee's responsibilities. A separate document is needed to identify management's responsibilities. The Audit Committee Policy will be updated to reflect management's responsibilities. This is a work in progress.

Conflict of Interest Update

State employees are required to follow State laws pertaining to conflicts of interest and ethics. Human Resources provides periodic training in compliance with State laws and the State has numerous resources available to employees regarding conflicts of interest. The Committee does not find it necessary to have a separate University policy in place when State laws already address the matter.

There being no further business, **MOTION** made and seconded to adjourn the meeting. There being no discussion, **motion passed unanimously**. Meeting adjourned at 2:25 p.m.

Materials provided for this meeting: Minutes 10-11-23 (Draft); Internal Audit Follow-Up (Tracker); Enterprise Risk Management (Memo); Enterprise Risk Management (Report); and Conflict of Interest Update.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Westfield State University Board of Trustees, Audit Committee meeting held on December 13, 2023.

Madeline Landrau, Secretary

Date



Board of Trustees

February 8, 2024

MOTION

The Financial Affairs Committee recommends approval to the full Board:

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, 2023, as prepared by the firm of WithumSmith and Brown 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.

WESTFIELD STATE UNIVERSITY

(an Agency of the Commonwealth of Massachusetts)

**INDEPENDENT AUDITOR'S REPORTS AS REQUIRED
BY THE UNIFORM GUIDANCE AND GOVERNMENT
AUDITING STANDARDS AND RELATED
INFORMATION**

JUNE 30, 2023

WESTFIELD STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

**Independent Auditor's Reports as Required by the Uniform Guidance
and *Government Auditing Standards* and Related Information**

June 30, 2023

C O N T E N T S

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1-3
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Westfield State University
Westfield, Massachusetts:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Westfield State University's (an Agency of the Commonwealth of Massachusetts) (the "University") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in

accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the University, as of and for the year ended June 30, 2023. We issued our report thereon dated October 11, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

UPDATE DATE

(except for the Schedule of Expenditures of Federal Awards, for which the date is October 11, 2023)

DRAFT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of
Westfield State University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of Westfield State University (the "University"), and its discretely presented major component unit, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated October 11, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report of Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 11, 2023

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**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

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WESTFIELD STATE UNIVERSITY
 (an Agency of the Commonwealth of Massachusetts)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Award Number	Federal Expenditures	Through to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER					
U.S. Department of Education:					
Direct Awards:					
Federal Supplemental Educational Opportunity Grant	84.007	N/A	N/A	\$ 351,052	\$ -
Federal Work-Study Program	84.033	N/A	N/A	342,602	-
Federal Pell Grant Program	84.063	N/A	N/A	6,566,351	-
Federal Perkins Loan Program (beginning of year)	84.038	N/A	N/A	178,934	-
Federal Perkins Loan Program (current year expenditures)	84.038	N/A	N/A	4,931	-
Federal Direct Student Loans (Note 4)	84.268	N/A	N/A	<u>25,151,702</u>	<u>-</u>
Total Student Financial Assistance Cluster				<u>32,590,641</u>	<u>-</u>
TRIO CLUSTER					
U.S. Department of Education:					
Direct Awards:					
TRIO Student Support Services	84.042	N/A	N/A	285,154	-
Pass-through Awards:					
STEM Education	47.076	N/A	N/A	9,920	-
Total Research and Development Cluster	<u>47.076</u>	<u>Idaho State University</u>	<u>23-0159B-RMTH04</u>	<u>6,977</u>	<u>-</u>
Total Research and Development Cluster	<u>15.962</u>			<u>16,897</u>	<u>-</u>
NON-CLUSTER					
U.S. Department of Health and Human Services					
Direct Awards:					
Mental and Behavioral Health Education and Training Grants	93.732	N/A	N/A	347,997	-
U.S. Department of the Interior					
Direct Awards:					
National Wild and Scenic Rivers System	15.962	N/A	N/A	255,676	-
U.S. Department of Homeland Security					
Disaster Grants - Public Assistance	97.036	Massachusetts Emergency Mgt Agency	CTFEMA4496WESSU01294	377,637	-
National Endowment for the Arts					
Direct Awards:					
Promotion of the Arts Grants to Organizations and Individuals	45.024	N/A	N/A	9,064	-
U.S. Department of Justice					
Direct Awards:					
Grants to reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on campus	16.525	N/A	N/A	8,631	-
Total Non-Cluster				<u>999,005</u>	<u>-</u>
Total Federal Funds				<u>\$ 33,891,697</u>	<u>\$ -</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

WESTFIELD STATE UNIVERSITY
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Notes to the Schedule of Expenditures and Federal Awards

Year Ended June 30, 2023

Note 1 - **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Westfield State University (the "University") under programs of the Federal Government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position or cash flows of the University.

Note 2 - **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

Note 3 - **Indirect Cost Rate**

The University has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - **Federal Student Loan Programs**

Perkins Loan Program

The Federal Perkins Loan Program ("Perkins") is administered directly by the University and balances and transactions relating to this program are included in the University's basic financial statements. During the year ended June 30, 2023, there were no loans advanced under the Perkins program. During the year ended June 30, 2023, \$4,931 of administrative costs were incurred. As of June 30, 2023, loan balances receivable, net under Perkins was \$121,248.

There was no federal capital contribution or match by the University during the current year.

Direct Student Loans

The University disbursed \$25,151,702 of loans under the Federal Direct Student Loans program, which include Stafford Subsidized and Unsubsidized Loans and Parent Plus Loans. It is not practical to determine the balances of the loans outstanding to students of the University under the program as of June 30, 2023. The University is only responsible for the performance of certain administrative duties and, accordingly, these loans are not included in the University's financial statements.

WESTFIELD STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I – Summary of Auditor’s Results:

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
• Significant deficiencies identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Noncompliance material to the financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified	
Internal control over major programs:		
• Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
• Significant deficiencies identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

WESTFIELD STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2023

Identification of Major Programs

Name of Federal Program or Cluster	Assistance Listing Number
Student Financial Assistance Cluster:	
Federal Supplemental Educational Opportunity Grant	84.007
Federal Work-Study Program	84.033
Federal Perkins Loan Program	84.038
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
Non-Cluster:	
National Wild & Scenic Rivers System	15.962

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

yes no

WESTFIELD STATE UNIVERSITY
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2023

Section II – Financial Statement Findings:

None

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WESTFIELD STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs:

None.

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ADMINISTRATION AND FINANCE

Management's Summary Schedule of Prior Audit Finding

Year Ended June 30, 2022

Section IV – Management's Summary Schedule of Prior Audit Findings:

None.

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