



Board of Trustees

Audit Committee

April 27, 2022

Minutes

Loughman Living Room, Scanlon Hall

And via Zoom, in accordance with Massachusetts Gov. Charlie Baker's Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20 dated March 12, 2020.

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

MEMBERS PRESENT: Secretary Dr. Gloria Williams

MEMBERS PARTICIPATING REMOTELY: Committee Chair Paul Boudreau and Trustee Melissa Alvarado [joined at 1:00 PM].

MEMBERS EXCUSED: Vice Chair William Reichelt

TRUSTEE GUESTS PRESENT: Trustees Theresa Jasmin, Dr. Robert Martin, Chris Montemayor, and Ali Salehi

Dr. Linda Thompson, President, Lisa Freeman, Associate Vice President, and Stephen Taksar, Vice President for Administration and Finance of Westfield State University were also present. David Dilulis and Zachary Laflash from O'Connor and Drew participated in the meeting remotely.

The meeting was called to order at 12:44 PM by Board Chair Martin, who stated the committee was short one member and did not have a quorum. Until a quorum is present, the meeting will go forward as informational. If a quorum is not reached, the motions will be presented at the full board meeting. The committee members and trustee guests were announced as listed above. Committee Chair Boudreau presented the minutes of February 17, 2022; there were no corrections or comments. They will be approved once there is a quorum.

Higher Education Emergency Relief Fund (HEERF) Auditing Requirements. Ms. Freeman stated the letter in the materials from the U.S. Department of Education outlined the audit requirements for the HEERF grant funding. Mr. Laflash stated that HEERF funds are considered a higher risk federal program subject to specific audit requirements. The single audit typically has a deadline of March 31, but for FY21, there is a six-month extension to September, reverting back to the March 31 deadline for FY22 and beyond. There were no findings with HEERF grant.

Annual Review of Audit Committee Charter. Mr. Taksar stated the Audit Committee Charter/Policy in the meeting materials requires an annual review. Committee members can submit proposed changes or comments directly to Mr. Taksar to be presented at the June 28 meeting. Chair Martin stated that in reviewing the Trustee bylaws, our practices were consistent with other state institutions.

Risk Management/Internal Audit. Committee Chair Boudreau stated the University has hired a Title IX coordinator but has not advertised or filled a risk management position because of financial restrictions and current research to see if sister institutions have similar positions, which is difficult to fill with qualified applicants. Other needs are being filled at this time and when funding becomes available, it will be pursued.

Uniform Guidance Audit

The motion to accept the Uniform Guidance Audit report (listed below) was read by Trustee Salehi with the following discussion:

Mr. Laflash presented the audit reports, stating there were no internal control or compliance findings. Having no finding is rare, and he commended the school and the entire team. HEERF funding was selected as a major audit and the basic notes provided were required to be included. There were no substantial disclosures or findings. Student Financial Aid, Trio, Education Stabilization Fund were all major programs audited with no findings. A summary of prior year findings was reported as required, and due to corrective actions taken, there were no repeat findings. [Trustee Alvarado joined the meeting at 1:00 PM]

MOTION was made by Trustee Boudreau, seconded by Trustee Williams, 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, 2021, 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, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes
Trustee Williams	Yes
Trustee Boudreau	Yes

Motion passed unanimously.

MOTION made by Trustee Boudreau (read by Trustee Salehi), seconded by Trustee Williams, to engage the financial audit services of O'Connor and Drew P.C., for FY22.

Discussion: Mr. Dilulis presented the audit plan for FY22, including the responsibilities of the auditors, management, and those charged with governance (audit committee). The plan for deliverables and key dates for the audited financial statements and single audit report (Financial Aid) were shown. Most work will take place over the summer, field work in August, and drafts presented in September and October. Internal controls, preliminary analytics, and new or updated policies will be reviewed. Any audit committee suspicion or awareness of fraud needs to be reported to the firm. O'Connor & Drew audits and prepares tax filings for the Westfield State Foundation and although auditing both the Foundation and the University, it is not a conflict for either side.

GASB 87 will be reflected in the FY22 financial statements as a right of use asset with future obligations and payments. This will gross up the University assets and liabilities and significantly enlarge the dollar amount on the financial statements. Footnote disclosures will explain this.

It was questioned whether Perkins loans will be closed and if there will be any affect on the financials. Ms. Freeman stated that no loans are being closed at this point, but there will be closeout procedures. It will be part of the single audit or other type of report to test parameters around Perkins loans. The University needs to do groundwork first and is attempting to remove loans more than two years old off the books.

There being no further discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes
Trustee Williams	Yes
Trustee Boudreau	Yes

Motion passed unanimously.

The minutes of February 17, 2022, were presented again at this time.

MOTION made by Trustee Boudreau, seconded by Trustee Williams, to approve the minutes of the February 17, 2022, meeting.

There being no discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes
Trustee Williams	Yes
Trustee Boudreau	Yes

There being no other business, **MOTION** made by Trustee Boudreau, seconded by Trustee Williams, to adjourn.

There being no discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes
Trustee Williams	Yes
Trustee Boudreau	Yes

Motion passed unanimously.

Meeting adjourned at 1:21 PM.

Attachments presented at this meeting:

- a. Draft Minutes 2-17-2022 (Draft)
- b. HEERF Auditing Requirements
- c. Annual Review of Audit Committee Charter
- d. Motion – Uniform Guidance Report
- e. Uniform Guidance Report (Draft)
- f. Motion – Engagement of Financial Audit Services for FY22
- g. Engagement of Financial Audit Services for FY22 (Planning Presentation)
- h. Engagement of Financial Audit Services for FY22 (Engagement Letter)