



Board of Trustees

Audit Committee

December 20, 2022

Minutes

Catherine Dower Center for the Performing and Fine Arts, Room 127

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: Committee Chair Theresa Jasmin, Vice Chair William Reichelt, Secretary Dr. Gloria Williams

MEMBERS EXCUSED: Trustee Lydia Martinez-Alvarez

TRUSTEE GUESTS PRESENT: Trustees Melissa Alvarado [partial meeting], Madeline Landrau [partial meeting], Chris Montemayor, and Ali Salehi

TRUSTEE GUESTS PARTICIPATING REMOTELY: Trustees Dr. Robert Martin and Chloe Sanfacon

Also present and participating were Westfield State University President Dr. Linda Thompson, Administration and Finance Vice President Stephen Taksar, and Chief Information Officer Alan Blair. David Dilulis and Ryan Sheehan from O'Connor and Drew joined via Zoom.

The meeting was called to order at 12:36 AM by Committee Chair Jasmin who announced the meeting was being livestreamed. The committee members participating as listed above were also announced.

MOTION made by Trustee Williams, seconded by Trustee Reichelt, to approve the minutes of the October 12, 2022, meeting. There being no discussion, **Motion passed unanimously.**

Committee Chair Jasmin welcomed Messrs. Dilulis and Sheehan who presented on the second component of the FY22 Audit covering Federal Aid expenditure compliance and the report to the Commonwealth of Massachusetts on state grants and financial aid.

- The focus of the audit this year was on the high-risk Higher Education Emergency Relief Fund (HEERF) funding.
- The audit showed an unmodified opinion and there were no material weaknesses, significant deficiencies, or noncompliant material identified on either the financial statements or the single audit. This is the second year in a row that there were no single audit findings. It is uncommon for an institution to have no findings, so this is a testament to the diligence of the financial aid and finance offices at the institution.

- The University had no findings in the Massachusetts Office of Student Financial Assistance (MOSFA) report three years ago, so received a waiver for two years. The review this year resulted in no findings, giving two additional years of waivers with the next review due in June 2025.
- Mr. Taksar added that in addition to institution aid, the University received over \$6 million from the state for financial aid for our students (Mass Grant, Mass Grant Plus, etc.). Once Fair Share Amendment issues are resolved, additional allocations of financial aid is expected to be available for students at some point in the future.

Committee Chair Jasmin presented the following motions:

MOTION made by Trustee Williams, seconded by Trustee Reichelt, 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, 2022, 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 discussion, **Motion passed unanimously.**

MOTION made by Trustee Reichelt, seconded by Trustee Williams, to accept the agreed upon procedures report pursuant to the Massachusetts Office of Student Financial Assistance attestation guide for fiscal year ended June 30, 2022, as prepared by the firm of O'Connor & Drew, P.C., and to authorize the submission of this report to the State Comptroller's Office and the Department of Higher Education. There being no discussion, **Motion passed unanimously.**

Mr. Dilulis shared that O'Connor and Drew is merging with the accounting firm of Withum, which specializes in nonprofits and higher education. The existing account managers will continue to provide services to the University and the fee structure will remain the same. Messrs. Dilulis and Sheehan left the meeting at this time.

FY22 Payment Card Industry (PCI) Assessment. Mr. Blair shared that there were no findings on the 2022 PCI Assessment and that new standards are being implemented on January 1, 2023. Credit card information never remains on our systems. If we fail the assessment over four-to-five years, we could lose the ability to accept debit and credit cards. The firewall is updated automatically. Monthly testing consists of external software trying to penetrate the firewall and internal software trying to find exposed information. PCI tests twice per month. A VLAN server recently had three external penetrations which were patched before any information left the system. Cyber-attacks have increased from 200,000 per day to over one million per day, most of which get stopped at the firewall. Since the multi-factor authorization started in April, there has been only one compromised account. Risk is being managed well but more resources are needed to support the IT department in maintaining and adapting to new security methods.

FY23 Internal Audit/Risk Management/Compliance. The Boston Consortium is willing to provide services to a public university and their representatives will provide a presentation to this committee at a special meeting in January 2023. Their contract is currently being reviewed. If engaged, their work would take place in the spring and be finished by July 1, 2023. The committee would then determine a different approach or continue with their engagement. The Boston Consortium's work would be specific to an internal audit by reviewing compliance and best practices in tandem with policies and procedures. There has not been any action taken on enterprise risk management yet.

There being no other business, **MOTION** made by Trustee Reichelt, seconded by Trustee Williams, to adjourn. There being no discussion, **Motion passed unanimously.**

Meeting adjourned at 1:20 PM.

Attachments presented at this meeting:

- a. Minutes 10-12-22 (Draft)
- b. Motion – Massachusetts Office of Student Financial Aid Report (OSFA)
- c. Massachusetts Office of Student Financial Aid Report (OSFA) (Draft)
- d. Motion – Uniform Guidance Report
- e. Uniform Guidance Report (Draft)
- f. FY22 Payment Card Industry (PCI) Assessment
- g. FY22 Payment Card Industry (PCI) Assessment (Executive Summary)
- h. FY23 Internal Audit/Risk Management/Compliance
- i. FY23 Internal Audit/Risk Management/Compliance (Summary of Services)