

The Audit Committee met on October 22, 2014 at the Chancellor's Office in Montpelier.

Committee members present: Linda Milne (Chair), Lynn Dickinson, Tim Jerman, Christopher Macfarlane, ~~Martha O'Connor~~, Jeff Kellar (nonvoting member, Office of the Vermont State Auditor)

Absent: Karen Luneau

Other Trustees: Jim Masland, Martha O'Connor

Guests: Kieth Goldie, Chris Stenmon (O'Connor & Drew)

From the Chancellor's Office: Bill Reedy, General Counsel
Tom Robbins, CFO
Elaine Sopchak, Executive Assistant to the Chancellor
Sophie Zdatny, Associate General Counsel

From the Public: Kellie Bean, Provost, Lyndon State College
Tess Conant, VSC United Professionals
Scott Dikeman, Dean of Administration, Castleton State College
Loren Loomis Hubbell, Dean of Administration, Lyndon State College
Barbara Martin, Dean of Administration, Community College of VT
Sharron Scott, Dean of Administration, Johnson State College
Lit Tyler, Dean of Administration, Vermont Technical College

Chair Milne called the meeting to order at 1 p.m.

A. ITEMS FOR DISCUSSION AND ACTION

1. Minutes of the May 14, 2014 Meeting of the Audit Committee

Trustee Jerman moved and Trustee Macfarlane seconded the approval of the minutes. The motion was approved unanimously.

2. Review and Approval of FY2014 Draft Audited Financial Statements and A-133 Report

Chris Stenmon and Kieth Goldie of O'Connor & Drew reviewed the draft audited financial statements with the committee. The auditors issued a clean opinion on internal controls and the financial audit. There was one finding in the A-133 Report. The auditors reviewed the Management Discussion and Analysis and commended VSC management on a successful year. Chair Milne commended CFO Robbins and Controller Deb Robinson for their work. The auditors also reviewed the statement of net position and statement of revenue and expenses.

Mr. Kellar inquired how the VSC was handling ~~its current position~~ funding of its OPEB liability; CFO Robbins explained that note 9 of the auditors report discusses the VSC's OPEB responsibilities and how they affect financial standing.

Trustee Jerman moved and Trustee Dickinson seconded the resolution Review and Approval of FY2014 Draft Audited Financial Statements and A-133 Report. The resolution passed unanimously.

Trustee Jerman made a motion to enter executive session to discuss personnel matters. Trustee Dickinson seconded. The Committee entered executive session at 2:10 p.m. They exited executive session at 2:35 p.m. and took no action.

B. ITEMS FOR INFORMATION AND DISCUSSION

1. Conducting an Audit Committee Executive Session: Guidelines and Questions
2. Fraud and the Responsibilities of the Government Audit Committee

There was no discussion of these items.

Trustee Jerman moved to adjourn the meeting. Trustee Dickinson seconded. The Audit Committee adjourned at 2:39 p.m.