

The Audit Committee met on February 11, 2015 at the Chancellor's Office in Montpelier.

Committee members present: Linda Milne (Chair), Lynn Dickinson, Tim Jerman, Karen Luneau, Christopher Macfarlane, Jeff Kellar (Office of the Vermont State Auditor)

Other trustees present: Martha O'Connor

From the Chancellor's Office: Rick Bourassa, VSC Senior Accountant
Bill Reedy, General Counsel
Tom Robbins, CFO
Deb Robinson, Controller
Elaine Sopchak, Executive Assistant to the Chancellor
Jeb Spaulding, Chancellor
Sophie Zdatny, Associate General Counsel

Presidents: Joe Bertolino, Joyce Judy, Barbara Murphy, Dan Smith

From the Colleges: Scott Dikeman, Dean of Administration, Castleton State College
Janis Henderson, Staff Federation Unit Chair
Loren Loomis Hubbell, Dean of Administration, Lyndon State College
Barbara Martin, Dean of Administration, Community College of VT
Maurice Ouimet, CSC Dean of Enrollment
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 October 22, 2014 Meeting of the Audit Committee

The Committee approved the minutes with the following corrections: Martha O'Connor should be listed not as a committee member but as another trustee present. In "Item 2. Review and Approval of FY2014 Draft," the second paragraph should be edited to read, "Mr. Kellar inquired how the VSC was handling funding of its OPEB liability. CFO Robbins..."

B. ITEMS FOR INFORMATION AND DISCUSSION

1. Discuss FY2014 Audit Advisory Comments

CFO Robbins reviewed the three advisory comments and management's responses from the FY2014 report. He provided the following updates:

- Reporting student financial aid payment data to the Common Origination and Disbursement System: CCV is now using a new reporting process allowing them to immediately identify reporting errors.
- Capital asset software: Controllers have been given the list of reports related to capital assets, and advised that they should run all these reports and give them to the auditors.
- Procurement cards: The colleges have been reminding employees of Pcard policies and procedures. Employees that continue to violate the policies and procedures will have their cards terminated. VSC will be meeting with Pcard providers this month and will ask about getting the Tax ID printed on cards.

2. Discuss FY2015 Internal Audit Plan

CFO Robbins reviewed recent internal audits and shared that the next internal audit will focus a lot on the handling of cash and cash-like instruments. He reviewed the Self-Assessment Internal Control Questionnaire that was distributed this year. He also covered various facts about embezzlement. He then reviewed the upcoming internal audit team members and timeline.

Chair Milne updated the Committee that there have been no recent EthicsPoints reports that have needed to be addressed by the Audit Committee. General Counsel Reedy clarified that of the few reports that have been received, none referred to financial issues or situations. He shared that regular procedures for handling EthicsPoint reports are currently being refined.

The meeting adjourned at 1:42 p.m.