

Minutes of the Audit Committee meeting Wednesday, November 18, 2015 APPROVED by the Committee April 27, 2016

The Vermont State Colleges Board of Trustees Audit Committee met on November 18, 2015 at the Chancellor's Office in Montpelier.

Committee members present: Lynn Dickinson (Vice Chair), Church Hindes, Martha O'Connor, Karen Luneau, Linda Milne (Chair), Mike Pieciak

Other Trustees: Chris Macfarlane, Jim Masland

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

Presidents: Dave Wolk, Joyce Judy, Elaine Collins, Joe Bertolino, Dan Smith

From the Chancellor's Office: Tricia Coates, Director of External & Governmental Affairs
Bill Reedy, General Counsel
Tom Robbins, Chief Financial Officer
Deb Robinson, Controller
Elaine Sopchak, Executive Assistant to the Chancellor
Jeb Spaulding, Chancellor

From the Colleges: Scott Dikeman, CU Dean of Administration
Sheilah Evans, LSC Associate Dean of Administration
Loren Loomis Hubbell, LSC Dean of Administration
Barbara Martin, CCV Dean of Administration
Andy Myrick, VTC, VSCFF
Sandra Noyes, JSC, VSCSF
Sharron Scott, JSC Dean of Administration
Lit Tyler, VTC Dean of Administration
Beth Walsh, JSC, VSCUP

Chair Milne called the meeting to order at 1:05 p.m.

A. ITEMS FOR DISCUSSION AND ACTION

1. Minutes of the May 13, 2015 Meeting of the Audit Committee

Trustee Luneau moved and Trustee Hinds seconded the approval of the minutes. The minutes were approved unanimously.

2. Review and Approval of FY2015 Draft Audited Financial Statements and A-133 Report

CFO Robbins stated that overall the audit went smoothly, with no repeat comments. Net assets of the VSC decreased roughly \$10M, due to unfunded OPEB liability, depreciation from a software contribution to VTC, and declining enrollment. Kieth Goldie and Chris Stenmon reviewed the draft audited financial statements with the Committee.

Chair Milne requested that the excise tax aspect of the Affordable Care Act be raised as a discussion item at an upcoming Finance and Facilities Committee meeting.

The FY2015 A-133 report had no material weaknesses or deficiencies. The manager's report contained only general recommendations. VSC internal controls are very strong.

The federal awards audit performed yielded two compliance findings of low importance. The first finding referred to third party governmental notification of graduation data; the third party utilized did not report data in a timely way. The second finding referred to one CCV student's data not being reported properly. Next year there will be new uniform guidance with a threshold of programs more than \$750K.

Trustee Dickinson moved that the Committee enter executive session to discuss the evaluation of a public official. Trustee Luneau seconded. The Committee voted unanimously to enter executive session at 2:20 p.m.

The Committee exited executive session at 2:38 p.m. Trustee Dickinson moved and Trustee Hinds seconded to approve the resolution to approve the draft audited financial statements. Trustees Luneau and Pieciak were not present in the room. The remaining Committee quorum approved the resolution unanimously.

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

These items were not discussed by the Committee.

Trustee Dickinson moved and Trustee Hinds seconded adjournment. The meeting adjourned at 2:39 p.m.