

**Minutes of the VSC Board of Trustees Audit Committee held Wednesday, January 9, 2017
at the Office of the Chancellor in Montpelier, VT—APPROVED May 9, 2017**

The Vermont State Colleges Board of Trustees Audit Committee met on January 9, 2017 at the Office of the Chancellor in Montpelier, VT.

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

Presidents: Nolan Atkins, Elaine Collins, Joyce Judy, Pat Moulton, Dave Wolk

Chancellor's Office Staff: Sheilah Evans, System Controller/Senior Director of Business Operations
Rick Bourassa, Senior Staff Accountant
Tricia Coates, Director of External & Governmental Relations
Elaine Sopchak, Administrative Director, Office of the Chancellor
Jeb Spaulding, Chancellor
Steve Wisloski, Chief Financial Officer

From the Colleges: Scott Dikeman, Dean of Administration, Castleton University
Barb Flathers, Assistant to the Dean of Students, Johnson State College
Loren Loomis Hubbell, Dean of Administration, Lyndon State College
Barbara Martin, Dean of Administration, Community College of Vermont
Sharron Scott, Dean of Administration, Johnson State College
Lit Tyler, Dean of Administration, Vermont Technical College

1. Chair Milne called the meeting to order at 3:11 p.m.
2. Approve Minutes of the October 19, 2016 Meeting

Trustee Luneau moved and Trustee Pieciak seconded the approval of the minutes. Trustee Pieciak recommended a change of punctuation. With that amendment the minutes were approved unanimously.

3. Review and Approve VSC External Auditors for FY2017-FY2020

System Controller Sheilah Evans reviewed the process of choosing a new auditor and made the recommendation of the Committee to choose O'Connor & Drew. Trustee Pieciak moved and Trustee Dickinson seconded the choice of O'Connor & Drew as VSC auditors for FY2017-FY2020. The Committee approved the choice unanimously.

4. Discuss FY2017 Internal Audit

Ms. Evans updated the Committee on the planning of the upcoming internal audit. She reminded the Committee that the internal audit questionnaire results from last year were compiled only nine months ago, and recommended a plan for moving forward that would result in a final report being submitted to the Committee at its April 12th meeting, which would be more in line with the usual schedule. The internal audit will use the very recent results from last year and would select general controls and conflicts of interest as two areas to include in the internal audit this year. The Committee approved this change in plan. The plan will be emailed to Committee members and if there are questions a special meeting will be held by phone. Ms. Evans will start on field work after receiving final approval from Chair Milne.

Trustee Hindes inquired whether the field work will include Board-level conflict of interest, and advised that it should be included. Ms. Evans agreed.

5. Review Progress on FY16 Internal Audit Recommendations

Ms. Evans reviewed the most recent internal audit. There were six recommendations regarding capital and inventoried items, with updates included in materials. She reviewed responses to recommendations.

Chair Milne reminded Ms. Evans and staff of the need to develop an internal audit policy.

Chair Milne adjourned the meeting at 3:47 p.m.