

## MEMORANDUM

**TO:** VSCS Audit Committee  
Linda Milne, Chair  
Megan Cluver  
Karen Luneau  
David Silverman  
Shawn Tester

**FROM:** Sharron R. Scott, Chief Financial and Operating Officer

**DATE:** January 26, 2021

**SUBJECT:** Audit Committee Meeting scheduled for February 1, 2021

The Audit Committee of the VSC Board of Trustees will meet between 10 a.m. and 11:30 a.m. This meeting will be held via Zoom, for which personalized instructions will be provided separately by email.

The FY2020 Uniform Guidance Single Audit Report and Advisory Comments remains ongoing because federal guidance related to the auditing of the CARES Act, HEERF, and Coronavirus Relief Funds (CRF) was released at the end of December. O'Connor and Drew, P.C., are conducting their audit work and they have been asked to join the meeting to give a status update.

The engagement with O'Connor and Drew was due to expire with the FY2020 audit, however, with the Single Audit still ongoing, management would like to request an extension of three years to that agreement. O'Connor and Drew were selected as part of a competitive process in 2017 and a one-time extension of three years or less would be allowable under VSC Policy 429, Contracting Goods and Services. The most recent engagement letter and a fee proposal from O'Connor and Drew are provided for consideration of this request.

At this meeting, a brief status update of the FY2021 Internal Audit Plan will be given. The FY2021 Internal Audit was approved at the October 29<sup>th</sup> Audit Committee meeting and is focused on Payroll & Benefits. The Audit Plan materials in your packet were presented at the October meeting and updated with the Audit Team.

Should you have any questions regarding these materials, or any other matter, please contact me at [Sharron.Scott@vsc.edu](mailto:Sharron.Scott@vsc.edu) or 802.224.3022.

CC: VSCS Board of Trustees  
Council of Presidents  
Business Affairs Council



## **Vermont State Colleges Board of Trustees Audit Committee Meeting**

**February 1, 2021  
10:00 a.m. – 11:30 a.m. via Zoom**

### **AGENDA**

1. Review Minutes of the October 29, 2020 Meeting of the Audit Committee
2. Status Update for FY2020 Uniform Guidance Single Audit Report
3. Review and Approval of Contract Extension with O'Connor and Drew for External Audit Services
4. Status Update for FY2021 Internal Audit Plan: Payroll & Benefits
5. Other Business
6. Public Comment
7. Adjourn

## MEETING MATERIALS

- Item 1: Approval of Minutes from past Board meetings
  - a. October 29, 2020 Meeting minutes
- Item 2: O'Connor and Drew, P.C. FY 2020 Engagement Letter
- Item 3: O'Connor and Drew, P.C. Fee Proposal for Audit Services
- Item 4: Resolution 2021-003: Extension of Agreement with O'Connor & Drew, P.C., for Audit Services
- Item 5: VSCS Internal Audit Plan FY 2020-2021

**ITEM 1:**  
**October 29, 2020 Meeting Minutes**

**Minutes of the VSC Board of Trustees Audit Committee held Thursday, October 29, 2020  
at 3:30 p.m. via ZOOM -UNAPPROVED**

*Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent meeting.*

The Vermont State Colleges Board of Trustees Audit Committee met on October 29, 2020, via Zoom

Committee members present: Linda Milne (Chair), David Silverman (Vice Chair), Megan Cluver, Karen Luneau, Shawn Tester

Other Trustees: Lynn Dickinson, Bill Lippert, Mary Moran,

Presidents: Elaine Collins, Joyce Judy, Jonathan Spiro (Interim)

Chancellor's Office Staff: Donny Bazluke, Network/Security Analyst  
Kevin Conroy, Chief Information Officer  
Renee Hunt, Controller  
Katherine Levasseur, Director of External & Governmental Relations  
Katrina Meigs, System Director of HR & Benefits Administration  
Jen Porrier, Administrative Director  
Sharron Scott, Chief Financial/Operating Officer  
Patty Turley, General Counsel  
Sophie Zdatny, Chancellor  
Yasmine Ziesler, Chief Academic Officer

From the Colleges: Sarah Chambers, Coordinator of Instructional Technology, Castleton University  
Laura Jakubowski, Chief Budget & Finance Officer, Castleton University  
Sandra Noyes, President, VSC Staff Federation, Northern Vermont University  
Andy Pallito, Dean of Administration, Community College of Vermont  
Toby Stewart, Dean of Administration, Northern Vermont University  
Littleton Tyler, Dean of Administration, Vermont Technical College

From the Public: Christopher Evans, Audit Senior, O'Connor & Drew  
Kieth Goldie, Partner, O'Connor & Drew

Chair Milne called the meeting to order at 3:32 p.m.

1. Approval of the Minutes of the June 1, 2020 Meeting of the Audit Committee

**Trustee Silverman moved and Trustee Cluver seconded the approval of the June 1, 2020 meeting minutes. The minutes were approved unanimously.**

2. Introduction: Renee Hunt, Vermont State Colleges, System Controller

Chief Financial/Operating Officer Sharron Scott introduced Renee Hunt, incoming VSC System Controller in the Chancellor's Office. Ms. Hunt will be overseeing general accounting, accounts receivable, cash management, grant compliance and payroll for the Vermont State Colleges.

3. Review and approval of FY2020 Draft Audited Financial Statements

Chair Milne introduced auditors Kieth Goldie and Chris Evans of O'Connor & Drew. Kieth Goldie reviewed the required communications with the Committee, along with those items the auditors consider it important for the Board to be aware of. Chris Evans then reviewed the entire draft audited financial statement with the Committee.

**Trustee Silverman moved and Trustee Cluver seconded the recommendation to the Board the approval of Resolution 2020-020, Acceptance of the FY2020 Audited Financial Statements. The motion passed unanimously.**

4. Review and Approval of FY2021 Internal Audit Plan: Payroll & Benefits

CFOO Scott shared that the focus for the FY2021 Internal Audit will be on Payroll and Benefits. Controller Renee Hunt will be bringing the results of this internal audit to the committee at its April 2021 meeting. The Committee accepted the plan as presented.

5. Other Business

Executive session:

**At 4:41 Trustee Silverman moved that the Audit Committee of the VSC Board of Trustees enter executive session, pursuant to 1 V.S.A. § 313(a)(3), for the purpose of evaluating**

**public officers or employees, consistent with Government Auditing Standards. Along with the members of the Audit Committee (and other members of the Board of Trustees present), the Committee invited the outside auditors from the firm of O'Connor & Drew, P.C. to attend. Trustee Cluver seconded the motion and it passed unanimously.**

The Committee exited executive session at 4:57 p.m. and took no action.

6. Public Comment

There was no public comment.

7. Adjourn

Chair Milne adjourned the meeting at 4:58 p.m.

UNAPPROVED



**ITEM 2:**

**O'Connor and Drew, P.C. FY2020 Engagement Letter**



April 16, 2020

Mr. Stephen Wisloski  
Vice President, Finance and Administration  
Chief Financial Officer  
Vermont State Colleges  
P.O. Box 7  
Montpelier, VT 05601

Dear Mr. Wisloski:

We are pleased to confirm our understanding of the services we are to provide to the Vermont State Colleges (collectively, the "Colleges," or individually, the "College") (a component unit of the State of Vermont) for the year ended June 30, 2020.

We will audit the financial statements of the Vermont State Colleges as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Colleges' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Colleges' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI are required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedule of Changes in Total Other Post-Employment Benefits (OPEB) liability

We have also been engaged to report on supplementary information other than RSI that accompanies the Colleges' financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements:

1) Schedule of Expenditures of Federal Awards.

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our single audit. Our reports will be addressed to the Board of Trustees. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-

of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Colleges' compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Colleges' major programs. The purpose of these procedures will be to express an opinion on the Colleges' compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Our Responsibility to Communicate with the Board of Trustees**

We will report to the Board, in writing, the following matters:

- Corrected misstatements arising from the audit that could, in our judgment, either individually or in aggregate, have a significant effect on the Colleges' financial reporting process. In this context, corrected misstatements are proposed corrections of the financial statements that were recorded by management and, in our judgment, may not have been detected except through the auditing procedures performed.
- Uncorrected misstatements aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in aggregate.
- Any disagreements with management or other significant difficulties encountered in performance of our audit.
- Other matters required to be communicated by auditing standards generally accepted in the United States of America.

We will also read minutes, if any, of the Board of Trustees meetings for consistency with our understanding of the communications made to the Finance Committee and determine that the audit committee has received copies of all material written communications between ourselves and management. We will also determine that the Finance Committee has been informed of i) the initial selection of, or the reasons for any change in, significant accounting policies or their application during the period under audit, ii) the methods used by management to account for significant unusual transactions, and iii) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

If, in performance of our audit procedures, circumstances arise which make it necessary to modify our report or withdraw from the engagement, we will communicate to the audit committee our reasons for modification or withdrawal.

### ***Offering Document***

Should the Colleges wish to include or incorporate by reference these financial statements and our audit reports thereon into an offering of exempt securities, prior to our consenting to include or incorporate by reference our reports on such financial statements, we would consider our consent to the inclusion of our report and the terms thereof at that time. We will be required to perform procedures as required by the standards of the American Institute of Certified Public Accountants, including, but not limited to, reading other information incorporated by reference in the offering document and performing subsequent event procedures. Our reading of the other information included or incorporated by reference in the offering document will consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements.

However, we will not perform procedures to corroborate such other information (including forward-looking statements). The specific terms of our future services with respect to future offering documents will be determined at the time the services are to be performed.

Should the Colleges wish to include or incorporate by reference these financial statements and our audit reports thereon into an offering of exempt securities without obtaining our consent to

include or incorporate by reference our reports on such financial statements, and we are not otherwise associated with the offering document, then the Colleges agree to include the following language in the offering document:

“O’Connor and Drew, P.C., our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. O’Connor and Drew, P.C. also has not performed any procedures relating to this official statement.”

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Colleges' financial statements in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management’s responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors’ reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. While we will assist with the submission of the reporting package and Data Collection form, the responsibility remains with you. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor’s reports or nine months after the end of the audit period.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **Management Responsibilities**

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements).

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the Colleges from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they



have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Dispute Resolution**

You agree that any dispute that may arise in connection with this engagement will, prior to resorting to litigation, be submitted to mediation, and that you will engage in the mediation process in good faith, once a written request has been given by either party to the engagement. Any mediation initiated as a result of this engagement shall be administered by a law firm or other duly authorized party specializing in the mediation process, not associated with either party, and selected by us. Any ensuing litigation shall be conducted within Norfolk County,

Commonwealth of Massachusetts according to Massachusetts law. The results of any such mediation shall be binding only upon the agreement of each party. Costs of any mediation proceedings shall be borne equally by the participating parties.

### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Colleges; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of O'Connor & Drew, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of O'Connor & Drew, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the governmental entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in May 2020 and to issue our reports no later than October 15, 2020. Kieth M. Goldie is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

The breakout of our fees for these services for the remaining year of our contract is as follows:

Year Ending	June 30, 2020
Financial Audit	\$ 175,000
Single Audit	<u>\$ 20,000</u>
Subtotal	\$ 195,000
Discount	<u>\$ (25,000)</u>
Total Audit Fee	<u>\$ 170,000</u>

We have discounted our fees above based upon perceived savings in the audit plan; primarily in the way of fewer site visits to the Institutions within the System during the course of the audit.

Because of the current COVID-19 crisis, if we are required to perform added "Single Audit" program audits for additional Grants or Funds received and expended by the College during fiscal year 2020 from the federal stimulus CARES Act, this additional work would be deemed above and beyond our quoted fees above for the "Single Audit" and would cost an additional \$2,000 - \$4,000 per program.

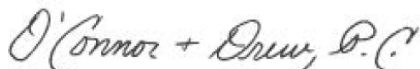
Also, any additional services performed by us related to significantly assisting management with the preparation of the financial statements, schedule of expenditures of federal awards, and related notes of the Colleges' financial statements would cost an additional \$3,000 - \$6,000.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review and any letter of comment, and any subsequent peer review reports and letters of comments received during the period of the contract. Our 2017 peer review report accompanies this letter.

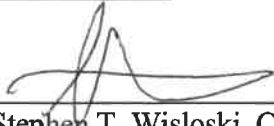
We appreciate the opportunity to be of service to the Vermont State Colleges and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



O'Connor & Drew, P.C.

**ACCEPTED:**



\_\_\_\_\_  
Stephen T. Wisloski, Chief Financial Officer

6/24/2020

\_\_\_\_\_  
Date

**ITEM 3:**

**O'Connor and Drew, P.C. Fee Proposal for Audit Services**



January 7, 2021

Vermont State Colleges  
Ms. Sharron Scott, Chief Financial and Operating Officer  
Ms. Linda Milne, Audit Committee Chair  
P.O. Box 7  
Montpelier, VT 05601

Dear Sharron and Linda,

We are pleased to present our proposal to provide auditing services for the Vermont State College System for the years ending June 30, 2021, 2022, and 2023. We believe that O'Connor and Drew, P.C. has the knowledge and expertise to continue serving as the Independent Certified Public Accounting Firm for the Vermont State College System. We are confident that we can continue to provide you with the professional services that the System requires.

Higher Education Institutions are a specialty area of our firm and as such we are well qualified to serve all your needs. We will work together to supervise and coordinate your account. A team of experienced accountants, who will have the expertise to serve you effectively and on a timely basis, will be assigned to your engagement. We will be available for telephone conferences and meetings at your request.

We look forward to continue working with you and your staff. The Vermont State College System is a valuable client to the firm and we hope to continue our great working relationship together going forward. Thank you again for this opportunity. Any questions about our services or about the proposed audit fee structure please let me know at any time as we are more than happy to discuss any questions or concerns management or the audit committee may have.

Very truly yours,

A handwritten signature in black ink that reads "Kieth Goldie".

Kieth Goldie, CPA  
Principal



## Professional Fees

Our fees are estimated based on the total hours that your engagement will take our staff. In estimating our fees, we made the following assumptions: the control environment of the business will be adequate, and your staff will provide us with documents and schedules that we need; including adjusted general ledgers and detailed account analysis.

O'Connor and Drew, P.C. does not bill for any additional projects unless it is approved by the management of the respective Institution in advance. We do not have "add-ons" for additional services outside the scope of the audit without the specific client's knowledge. We also do not bill for routine telephone calls made by an institution during the course of the year. We anticipate increasing our audit fee by approximately 3% per year to compensate for any cost-of-living increases.

If the Vermont State College System requires additional services that are beyond the scope of the audit, our client service team rates are as follows:

Principal	\$ 280.00
Manager	195.00
Supervisor	150.00
Senior	125.00
Staff	90.00

All additional projects will be discussed in advance and the fees would be agreed upon prior to the start of any project. Our blended rate amongst all categories would approximate \$150 per hour.

We understand that colleges operate under a very tight and controlled budgeting process. As a result, O'Connor & Drew, P.C. has worked to lower the cost of the audit through less site visits to the individual colleges and by working remotely through the use of technology when possible. We have worked to pass on these savings to the Colleges as well and have previously and will continue to discount our proposed fees by approximately \$25,000 per year in the hopes that we can continue this audit strategy. We are willing to make an investment in the Vermont State College System in order to continue our long term relationship.

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Financial Statement Audit	\$175,000	\$180,000	\$185,000
Federal Single Audit	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Financial and Compliance Component	\$195,000	\$200,000	\$205,000
Discount	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>
Total	<b><u>\$170,000</u></b>	<b><u>\$175,000</u></b>	<b><u>\$180,000</u></b>

We have discounted our fees above based upon perceived savings in the audit plan; primarily in the way of fewer site visits to the Institutions within the System during the course of the audit and working remotely when possible.

**ITEM 4:**

**Resolution 2021-003: Extension of Agreement with O'Connor & Drew,  
P.C., for Audit Services**



VERMONT STATE COLLEGES SYSTEM  
BOARD OF TRUSTEES  
RESOLUTION 2021-003

**Extension of Agreement with O'Connor & Drew, P.C., for Audit Services**

- WHEREAS, Policy 429, Contracting for Goods and Services, allows the renewal of contracts beyond the original term, not to exceed one renewal; and
- WHEREAS, The Vermont State Colleges issued a request for proposal for Audit Services in 2017; and
- WHEREAS, O'Connor & Drew, P.C. was selected as the audit firm through the FY2020 Single Audit; and
- WHEREAS, O'Connor & Drew have been delayed in conducting their procedures due to pending Federal guidance; and
- WHEREAS, The Federal guidance, called the Compliance Supplement Addendum, was issued on December 22, 2020; and
- WHEREAS, O'Connor & Drew must now complete their testing to issue an opinion for the FY2020 Single Audit; and
- WHEREAS, A request for proposal during the Single Audit would give the appearance of undue influence; and
- WHEREAS, The Vermont State Colleges is satisfied with O'Connor & Drew's performance; therefore be it
- RESOLVED, That the Board of Trustees of the Vermont State Colleges hereby authorizes a renewal of the Audit Services contract with O'Connor & Drew for the periods ending June 30, 2021, June 30, 2022 and June 30, 2023.

be it Approved: \_\_\_\_\_, 2021

\_\_\_\_\_  
Lynn Dickinson, Chair of the Board of Trustees

**ITEM 5:**  
**VSCS Internal Audit Plan FY 2020-2021**



# Internal Audit Plan

## Fiscal Year 2020-2021

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### Payroll and Benefits



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## 1. GENERAL INFORMATION

### 1.1 Purpose/Objective

The Internal Audit process is extremely important as it is designed to evaluate and improve the effectiveness of risk management, control and governance processes, as well as add value by improving an organization's operations. Assessing internal controls ensures that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data is obtained, maintained, and fairly disclosed in reports.

The overall objectives of an internal audit are to determine whether the colleges:

- Managed and used resources in an efficient, effective, and economical manner.
- Administered funds in compliance with applicable laws, regulations, policies and procedures.
- Implemented internal controls to prevent or detect material errors and irregularities.

The specific objective in this audit is to:

- Assist management with the assessment of the adequacy of internal controls related to the processing of payroll and benefits.

### 1.2 Scope

The Vermont State Colleges internal audit group, through the direction and oversight of the Audit Committee of the Board of Trustees, prepares an internal audit plan, conducts the annual internal audit and issues a final report to the Committee. The audit is of the current fiscal year. The scope of the FY21 internal audit will be a risk assessment of management controls as they relate to VSC Payroll and Benefits.

1. Does the VSCS have adequate controls to ensure payroll and benefits transactions are managed effectively throughout the payroll and benefits lifecycle?
2. Are employees accurately added to, and termed from the system? Are position and wage changes processed effectively?
3. Are employees and supervisors complying with stated VSC policies and procedures?
4. Are payroll and benefits transactions accurately calculated?
5. Are leave times calculated and accrued correctly?
6. Are benefits changes accurately processed and reflected within our benefits systems?
7. Is the employer and employee share of benefits accurately calculated and processed?
8. Do payroll transactions accurately flow to the general ledger and benefits companies?
9. Do payroll transactions accurately flow to state and federal taxing authorities?
10. Do all VSC institutions have adequate access to payroll and benefit information to manage their respective institutions?
11. Are there methods in place to detect waste, fraud or abuse?

### 1.3 Overview

The Vermont State College system is comprised of four institutions of higher education, Vermont Technical College, Northern Vermont University, Castleton University, and the Community College of Vermont, as well as the Office of the Chancellor. Each of the institutions operates as a single business unit in that most administrative functions exist at each location with the exception of the following functions:

- Accounts Payable
- General Accounting
- Grants Compliance
- Benefits Administration<sup>1</sup>
- Payroll Administration<sup>2</sup>

With the last payroll of June 2019 the Vermont State Colleges implemented two new systems for Payroll (UltiPro) and Benefits Administration (Benefits Prime). With these implementations, all transactions related to payroll, employee management and benefits administration were moved from the institutions to the Office of the Chancellor. This change impacted every faculty member, staff member, retiree, and student worker within the Vermont State Colleges. The change was dramatic, and involved revising nearly every process and procedure related to employee payroll management, as well as all benefits administration activities.

As with all major software implementations of this size, the VSC should expect that there will be a period of adjustment, typically estimated at 18-36 months from the date of first implementation, before it arrives at a business processing “steady state”. Throughout the intervening period the VSC should expect to see steadily improving accuracy, reliability and compliance.

There are three primary drivers regarding the speed with which an organization can achieve steady-state business operations post-software implementation. These include:

- Software readiness and accuracy
- Human ability to rapidly take on change, and level of communication with constituents
- Effectiveness of, and necessary revisions to, processes and procedures

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<sup>1</sup> On July 1, 2019 the Office of the Chancellor (OC) took on full responsibility for managing benefits for all personnel and retirees. Prior to this date, the OC was responsible for processing the benefits of retirees, as well as administration of the VSC benefits plans including contract/plan negotiation, reconciliation and escalated problem resolution.

<sup>2</sup> Prior to July 1, 2019, the OC was responsible for tax administration/processing, bank statement/account reconciliation, and electronic funds transfer. Effective with the implementation of UltiPro, the OC became responsible for all aspects of payroll processing including adding new employees, terming employees from the system, calculating payouts upon termination, adjusting wages based on contractual obligations as well as bi-weekly payroll processing for the enter VSC.

The benefits of centralized payroll and benefits systems include:

- Greater compliance with state, federal and local laws
- Improved compliance and consistency related to collective bargaining agreements
- Increased efficiency of benefits administration and payroll processing
- Reduced cost for the Vermont State Colleges

However, the VSC should be aware of, and guard against many of the red flags that can be associated with benefits and payroll administration such as:

- Noncompliance with state, federal, local or municipal tax laws
- Inaccuracies or irregularities with overtime calculations
- Incomplete or absent documentation associated with employment changes
- Frequent late completion and/or approval of time sheets
- Requests for payment lacking appropriation authorization or incomplete authorization
- Inadequate written controls

There are comprehensive industry standards for administration and oversight of benefits and payroll administration functions. Necessary controls, both preventive and detective, are important to reduce the likelihood of misuse, abuse, fraud, waste, and errors.

The following are examples employee actions that may raise red flags and require additional review:

- Frequent late submission of time sheets (employees)
- Frequent late approval of time sheets (supervisors)
- Overtime entries in excess of a specific standard for a department or unit (employee entry, supervisor approval)
- Manual and/or undocumented entries into the benefits and or payroll system (benefits/payroll personnel)
- Override of benefits and/or payroll transaction documents (benefits/payroll personnel)
- Incomplete or inaccurate payment requests and/or employment change documents from institutions (HR personnel at institutions)
- Unsigned/unapproved wage change and/or payment requests (HR personnel)
- Requests for payment that exceed payment authority (supervisors)
- Requests for payment by the employee for herself, a family member of significant other (employees)
- Application of incorrect wage rate, position title, grade, bargaining unit or related activities within payroll/benefits system (benefits personnel)
- Payouts for terminated employees are calculated incorrectly (benefits personnel)
- Employment start/end dates are not accurately recorded (benefits personnel, HR personnel)
- Inaccurate or incorrect assignment of benefits (benefits personnel)

- Incomplete or absent federal and/or state documents such as I-9, W-4, W-4VT, Health Care Declaration (benefits personnel, HR personnel at institutions)

The following are examples of preventive controls should be in place for any benefits and payroll administration system:

- Incoming requests for all employee changes should be date stamped and logged upon receipt
  - Requests are for reviewed for accuracy, authorization levels, and completeness and returned to institution if incomplete. A note is made in the log that rework has been requested
    - Rework is returned by the institution on the same form, with appropriate changes, and a secondary review is conducted. A note is made in the log if complete
  - Complete entries are processed into the appropriate benefits/payroll system. A note is made in the log that the entries are complete
    - Termination calculations for employee payouts are reviewed by a second person, and with institution HR to verify accuracy before entry
  - Quality control is executed on completed entries on a daily, weekly, or payroll basis to ensure accuracy of entries
    - Inaccurate entries are corrected in the appropriate system. Notes are made in the log about any issues with data entry to improve processes and procedures
    - Accurate entries are recorded in the log
    - Frequent, recurring, quality control issues by an employee is considered a performance deficiency and is addressed as such
- Bi-weekly timesheets for non-exempt employees are reviewed by each supervisor for each pay period
  - Supervisors ensure the accuracy of the time recorded by the employees, specifically confirming leave time taken, overtime and total hours worked, and approve timesheets
    - Timesheet inaccuracies are corrected by the supervisor. Frequent timesheet inaccuracies by an employee are considered a performance deficiency, as is frequent failure to log time.
    - Frequent failure to review and approve timesheets by a supervisor is considered a performance deficiency.
- Bi-weekly payroll for all employees is evaluated for accuracy
  - High volume exceptions (i.e. more than 8 hours of overtime in a 24-hour period) are automatically identified and noted for review by Payroll
    - Payroll reviews exceptions and resolves each exception through discussion/evaluation with HR at the involved institutions
  - Using the change log, all associated payroll transactions are reviewed for accuracy against the original documentation



- Inaccuracies are returned for rework.
- The number of inaccuracies are tracked
- Unchanged records are evaluated electronically to confirm consistency with prior payroll

Detective controls are retrospective actions to identify questionable transactions. As implied, these controls identify potential issues after the transactions have occurred, but they cannot stop fraudulent transactions from occurring. However, detective measures can assist in quickly identifying potential issues. Some of the more common detection controls associated with benefits and payroll transactions include:

- Reconciliation review of employees and dependents eligible for benefits programs with those actually enrolled in benefits.
- Periodic reports:
  - Report summarizing payroll transactions (number of hours, leave time taken, amount of overtime) by employee sent to supervisors for review.
  - Student employee report summarizing all hours by employee, by job by payroll to be reviewed by institution
  - Overtime report summarizing all overtime by institution, department, and employee by payroll.
  - Duplicate transaction report. This report identifies automatically transactions that appear to be duplicated for the same person
- Three-strike rule: If a person repeatedly fails to enter time or approve time entries, proceed with performance deficiency actions.
- Random Audits: periodically conduct an audit of payroll and benefit transactions.
- Anonymous tip line: Most frauds are discovered as the result of a tip. A tip line allows employees to report suspected p-card misuse.

## 2. AUDIT EVALUATION

### 2.1 Metrics

#### DESIGN MATRIX (PAYROLL AND BENEFITS ADMINISTRATION)

Objectives	Information Required & Sources	Scope and Methodology	Limitations	What this analysis will likely say
<b>What are the objectives this audit is trying to address?</b>	<b>What information is needed to address the objective? From where will the information be received?</b>	<b>How will each objective be addressed?</b>	<b>What are the design limitations and how will it affect the audit?</b>	<b>What are the expected results of the work?</b>
To determine if the Vermont State Colleges has the appropriate policies and procedures involving the administration of payroll and benefits to comply with laws, rules, regulations, collective bargaining agreements and industry best practices	<p>The most recently completed self-assessment questionnaires.</p> <p>Written policy and procedure documentation.</p> <p>Collective bargaining agreements</p> <p>Information and data from institutions</p>	<p>Inquiry and review of selected documents in scope to ensure compliance and adequacy of internal controls.</p> <p>A sample of payrolls, and incoming requests for payment, and benefits changes will be identified. The number and nature of transactions, the amounts and levels of oversight of the process will be considered</p>	<p>The sampling method will not allow us to identify every error or make statements about payroll and benefits as a whole.</p> <p>A portion of the audit will use inquiry as our testing method; therefore, we will rely on personnel's responses, which is not the most reliable form of supporting documentation.</p>	<p>The audit will be able to report whether or not the internal controls and policies/procedures are function properly as designed.</p> <p>The VSC will have current written documentation of the existing policies and procedures and will be able to identify and implement best practices to improve accuracy and compliance.</p>
The plan is to review the internal controls involving payroll and benefits administration and assess the extent that these controls are proper and working as intended	<p>Interviews and discussions with personnel</p> <p>Review of sampling of payroll, benefits and related data</p>	<p>Necessary documents to support good internal control will be collected</p> <p>Interviews and walk-throughs with personnel relevant to audit objectives</p>		<p>Recommendations will provide a path forward for improving the overall usefulness of the new systems and will speed the time to "steady state".</p>

### 3. AUDIT PLAN

#### 3.1 Method of Internal Audit

The internal audit team will use the FY20 self-assessment questionnaires, review relevant VSC and institution policies and procedures, and conduct interviews with personnel regarding current practices related to benefits and payroll administration.

Sample payroll and benefit transactions will be selected to determine compliance with established policies, procedures, laws, regulations, collective bargaining agreements, and industry best practices.

Additionally, the team will provide guidance and written recommendations to management that will assist in the improvement of the internal control structure of payroll and benefits administration.

#### 3.2 Procedures

1. Review written policies and procedures regarding payroll and benefits administration
2. Confirm employees listed are employees
  - a. Obtain list of employees from UltiPro and ask HR directors to confirm the employees are actually employees, and that the bargaining unit is correct
  - b. Verify employee start and end dates are accurate
3. Verify rates of pay (faculty and staff)
  - a. Obtain list of bargaining unit employees and confirm rate of pay is accurate according to collective bargaining agreements (annual increases as of July 1 or other)
  - b. Obtain list of employees who received increases in pay and verify:
    - i. Was an appointment letter, PAF or other document provided to reflect increase in pay
    - ii. If retroactive increase was necessary (back-date) the calculation was correct and accurately applied
    - iii. The increase was applied at the appropriate date
      1. If the increase was applied part-way through a payroll that the increase was applied accurately for the partial period.
  - c. Obtain list of part-time faculty and verify
    - i. Assignment contracts are applied properly and calculated correctly
4. Payroll verification:
  - a. Using list of active employees (faculty, staff, students), verify each was paid in the payroll system
  - b. Verify leave times were entered and use correctly (i.e. use of floating holidays over December break)

- c. Verify leave times were accrued properly according to bargaining unit contracts and years of service
  - d. For student workers, verify:
    - i. Position selected for data entry was correct for student's contract(s) and positions(s)
    - ii. Hours worked were within student's free time (not during a scheduled class period)
    - iii. Hours did not exceed 20 hours a week
    - iv. Where the student had more than one position, the correct rates of pay were used for hours logged
  - e. For non-exempt personnel, verify:
    - i. Hours calculated correctly
    - ii. Overtime rates calculated correctly according to bargaining unit agreements or federal law as required
    - iii. Call in pay calculated correctly
    - iv. 2<sup>nd</sup> and 3<sup>rd</sup> Shift pay calculated correctly
  - f. Verify deductions
5. For one or more payrolls verify:
- a. Transactions have appropriate documentation
  - b. All transactions have been completed accurately
  - c. Payroll deductions have been calculated properly and have appropriate documentation
6. Using a list of employees receiving benefits:
- a. Verify that deductions are being properly calculated
  - b. That all benefits recipients are eligible to receive the benefit
7. Terminated and Retired employees verify:
- a. Obtain list of terminated and retired employees from institutions and verify term date(s) in UltiPro
  - b. Employee term date in the benefits system is correct
  - c. Vacation payouts (if necessary) were accurately calculated, applied for the correct payroll, and was taxed correctly.
  - d. Employees on partial year assignments (less than 1.0 FTE or full-time faculty) the final pay date is accurately calculated and any partial payment (or payment owed to the employee) is accurately calculated
8. Verify state, local, municipal taxes are calculated properly and remitted to the appropriate authority.
9. Using sample transactions of each type (grant eligible, split grant, multiple positions, single position, multiple institutions, multiple bargaining units, student employees, full-time faculty, staff, etc.) verify transactions accurately flow to the general ledger.
- a. Verify payroll, benefits, and all other deductions accurately flow with adequate documentation in the record to support business operations

### 3.3 Roles and Responsibilities

#### Audit Team (name, role, title, institution)

- Sharron Scott, Audit Manager, Chief Financial & Operating Officer
- Renee Hunt, Audit Supervisor, System Controller
- Jessica Huynh, Human Resources Specialist, Vermont Technical College
- Laura Jakubowski, Chief Budget and Finance Officer, Castleton University
- Dannielle Spring, Chief Budget and Finance Director, Northern Vermont University
- Kasey Warner, Business Manager, Community College of Vermont
- 

#### Internal Stakeholders

- Board of Trustees
- Chancellor and Presidents
- Deans of Administration
- Collective Bargaining Units
- All current employees, and retirees (faculty, staff, students and retirees)

### 3.4 Milestones

Activity	Estimated Completion Date
Completion of Audit Plan	October 29, 2020
Completion of Audit Fieldwork / Report to Management	February 26, 2021
Comments back from Management	March 12, 2021
Final Report Issued to Audit Committee	April 12, 2021
Vermont State Colleges Audit Committee Review	April 19, 2021

Total Estimated Staff Hours:  
 150-200



**INTERNAL AUDIT PLAN**  
Authorization Memorandum

I have carefully assessed the FY21 Internal Audit Plan for the Vermont State Colleges. This document has been completed in accordance with the parameters set forth by the Audit Committee of the VSC Board of Trustees.

MANAGEMENT CERTIFICATION - Please check the appropriate statement.

\_\_\_\_\_ The document is accepted.

\_\_\_\_\_ The document is accepted pending the changes noted.

\_\_\_\_\_ The document is not accepted.

\_\_\_\_\_  
Linda Milne  
Audit Committee, Chair

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Sharron R. Scott  
VSC Chief Financial & Operating Officer

\_\_\_\_\_  
DATE