

Minutes of the VSC Board of Trustees Audit Committee held Monday, February 1, 2021 at 10:00 a.m. via ZOOM -APPROVED

The Vermont State Colleges Board of Trustees Audit Committee met on February 1, 2021, via Zoom

Committee members present: Linda Milne (Chair), David Silverman (Vice Chair), Dylan Giambatista, Mary Moran, Shawn Tester

Presidents: Elaine Collins, Joyce Judy, Jonathan Spiro

Chancellor's Office Staff: Renee Hunt, Controller

Katrina Meigs, System Director of HR & Benefits Administration
Jen Porrier, Administrative Director
Kathryn Santiago, Assistant General Counsel
Sharron Scott, Chief Financial/Operating Officer
Patty Turley, General Counsel
Meg Walz, Program Manager, Library Coordinator
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
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
Beth Walsh, President, VSCUP, Northern Vermont University

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

Chair Milne called the meeting to order at 10:00 a.m.

Clarification of Audit Committee members was made and introduction on the zoom call were completed.

1. Approval of the Minutes of the October 29, 2020 Meeting of the Audit Committee

Trustee Silverman moved and Trustee Tester seconded the approval of the October 29, 2020 meeting minutes. The minutes were approved unanimously.

2. Status Update for FY2020 Uniform Guidance Single Audit Report

Controller Renee Hunt shared that the Financial Statement Audit has been concluded for FY2020 but the Single Audit was temporarily put on hold due to federal guidance, by way of compliance supplement, not being finalized until late December. At that time work recommenced and is currently ongoing. Audit Supervisor Christopher Evans concurred and stated work should be wrapping up within the week on the Single Audit which will then enter the review process.

3. Review and approval of Contract Extension with O'Connor and Drew for External Audit Services

Controller Hunt stated that the current contract with external auditors, O'Connor and Drew, will expire in FY2020, and recommended, pursuant to VSC Policy 429, that the current contract with O'Connor and Drew for External Audit Services be extended given the ongoing Single Audit and limited available internal resources at the present time. The policy permits a one-time extension of the contract for no more than three years. Chair Milne favored extending the contract, mentioning the importance of continuity of auditors adding credibility to financial statements. Trustee Silverman concurred, stating the need for continuity and reducing the burden on staff during a time of flux.

Trustee Tester moved and Trustee Moran seconded the motion to recommend to the Board the approval of Resolution 2021-005, Extension of Agreement with O'Connor & Drew, P.C., for Audit Services. The motion passed unanimously.

4. Status Update for FY2021 Internal Audit Plan: Payroll & Benefits

Controller Hunt stated that the focus for the FY2021 Internal Audit will be on Payroll and Benefits and the audit team has been selected with representation from each institution and the Chancellor's office. Ms. Hunt pointed out that since the internal audit plan was first drawn up significant improvements have been made in UltiPro and Benefits Prime. Outfacing issues from the previous months have been reduced substantially, which is a testament to the hard work from the payroll, finance, IT and HR groups. Consequently, Ms. Hunt and CFOO Sharron Scott discussed the idea of reducing the number of procedures in the Internal Audit plan and exploring

the option of seeking external assistance in conducting the audit. An external firm could add value in making recommendations for the number and type of procedures, sampling methodologies, and conducting the test work. The Committee recognized that the immediate savings in personnel time and the long-term savings in processes and procedures recommended by an external firm could defray the additional cost of contracting with them. The Committee agreed to allow management to proceed with researching an external firm and management agreed to keep the Committee regularly apprised.

5. Other Business

Chair Milne requested that the Committee receive an update on IT risks at the April 19th meeting. CFOO Sharron Scott shared that the Information Security Officer is working with colleges across the system to improve the security.

Chair Milne provided the Committee with an update on reports received, via the VSC's whistleblower hotline, over the past few months. The EthicsPoint hotline provides faculty, staff and students, as well as external individuals, to submit anonymous reports of alleged misconduct.

6. Public Comment

There was no public comment.

7. Adjourn

Chair Milne adjourned the meeting at 10:50 a.m.