

Minutes of the VSC Board of Trustees Audit Committee held Monday, April 19, 2021 at 1:00 p.m. via ZOOM -APPROVED

The Vermont State Colleges Board of Trustees Audit Committee met on April 19, 2021, via Zoom

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

Other Trustees present: Ryan Cooney, Lynn Dickinson

Presidents: Elaine Collins, Joyce Judy, Pat Moulton Jonathan Spiro

Chancellor's Office Staff: Donny Bazluke, Network/Security Analyst
Kellie Campbell, Chief Information Officer
Tony Hashem, Information Security Officer
Tom Maguire, Director of Network Services
Michael Martel, Director of Data Center Administration
Katrina Meigs, System Director of HR & Benefits Administration
Jen Porrier, Administrative Director
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
Michael Fox, Dean of Enrollment & Marketing, Northern Vermont University
Laura Jakubowski, Chief Budget & Finance Officer, Castleton University
Karen Madden, Director of Academic Support Services, Northern Vermont University
Toby Stewart, Dean of Administration, Northern Vermont University
Littleton Tyler, Dean of Administration, Vermont Technical College

From the Public: Katharine Balukas, Manager, BerryDunn

Christopher Evans, Audit Senior, O'Connor & Drew
Kieth Goldie, Partner, O'Connor & Drew
Robert Smalley, Engagement Principal, BerryDunn

Chair Milne called the meeting to order at 1:01 p.m.

1. Approval of the Minutes of the February 1, 2021 Meeting of the Audit Committee

Trustee Giambatista moved and Trustee Silverman seconded the approval of the February 1, 2021 meeting minutes. The minutes were approved unanimously.

2. Status Update for FY2020 Uniform Guidance Single Audit Report with O'Connor & Drew

Chief Financial/Operating Officer Sharron Scott welcomed Chris Evans, Audit Supervisor from O'Connor & Drew, who presented the Single Audit Report. Mr. Evans stated that VSCS was given a clean opinion on this audit (the best that can be received). Mr. Evans went on to discuss the findings in the Audit. Chair Milne asked for the Committee to recommend to the Board acceptance of the Single Audit Report.

Trustee Silverman moved and Trustee Tester seconded the motion to recommend to the Board the approval of Resolution 2021-008: Acceptance of the FY2020 Uniform Guidance Single Audit Report. The motion was approved unanimously.

3. Planning for FY2021 Financial Statement and Uniform Guidance Single Audits with O'Connor & Drew

Mr. Evans shared the plan to conduct the field work in a mostly remote fashion during two weeks in August of 2021 with much of the testing occurring in the spring.

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

CFOO Scott shared, that after a thorough review of more than ten firms, BerryDunn was selected to perform an internal audit of Payroll and Benefits system. BerryDunn's experience auditing regional higher education systems, coupled with their recent experience with a similar audit for another client, made them the right fit for this work.

CFOO Scott introduced Rob Smalley, Engagement Principal, and Katy Balukas, Audit Manager, to the committee. Mr. Smalley shared a project overview with the Committee which included a

brief summary of BerryDunn’s approach to the project, and then turned the presentation to Ms. Balukas who shared an early view of the four main areas requiring improvement. These areas include:

- 1) Adjustments to the bi-weekly payroll review; and,
- 2) Standardization of processes and forms; and,
- 3) Improvements to the time management process; and,
- 4) Management of terminated employees

A final draft of the report will be made available to the Vermont State Colleges in early May. CFOO Scott shared that once the report is received from BerryDunn, corrective action plans will be developed by the System.

The final report and corrective action plans will be shared with the Audit Committee no later than the end of May. At the Committee’s discretion, an additional meeting with the Audit Committee will be scheduled to review these results.

5. Discussion on Information Technology (IT) Cyber Security Risks

Chair Milne asked Chief Information Officer Kellie Campbell and her team to share information on IT Cyber Security Risks. At the start of her presentation Ms. Campbell introduced Information Security Officer Tony Hashem, Director of Data Center Administration Michael Martel, Director of Network Services Tom Maguire, and Network and Security Analyst Donny Bazluka noting these staff members are integral to the information security.

Mr. Hashem presented a general overview of internal and external cyber risks and threats that face the VSCS, with an assessment of the technology the VSCS is using to protect its environment. Ms. Campbell concluded by sharing that future transformation at VSCS will provide further opportunities for standardizing technology and software and working together to embed security in the infrastructure.

Trustee Silverman requested an annual update on Information Security at Audit Committee. CFOO Scott agreed to add that report to the schedule.

6. Risk Assessment Process / Review Self-Assessment Questionnaire

CFOO Scott shared that since 2014 the colleges have conducted self-assessment questionnaire addressing internal controls. The self-assessment helps to identify areas within departments where required business policies, administrative processes and regulatory compliance are

important and then assess the adequacy of those existing policies and procedures and internal controls.

Chair Milne requested that the VSCS include an assessment of overall system-wide risks, such as cyber-security, at a future meeting.

7. Other Business

There was no other business.

8. Public Comment

There was no public comment.

9. Adjourn

Chair Milne adjourned the meeting at 2:35 p.m.