

Minutes of the VSC Board of Trustees Audit & Risk Management Committee meeting held Monday, October 17, 2022 at 1:00 p.m. via ZOOM - APPROVED

The Vermont State Colleges Board of Trustees Audit & Risk Management Committee met on October 17, 2022, via Zoom

Committee members present: Sue Zeller (Chair), David Silverman (Vice Chair), David Durfee, Mary Moran, Shawn Tester

Other Trustees Present: Lynn Dickinson

Presidents: Parwinder Grewal, Joyce Judy

Chancellor's Office Staff: Donny Bazluke, Network/Security Analyst
Pat Moulton, Executive Director Workforce Development
Jen Porrier, Administrative Director
Sarah Potter, Chief Human Resources Officer
Sharron Scott, Chief Financial/Operating Officer
Toby Stewart, System Controller
Patty Turley, General Counsel
Meg Walz, Program Manager, Library Coordinator
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
David Rubin, Dean of Administration, Vermont Technical College
Dannielle Spring, Chief Budget & Finance Officer, Northern Vermont University
David Tabaruka, Controller, Community College of Vermont

From the Public: AJ Chauvin, Audit Supervisor, O'Connor & Drew
Chris Evans, Audit Senior, O'Connor & Drew
Kieth Goldie, Audit Partner, O'Connor & Drew

1. Chair Zeller called the meeting to order at 1:00 p.m.

2. Public Comment

There was no public comment.

3. Approval of the Minutes of the May 9, 2022 Meeting of the Audit Committee

Trustee Moran moved and Trustee Tester seconded the motion to approve the May 9, 2022 meeting minutes. The motion was approved unanimously.

4. Review and Approval of FY2022 Draft Audited Financial Statements and Uniform Guidance Single Audit

- a. Required Communications
- b. Presentation of FY2022 Draft Financial Statements
- c. Presentation of Uniform Guidance Single Audit
- d. Executive Session with O'Connor & Drew

Chair Zeller introduced Kieth Goldie and Chris Evans from O'Connor & Drew, the external auditors for the VSCS. Mr. Goldie and Mr. Evans presented the FY2022 draft financial statements and uniform guidance single audit found [here](#) on pages 9-117.

Mr. Goldie presented the financial statements to the Committee. He noted the VSCS received an unmodified opinion on the financial statements and that there were no material weaknesses or significant deficiencies cited on the Report on Internal Control over Financial Reporting or Compliance and Other Matters. Mr. Goldie directed the Committee's attention to the implementation of the new Government Accounting Standards Board (GASB) pronouncement 87, which records the Right of Use (ROU) of leased assets together with a corresponding liability. O'Connor and Drew restated FY2021 to reflect application of this new standard allowing comparison of the data. Mr. Goldie advised that GASB 96 on Subscription-Based Information Technology Arrangements (SBITA) will be implemented following June 15, 2022. This pronouncement will impact the financial statements for FY2023 and will require restatement of the FY2022 financial statement.

Mr. Evans presented the uniform guidance single audit to the Committee. He noted the VSCS received an unmodified opinion on the financial statements and federal awards. However, Mr. Evans reported the internal controls on major programs had a material weakness due to a failure to report student enrollment status at Northern Vermont University for the 2021-2022 academic year. Mr. Evans noted that this issue has been fully rectified by the University and O'Connor and Drew have audited the adjustments. Further, Mr. Evans reviewed Management's Corrective Action Plan.

Executive Session:

At 1:58 p.m. Trustee Zeller 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 the Government Auditing Standards. Along with the members of the Board of Trustees present, the Committee invited Kieth Goldie and Chris Evans from the firm O'Connor & Drew, P.C. to attend, and upon request, invited the General Counsel and CFO to join the session. Trustee Tester seconded the motion and it was approved unanimously.

The Committee exited executive session at 2:30 p.m.

Trustee Silverman moved and Trustee Moran seconded the motion to recommend to the Board the approval of Resolution 2022-016, Acceptance of the FY2022 Audited Financial Statements and Single Audit Report. The motion was approved unanimously.

5. Other Business

There was no other business.

6. Adjourn

Chair Zeller adjourned the meeting at 2:32 p.m.