
SUBJECT: Risk Management and Audit Committee Meeting Report for September 20, 2023

The committee met on Wednesday, September 20, 2023, in the Petrowski Room, Marsh Hall on the Harrington Campus of Salem State University. This was an in person/hybrid meeting.

Present for the Committee: Trustees Morales (chair), Lampassi, Mattera and Wellman. Also present and participating: Chairperson Russell, President Keenan (ex-officio), Vice President House (co-committee liaison), Vice President Colucci (co-committee liaison), Assistant Vice President/Controller Bethoney and executive support specialist Beaulieu.

Trustee Morales, committee chair, called the meeting to order at 5:15 pm.

Status of FY23 financial statements and state audit (Clery)

There are three audits underway. Outside auditors are working on the Uniform Guidance report which audits Federal programs such as financial aid for the FY23 period and the FY23 financial statements. State Auditors are conducting an audit focusing on compliance with the Clery Act. The State Auditors are expected to be here for at least six months.

Committee Charter (Attachment A)

No changes are recommended to the Risk Management and Audit Committee charter.

Committee work plan (Attachment B)

The Risk Management and Audit Committee work plan for the AY2023-2024 was provided.

The FY23 audited financial statements and Uniform Guidance report are scheduled to be presented at the October 11, 2023 Risk Management and Audit Committee meeting.

There being no further business to come before the committee, Trustee Russell moved, and Trustee Mattera seconded a motion to adjourn.

MOTION: to adjourn meeting.

The motion passed.

The meeting adjourned at 5:25 pm.

Prepared by: D. Beaulieu, executive support specialist, finance and facilities

Risk Management and Audit Committee Charter

The charter attached is for your information and as a matter of good practice at the start of the board year. No changes are recommended.



**Board of Trustees
Risk Management and Audit Committee Charter**

Purpose:

The Risk Management and Audit Committee of the Board of Trustees shall be a permanent committee which will be active and involved in the discussion of the university's efforts to review, develop, and implement guidelines and policies to govern the process by which risk management and the annual audit are undertaken by the institution. This committee will provide reports to the Salem State University Board of Trustees as required.

Responsibilities:

Risk Management

1. Within the broad scope of enterprise risk management, this committee will set the policies necessary to guide the university's endeavors as it seeks to achieve the highest levels of effectiveness and efficiency, while minimizing risk.
2. Responsible to the board for monitoring the adequacy of internal control systems, review processes, and for providing a policy framework for an effective and independent audit and risk assessment function for the university and to carry out such functions of the Board of Trustees as directed from time to time.
3. Ensure the safety and security of the campus and compliance with laws and regulations fundamental to Salem State's continued success (including but not limited to Chapter 647 of the Acts of 1989, an act relative to improving internal controls within state agencies).
4. Establish and maintain a risk assessment team that will identify and prioritize risks to report to the board.
5. Determine the range of services, if any, needed to address risk concerns.
6. Oversee legal and financial compliance including but not limited to policies on Conflict of Interest and Whistleblower.

External Audit

1. Annually consider the appointment of the external auditor.
2. Review and approve the terms of engagement and fees of the external auditor at the start of each audit.
3. Consider and review the scope of work, reports and activities of the external auditor.
4. Review and evaluate the findings of the yearly audit with the external auditor.

12/2/2015 Approved by the Salem State University Board of Trustees.
3/29/2017; 9/27/2017; 9/26/2018; 1/29/2020; 9/23/2020; 9/29/2021; 9/28/22 - Reviewed by the Risk Management and Audit Committee, no changes.

5. Review with committee and external auditors significant accounting and reporting principles, practices, and procedures applied by the institution in preparing its financial statements.
6. Review and make recommendations to the board regarding financial, accounting and reporting issues.
7. Oversight/review of presidential expenditures.

Membership:

The committee shall have not fewer than three Trustees appointed by the chair of the Board. The president shall be a member of the committee, ex officio, non-voting. The chair shall be a member of the committee, officio voting. Committee members may include individuals who are not trustees so long as the majority membership of the committee is comprised of trustees. The chair shall have the authority to appoint non-trustee members advisory, non-voting to the committee to serve until the next annual meeting. Members may be appointed to the committee, on a temporary basis, by the chair, as may be required.

Quorum:

A majority of the members shall constitute a quorum.

Meetings:

The committee is expected to meet at least four times each fiscal year and more if needed to facilitate prudent and timely decision making. The meetings shall be conducted in conformity with the state's Open Meeting Law. Executive sessions may be conducted periodically and shall be limited to those matters permitted by the state's Open Meeting Law.

Agenda, Minutes, and Reports:

The chair of the committee, in collaboration with the staff designees, shall be responsible for establishing the agendas for meetings. An agenda, together with relevant materials shall be made available to committee members at least five days in advance of the meeting. Minutes for all meetings shall be drafted by the staff designee, reviewed by the committee chair, and approved by committee members at the following meeting.

DRAFT Risk Management and Audit Committee Work Plan for AY 2023-24 September 2023

September 20, 2023 w BOT Oct. 11, 2023

- Audit Matters
 - Status of FY23 audit (verbal update)
- Other
 - Committee charter
 - Committee work plan for the year
- Executive session, if needed

October 11, 2023

- FY2023 audits for discussion and acceptance (action item)
 - Salem State University Financial Statements and Management and Discussion's and Analysis June 30, 2023
 - Salem State University Independent Auditor's Report as Required by the Uniform Guidance and Government Auditing Standards and Related Information, June 30, 2023
- Auditor's discussion with trustees

January 24, 2024 w BOT February 7, 2024

- Annual Clery Report
- Cybersecurity Update
- FY23 annual report of president's expenditures
- Auditors for FY24 (action)

March 27, 2024 w BOT April 10, 2024

- Risk Assessment

May 22, 2024 w BOT June 5, 2024

- Audit matters
 - FY24 audit entrance discussion