

SUBJECT: Risk Management and Audit Committee Meeting Report for May 22, 2024

The committee met remotely in accordance with the General Laws of the Commonwealth of Massachusetts, Chapter 30A and An Act Relative to Extending Certain State of Emergency Accommodations, which, among other things, extended the expiration of the provisions pertaining to the Open Meeting Law. All votes taken during this meeting were by roll call vote.

Present for the Committee: Trustees Morales (chair), Kezer, and Mattera; President Keenan (ex-officio), Vice President House (committee co-liaison), Vice President Colucci (committee co-liaison), and staff associate Fiore.

Absent for the Committee: Trustees Lampassi, Wellman and Russell

Trustee Morales, committee chair, called the meeting to order at 5:22 pm.

Risk Report Mitigation (Attachment A)

A review of the university's three highest-level risks was discussed. Mitigation efforts both planned and underway were also reviewed.

Independent Auditors' FY24 audit entrance discussion (Attachment B)

Zachary LaFlash, audit partner of Withum, discussed the timing and approach of the university's FY24 audit. He encouraged trustees to reach out regarding any fraud or allegation of fraud or other questions or concerns pertaining to the annual audit.

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

MOTION: to adjourn meeting.

The motion passed.

The meeting adjourned at 5:54 pm.

Prepared by B. Fiore, staff associate, finance and facilities

RMA Risk Report Update

Prepared by: Rita P. Colucci, Esq.
Vice President and General Counsel
May 22, 2024

Top Three Risks

1. Declining Enrollment
2. Technology and Cyber Security
3. Campus Safety Perceptions

Declining Enrollment

Admissions Efforts:

- Common App in place.
- Free application through 12/15/23
- Increased out-of-state recruitment plans.
- Enhanced marketing efforts – geo-fencing prospective students' homes, increased promotion to parents, added new graduate-targeted campaigns.
- Continuing Education marketability study to identify programs in demand, skills employers are seeking, and potential careers and job titles for desired programs.
- Enhanced early college and dual enrollment programs.

Declining Enrollment

Retention Efforts:

- Conducting policy equity audit
- Increased resources to better understand Financial Aid including implementing “Which Way,” a financial literacy program
- Increased communication to students and families, including establishing a parent portal

New On-line Programs:

- Undergraduate Continuing Education: Criminal Justice, Healthcare Studies, Social Work (BSW)*
- Graduate: Criminal Justice, Geo-Information Science, Social Work (MSW)

Declining Enrollment

HSI/MSI

- Created an HSI/MSI section on the website.
- Woven key messaging in all official talking points.
- Developed relationships with targeted media, Univision, El Mundo, etc.
- Hosting inaugural HSI/MSI conference on SSU campus in July 2024

Residence Living

- Marketing campaign to current and prospective students highlighting the benefits of living on campus

Declining Enrollment

Experiential Learning:

- Use of “Riipen” – program on the web used to create short-term project-based internships (Bertolon Business School) (<https://www.riipen.com/project-based-internships>)
- Expanded Education Students of Color Program (McKeown School of Education)

Technology and Cyber Security

Addressing aging and outdated equipment

- Created “refresh” budget which assesses expected costs for replacement equipment. To meet the identified needs:

During AY2023-24, ITS received an additional \$640,000 for the purchase of 709 new computers for student labs.

For FY2024-25, ITS budget will be increased by \$750,000.

Technology and Cyber Security

Standardize Employee Equipment

Convert to a one laptop system based on a standard package

Transition academic lab systems to virtual desktop technology

Replacing nearly all Windows desktop systems with thin clients (virtual desktops), which cost 1/3 of a regular computer, last longer and use much less energy.

Technology and Cyber Security

Comprehensive security training program

Implementing Knowbe4, the premier security training program.

Implement multi-factor authentication for students and for employee VPN access

MFA for employee VPN access has been implemented. Once new call center is active, MFA for students will be rolled out and active for fall semester.

Campus Safety

Emergency/All-Hazards Management

A formal emergency/crisis team has been established

Exploring best on-line training programs for active shooter and all-hazards situations

UP has two officers trained to present CRASE – Civilian Response to Active Shooter Events.

Restablishing Emergency Operations Control centers on campus

Campus Safety

General Safety Information

Updating flip charts and other written protocols for placement in classrooms and electronically

Replaced outdoor lights with brighter ones

Replacing older cameras throughout campus

Emergency notice devices for offices available through Linx system

Questions?

Salem State University

Audit Meeting- May 22, 2024

Key Audit Staff

- Zachary Laflash, CPA- Partner
- Steven J. Cohen, CPA- Technical Review Partner
- Lauren Carnes, CPA- Tax Partner

Current Year Topics

- **Timing of Audit**
- **Audit Approach**
- **Accounting Pronouncements**

Timing of Audit Planning/ Fieldwork

- Internal Control/ Systems Testing **Week of May 27th**
- Uniform Guidance Testing **Week of July 22nd**
- Start of Audit Fieldwork **Week of August 1st**
- End of Audit Fieldwork **August 31st**
- Review and Acceptance of Financial
and Uniform Guidance Reports
by RMA Committee **October 9th**

Audit Approach

- Internal Control Systems Testing:
 - Cash disbursements
 - Student revenue & cash receipts
 - Payroll- walkthrough
 - General journal entries
- Uniform Guidance Fieldwork:
 - Student Financial Aid
 - Single Audit Compliance Testing
 - Any additional required Federal Programs
- Audit Fieldwork:
 - Risk based audit of June 30, 2024 financial statement account balances based on results of interim control testing.

New GASB Pronouncement

GASB Statement 99 – Omnibus FY2024- no anticipated impact - Financial Guarantees

GASB Statement 101 – Compensated Absences- FY25 - any impact will flow through information/reports provided by Commonwealth.

GASB Statement 102 – Certain Risk Disclosures - FY25 - change/enhancement to financial statement disclosures

Questions/Concerns

Other items to be discussed which might have an effect on the annual audit-

- Fraud or allegations of fraud

- Settled, pending or threatened legal action

Other questions/concerns regarding the annual audit