
SUBJECT: Risk Management and Audit Committee Meeting Report for May 21, 2025

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 Immerman (chair), Billings, Kezer and Mattera. Also, present and participating: President Keenan (ex-officio), Vice President House (co-committee liaison), Vice President Colucci (co-committee liaison), and executive support specialist Fiore.

Trustee Immerman, committee chair, called the meeting to order at 4:49 pm.

Independent Auditors' FY25 audit entrance discussion (Attachment A)
Zachary LaFlash, audit partner of Withum, discussed the timing and approach of the university's FY25 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 other business a motion was made to adjourn.

Trustee Billings **MOVED** that the Risk Management and Audit Committee meeting adjourn **SECONDED** by Trustee Mattera.

The meeting adjourned at 5:01 pm.

Prepared by B. Fiore, executive support specialist, finance and facilities.

Salem State University

Audit Meeting- May 21, 2025

Key Audit Staff

- Zachary Laflash, CPA- Audit Partner
- Steven J. Cohen, CPA- Technical Review Partner
- Andy Kenderdine, CPA- Audit Manager

Current Year Topics

- Timing of Audit
- Audit Approach
- Accounting Pronouncements

Timing of Audit Planning/Fieldwork

•Internal Control /Systems Testing	Week of May 26th
•Uniform Guidance Testing	Week of July 21st
•Start of Audit Fieldwork	August 1st
•End of Audit Fieldwork	August 29 th
•Review and Acceptance of Financial and Uniform Guidance Reports by RMA Committee	October 15 th

Audit Approach

Internal Control Systems Testing:

- Cash disbursements
- Student revenue & cash receipts
- Payroll
- General journal entries

Internal Control Systems Testing:

- Student Financial Assistance (SFA) Cluster
- Perkins Loan Liquidation
- Potential additional programs – subject to determination once Federal Expenditure amounts are available.

Internal Control Systems Testing:

- Risk based audit of June 30, 2025 financial statement account balances and results of interim control testing.

New GASB Pronouncements

GASB 101- Compensated Absences

- Effective for FY2025
- Updates the recognition and measurement guidance for compensated absences and aligns the recognition and measurement guidance under a unified model to improve consistency and comparability.
- Impact to the Colleges and Universities is expected to be reflected through the compensated absence report received from the Commonwealth.

New GASB Pronouncements

GASB 102- Certain Risk Disclosures

- Effective for FY2025
- Provide users of the financial statements with essential information about risks related to vulnerabilities due to certain concentrations or constraints.
 - Concentration - is a lack of diversity related to an aspect of a significant inflow or outflow:
 - Employees, industries, inflows of resources, collective bargaining agreements, providers of financial resources, supplies of material, labor, or service.
 - Constraint - is a limitation imposed by an external party or by formal action.
 - Limitations on; raising revenue, spending, incurrence of debt, and mandated spending.
- Impact to the Colleges and Universities is expected to be additional financial statement disclosure.

New GASB Pronouncements

GASB 103- Financial Reporting Improvements

- Effective for FY2026
- Purpose is to enhance the effectiveness of government financial reports to better provide information “essential for decision making and assessing a government’s accountability”
- Impact to the Colleges and Universities is expected to be:
 - Management Discussion and Analysis (MD&A):
 - Guidance will clarify requirements to improve readability to help readers understand why amounts changed from prior year.
 - Removal of boilerplate comments.
 - Component Units (CU):
 - Each CU reported separately within the financial statements, provided it does not reduce the readability of the financial statements. However, if CU’s are not reported separately combining statements are required.

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*
- *Potential reduction or elimination of Federal grants.*