
SUBJECT: Risk Management and Audit Committee Meeting Report for March 25, 2026

The committee met 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 and remote meetings. All votes taken during this meeting were by roll call vote.

Present for the Committee: Trustees' Davis (chair), Billings (vice-chair), Kezer and Lancome. Also, present and participating: President Keenan (ex-officio), Vice President Lopez (co-committee liaison), Vice President Colucci (co-committee liaison), Assistant Vice President/Controller Bethoney and executive support specialist Fiore.

Trustee Davis, committee chair, called the meeting to order at 5:10 pm.

AY2024-2025 Risk Mitigation Report (Attachment A)

The details of the top institutional risks as determined during academic year 2023 to 2024 including declining enrollment, technology and cybersecurity and campus safety were discussed. Mitigation efforts both planned and underway were also reviewed.

Auditors for FY26 (Attachment B)

Trustee Lancome **MOVED** the following motion, which was **SECONDED** by Trustee Billings.

MOTION

The Risk Management and Audit Committee recommends that the Board of Trustees approve the following motion pertaining to the audit firm for FY2026 through FY2028.

Recommended Motion

The Board of Trustees of Salem State University hereby approves both the appointment of Withum to perform audit services for FY2026 through FY2028 and the related fees. The cost for FY2026 will be:

- \$91,900 for the financial statement & Single Audit
- \$8,600 for each major program (for the federal audit)
- \$11,300 for the Massachusetts Office of Financial Student Aid (MOFSA) audit
-

Subsequent years' costs will be increased by 4%.

A roll call vote was taken.

Voting in the affirmative: Trustees Billings, Kezer, Lancome and Davis

Voting against: None

The motion passed unanimously.

Executive Session

Chair Davis stated that the committee will go into executive session pursuant to MGL c. 30A, section 21(a) for the following reasons: (1) to discuss litigation pursuant to section 21(a)(3) to discuss the deployment of security personnel or devices, or strategies with respect thereto pursuant to section 21(a)(4), namely the university's cybersecurity status. She stated that the committee will not re-enter public session following executive session.

Trustee Billings **MOVED**, and Trustee Kezer **SECONDED** a motion to enter into executive session). A roll call vote was taken at 5:38 pm and the motion passed unanimously.

Voting in the affirmative: Trustees Billings, Kezer, Lancome and Davis

Voting against: None

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

Salem State University's FY2024-2026 Institutional Risk Report

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

Top Institutional Risks

Declining Enrollment

Declining enrollment poses a financial risk and reflects demographic and market trends in higher education.

Technology and Cybersecurity

Aging infrastructure and cybersecurity challenges affect academic delivery, data security, and institutional credibility.

Campus Safety

Campus safety measures are critical to building trust and maintaining a safe and secure environment.

Declining Enrollment

Enrollment Decline Risks

Declining enrollment directly impacts university revenue and financial sustainability, posing long-term risks.

Competitive Challenges

Regional demographic shifts, heightened competition within Massachusetts and the northeast, and increasing concerns regarding affordability and return-on-investment.

Mitigation Initiatives

- Enhanced Recruitment and Retention efforts
- Increase Online Program Offerings (Social Work)
- Increase International and Nursing Enrollment
- Enhance Counseling, Health and Wellness Services (Complete)
- HSI/MSI Designation (Achieved) – *Servingness* efforts
- Increase Support for Students in the Residence Halls
- Strengthen Experiential and Civic Opportunities
- Project BOLD – State of Art Science and Stimulation Labs (Fall 2027)
- Replacement of dated technology in labs (Complete)

Technology and Cyber Security

Operational and Cyber Risks

Aging hardware and legacy system increase risks of failure, data breaches, and operational disruptions for the university.

Competitive Challenges

Outdated labs and systems affect student recruitment and staff efficiency, causing compliance challenges.

Mitigation Initiatives

In-Progress

- Regular security training for student workers started Spring 2026 semester

Completed

- Technology refresh schedule
- Standardized equipment
- Virtual desktop technology
- Implemented multi-factor authentication and phishing training

Campus Safety

Campus Safety Importance

Campus safety directly influences student well-being, employee confidence, and public perception of the university.

Community Trust and Leadership

Maintaining trust requires transparent communication, consistent safety messaging, and ongoing leadership attention.

Mitigation Initiatives

In-Progress

- Continue addressing staff vacancies within university police
- Improve consistency of emergency messaging
- Implementing long-term physical security plan

Completed

- Reestablished a formal emergency management structure
- Enhanced training and communication protocols
- Incorporated safety awareness into orientation programs

 REQUEST FOR TRUSTEE ACTION

Date: March 25, 2026
To: Risk Management and Audit Committee
From: Sallyann Lopez, Vice President of Finance and Facilities
Subject: Appointment of audit firm for FY2026 through FY2028
Requested Action: Approval

The Risk Management and Audit Committee charter includes these responsibilities, among others, pertaining to the annual independent audit:

1. 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.

Salem State completed an RFP for external auditing services. Four firms responded, Withum was the only proposer with experience auditing Massachusetts public universities and community colleges.

MOTION

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Recommended Motion

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Subsequent years' costs will be increased by 4%.

Committee Assigned: Finance and Facilities Committee

Action: Approved

Date of Action: March 25, 2026

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: Secretary of Board of Trustees

Date: _____

Executive Summary – Appointment of Audit Firm

Salem State University recently concluded a competitive RFP process to secure external auditing services in preparation for the expiration of its current contract. Invitations were extended to thirteen firms, resulting in the submission of four proposals from Withum, CLA, BerryDunn, and CBIZ.

While all participating firms demonstrated the requisite qualifications, Withum distinguished itself through its extensive experience auditing Massachusetts public universities and colleges, including Salem State University.

Withum possesses comprehensive knowledge of the Commonwealth's public higher education landscape and related agencies, such as the Massachusetts State College Building Authority and the Office of the Comptroller. Furthermore, the firm is well-equipped to assist the University with the adoption of GASB Statement No. 103, which introduces substantial updates to the financial reporting framework and related disclosures.