Salem | STATE UNIVERSITY

SUBJECT: Risk Management and Audit Committee Meeting Report for September 30, 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 Billings (chair), Cabral (vice-chair), and Kezer. 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 Billings, committee chair, called the meeting to order at 5:15 pm.

Status of FY26 financial statement audit
Withum's independent audit of the FY26 financial statements is underway and remains on schedule. One finding (quite common) has been confirmed in the Uniform Guidance audit, concerning a status change for one student that was reported to the NSLDS outside the required 60-day reporting window. Initial drafts of the financial statements are being prepared for audit review, and a draft report is scheduled for presentation at the next RMA Committee meeting on October 14, 2026.

Call to Action and Accreditation (Attachments A, B)
The committee discussed the Secretary of Education's National Call to Action, which asks institutions to address seven policy and governance questions and publish statements of principle by December 31, 2026. SSU is reviewing its website statements and consulting statewide colleagues about a coordinated response. The committee also reviewed proposed changes to regulations concerning higher education accreditation.

Committee Charter (Attachment C)
No changes are recommended to the Risk Management and Audit Committee charter.

Committee Work Plan (Attachment D)
No changes to the Risk Management and Audit Committee work plan for the AY2026-2027 were discussed.

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

The meeting adjourned at 5:43 pm.

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



Salem STATE UNIVERSITY

A National Call to Action

Prepared by Rita P. Colucci
Vice President and General Counsel

What the Letter Asks

The Secretary of Education calls on each postsecondary institution to:

- Reaffirm its commitment to rigorous teaching, pathbreaking research, and national service.
- Address seven stated policy and governance questions including adopted and planned reforms.
- Publish “statements of principle” prominently on the institution’s website before the end of 2026.
- Respond “concretely and with “full transparency” to the American Public

The letter does not prescribe a single template for institutional response.

The Seven Questions

1. Fair, Transparent and Achievement-based Admissions Criteria
2. Free Exchange of Ideas, Debate, Open-minded Discourse and Disruptions by Protesters
3. Ensuring Intellectual Pluralism Through Hiring and Evaluation Practices and Research
4. Access and Affordability of Degrees

The Seven Questions (con't)

5. Maintain High Academic Standards despite AI and Grade Inflation
6. Protect Academic Programs from Foreign Influence and Safeguard Integrity of Research Enterprise
7. Advance American Security Interest, Meet Worforce Needs and Contribute to Nation's Prosperity

University Actions

1. Reviewing statements on our website to determine whether we have addressed the seven questions

2. Conferring with statewide colleagues to determine whether a statewide approach is planned

Expectations

- Seeking institutional responses by December 31, 2026
- Asking that statements of principle are posted prominently on websites
- Participation is voluntary BUT:
  - Q: Could there be informal consequences if the Department is dissatisfied with a response or if an institution chooses not to respond?
  - A: No consequences are attached to participation in the Call to Action itself. The administration will, however, continue separate generally applicable accountability and civil-rights enforcement activities.

Comments to Proposed Changes to Accreditation Regulations

- Massachusetts joined 23 States in submitting comments to proposed changes in federal regulations that would affect accreditation standards
- Proposed changes would codify Executive Order 14279, “Reforming Accreditation To Strengthen Higher Education,” a Trump administration EO

Proposed Changes

- Require that accreditors review and evaluation programs based on specific, ED-set policies aimed at institution's civil rights and DEI practices including:
  - Academic freedom
  - Intellectual diversity
- Lowers standards for new accreditors and accreditors facing adverse accreditation standards
- Lower the bar for institutions to switch accreditors or hold multiple accreditation or switching accreditors
- Weaken accreditors' ability to hold institutions accountable and protect students facing potential school closures

QUESTIONS?

THE SECRETARY OF EDUCATION
WASHINGTON, DC 20202

August 3, 2026

A National Call to Action to University Presidents and Governing Boards

Dear University Presidents and Board Members:

As America celebrates 250 years of freedom, I call upon university leaders and governing boards to reaffirm their commitment to serving the American people.

America's oldest universities were founded almost 400 years ago and have, since the colonial era, helped to forge the political leaders, institutions, and public culture that made this country the greatest in the world. For centuries, American colleges and universities were a source of immense national pride: they excited in students a love of beauty and truth; they advanced science and opened opportunities in a growing national economy; they powered the modern research enterprise that secures our sovereignty and military might; and they served as indispensable repositories of our civilizational inheritance.

Yet, as higher education has drifted from the principles that built up so much public esteem, Americans' trust in universities has reached record lows.

Several university leaders have publicly recognized the need to chart a new course to rebuild public confidence and trust. In May, Yale's Committee on Trust in Higher Education boldly acknowledged that the dilution of academic standards, opaque admissions policies, and a domineering monoculture have badly eroded public trust. Last month, in response to a charge from the presidents of Vanderbilt and Washington University, a committee of leading scholars documented the politicization of the humanities and humanistic social sciences.

These courageous documents evince a generational opportunity for self-reflection and institutional renewal. For the good of the Nation, university leadership must seize this occasion to drive essential reforms—a process some began by adopting positions of institutional neutrality and improving policies related to campus protests.

Before the end of 2026, I call on every postsecondary institution to describe to the American public your commitments to rigorous teaching, pathbreaking research, and national service—commitments that make our universities a bedrock institution of the American republic.

These statements of principle should be posted prominently on institutional websites. Only full candor and transparency can begin to strengthen the bonds between higher education and the American people.

I know that there is no single template for academic excellence, and I hope we will witness a variety of institutional types, each with distinct missions and priorities, issue landmark declarations of purpose that will revitalize higher education in the years ahead. In detailing your

commitments to your students and the American people, I ask institutional leaders to **address the following questions**, detailing adopted and planned reforms:

1. The opacity of university admissions has caused allegations of favoritism, unjust outcomes, and illegal discrimination. Every prospective student is legally entitled to equal treatment regardless of protected characteristics, and credible accusations of covert attempts to evade the Supreme Court's ruling in *Students for Fair Admissions v. Harvard* will persist as long as admissions criteria remain shielded from public view. **How will your institution ensure that admissions criteria are transparent and wholly described to prospective applicants? And how will your institution ensure admissions decisions are based on merit, achievement, and your university's educational purpose?**

2. Institutions must encourage an ethic of free speech and foster a thriving marketplace of ideas, guided by open inquiry and honest debate. The collision of opposing viewpoints is necessary to advance learning and prepare students for the duties of citizenship. **How will your institution protect the free exchange of ideas, wide-ranging debate, and open-minded campus discourse? And how will you guarantee that unruly and violent protestors do not harass students or disrupt classes, research, public lectures, and campus operations?**

3. Some academic disciplines and departments have subordinated the scholarly pursuit to political and social goals, as documented in the recent *Report on the State of Scholarship in the Humanities and the Humanistic Social Sciences*. When disciplines skew toward one side of the ideological spectrum, the truth-seeking function of the university suffers and public trust declines. **How will your institution encourage intellectual pluralism in all its academic units? How will your faculty hiring and evaluation practices support academic vitality and ensure that all relevant perspectives are taken seriously? And how will your school ensure the research enterprise is dedicated to advancing knowledge, deepening understanding, and serving the American people who fund it?**

4. The price of some postsecondary degrees seems out of reach for many American families—in significant measure due to ever-rising administrative costs and other expenses unrelated to core university functions. Rates of student attrition and student loan defaults are too high, and universities should take responsibility for ensuring better outcomes. Schools should be transparent about the value of their degrees and prioritize offering education that fosters employment. **How will your institution ensure that families can access affordable, high-return, degrees? What can your school do to contain costs, improve pricing transparency, and ensure that every academic program equips students to repay their loans?**

5. High academic standards are essential because rigor and learning go hand-in-hand, equipping students with the skills and knowledge they need to succeed in life and contribute to their country and community. Artificial intelligence has upended traditional methods of teaching and assessing student learning. Some schools recently have announced steps to combat grade inflation. **How will your institution incentivize rigor in the age of AI, combat grade inflation, and prioritize excellence in teaching and learning?**

6. University-sponsored research can drive economic growth and deliver medical innovation and technologies with vital military applications. University leaders must ensure that the research enterprise is oriented toward advancing the U.S. national interest—not our adversaries'—by refusing gifts with problematic conditions and ensuring that foreign actors do not unduly influence academic programming, research personnel, researcher assignments, or student admissions. Institutions must also ensure that malign foreign actors do not gain access to sensitive research or technology. **How will your school protect academic programs from foreign influence and safeguard the integrity of the research enterprise?**

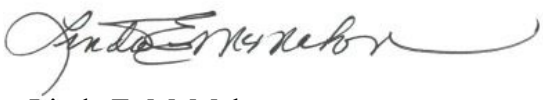
7. American taxpayers invest hundreds of billions of dollars into higher education every year. American universities must put Americans, and American interests, first. That means prioritizing American students and faculty, orienting the research enterprise to support the country's economic and security needs, and putting American societal success ahead of global commitments. **How will your institution answer this national call to action? How can your campus and faculty advance American security interests, deliver academic programs that meet urgent workforce needs, and contribute materially to the Nation's prosperity?**

I encourage universities to respond concretely to these questions and provide full transparency to the American people.

This forthright conversation with the American people is long overdue. And it is the essential first step toward rebuilding trust in the sector.

Bold university reformers will bring excellence and accountability to American higher education. A renewed academy, in turn, will usher in a new era of opportunity, prosperity, and American leadership.

Sincerely,



Linda E. McMahon

Risk Management and Audit Committee Charter
September 2026

The charter attached is for your review and as a matter of good practice at the start of the board year. No changes or discussion are needed.

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; 9/20/23; 9/25/24 - 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.

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; 9/20/23; 9/25/24 - Reviewed by the Risk Management and Audit Committee, no changes.

Risk Management and Audit Committee Work Plan for AY2026-27
September 2026

The workplan attached is for your review and as a matter of good practice at the start of the board year.

Risk Management and Audit Committee Work Plan for AY 2026-27

September 30, 2026 w BOT Oct. 28, 2026

- Status of FY26 financial statement audit (verbal update)
- Call to Action
- Other
    - Committee charter
    - Committee work plan for the year
- Executive session

October 14, 2026

- FY2026 audits for discussion and acceptance:
    - FY2026 Salem State University Financial Statements and Management's Discussion and Analysis, June 30, 2026
    - Salem State University Independent Auditor's Report as Required by the Uniform Guidance and Government Auditing Standards and Related Information, June 30, 2026
    - Perkins Closeout audit, June 30, 2026

January 20, 2026 w BOT February 3, 2027

- Annual Clery Report
- FY26 annual report of president's expenditures
- ICC overview

March 24, 2027 w BOT April 7, 2027

- Executive session, to discuss strategies with respect to the deployment of security personnel or devices with an emphasis on cyber security [materials will be submitted to committee under separate cover]

May 12, 2027 w BOT June 2, 2027

- Audit matters
    - FY27 audit entrance discussion
    - GASB 103
    - AY2026-2027 Risk Mitigation report