



**Board of Trustees**  
Audit Committee

1:00 p.m.  
December 16, 2021

Conference Room A (Garden Level), Horace Mann Center

A live stream of the meeting for public viewing will also take place on YouTube at the following link: <https://www.westfield.ma.edu/live>

*COVID-19 Procedures: Masks are required when indoors at Westfield State University, regardless of vaccination status. For more information about Westfield State's COVID-19 procedures, visit: <https://www.westfield.ma.edu/fall-2021-opening/faq>*

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|------------------------------------------------|---------------------------------|
| <b>1. Called to Order</b>                      | Trustee Boudreau                |
| <b>2. Minutes</b>                              |                                 |
| a. October 13, 2021                            | Trustee Boudreau                |
| <b>3. President's Remarks</b>                  | President Thompson              |
| <b>4. Items for Information</b>                |                                 |
| a. FY21 Payment Card Industry (PCI) Assessment | Alan Blair                      |
| b. Performance Audit: Post Audit Review        | Lisa Freeman                    |
| <b>5. Items for Discussion</b>                 |                                 |
| a. Risk Management/Internal Audit              | Trustee Boudreau/Stephen Taksar |
| <b>6. Items for Action</b>                     |                                 |
| a. None                                        |                                 |

**Attachment(s):**

- a. Minutes 10-13-21 (Draft)
- b. FY21 PCI (Summary)
- c. Performance Audit (Letter)
- d. Performance Audit (Response)



## Board of Trustees

Audit Committee

October 13, 2021

Minutes

Owl's Nest (Room 018), Ely Campus Center

A live stream of the meeting for public viewing also took place on YouTube.

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**MEMBERS PRESENT:** Committee Chair Paul Boudreau, Vice Chair William Reichelt, Secretary Dr. Gloria Williams

**MEMBERS EXCUSED:** Trustee Alvarado

**TRUSTEE GUESTS IN ATTENDANCE:** Trustees Madeline Landrau, Dr. Robert Martin, Kevin Queenin, and Ali Salehi

Dr. Linda Thompson, President of Westfield State University, was also present.

The meeting was called to order at 1:02 PM by Committee Chair Boudreau and it was announced that the meeting was being livestreamed.

**MOTION** made by Trustee Reichelt, seconded by Trustee Williams, to approve the minutes of the June 29, 2021 meeting. There being no discussion, **Motion passed unanimously.**

Uniform Guidance Audit: Findings Follow-Up. Lisa Freeman, Associate Vice President for Administration and Finance, stated that there was an audit finding from the FY20 financial aid compliance. It has been resolved and the action plan accepted. The matter has been closed with no additional action needed on our part.

State Audit: Findings Follow-Up. Stephen Taksar, Vice President for Administration and Finance, stated that last year's audit identified two items that needed to be addressed, IT training and vendor database revisions. New procedures have been implemented in how changes are made to the vendor database file, which are reviewed and documented by a supervisor. All changes are being documented to the master file for the state, and they have closed the matter. Alan Blair, Chief Information and Security Officer, stated that the first IT training campaign has started and has been completed by ten percent of employees. An internal phishing campaign gave a baseline of where to focus the training. Once training has been completed, minimal monthly internal phishing campaigns will start in order to target ongoing training needed. The training will eventually include students. All employees will be required to take the IT training within 30 days of hire and then annually. All training has been impact bargained and agreed to. The better everyone is trained, the less risk of cyber-attack.

FY22 Internal Audit/Risk Management/Compliance. As an update to the last meeting, there has not been a resolution to the issue of an internal audit/risk management officer. One area of progress is the hiring of a Title IX coordinator to ensure compliance in that area.

FY21 Audit Report. Dave Dilulis and Zach Laflash from O'Connor and Drew, P.C. reviewed the required communications and stated the financial statements give an opinion on internal control and showed no findings or deficiencies. Both are clean reports. There were no difficulties in performing the audit and no fraud discovered. There are no GASB implementations this year. Significant transactions include HEERF and SIP federal funding in response to the COVID-19 pandemic. The MSCBA also partially refunded the University's outstanding bonds to provide budgetary relief for FY21 and FY22.

Mr. Taksar stated that the interpretation of the financial statements is limited due to OPEB liabilities in our financial statements. A liability of \$103 million is required to be reported for GASB purposes. From a resource point of view, financial statements need to be looked at in a different way. There is concern about required reporting on obligations we are not financially responsible for.

Assets, liabilities and net position were discussed. There was an increase in cash, accounts receivable, and capital assets as a result of deferred outflows of resources driven by reports from the state, with similar reporting under liabilities. Current liabilities increased due to accounts payable and an increase in bonds payable due to the MSCBA bonds funding. It was questioned how there was an increase in net position with challenges discussed in the budget. The increase is due to recognition of state capital appropriation revenue for work completed during the year on the steam line and Parenzo Hall projects. There was also \$4.3 million in investment growth, which is not a budgeted item, and an unrealized gain to be added to the bottom line. HEERF funds were drawn down for lost revenue expense. One-time transactions have no material effect on reducing the structural deficit. It is the University's responsibility to manage the funds and the auditors' responsibility to check that management. Most one-time fund changes are related to COVID-19 changes in income and expenses.

The audit focuses on the financial statements. It was questioned whether, since the University does not have an internal auditor or risk process set up, it would be worthwhile to have an audit of our internal control processes. O'Connor and Drew conducts tests of internal controls and if they believe that something is not right, they would expand their testing to see if it was systematic and may recommend additional internal review. Sample testing is performed throughout the year and select testing after June 30. The sample size is 25 to 40 percent, depending on the risk for that area and any previous findings. They currently conclude the internal processes are working well. Trustee Boudreau stated the committee has discussed hiring a risk management/audit officer, and that needs to stay on the radar to fill when the University is in a better financial position and can find qualified people to apply. Currently, the Title IX compliance officer position rose to the top of the priority list and the university funded this new position this year.

**MOTION** made by Trustee Reichelt, seconded by Trustee Williams, to accept the annual report for fiscal year ending June 30, 2021, as prepared by the university's Administration and Finance Division and to authorize the submission of this report to the State Comptroller's Office, the Massachusetts Department of Higher Education, and the State Auditor's Office, as required by the Massachusetts Department of Higher Education. This annual report includes the Westfield State University FY21 Financial Statements, audited by O'Connor & Drew, P.C.

There being no discussion, Committee Chair Boudreau requested a roll-call vote:

Trustee Reichelt	Yes
Trustee Williams	Yes
Trustee Boudreau	Yes

**Motion passed unanimously.**

There being no other business, **MOTION** made by Trustee Reichelt, seconded by Trustee Williams, to adjourn. There being no discussion, **Motion passed unanimously.**

Meeting adjourned at 1:51 PM.

Attachments presented at this meeting:

- a. Draft Minutes of 6-29-21 Meeting
- b. Uniform Guidance Audit (Follow-Up)
- c. State Audit (Update)
- d. State Audit (Communication)
- e. State Audit (Final Report)
- f. Motion – FY21 Audit Report
- g. FY21 Audit Report (Required Communication)
- h. FY21 Audit Report (Draft)

**Secretary's Certificate**

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Westfield State University Board of Trustees Audit Committee meeting held on October 13, 2021.

\_\_\_\_\_  
Dr. Gloria Williams, Secretary

\_\_\_\_\_  
Date

OFFICE OF INFORMATION AND INSTRUCTIONAL TECHNOLOGY

To: Audit Committee, Board of Trustees

From: Alan R. Blair,  
Chief Information Officer  
Chief Information Security Officer

Office of Information and Instructional Technology

Date: December 16, 2021

RE: PCI Assessment Overview

Over the past seven years, Information Technology Services (ITS) has been working diligently to become 100% Payment Card Industry Data Security Standard (PCI-DSS) compliant. The most significant challenge in this endeavor is the ever changing and evolving requirements of the PCI Security Standards Council.

In 2015, we found ourselves in a position where the new standards were published but not effective until 2016. ITS requested to be held to the 2016 standard during our assessment. This led to 38 sub requirement failures and 5 major requirement failures. After the final report was published, ITS put in place an action plan to mitigate the risks associated with the failures. Because of that action plan, we were able to reduce the sub requirement failures to 3 and major requirement failures to 2 during the 2016 assessment. Prioritization of other projects, funding and time constraints were the major contributing factors to ITS not being able to mitigate the remaining failures. Again, in 2016, we put an action plan in place to mitigate the remaining risks. As a result of the remainder of the that action plan and gaining a head start on the new requirements published by the PCI Security Standards Council in 2016, we were able to mitigate all risks and pass all requirements for the first time in 2017 and successfully adhere to that standard again in 2018, 2019, 2020 and once again in 2021. By leveraging costs savings within our departmental budget allocation, we were able to fund software requirements and upgrade our existing security information training to meet the requirements necessary to be 100% PCI compliant. The challenges we face next year are an ever-increasing threat landscape, the economic and physical impact of the COVID-19 pandemic, telecommuting, and lack of human resources on our information security team.

PCI Requirement		2015 Result	2016 Result	2017 Result	2018 Result	2019 Result	2020 Result	2021 Result
1	Install and Maintain a Firewall Configuration	PASS	PASS	PASS	PASS	PASS	PASS	PASS
2	Do Not Use Vendor Supplied Defaults for System passwords and other Security Parameters	PASS	PASS	PASS	PASS	PASS	PASS	PASS
3	Protect Stored Data (Electronic)	PASS	PASS	PASS	PASS	PASS	PASS	PASS
4	Encrypt Transmission of Cardholder and Sensitive Information across Public Networks	PASS	PASS	PASS	PASS	PASS	PASS	PASS
5	Use and Regularly Update Anti-Virus Software	PASS	PASS	PASS	PASS	PASS	PASS	PASS
6	Develop and Maintain Secure Systems and Applications	PASS	PASS	PASS	PASS	PASS	PASS	PASS
7	Restrict Access to Data by Business Need-To-Know	PASS	PASS	PASS	PASS	PASS	PASS	PASS
8	Assign Unique ID to Each Person with Computer Access	FAIL	PASS	PASS	PASS	PASS	PASS	PASS
9	Restrict Physical Access to Cardholder Data	FAIL	PASS	PASS	PASS	PASS	PASS	PASS
10	Track and Monitor All Access to Network Resources and Cardholder Data	FAIL	PASS	PASS	PASS	PASS	PASS	PASS
11	Regularly Test Security Systems and Processes	FAIL	FAIL	PASS	PASS	PASS	PASS	PASS
12	Maintain a Policy that Addresses Information Security for Employees and Contractors	FAIL	FAIL	PASS	PASS	PASS	PASS	PASS



SUZANNE M. BUMP, ESQ.  
AUDITOR

# The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

TEL (617) 727-2075  
FAX (617) 727-2383

October 27, 2021

Dr. Linda Thompson, President  
Westfield State University  
577 Western Avenue  
Westfield, MA 01085

Re: Audit No. 2020-0185-3E  
Issue date: April 15, 2021

Dear Dr. Thompson,

As State Auditor, I am committed to making government work better. Our audit process is the first step. Through our review of agency functions and outcomes, we may uncover ineffective or inefficient processes and identify system vulnerabilities. The next step is to assess the impact of our recommendations on the audited agencies. With this audit follow-up process, I want to learn if recommendations are working, if there are problems, if there are needed legislative or regulatory changes that I could advocate for or if further audit action is necessary. Your participation will help to ensure that Massachusetts meets the highest level of government auditing standards, as articulated by the United States Government Accountability Office. It may also relieve your agency of future audit pressures.

To that end, we are contacting you to inquire about the status of recommended corrective action in regard to the above named audit. Please complete the attached form and return it to [Corrective.Action@sao.state.ma.us](mailto:Corrective.Action@sao.state.ma.us) (not case sensitive) within 21 days. An instruction sheet is also attached for your reference. If you have any questions about this, you may contact Kim Stanley at 617-727-6200 or by email at [kimberly.stanley@sao.state.ma.us](mailto:kimberly.stanley@sao.state.ma.us).

Thank you for your prompt attention and the work you do to serve the public good.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne M. Bump".

Suzanne M. Bump  
Auditor of the Commonwealth



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

## **Official Post-Audit Review**

**Westfield State University – 2020-0185-3E**

**\*\* This questionnaire is meant to be completed on a computer by clicking on or filling in the appropriate fields\*\***

**\*\* Upon completion, please save and email the questionnaire to [Corrective.Action@sao.state.ma.us](mailto:Corrective.Action@sao.state.ma.us).\*\***

**If you have questions or need assistance please contact  
Kimberly Stanley at (857) 242-5546 or [Kimberly.Stanley@sao.state.ma.us](mailto:Kimberly.Stanley@sao.state.ma.us)**

### **SECTION 1: AUDIT INFORMATION**

**Agency:** Westfield State University

**Issued Date:** 04/15/2021

**Date of Follow-Up Inquiry:** 10/27/2021

**Audit #:** 2020-0185-3E

**Audit Title:** Westfield State University, for the period October 1, 2018 through March 31, 2020

### **SECTION 2: AUDIT FINDINGS UPDATE**

**Finding 1:** Westfield State University (WSU) Did Not Always Perform or Document A Verification of Vendor/Customer Information

**Recommendation 1.1:** WSU should amend its procedures to ensure that verification is properly performed before creations or changes are processed and require all personnel to document the measures they take to verify the information vendors provide in requests to create or change information in their files.

**1. Agency action:** Fully Implemented



2. **Explanation of agency action:** In the months following the audit findings, the University has had three instances that required an update to vendor banking information. The University implemented a new process and form to document the measures taken to verify the information. In addition, employees responsible for reviewing new vendor W9's initial and date the W9's to indicate that the review process has been completed.
3. **Agency action completion date:** 3/25/2021
4. **Outcome of corrective action:** Compliance with the Office of the Comptroller of the Commonwealth (CTR) policies and procedures.
5. **Fiscal benefit:** Not Applicable
6. **Value of fiscal benefit:** N/A
7. **Description of fiscal benefit:** N/A
8. **Person(s) responsible:** Gary Duggan; Lisa Freeman
9. **Position/Title:** Director of Procurement and Administrative Services; Associate VP, Finance
10. **Email address:** gduggan@westfield.ma.edu; lfreeman@westfield.ma.edu

**Recommendation 1.2:** WSU should implement effective monitoring controls (e.g., a supervisory review process) to ensure that its staff complies with this requirement.

1. **Agency action:** Fully Implemented
2. **Explanation of agency action:** The University has implemented a supervisory review process. For EFT additions and changes, a supervisor signs off on the newly created 'Vendor Electronic Payment-Addition/Change Documentation Form' before any changes are made. For vendor changes and new vendor information and W9's, a supervisor reviews and initials the forms to indicate the review process has been completed.
3. **Agency action completion date:** 3/25/2021
4. **Outcome of corrective action:** Compliance with the Office of the Comptroller of the Commonwealth (CTR) policies and procedures.
5. **Fiscal benefit:** Not Applicable
6. **Value of fiscal benefit:** N/A
7. **Description of fiscal benefit:** N/a
8. **Person(s) responsible:** Gary Duggan; Lisa Freeman

9. **Position/Title:** Director of Procurement and Administrative Services; Associate VP, Finance

10. **Email address:** gduggan@westfield.ma.edu; lfreeman@westfield.ma.edu

**Finding 2:** WSU Did Not Ensure That Information System Security Awareness Training Was Completed As Required By the Executive Office of Technology Services and Security

**Recommendation 2.1:** WSU should implement a formal information system security awareness training program requiring new users to receive training and existing users to be retrained annually.

1. **Agency action:** Fully Implemented
2. **Explanation of agency action:** The University launched an electronic, online security education training and awareness (SETA) program through a partnership with KnowBe4, a world-wide leader in cyber security training and education. Invitations were sent to employees to begin their mandatory training on October 11, 2021. All new hires must complete training within 30 days of hire and at a minimum, annual security training will be completed by all constituents. The University will also initiate monthly phishing tests to assess its security posture.
3. **Agency action completion date:** 10/11/2021
4. **Outcome of corrective action:** Became in compliance with the Executive Office of Technology Services and Security (EOTSS) requirement that employees who have access to its systems receive awareness training.
5. **Fiscal benefit:** Not Applicable
6. **Value of fiscal benefit:** N/A
7. **Description of fiscal benefit:** N/A
8. **Person(s) responsible:** Alan Blair; Stephen Taksar
9. **Position/Title:** Chief Information Officer; VP Administration and Finance
10. **Email address:** alan@westfield.ma.edu;staksar@westfield.ma.edu

**Recommendation 2.2:** WSU should establish monitoring controls to ensure that all of its employees with access to its systems comply with these requirements.

1. **Agency action:** In Progress

2. **Explanation of agency action:** With the University's launch of the electronic, online security education training and awareness (SETA) program through a partnership with KnowBe4, employees were sent an email enrolling them in the training program and were provided a date by which they will have to complete their training. The KnowBe4 program includes a robust compliance monitoring system which allows us to generate reports for ease in monitoring compliance. Human Resources will be notified of non-compliance and the appropriate personnel action steps will be taken.
3. **Agency action completion date:** Click to enter a date.
4. **Outcome of corrective action:** Ensures compliance with the EOTSS's requirements and that all employees are trained on all relevant rules and regulations for cybersecurity. With the implementation of this program, the University will be able to monitor compliance with the training requirements.
5. **Fiscal benefit:** Not Applicable
6. **Value of fiscal benefit:** N/A
7. **Description of fiscal benefit:** N/A
8. **Person(s) responsible:** Alan Blair; Stephen Taksar
9. **Position/Title:** Chief Information Officer; VP Administration and Finance
10. **Email address:** alan@westfield.ma.edu;staksar@westfield.ma.edu

### **SECTION 3: REFERRAL**

1. **Were any matters referred to law enforcement or oversight agencies?** No
2. **If yes, please explain and update:** Click to enter text.

### **SECTION 4: TRANSMITTAL**

1. **Submitted by:** Lisa Freeman
2. **Position/Title:** Associate VP, Finance
3. **Email address:** lfreeman@westfield.ma.edu
4. **Date:** 11/10/2021