

APPROVED BY COMMITTEE 12/3/15

**OLD DOMINION UNIVERSITY
BOARD OF VISITORS**

**AUDIT COMMITTEE
Thursday, September 24, 2015**

MINUTES

The Audit Committee of the Board of Visitors met on Thursday, September 24, 2015 at 8:33 a.m. in the Board of Visitors Room on the Norfolk campus. Present from the Committee were:

Judith O. Swystun, Chair
Frank Reidy, Vice Chair
David L. Bernd
John F. Biagas, (*ex-officio*)
Mary Maniscalco-Theberge '78
Ronald C. Ripley '72(*ex-officio*)
Robert M. Tata '86

Other Board of Visitors members present were:

Charles Chiou
Alton J. (Jay) Harris

Absent were: None

Also present were:

Mikayla Alquist	R. Earl Nance
President John R. Broderick	Ellen Neufeldt
Dan Genard	Amanda Skaggs
Giovanna Genard	Deb Swiecinski
Velvet L. Grant	Rusty Waterfield
Rhonda Harris	James D. Wright
Donna Meeks	

The Chair called the meeting to order at 8:33 a.m. Dr. Maniscalco-Theberge moved to approve the minutes from the June 11, 2015 meeting. Mr. Reidy seconded the motion and the minutes were unanimously approved by all members present and voting. (*Bernd, Biagas, Maniscalco-Theberge, Reidy, Ripley, Swystun, Tata*)

Amanda Skaggs, Internal Audit Director, reported to the Committee on the outcome of the Internal Audit Department's Quality Assurance Improvement Program (QAIP), which is

required by audit professional standards. External assessments must be conducted at least every five years and internal assessments must be ongoing and periodic. Goals for the year were to develop an internal assessment process that validates the office's conformance to professional standards and that complement the five-year external review process. An external assessment was conducted in 2014 and will be due again in 2019. A QAIP should focus on the quality of the internal audit activity and lead to recommendations for improvement. Additionally, a QAIP should:

- 1) Cover all aspects of internal audit activity;
- 2) Enable the evaluation of conformance with the mandatory elements of International Professional Practices Framework (IPPF);
- 3) Assess efficiency and effectiveness; and,
- 4) Identify opportunities for improvement.

Ms. Skaggs discussed the efforts in place at Old Dominion to comply with this program and to document ongoing monitoring which includes: audit policy and procedures that address planning, fieldwork and reporting standards; reviews during engagements; and, review and approval of final reports by the director before they are issued to senior management and to the Board of Visitors. Additionally, during this process there was an opportunity to revise audit procedures to more closely align with the latest professional standards.

Ms. Skaggs noted the following periodic assessments have been developed to ensure documentation practices:

- Creating a checklist of the Standards
- Signing of the *Institute of Internal Audits Code of Ethics* by staff members
- Reviewing the *Internal Audit Charter*
- Audit planning in relation to University-wide risk assessment
- Conducting work paper reviews that allow staff members to review their colleagues work in order to gain new ideas and ways to perform their work
- Creating performance metrics

While these assessments were not originally formalized, they are now being used in addition to the five-year review to ensure that the department is continually performing up to standard.

QAIP rating outcomes include "generally conforms," "partially conforms" and "does not conform." While the outcome for Old Dominion's Internal Auditor's Office is that it generally conforms, the following are four areas that can be improved upon:

- Formally reporting the outcome of the QAIP to the Audit Committee of the Board of Visitors and senior management annually. (This report accomplishes this task.)
- Updating the *Internal Audit Department Manual*
- Formally confirming with the Audit Committee of the Board of Visitors the independence of the Internal Auditor Office's in the work performed annually

- Reviewing the *Internal Audit Charter* annually and making any necessary changes

Ms. Skaggs then proceeded to address the confirmation of auditor's independence and the proposed changes to the *Internal Audit Charter* with the Committee.

The auditor's independence confirmation must be done annually. There are three levels that must be considered including organizational, engagement and individual. Organizationally, the Auditor's Office reports dually to senior management and to the Audit Committee of the Board of Visitors. With regard to engagement, the staff of the Internal Auditor's Office now annually reads and signs the IIA Code of Ethics. Individually, starting July 1, 2015, each auditor is required to identify any threats to their independence for every project. Ms. Skaggs explained how Old Dominion's Internal Auditor's Office met the criteria for each level.

Dr. Maniscalco-Theberge asked if the department tracked trends and patterns during the work paper reviews by staff. Ms. Skaggs explained that she provided a list of audits that were conducted and allowed staff members to select those they wanted to review. The results were submitted to her directly and she compiled results and documented them in the same way as audits of University departments.

Next, Ms. Skaggs proposed the following revisions to the *Charter of the Internal Audit Department*:

- 1) Under Standards Section:
 - Reference the newly established 4th mandatory element of the International Professional Practices Framework.
- 2) Under Reporting Responsibility Section:
 - Note that the Internal Audit Office reports through the President's Office instead of to the President since the office has access to both the President and the COO.
 - Add language to the Charter that states that the Internal Auditor's Office must adhere to directives generated by the Office of the State Inspector General.
- 3) Under Personnel Section:
 - It currently states that the Auditor's Office reports to the Administration and Finance Committee instead of to the Audit Committee. Add "Audit Committee" in place of "Administration and Finance Committee."

Dr. Maniscalco-Theberge made motion to make the aforementioned revisions to the *Charter of the Internal Audit Department*. Mr. Tata seconded the motion and the proposed revisions were unanimously approved by all members present and voting. (*Bernd, Biagas, Maniscalco-Theberge, Reidy, Ripley, Swystun, Tata*)

Ms. Skaggs then updated the Committee on internal audits in progress and other projects and initiatives underway. The Auditor's Office is completing the Banner Key Security Controls (ARMICS), the Banner Database Audit and the Sensitive Data Federal/State IT Compliance. Audits still in the fieldwork stage include Revenue Contracts and the campus Network. Audits still in the planning stage include Virginia Modeling Analysis and Simulation Center (VMASC),

College of Continuing Education and Professional Development and the annual review of the President's Office and Special Events.

Next, Dr. Maniscalco-Theberge read a closed session statement and moved to convene in closed session. Ms. Swystun seconded the motion. The Committee then received, in closed session, details of recent audits and reviews performed in the areas of the President's Office and Student Engagement and Enrollment Services. Specifically covered were the audits of Athletic Sports Camps and Tennis Center and the Office of Admissions.

The Committee reconvened in open session. The Chair read the certification statement for the closed session. The certificate was unanimously approved and agreed upon by all members present and voting. (*Bernd, Biagas, Maniscalco-Theberge, Reidy, Ripley, Swystun, Tata*)

There being no further business, the meeting was adjourned at 8:58 a.m.