

MEMORANDUM

TO: Board of Visitors Audit Committee

Ross Mugler, Chair
R. Bruce Bradley, Vice Chair
Carlton F. Bennett (*ex-officio*)
Lisa B. Smith (*ex-officio*)
Jerri F. Dickeski
Donna L. Scassera
Robert M. Tata '86

FROM: Gregory E. DuBois
Vice President for Administration and Finance

DATE: April 13, 2018

SUBJECT: Meeting of the Committee, April 26, 2018

The Board of Visitors Audit Committee will meet on Thursday, April 26, 2018, from 8:00 to 9:00 a.m., in Committee Room A (Room 2203) of Broderick Dining Commons. The agenda for the meeting is noted below.

AGENDA

- I. Approval of Minutes – The Committee will consider a motion to approve the minutes of the Audit Committee meeting held on Thursday, December 7, 2017.
- II. Red Flag Report – Vice President DuBois will brief the Committee on the University's efforts to identify and react to Red Flags as required by University Policy 3001 – Identity Theft Protection Program and Board Policy 1601 – Identity Theft Protection.

III. Report from the Internal Audit Director – Amanda Skaggs, Internal Audit Director

A. Projects in Progress

1. General Accounting
2. College of Education (Child Development IT)
3. Procurement Services
4. Card Center Information Technology
5. Office of the University Registrar
6. College of Health Sciences
7. Department of Human Resources
8. Special Projects/ Consulting Engagements
9. Annual Risk Assessment Process

B. Completed Audits (Summaries Enclosed)

1. Institutional Equity and Diversity
2. Research Center Bioelectrics
3. NCAA Compliance Eligibility

C. Investigations (Closed Session)

OLD DOMINION UNIVERSITY INTERNAL AUDIT DEPARTMENT
Office of Institutional Equity and Diversity Audit Engagement FY 2017

AUDIT SUMMARY

Department Head: ReNeé Dunman, Assistant Vice President Institutional Equity and Diversity Responsible Executive: John R. Broderick, President	Auditor: Lauren Eady, Senior Auditor Audit Report Date: 3/22/2018
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Background
<p>The mission of the Office of Institutional Equity and Diversity (IED) is to provide leadership and support on matters relating to equity, diversity, respect and inclusiveness for all members of the ODU community. Also, the department participates in the University hiring process by reviewing candidates chosen for interviews to ensure compliance with nondiscrimination. The Assistant Vice President for Institutional Equity and Diversity serves as the University Title IX coordinator. She and her staff are charged with monitoring compliance with Title IX requirements, including complaints of sexual misconduct. IED also completes an annual review of salary equity for the University, which ensures that significant salary differentials that could be affected by gender or ethnicity are resolved.</p>

Scope and Objectives
<p>The objectives of the audit were to provide management with an independent assessment of efficiency and effectiveness of the design and operation of internal controls and operating procedures in effect over the administration and implementation of the department. The audit focused on contracts, expenses, budget monitoring, compliance with laws and regulations, department involvement in the hiring process, the salary equity review process, management of IT resources and records retention. The period reviewed was fiscal years 2015-2018. The department manages a budget of approximately \$550,000.</p>

Overall Risk Exposure ¹	Audit Conclusion: System of Internal Controls
<input type="checkbox"/> Low <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> High	<input type="checkbox"/> Strong <input checked="" type="checkbox"/> Adequate <input type="checkbox"/> Need for Improvement

¹ Risk exposure is based on the inherent risk of the audited area and not the results or conclusions of the audit.

Issue	Planned Corrective Action
The training modules for students are missing some information that the Office of Civil Rights minimally recommends be included in Title IX training.	The department will work with SEES to ensure updating of training scripts and videos.
ODU's Discrimination Policy is missing an element recommended by White House Task Force to Protect Students from Sexual Assault.	The department will update the policy after official guidance has been issued by the U.S. Department of Education, Office for Civil Rights.
ODU's Statement of Non-Discrimination has not been physically distributed in campus buildings frequented by students, nor is it part of the student admission application process.	The department will provide the statement to the Executive Director of Admissions and to the Director of Residence Education and ensure their respective areas update the admissions application and display the Anti-Discrimination Statement in residence halls.
PeopleFluent is a third party hosted technology solution that processes personally identifiable information. A risk assessment has not been conducted and the contract lacks a number necessary terms and conditions.	The System Owner will complete a risk assessment for the system and will continue to obtain the SOC report and review with ITS on an annual basis. The System Owner will collaborate with Procurement Services to include the necessary language in the contract.
There were issues with the documentation and reconciliations of the department purchase card (PCARD).	The department will complete and retain the reconciliations monthly and ensure signatures occur by the required due date.
The Office of Institutional Equity and Diversity does not have a process in place for record retention.	The Records Coordinator will be reminded of their duties and will ensure documents are reviewed and stored or destroyed properly.
The position descriptions for two employees do not include Title IX designations.	The positions descriptions will be updated to include Title IX roles.
The current conflict of interest policy is unwritten and requires Institutional Equity and Diversity staff to self-identify conflicts of interest when cases are assigned.	The Virginia Rules of Professional Conduct will be used to develop internal conflict of interest guidelines.

OLD DOMINION UNIVERSITY INTERNAL AUDIT DEPARTMENT
Audit of Frank Reidy Center for Bioelectrics FY 2017

AUDIT SUMMARY

Department Head: Andrei Pakhomov, Interim Director	Auditor: Natalie MacCall, Senior Auditor
Responsible Vice President: Morris Foster, Vice President for Research	End of Fieldwork Date: 11/21/2017

Background
<p>The Frank Reidy Research Center for Bioelectrics (the Center’s) mission is to increase scientific knowledge and understanding of the interaction of electromagnetic fields and ionized gases with biological systems and to apply this knowledge to the development of medical diagnostics, therapeutics, and environmental decontamination. The objectives of the center are to perform leading-edge interdisciplinary and multi-institutional research, recruit top faculty, train junior scientists and exceptional graduate students, support regional, national and international programs, and to increase external funding and institutional visibility. The Center receives both Federal and State Funding. Revenue sources for FY 2017 include \$1.5 Million from the State and over \$165,000 transfers of gift funds from the ODU Educational Foundation. In addition, \$4 Million of grant funding was received through the ODU Research Foundation (ODURF). Transactions and operations administered through ODURF were specifically excluded from this audit.</p>

Scope and Objectives
<p>To determine whether the Center is in compliance with applicable policies and maintains proper controls over Center operations to minimally include revenues, expenses, procurements, asset and budgets. The audit focuses mainly on FY17 with limited testwork performed for FY15 and FY16.</p>

Overall Risk Exposure¹	Audit Conclusion: System of Internal Controls
<input type="checkbox"/> Low <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> High	<input type="checkbox"/> Strong <input checked="" type="checkbox"/> Adequate <input type="checkbox"/> Need for Improvement

¹ Risk exposure is based on the inherent risk of the audited area and not the results or conclusions of the audit.

Issue	Planned Corrective Action
There is a need to improve financial account monitoring. Monthly reconciliations of the Center’s University budget accounts were not conducted.	Monthly reconciliations of budget accounts are now being performed. Negative account balances will be cleared this fiscal year. Payroll distribution report is now being verified.
Small Purchase Charge Card reconciliations were not consistently prepared and reviewed.	Additional training has been provided to the cardholder.
The Center is not following the University’s Policy and Procedures for proper fixed asset control.	The Center is conducting a full inventory and implementing an internal inventory system. Assets no longer in use will be removed in accordance with University Policy.
An Emergency Action Plan (EAP) and separate Continuity Plan for the Center does not exist.	The Center will develop an EAP and Continuity Plan.
The Center needs to improve adherence to University travel procedures as it relates to timely submission of travel reimbursement requests and retention of original documents.	Employees were reminded to maintain travel documentation for 3 years and to submit reimbursement requests timely.
The Center is not in compliance with human resource related University policies and procedures. Specific concerns noted include the approval of web time entry, conducting performance evaluations, and notification of Human Resources concerning the separation of faculty and staff.	The Director will ensure training takes place at least annually. A Center policy manual will also be created and distributed to each employee.

OLD DOMINION UNIVERSITY INTERNAL AUDIT DEPARTMENT
NCAA Compliance Eligibility Audit FY 2018

AUDIT SUMMARY

Department Head: Randle Richmond, Sr. Associate Athletic Director, Sport Administration, Compliance and Student-Athlete Welfare	Auditor: Nina Lopez, Senior Auditor
Responsible Executive: Dr. Wood Selig, Director of Athletics	Audit Report Date: 4/16/2018

Background

The mission of the Intercollegiate Athletics is to recruit, develop a diverse population of highly skilled student-athletes that compete at the NCAA Division I level and to enable student-athletes to reach their full potential academically, athletically, and as citizens. The department enriches the campus experience and serves as a gateway to the University by enhancing its visibility and reputation. As an NCAA member institution, Old Dominion University must comply with all applicable rules and regulations of the NCAA and Conference partners in the conduct of its intercollegiate athletics program. As such, the University has adopted various mechanisms and monitoring programs to ensure compliance with NCAA requirements, promulgated in the NCAA Division I Manual. The Compliance Office within the Intercollegiate Athletics Department is responsible for monitoring the University's athletic compliance program, for identifying and for reporting to the NCAA instances in which compliance has not been achieved. In addition, in collaboration with the Registrar's Office, the Compliance Office is responsible for reviewing and evaluating the University's procedures for monitoring compliance with NCAA, conference and institutional regulations dealing with certification of eligibility. The ultimate responsibility for determining the academic eligibility rests with the Registrar's Office.

Scope and Objectives

The objectives of the audit were to provide management with an independent assessment of the following:

- Compliance with NCAA Constitution and Operating Bylaws, Commonwealth of Virginia laws and University policy and procedures in effect over the administration of the eligibility certification process; and
- Efficiency and effectiveness of the design and operation of internal controls and operating procedures in effect over the administration of the eligibility certification process.

The period reviewed was fiscal years 2015-2017.

Overall Risk Exposure ¹	Audit Conclusion: System of Internal Controls
<input type="checkbox"/> Low <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> High	<input type="checkbox"/> Strong <input checked="" type="checkbox"/> Adequate <input type="checkbox"/> Need for Improvement

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Issue	Planned Corrective Action
There was no evidence or documentation of approval by the President for the Eligibility Certification Policy and Procedures, as required in NCAA Bylaw 3.2.4.3 – Certification of Eligibility/Declaration of Ineligibility.	The department will work with the Office of the President and University Counsel to ensure that delegation of authority for certification is on file. The authority will be delegated to the Athletic Director.
A process is not in place for records management in accordance with the Virginia Public Records Act and the University's Records Management Policy.	The department's Records Coordinator will ensure documents are reviewed, retained and destroyed properly. Exit interview records will be retained for the required time period.
Opportunities exist to strengthen the current practices in place surrounding the timing of the certification of eligibility reports, the exit interview survey, and the process for reporting of violations to the NCAA.	The department will enhance practices surrounding the exit interview and the process for reporting of violations by updating the exit survey to include all elements required of NCAA Bylaw, implementing a process in place to encourage completion of exit interview and updating the Violations policy and procedures, respectively. The department has an internal goal of completing Eligibility Certification before the team travels and will be mindful of the financial risk surrounding the certification.