

**OLD DOMINION UNIVERSITY
BOARD OF VISITORS
AUDIT AND COMPLIANCE COMMITTEE
December 10, 2020**

MINUTES

The Audit and Compliance Committee of the Board of Visitors of Old Dominion University met at 9:00 a.m. on Wednesday, December 10, 2020. The meeting was held electronically via the Zoom application pursuant § 4-0.01(g) of Chapter 1289 of the 2020 Acts of Assembly. Present from the Committee were:

Jerri F. Dickseski, Chair
A. Jay Harris, Vice Chair
Kay A. Kemper (*ex-officio*)
R. Bruce Bradley (*ex-officio*)
Robert S. Corn
Unwanna B. Dabney
Lisa B. Smith
Bridget Groble (Student Representative)

Also present from the Board: Robert Broermann
Murry Pitts

Also present were:

John R. Broderick, President	Earl Nance
Bruce Aird	John Nunnery
Austin Agho	Tom Odom
Mike Brady	Dave Robichaud
Leigh Comsudis	September Sanderlin
Greg DuBois	Amanda Skaggs
Morris Foster	Don Stansberry
Rhonda Harris	Rusty Waterfield
Casey Kohler	Jay Wright
Donna Meeks	

The meeting was called to order at 9:00 a.m.

Approval of Minutes – Ms. Smith made a motion to approve the minutes from the September 15, 2020 meeting and Mr. Bradley seconded the motion. The minutes were approved by roll-call vote. (*Bradley, Corn, Dabney, Dickeski, Harris, Smith*)

Report from the Chief Audit Executive – Ms. Amanda Skaggs, Chief Audit Executive, briefed the Committee on the Active Audit Projects. These included Academic Affairs, Information Technology Services, Police Department (Operational), Closeout Procedures for the Confucius Institute, Payroll Benefits, and the College of Business.

Ms. Skaggs then discussed the request from Information Technology Services to remove the Cybersecurity: Intrusion Detection and Incident Response audit from this year's Audit Plan in order to defer the engagement until July, 2021.

Dr. Dabney made a motion to approve the requested Modification of the Audit Plan, Mr. Harris seconded the motion. The motion was approved by roll-call vote. (*Bradley, Corn, Dabney, Dickeski, Harris, Kemper, Smith*)

The Committee then received the results of the Office of the President annual engagement. The audit conclusion noted that overall expenditures were reasonable and appropriate with no reportable issues.

Ms. Skaggs then shared the results of the Design and Construction engagement. Recommendations were made related to the processes for overhead expense allocation, budget management, non-capital construction planning, and records management. An additional recommendation was made related to emergency management plans.

The Committee then received the results of the 2nd annual Police Department Fiscal Activities Engagement. Improvement was noted from the prior engagement with adequate controls being noted for purchasing cards, general expenses, budgetary authority, and contracts. The two areas needing improvement are budget management and time reporting and approvals. Ms. Skaggs noted one of the problems was that out of 23 approvers, 15 had pay periods where Payroll had to override their employee's submissions leading to 164 individual time sheets being impacted. They took a sample of 25 paper time sheets over two (2) periods to determine if they existed and if they were properly approved and if they were accurately reported in the time entry system. Within this sample they found some missing time sheets and some paper time sheets without signatures, as well as some where the paper time sheets showed different entries than what were actually entered into the system. Some of these were compounded by the times that payroll had to override time in the system. They will need to work and look at those particular entries that did not agree so that if there are payroll or leave adjustments that need to be made, that they are identified and processed.

Ms. Smith asked if anyone was incorrectly paid or were there indications that people were getting overtime when they shouldn't, or anything in that regard? Ms. Skaggs responded that for the 50 time sheets they reviewed, there were three (3) that did not agree to the system entries. So for those cases it is likely that either leave or hour corrections are needed, but the condition did

not appear to be widespread and, in addition, two (2) of those three (3) related back to recording time during official University closings.

Ms. Dickeski said she was startled by this as well and said it is important that time charging is monitored because it's how people get paid.

Vice President DuBois added that regarding the question specifically whether anyone got over paid or financially benefitted, the answer is no. This might have resulted in the reverse, where time wasn't recorded properly or maybe they didn't accrue leave like they should have.

Ms. Skaggs then provided information on the audit for the Office of Research as it pertains to the reportable issues noted during the audit, which included the topics of Intellectual Property, Research Conflicts of Interests Management, Training for Researchers, Emergency Management Plans, Research Policies, Budget Management, Lease Arrangements, Institute for Innovation and Entrepreneurship, Records Management, Research Center Evaluations, and Timesheet Approvals.

Ms. Dickeski called for comments or questions from the Committee on this information. Mr. Bradley asked if it was stated that there are 85 people in this department, what is the size of their budget? Ms. Skaggs responded yes there are 85 people in this department, then added that their budget is approximately \$15 million, noting they have 44 different budget accounts on the University side (not counting research grants administered by the Research Foundation).

Ms. Smith asked if the intellectual property processes pertain to students or is it just for faculty researchers? Ms. Skaggs said there is one (1) researcher referred to as the Principal Investigator (PI) that is ultimately responsible for anyone working with them on a project and who does the closeout or affirmation of intellectual property at the end of the project.

Mr. Pitts asked who is responsible for leakage commercialization? Ms. Skaggs introduced Vice President Morris Foster and Dr. John Nunnery, the Associate Vice President for Research. Vice President Foster said the challenge is that almost all of the tracks on intellectual property, as well as all of the close-outs, are on the Foundation side, not the University side. He added that they have been trying for several years to get the Foundation to pay more attention to this and now they have the Foundation's Board's attention. Vice President Foster noted that they have recently hired someone to write the University's patent applications, which is saving a lot of money. Mr. Pitts said he would be willing to assist in this area and Vice President Foster responded that he will reach out to Mr. Pitts to engage him in this process.

Mr. Bradley asked if you look at the amount of research ODU is winning, it looks like it is \$50 million in the past year; does this mean ODU is spending \$15 million to get \$50 million? Vice President Foster responded that some of the \$15 million includes some of the VMASC and bioelectric lines and it includes immediate office staff. The \$50 million is going to the entire faculty that have funded research.

Ms. Groble asked a follow-up question regarding how this relates to students who receive personal grants for research, such as through the Honors College, with laws that apply to their

funded research? Vice President Foster responded that Old Dominion has a fairly liberal student intellectual property policy whereas students that are funded in various internal grants, but unless they make significant use of a specialized University facility (i.e., an expensive microscope), Research tries to ensure that students retain their own intellectual properties.

Vice President Foster responded that the use is a State policy and Research has requested repeatedly that the State define what significant use is, but to no avail. If students use the library, that is not significant use, but if they use specialized equipment that they couldn't otherwise have access to use, then that is significant use and according to State law, has to be treated as significant Intellectual Property use as University property.

Ms. Skaggs noted that the number of Open Action Items is 36 for this cycle; 12 that are now complete. The Chair said the shorter list is credited to Ms. Skaggs and her team. Ms. Smith thanked Ms. Skaggs and her team and added that it is a very thorough list.

Report from the Vice President for Administration and Finance – Vice President DuBois reported on the Red Flag Rule and read the certification statement. “The Red Flag Rule is related to Federal regulations regarding identity theft. University Policy requires me to affirm annually to the Board that the University has met all of the requirements and University personnel have completed all training as required by this Rule.” He added that he affirms that this is true and accurate for 2020.

Closed Session – Mr. Corn made the motion to go into Closed Session at 9:53 a.m., “Madam Chair, I move that this meeting be recessed, and, as permitted by Virginia Code Sections 2.2-3711(A), (1) and (19), we reconvene in closed session for the purpose of evaluating the performance of specific departments of the University where that evaluation necessarily involves discussion of the performance of specific individuals, and discussion of specific cybersecurity threats or vulnerabilities as they relate to the Old Dominion University Police Department, where discussion in an open meeting would jeopardize the safety of any person, and security of information technology systems or software programs.” Mr. Harris seconded the motion. The motion was approved by roll-call vote. (*Bradley, Corn, Dabney, Dickseski, Harris, Kemper, Smith*)

Those present in Closed Session were: Mr. Corn, Dr. Dabney, Ms. Dickseski, Mr. DuBois, Mr. Harris, Ms. Harris, Ms. Kemper, Mr. Nance, Mr. Pitts, Ms. Skaggs, Ms. Smith, Mr. Waterfield.

The Committee reconvened in Open Session at 10:30 a.m. Chair Dickseski read the FOIA Certification to reconvene and it was approved by roll-call vote. (*Bradley, Corn, Dabney, Dickseski, Harris, Kemper, Smith*)

There being no further business, the meeting was adjourned at 10:14 a.m.

