

OLD DOMINION UNIVERSITY
BOARD OF VISITORS
AUDIT AND COMPLIANCE COMMITTEE
December 5, 2019

MINUTES

The Audit and Compliance Committee of the Board of Visitors of Old Dominion University met Thursday, December 5, 2019, at 8:00 a.m. in Committee Room A of the Kate and John R. Broderick Dining Commons, on the Norfolk Campus. Present from the Committee were:

Alton J. Harris, Vice Chair
Lisa B. Smith (*ex-officio*)
Kay A. Kemper (*ex-officio*)
Carlton F. Bennett
R. Bruce Bradley
Robert S. Corn
Stephen Greiling (Student Representative)

Also present were:

Austin Agho	Donna Meeks
John R. Broderick	Amanda Skaggs
Bob Clark	Don Stansberry
Leigh Comsudis	Deb Swiecinski
Jane Dané	Vanessa Walker
Mary Deneen	Rusty Waterfield
Greg DuBois	Karen Webb
Velvet Grant	Rob Wells
Rhonda Harris	Jay Wright
Etta Henry	

The meeting was called to order at 8:00 a.m.

- I. Approval of Minutes – Mr. Bradley made the motion to approve the minutes of the meeting held on September 19, 2019 and Mr. Corn seconded the motion. The minutes were unanimously approved by all members present and voting. (*Bradley, Corn*)

Mr. Bradley moved to go into Closed Session – “Mr. Chairman, I move that this meeting be recessed, and, as permitted by Virginia Code Section 2.2.-3711(A) (1), we reconvene in closed session for the purpose of discussing the performance of the Chief Audit Executive and her relationship with University management.”

The Committee reconvened in Open Session at 8:03 a.m. Mr. Harris read the Certification Statement at the conclusion of Closed Session. “Any person who believes that the Committee discussed items, which were not specifically exempted by law or not included in the motion, must now state where they believe there was a departure from the law or a departure in the discussion of matters other than that stated in the motion convening the Closed Session.” Continuing with the certification he read, “I shall now take a vote of the Committee. All those who agree that only lawfully exempted matters and specifically only the business matter stated in the motion convening the Closed Session were discussed in Closed Session, say “aye”. All those who disagree say “nay”. All members of the Committee said “aye”.

- II. Completed Audit Reports - Ms. Amanda Skaggs, University Chief Audit Executive, presented the Completed Audit Report for the Office of the President Fiscal Year 2019 Annual Audit, she also reported on the Open Audit Issues Update. Overall, the expenditures were reasonable and appropriate with one area noted needing improvement related to documentation of certain expenses, as well as several charts and graphs that were shared to show the trends in the President’s Office expenses over the past 5 years.

Ms. Skaggs then discussed the Open Action Item Report. She noted that of the 50 open items included in the report, 12 are now complete with 38 in progress or planned. There are only 9 remaining from reports issued prior to 2019, all of which made substantial progress this year.

Ms. Skaggs presented the Active Audit Projects, which include the Annual Police Department Fiscal Activities, Design and Construction, Academic Affairs, Active Directory, NCAA Compliance—Financial Aid, Office of Research, Information Technology Services, Police Department, Payroll Benefits, Board Governance, as well as other audit activities.

Mr. Bradley suggested that, regarding the status report, pertaining for example with Distance Learning, instead of showing it “in progress – three years late”, could it appear in red instead of showing in progress? He asked if “in progress” is the worse score they can get? Ms. Skaggs responded that additional consideration will be given to the ranking system that is currently in place; she also pointed out that discussions occur between Auditors and the respective Vice Presidents regarding the current status of open action items.

President Broderick added that when he meets with Ms. Skaggs to review the items and he sees one with any length to it, he requests a good explanation about it and why it is still on the list.

- III. Vice President for Administration and Finance Report – Vice President Greg DuBois reported on the Red Flag Rule. He provided some background regarding how ODU stores sensitive information. With all requirements met, there is currently no risk of identity theft at Old Dominion University. Data Security breach is not covered by this; however, it is covered in Information Technology Services.

Vice President DuBois noted there was recently one minor data breach. Associate Vice President Waterfield added this would be a good presentation for a later Committee meeting and will present it at a future meeting.

- IV. University Compliance Update – Mr. Robert Clark, Director of Special Projects, briefed the Committee on the University Compliance Updates, noting the progress since the report at the April meeting. The Committee started meeting monthly and has worked to create a listing that currently has over 280 line items with several of them cross-departmental. This information is being used as the input to the Oragami software, which will be used to track progress on the specific compliance requirements. Mr. Clark also noted that the University Policy for Compliance has been updated to reflect the current structure. They are putting into place several ways to ensure review of the schedule for the policies.
- V. Enterprise Risk Management – Mr. Rob Wells, Director of Risk Management, presented the report on Enterprise Risk Management (ERM). He provided an overview of ERM and discussed the progress that has been made at Old Dominion University.

Mr. Bradley asked for examples of higher risk programs. Mr. Wells responded one example is minors on campus, as well as compliance.

Vice President DuBois added also succession planning. However, now at risk of recruitment, but also retention because Old Dominion cannot compete with salary comparisons for employees, especially in the technology fields. This is a mission critical concern.

Rector Smith asked what are the solutions? Mr. Wells responded that a team of subcommittees are involved to come up with recommendations to present its findings to the Vice Presidents of the areas most effected. Recommendations will be reviewed and then submitted to the President's Cabinet for what can be done to make final recommendations.

It was agreed that for a future meeting, Mr. Wells will provide the high risks identified by the sub-committees, which will include sharing risk statements and key performance indicators.

Mr. Bradley added, regarding Information Technology, research and development may be needed to determine why Old Dominion cannot pay employees enough to remain at here.

Vice President DuBois added that work is being done with the State's resource management on this issue.

Associate Vice President Waterfield noted that previously, Old Dominion could only offer a 10% salary increase to retain an employee. However, effective July 1, 2019, the

Department of Human Resource Management Compensation Policy 3.05, an agency may make a competitive offer, not to exceed the amount of the job offer, or the maximum of the assigned salary range, when an employee receives a salary offer from an organization external to the Commonwealth.

The meeting was adjourned at 8:48 a.m.