

APPROVED BY COMMITTEE 12/5/19

OLD DOMINION UNIVERSITY  
BOARD OF VISITORS  
AUDIT AND COMPLIANCE COMMITTEE  
September 19, 2019

MINUTES

The Audit and Compliance Committee of the Board of Visitors of Old Dominion University met Thursday, September 19, 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:

Jerri F. Dickseski, Chair  
Alton J. Harris, Vice Chair  
R. Bruce Bradley  
Carlton F. Bennett  
Robert S. Corn

Also present were:

Austin Agho	Donna Meeks
Mike Brady	Earl Nance
John Broderick	Elaine Pearson
William Cole	Amanda Skaggs
Jane Dané	Scott Silsdorf
Mary Deneen	Deb Swiecinski
Greg DuBois	Rusty Waterfield
Mike Frizzell	Jay Wright
Todd Johnson	

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

- I. Approval of Minutes – Upon a motion made by Mr. Corn and seconded by Mr. Harris, the minutes of the meeting held on June 13, 2019, were approved by all members present and voting (*Bradley, Bennett, Corn, Harris*).
- II. Report from the Independent External Assessor – Mr. William Cole, the independent external assessor engaged by the University, briefed the Committee on the external quality assurance review of the University Audit Department. He referred Committee members to the Executive Summary included with the agenda that detailed the objectives, scope and methodology of the review and reported that the department received an overall rating of “generally conforms,” with auditing Standards and the Code of Ethics, the highest possible rating.

Two recommendations for continuous improvement were noted in the report: (1) The Audit and Committee should consider the use of executive sessions with the Chief Audit Executive; and (2) The Chief Audit Executive should work with the Executive

Management and the Audit and Compliance Committee to determine the opportunity to provide administrative support to the University Audit Department.

- III. Report from the Chief Audit Executive – Ms. Amanda Skaggs, Chief Audit Executive, welcomed the new members of the Committee and reviewed the responsibilities of the Committee as outlined in the Committee’s charter. She described the University Audit Department’s quality assurance improvement program, noting that in addition to the full external assessment done this year, a limited internal program was executed that covered annual acknowledgements of the Code of Ethics and department manual, review of standard templates and programs, and a review of the charter. She stressed the importance of independence and objectivity in the internal audit function, which must be confirmed annually. Ms. Skaggs confirmed that her department is independent and that engagement level controls are in place to confirm auditor objectivity for every audit project.

Ms. Skaggs presented proposed revisions to Board Policy 1610, Charter of the University Audit Department, to reflect the change of the Committee’s name and the reporting frequency of open audit issues. Upon a motion made by Mr. Harris, seconded by Mr. Bradley, the proposed revisions were unanimously approved by all members present and voting (*Bradley, Bennett, Corn, Harris*).

Ms. Skaggs noted that of the 48 open audit issues tracked during this report cycle, 17 are complete and 31 are planned or in progress.

Ms. Skaggs reported on the findings of the audits on Institutional Scholarships, the Office of Study Abroad, the College of Health Sciences, and Payment Card Industry Compliance. She reviewed the objectives of each audit and the following findings:

#### Institutional Scholarships

- Audit Conclusion - Adequate
- Responsibilities for Administering Scholarships - The Office of Student Financial Aid (SFA), along with departments across campus, are involved in awarding institutional scholarships, but responsibilities of each have not been clearly established to ensure proper administration. SFA will establish formal policies and procedures detailing the responsibilities of individual departments and SFA.
- Enhance Budget Reconciliations - Enhancements are needed to ensure completeness and proper segregation of duties; the current process only affirms the expected transactions are applied to student accounts and does not include verification that all transactions have posted in Banner; for some accounts the individual posting the award is also performing reconciliations.

#### Office of Study Abroad

- Audit Conclusion - Adequate
- Operations - Budget reconciliations aren’t performed for the 40 accounts for which they are responsible; an employee who is not authorized to sign on behalf of the

University is signing contracts for faculty led programs; international insurance coverages did not match the coverages required by University policy; the department's Continuity Plan is outdated, and an Emergency Action Plan does not exist.

- Information Technology - There is not documented risk assessment for StudioAbroad, the third-party hosted software application that support the primary business and mission of the office; account management procedures in effect over the StudioAbroad application do not ensure that access is maintained only for active employees, and that permissions meet the standard security principle of least privilege.

### College of Health Sciences

- Audit Conclusion - Adequate
- Performance Evaluations – While the College has measures in place over the performance evaluation process, improvements are needed to strengthen the process for teaching and research faculty, including adjunct faculty members. Mr. Bradley suggested that faculty should be observed teaching in order to receive an effective evaluation.
- Volunteers and Visiting Scholars – There are no agreements on file for known volunteers and visiting scholars as required.
- Budget Management and Expense Documentation – An effective monthly reconciliation process has not been implemented, which contributed to several accounts ending the year with deficits from FY2016 through FY2018. Transactions for the purpose of community engagement events were not consistently properly documented, in accordance with University requirements. Vice President DuBois commented that these kind of findings are not uncommon, so a new program is being developed for fiscal managers that will address skill development and compliance with policies and procedures. First-line staff will be trained first, and then the program will extend to budget unit directors.
- Records Management – While the College has identified a Records Coordinator, records are not consistently managed as required.
- Fixed Assets – The College's process over fixed assets does not consistently conform to University requirements.
- Timesheet Approvals – The majority of timesheet approvers within the College did not approve time consistently in FY2018, resulting in forced approvals.
- Graduate Program Requirements – Reviews of students' graduation requirements were conducted by the Program Director prior to graduation for the majority of programs, apart from the School of Nursing, where an employee not in a Program Director role conducted the reviews without formal delegation.
- Emergency Management Plans – The College's Continuing of Operation Plan is obsolete and the College does not have the required Emergency Action Plan in place.

### Payment Card Industry Compliance

- Audit Conclusion - Strong
- Required Awareness Training - The control in effect did not ensure the entire population of personnel with PCI responsibilities received training.

At the conclusion of her report, Ms. Skaggs provided an update on current active audit projects.

The meeting adjourned at 8:55 a.m.