

OLD DOMINION UNIVERSITY  
BOARD OF VISITORS  
AUDIT COMMITTEE  
September 20, 2018

MINUTES

The Audit Committee of the Board of Visitors of Old Dominion University met on Thursday, September 20, 2018, at 8:00 a.m. in Committee Room A of the Broderick Dining Commons on the Norfolk campus. Present from the Board were:

Ross Mugler, Chair  
Carlton Bennett  
Jerri Dickseski  
Lisa Smith (*ex-officio*)  
Robert Tata

Absent from the Board:

R. Bruce Bradley, Vice Chair  
Kay Kemper (*ex-officio*)  
Donna Scassera

Also present were:

Leigh Comsudis	Ellen Neufeldt
Mary Deneen	Amanda Skaggs
Greg DuBois	Deb Swiecinski
Rhonda Harris	Vanessa Walker
Etta Henry	Rusty Waterfield
Donna Meeks	Jay Wright
Earl Nance	

Mr. Mugler called the meeting to order at 8:00 a.m.

- I. Approval of Minutes – Ms. Dickseski moved to approve the minutes of the June 14, 2018 meeting. Mr. Tata seconded the motion and it was unanimously approved by all members present and voting. (*Dickseski, Tata*)

## II. Report from the Chief Audit Executive –

### A. **University Audit Department’s Quality Assurance Improvement Plan**

1. FY2018 Program Results
2. Annual Independence Confirmation
3. Proposed Revisions to Board of Visitors Policy #1610 – Charter of the Internal Audit Department

Ms. Amanda Skaggs, the University’s Chief Audit Executive, briefed the Committee on the office’s quality assurance improvement program. This consists of annual internal reviews, as well as an external review every five (5) years. This is due in July, 2019. The internal review this year confirmed that the University Audit Department conforms. It was also noted that their office is independent and have a direct line to the President and the Vice President for Administration and Finance, as well as to this Committee.

Part of the annual internal review consists of reviewing the Audit Charter and proposing changes. Several changes were proposed and discussed. The Chair complimented the update language and changes to Board Policy #1610.

Ms. Dickseski moved to approve the changes and Mr. Tata seconded the motion. The motion was unanimously approved by all members present and voting. (*Dickseski, Smith, Tata*).

### B. **Active Audit Projects** – Ms. Skaggs reported on the current active projects:

1. Card Center Information Technology
2. Office of the University Registrar
3. College of Health Sciences
4. Department of Human Resources
5. Transportation and Parking Services
6. Office of the President FY2018 Annual Audit
7. Special Projects/Other Engagements

Ms. Skaggs provided information on the status of active audit projects and then presented the Completed Audit Reports for General Accounting and Procurement Services.

Ms. Dickseski asked how the hotline is promoted. Ms. Skaggs responded that the main hotline is managed by the State, but that all calls related to Old Dominion University are forwarded to the Audit Department for investigations. The Audit Department also has information about reporting fraud, waste and abuse on their website. The State also sends out emails to promote the hotline as well.

### C. **Presentation of Completed Audit Reports**

1. General Accounting
2. Procurement Services

Ms. Skaggs then briefed the Committee on two (2) reports they have performed.

The audit report for General Accounting contained four (4) reportable items as follows: The instruments currently being invested do not match those allowed per the Board of Visitor Policy; there are a number of employees with the ability to initiate and approve their own journal entries. The University Policy, which required departments to file police reports for lost assets is not enforced. Documentation efforts to support the monthly reconciliations between Banner and Cardinal are not sufficient enough to demonstrate that all variances have been fully and completely investigated.

Mr. Tata asked if they are changing investments or the policy. Ms. Skaggs responded both are being changed.

The Chair noted that there was some tension with the department being audited on this one when he spoke with Vice President DuBois and Ms. Skaggs prior to today's meeting, but it was resolved well.

Vice President DuBois said regarding the Banner and Cardinal reconciliations, General Accounting thought prior approval was granted when the prior state system (CARS) was in place; however, they could not produce it. It is expected that the Department of Accounts will reply soon with their approval or suggestions for improvement.

The Procurement Services audit looked at technology contracts and transmission security and the provision focused much attention on the Bank of America Works, which is used for the PCard program. They also looked at transition of accounts.

Ms. Deskseski asked for an explanation of the overall risk rating. Ms. Skaggs responded that typically audits that are proposed and conducted from the audit plan are high risk areas, and there is a low number of them.

The Procurement Services' audit contained two (2) reportable items as follows: (1) the Cobblestone Insight administrative portal is configured to allow unencrypted connections between the client browser and the web application server, which is not secure. Corrective action has been taken and completed. (2) Technology contracts are executed without Information Technology Services' input and/or without undergoing the formal ITS intake process.

Mr. Tata asked about income contracts. Mr. Jay Wright, Assistant Attorney General, responded that he reviews all of the income contracts. The amount is \$250,000 require review; however, some send all of the contracts to him for review even if the amount is less than \$250,000. Vice President DuBois noted that anything over \$500,000 requires his approval and signature.

Ms. Dickeski moved for the Committee to go into Closed Session.

The Committee reconvened in Open Session at 8:53 a.m.

### **III. Report from the Vice President for Administration and Finance**

#### **A. University Compliance**

Vice President DuBois briefed the Committee on the task he was given to include compliance, whereby the high level oversight was absent for a while. He has been tasked to move forward to put the organizational structure in place to work with this Committee on compliance. He is happy to answer any questions and has reinstated the Compliance Committee with it reporting to this Committee. The Compliance Committee will be chaired by Vice President DuBois.

Ms. Dickeski asked what is the fiduciary responsibility of the Board of Visitors to have oversight and knowledge of the University's compliance, noting with some boards in the private sector are being held responsible if there are problems. It was noted that 1983 the last time a board member was sued for an incident at an institution of higher education, and there have not been any such cases since then.

Mr. Mugler said compliance issues are very serious and he asked Vice President DuBois how he can make sure that he can manage it all with the long list of things that fall under his responsibilities as Vice President for Administration and Finance. Vice President DuBois said he works with highly talented staff that review things, but what has been missing in the past is the oversight responsibility for the Board.

Ms. Dickeski asked if compliance training is required. A few examples of compliance training were provided.

The meeting was adjourned at 9:06 a.m.