M E M O R A N D U M

TO: Board of Visitors Audit, Compliance and Human Resources Committee
Armistead D. Williams, Jr., Chair
Maurice D. Slaughter, Vice Chair
R. Bruce Bradley *(ex-officio)*
P. Murry Pitts *(ex-officio)*
Robert A. Broermann
Peter G. Decker, III
Larry R. Hill
Brian K. Holland
Toykea S. Jones
Wie Yusuf (Faculty Representative)

FROM: Amanda Skaggs, Chief Audit Executive
September Sanderlin, VP for Human Resources Diversity, Equity and Inclusion

DATE: December 2, 2022

SUBJECT: Meeting of the Committee, December 8, 2022

The Board of Visitors Audit, Compliance and Human Resources Committee will meet on Thursday, December 8, 2022 at 11:00 a.m. in the Board Room of the Kate and John R. Broderick Dining Commons. Enclosed for your review are the agenda and supporting documents.

AGENDA

A. Approval of Minutes – The Committee will consider a motion to approve the minutes of the Audit and Compliance Committee meeting held on September 15, 2022.

B. Report from the Chief Audit Executive – Amanda Skaggs

1. Presentation of Completed Audit Reports
    a. University Libraries
    b. Activity and Status of Open Audit Issues Since September 2022

2. Discussion of Open Audit Projects
    a. Police Department Fiscal Activities FY2022
    b. Desktop Management
    c. College of Sciences
    d. Athletic Business Office
    e. Housing and Residence Life
    f. Office of the President FY2022 Expenditures
    g. Enterprise Data Storage and Recovery
    h. Special Projects and Other Activities

C. Report from the Vice President for Administration and Finance – Chad A. Reed
    a. Red Flag Rule

D. Closed Session – Convene in closed session to discuss the performance of specific departments where such evaluation will necessarily involve discussion of the performance of specific individuals as permitted by the Code of Virginia Section 2.2-3711(A)(1).

E. Reconvene in Open Session and FOIA Certification

F. Report from the Vice President for Human Resources Diversity, Equity, and Inclusion – September Sanderlin

1. Committee Charter – The committee will vote on the Charter Revisions

2. Staff Climate Survey

3. Exit Interviews

4. Succession Planning (FY24 Executive Level Positions)

G. Adjourn

UNIVERSITY AUDIT DEPARTMENT OF OLD DOMINION UNIVERSITY
Audit of University Libraries

AUDIT SUMMARY

Department Head: Tim Hackman, Dean, University Libraries **Responsible Vice President:** Austin Agho, Provost and Vice President for Academic Affairs	**Auditor:** Lauren Eady, Senior Auditor **Chief Audit Executive:** Amanda Skaggs **Audit Report Date:** 11/7/2022

Background

The Old Dominion University Libraries are comprised of the Patricia W. and J. Douglas Perry Library, F. Ludwig Diehn Composers Room, and Elise N. Hofheimer Art Library. Their mission is to "enrich the academic, research, and learning experience of the University community through people, collections, and spaces". The three libraries serve ODU students and faculty and the surrounding community. While the libraries have a large collection of print materials and eBooks for patrons to check-out, they also provide research support, instructional support, equipment loans, and community spaces for collaboration among other important resources. In FY22, the libraries total budget was approximately $9.6 million dollars. This included both Commonwealth educational and general funds and discretionary funds. There are 54 current library employees (not including student workers).

Scope and Objectives

The objectives of the audit were to determine whether:

1. Adequate internal controls and operating procedures exist;
2. The department is in compliance with State and University policies, procedures and guidelines; and
3. The department is operating efficiently and effectively.

The period reviewed was fiscal years 2019 through 2022. The auditor reviewed processes including records management, budget management, overdue materials, endowment utilization, emergency management, physical materials, department morale, performance evaluations, fixed assets, time reporting and approval, special collections, suitability/availability of materials, equipment loans, system workflows, expenses, fees charged, physical access and contract administration.

Overall Risk Exposure[1]	Audit Conclusion: System of Internal Controls
☐ Low	☐ Strong
☒ **Moderate**	☒ **Adequate**
☐ High	☐ 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 University Libraries do not have a process in place for records management.	The University Archivist is working with ODU Records Manager on a plan for records management. Focus will initially be on a records manual and inventory.
The department does not perform formal budget reconciliations for all budget accounts.	The Libraries are redefining a position to serve as a Budget Reconciliation Specialist. The priority for the position will be accomplishing formal reconciliations for all budget accounts.
Procedures for applying holds and sending amounts to collections are not consistently applied.	The Financial Services Coordinator position is now filled and the Libraries is positioned to concentrate attention on ensuring that holds and collection agency actions are applied consistently.
Discretionary accounts are not being utilized as expected.	Discretionary accounts were underutilized during the previous two years due to the lack of a permanent Dean of Libraries. Since the new Dean's arrival, the Libraries has been working on a prioritized list of projects and spending areas for which endowment funds can be used.

OLD DOMINION
UNIVERSITY

Activity and Status of Audit Issues Since September 2022

University Audit Department
December 1, 2022

Activity and Status of Audit Issues Since September 2022

The University Audit Department follows up with management as to the status of previously recommended corrective actions related to issues identified in previous audit reports. In accordance with the Statement of Policies of the University Audit Department, which was approved by the Board of Visitors, the Chief Audit Executive is responsible for ensuring that individual departments have taken appropriate actions to correct internal control weaknesses and matters of compliance, which were reported at the conclusion of the audit engagements.

For purposes of the follow-up, interviews with appropriate departmental personnel were conducted to obtain updates on the corrective actions outlined by management responses to the original audit report. In order to confirm corrective action, examination of documentation and appropriate audit testing was also conducted. The following scale was used to rate management's actions for the degree to which they address the audit point.

Status Rating	Criteria
Complete	Actions taken completely address the concerns cited in the audit point or were rectified to the extent reasonably possible.
In Progress	Corrective action is actively taking place. Some aspects may be complete; however, additional steps need to be taken to address all the main concerns of the original issue.
Planned	An action plan has been decided upon but has not yet commenced or only minimally begun.

Summary of Activity

There were 53 open action items in the September 2022 report, of which 25 are now complete. Since the last report, 1 new action item was added. The University Audit Department is actively tracking the remaining 29 open action items.

The status of previously reported issues is presented by engagement title, executive area, and report date in the tables that follow.

Activity and Status of Audit Issues Since September 2022

Issue Status by Engagement

Engagement Title	Report Date	# of Issues Closed Since 9/06/2022	# of Issues Open as of 12/01/2022
NCAA Compliance: Recruitment, Title IX, Academic Advising	8/22/16	1	0
Police Department Fiscal Activities Engagement FY19	1/06/20	1	0
Board Governance	6/04/20	0	1
Active Directory	8/27/20	1	0
Design and Capital Construction	11/25/20	0	3
Police Department Fiscal Activities Engagement FY20	11/25/20	1	0
Police Department Information Technology	11/30/20	6	0
Office of Research (Operational/Financial)	11/30/20	0	6
Academic Affairs*	3/17/21	0	5
Information Technology Services (ITS) Operational	4/09/21	0	2
College of Business	8/02/21	1	2
Facilities Events and Equipment	11/16/21	1	2
Enterprise Service Bus	11/19/21	1	0
Police Department – Clery Act Compliance	11/22/21	4	0
Police Department Fiscal Activities FY21	11/23/21	1	0
Police Department Operations	3/15/22	2	1
Office of Visa and Immigration Service Advising	4/05/22	2	2
Tennis Center	4/07/22	2	3
Banner Workflows	5/25/22	1	1
Cybersecurity: Intrusion Detection and Incident Response	9/08/22	0	1

*An Interim Report was issued on August 28, 2020, which contained 3 of these issues.

Activity and Status of Audit Issues Since September 2022

Summary Status by Executive Area

Audit Engagement Title	Report Date	# of Issues Closed Since 09/06/2022	# of Issues Open as of 12/01/2022
Academic Affairs			
Academic Affairs*	3/17/21	0	5
College of Business	8/02/21	1	2
Office of Visa and Immigration Service Advising	4/07/22	2	2
Administration and Finance			
Police Department Fiscal Activities Engagement FY19	1/06/20	1	0
Active Directory	8/27/20	1	0
Design and Capital Construction	11/25/20	0	3
Police Department Fiscal Activities Engagement FY20	11/25/20	1	0
Police Department Information Technology	11/30/20	6	0
Information Technology Services	4/09/21	0	2
Enterprise Service Bus	11/19/21	1	0
Police Department - Clery Act Compliance	11/22/21	4	0
Police Department Fiscal Activities FY21	11/23/21	1	0
Police Department Operations	3/15/22	2	1
Banner Workflows	5/25/22	1	1
Cybersecurity: Intrusion Detection and Incident Response	9/08/22	0	1
Athletics			
NCAA Compliance: Recruitment, Title IX, and Academic Advising	8/22/16	1	0
Facilities Events and Equipment	11/16/21	1	2
Tennis Center	4/07/22	2	3
Research			
Office of Research (Operational/Financial)	11/30/20	0	6
Board of Visitors			
Board Governance	6/04/20	0	1

*An Interim Report was issued on August 28, 2020, which contained 3 of these issues.

Activity and Status of Audit Issues Since September 2022

Action Plan Status by Report Date

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
Athletics	NCAA Compliance: Recruitment, Title IX, and Academic Advising	Enhance Compliance Efforts for Title IX Gender Equity in Athletics	Compliance	8/22/16	9/30/17	Complete
Administration and Finance	Police Department Fiscal Activities Engagement FY19	Leave and Hours Worked	Financial Control	1/06/20	3/01/20	Complete
Board of Visitors	Board Governance	Bylaw and Board Manual Review Cycle	Governance	6/04/20	12/31/21	In Progress
Administration and Finance	Active Directory	Auditing of Privileged Accounts	Control	8/27/20	8/31/21	Complete
Administration and Finance	Design and Capital Construction	Budget Reconciliation Process	Control	11/25/20	6/30/21	In Progress
		Non-capital Construction Planning Process	Control	11/25/20	6/30/21	In Progress
		Record Management	Compliance	11/25/20	6/30/21	In Progress
Administration and Finance	Police Department Fiscal Activities Engagement FY20	Leave and Hours Worked and WTE Approvals	Control	11/25/20	6/30/21	Complete
Administration and Finance	Police Department Information Technology	Configuration and Vulnerability Management	Info Security	11/30/20	11/01/21	Complete
		Criminal Justice Information Services Security Policy Compliance	Compliance	11/30/20	11/01/21	Complete
		Business Continuity/Disaster Recovery	Operational	11/30/20	11/01/21	Complete
		System Risk Assessments	Compliance	11/30/20	11/01/21	Complete
		User Account Access Reviews	Info Security	11/30/20	11/01/21	Complete
		Electronic Record Retention	Compliance	11/30/20	11/01/21	Complete
Research	Office of Research (Operational/Financial)	Intellectual Property	Compliance and Control	11/30/20	6/01/21	In Progress
		Research Conflicts of Interests Management	Compliance and Control	11/30/20	1/31/21	In Progress
		Emergency Management Plans**	Compliance	11/30/20	12/15/20	In Progress
		Budget Management	Control	11/30/20	12/15/20	In Progress
		Lease Arrangements	Compliance and Control	11/30/20	3/31/21	In Progress

Activity and Status of Audit Issues Since September 2022

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
		Research Center Evaluations	Compliance and Control	11/30/20	12/31/20 to 1/31/23	In Progress
Academic Affairs	Academic Affairs	Budget Management	Control	3/17/21	10/30/20	Planned
		Compliance Training	Compliance	3/17/21	1/30/21	In Progress
		Performance Evaluation Monitoring	Control	3/17/21	1/30/21	In Progress
		Overload Payments	Control and Compliance	3/17/21	5/01/21	In Progress
		Faculty Self-Service User Account Management	IT Control	3/17/21	9/30/21	In Progress
Administration and Finance	Information Technology Services (ITS) Operations	Door Access	Control	4/09/21	12/31/21	In Progress
		Emergency Management Plans**	Internal Compliance	4/09/21	7/31/21	In Progress
Academic Affairs	College of Business	Real Estate Center Revenue	Control and Internal Compliance	8/02/21	9/30/21	Complete
		Timesheet Approvals	Control and Internal Compliance	8/02/21	8/31/21	In Progress
		Continuity of Operations Plan**	Internal Compliance	8/02/21	12/31/21	In Progress
Athletics	Facilities Events and Equipment	Apparel Inventory Management	Control and Internal Compliance	11/16/21	1/01/23	In Progress
		Records Management	State and Internal Compliance	11/16/21	1/01/23	Planned
		Web-Time Entry Approvals	Control and Internal Compliance	11/16/21	2/28/22	Complete
Administration and Finance	Enterprise Service Bus	API Manager Developer Access	Access	11/19/21	5/31/22	Complete
Administration and Finance	Police Department – Clery Act Compliance	Campus Security Authority Designations, Training and Reporting	Compliance	11/22/21	12/01/22	Complete
		Accuracy of Annual Crime Statistics	Compliance	11/22/21	9/29/21	Complete
		Daily Crime and Fire Log	Compliance	11/22/21	11/01/22	Complete
		Emergency Notifications and Timely Warnings	Compliance	11/22/21	3/30/22	Complete

Activity and Status of Audit Issues Since September 2022

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
Administration and Finance	Police Department Fiscal Activities FY21	Hours Worked and Leave Reporting and WTE Approvals	Compliance	11/23/21	11/23/21	Complete
Administration and Finance	Police Department Operations	General Training	Compliance	3/15/22	6/01/22	In Progress
		Weapons Training	Compliance	3/15/22	7/01/22	Complete
		Records Management	Compliance	3/15/22	12/31/22	Complete
Academic Affairs	Office of Visa and Immigration Service Advising	Lack of Budget Reconciliations	Financial Control & Internal Compliance	4/05/22	7/01/22	Complete
		I-9 Compliance for Non-Immigrants	Federal Compliance	4/05/22	7/01/22	In Progress
		Reconciliation of Visa Holder Data	Operations Control	4/05/22	7/01/22	In Progress
		Hours Worked by F-1 Visa Holders	Federal Compliance	4/05/22	7/01/22	Complete
Athletics	Tennis Center	Internal Rates Charges and Discounts for Services	Internal Compliance	4/07/22	7/01/22	Planned
		Daily Balancing of the Revenue Report	Internal Compliance	4/07/22	7/01/22	Complete
		Records Management	State and Internal Compliance	4/07/22	7/01/23	Planned
		Goal Setting and Assessment	Effectiveness	4/07/22	7/01/23	Planned
		Web Time Entry Approvals	Control and Internal Compliance	4/07/22	9/10/22	Complete
Administration and Finance	Banner Workflows	Fixed Asset Workflow Usage and Maintenance	Operational Effectiveness	5/25/22	7/31/22	Planned
		Banner Workflow Access Auditing	Access Control	5/25/22	9/01/22	Complete
Administration and Finance	Cybersecurity: Intrusion Detection and Incident Response	SecOps Handbook and Alert Documentation	Procedure and Documentation	9/08/22	8/15/23	Planned

**The Office of Emergency Management has responsibility for the approval action needed.

OLD DOMINION UNIVERSITY
AUDIT, COMPLIANCE, AND HUMAN RESOURCES COMMITTEE CHARTER

PURPOSE AND AUTHORITY

To assist the Board of Visitors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit processes, and the University's process for monitoring compliance with laws and regulations and the code of ethics and matters of compliance related to the University's human capital infrastructure. In so doing, it is the responsibilities of the Committee to maintain free and open communication among the Committee, independent auditors, the internal auditors, Compliance Advisory Committee, and management of the University. The Committee has such authority as is provided for in the Code of Virginia, the Board Bylaws and as assigned by the Board as a whole.

COMPOSITION

The Audit, Compliance, and Human Resources Committee will consist of an odd number of members of the Board of Visitors. Committee members and the chair shall be appointed through the normal processes as defined in the Board Bylaws. Members of the Audit, and Compliance and Human Resources Committee should have some basic knowledge of generally-accepted accounting procedures, and financial reporting and controls. Committee members should also have a basic knowledge of human resource management. Members of the Audit, Compliance, and Human Resources Committee may serve on the Administration and Finance Committee; however, a majority of the Audit, and Compliance and Human Resources Committee may not serve on the Administration and Finance Committee. The Chair should also not serve on the Administration and Finance Committee.

MEETINGS

Meetings of the Committee will occur in conjunction with regular meetings of the Board of Visitors, which happen no less frequently than four times each year on such dates and in such places as may be set by the Rector and the Board of Visitors. The Committee will have the authority to convene additional meetings as circumstances require. All committee members are expected to attend each meeting – in person or via teleconference or videoconference. The Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and distributed in advance of subsequent meetings.

RESPONSIBILITIES

The Committee's general responsibilities are defined in Section 4.02 (d) of the Board Bylaws: "The Committee is responsible for (1) oversight of financial reporting and financial statement matters and any critical accounting and reporting issues; (2) reviewing annually the audited financial statements with the external auditors, determining that the administration has been open and has acted in good faith in connection with the audit; (3) oversight of the internal audit function, including receiving reports and approval of the annual audit plan; (4) reviewing matters of compliance related to the university's human capital infrastructure; and (5) oversight of the University's compliance function."

More specifically, the below are some of the duties of the Committee:

Financial Statements

- Receive entrance and exit communications with the external auditors regarding their annual audit of the University and any other communications, as necessary.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.

Internal Control

- Consider the effectiveness of the University's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Determine whether internal control recommendations made by internal and external auditors have been implemented by management.

Internal Audit

- Review with management and the Chief Audit Executive ~~University Auditor~~ the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Approval annual internal audit plans.
- Periodically review and update the internal audit function's audit charter.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Chief Audit Executive.
- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing.* This includes receiving the results of periodic peer reviews conducted on the internal audit function.
- Review the results of significant audit activities, audit reports, and management responses, and ensure the Committee is informed about fraud, illegal acts, deficiencies in internal control and other audit-related matters.

- Monitoring the adequacy and timeliness of corrective actions taken in response to audit activities.
- On an as needed basis, meet separately with the Chief Audit Executive to discuss any matters that the Committee or internal audit believes should be discussed privately.

External Audit

- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Monitor audits performed by the external auditors.
- On an as needed basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies and any other auditor observations.
- Review the process for communicating the code of ethics to university personnel and for monitoring compliance therewith.
- Obtain regular updates from management, internal audit, the compliance function, and University legal counsel regarding compliance matters.

Human Resources

- Receive updates on new and revised policies having campuswide implications.
- Review annual succession planning goals in accordance with Code of Virginia § 2.2 - 1209.
- Periodically receive employee census data reports.
- Receive annual updates on mandatory Commonwealth of Virginia reporting requirements including telework, classified employee turnover, and the employment opportunities plan for hiring people with disabilities.

Reporting Responsibilities

- Regularly report to the Board of Visitors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the Board of Visitors.

Other Responsibilities

- Perform other activities related to this charter as required by the Board of Visitors.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Chair shall evaluate the Committee's performance and individual member participation on a regular basis.