M E M O R A N D U M

TO: Board of Visitors Audit and Compliance Committee

Jerri F. Dickseski, Chair
Jay Harris, Vice Chair
R. Bruce Bradley *(ex-officio)*
Robert S. Corn
Unwanna B. Dabney
Lisa B. Smith

FROM: Amanda Skaggs
Chief Audit Executive

DATE: September 3, 2021

SUBJECT: Meeting of the Committee, September 14, 2021

The Board of Visitors Audit and Compliance Committee will meet on Tuesday, September 14, 2021, at 8:00 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 June 16, 2021.

B. Report from the Chief Audit Executive – Amanda Skaggs

1. Committee Charter – Discussion and affirmation of responsibilities for FY2021

2. Internal Quality Assurance Improvement Program
   a. FY2021 Program Results
   b. Annual Independence Confirmation
   c. Proposed Revisions to Board of Visitors Policy 1610 – Charter of the University Audit Department

3. Presentation of Completed Audit Reports
    a. College of Business
    b. Status of Open Audit Issues

4. Discussion of Open Audit Projects
    a. Police Department (Operations)
    b. Enterprise Service Bus
    c. Payroll Benefits
    d. Facilities Events and Equipment and Tennis Center
    e. Office of Visa and Immigration Service Advising
    f. Closeout Procedures for the Confucius Institute
    g. Banner Workflows
    h. Desktop Management
    i. College of Sciences
    j. Police Department Fiscal Activities FY2021
    k. Office of the President FY2021 Expenditures
    l. Owens House – Closeout Construction Audit (Outsourced)
    m. Special Projects and Other Activities

C. Closed Session

D. Reconvene in Open Session and FOIA Certification

E. Adjourn

OLD DOMINION UNIVERSITY AUDIT AND COMPLIANCE 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. In so doing, it is the responsibility 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 and Compliance Committee will consist of five 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 Committee should have some basic knowledge of generally-accepted accounting procedures and financial reporting and controls. Members of the Audit and Compliance Committee may serve on the Administration and Finance Committee; however, a majority of the Audit and Compliance 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 as 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; and (4) 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 University Auditor the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Approve 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 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.

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 requested 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.
- Evaluate the committee's and individual members' performance on a regular basis.

NUMBER: 1610

TITLE: Charter of the University Audit Department

APPROVED: November 14, 1981; Revised May 15, 1982; Revised April 5, 1990; Revised September 13, 2002; Revised June 17, 2010; Revised June 12, 2014; Revised September 24, 2015; Revised September 21, 2017; Revised September 20, 2018; Revised September 19, 2019

Purpose and Mission

The purpose of Old Dominion University's internal audit activity is to provide independent, objective assurance and consulting services designed to add value and improve the University's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight. The internal audit activity helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

This charter as adopted herein will serve as a guide for the activities of the University Audit Department at Old Dominion University. This charter does not include, nor is it intended to include, all of the department's duties or responsibilities as they may exist from time to time.

Objectives and Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examination of evidence for the purpose of providing independent assessments to the Audit and Compliance Committee and management on the adequacy and effectiveness of governance, risk management and control processes for Old Dominion University.

1. Evaluating financial and operating procedures for adequacy of internal controls and providing advice and guidance on control aspects of new policies, systems, processes and procedures;

2. Ascertaining the extent of adherence, by the University and its employees, to established policies, plans, and procedures, and compliance with state and federal laws and regulations;

3. Determining whether resources and assets are acquired economically, and protected adequately;

4. Determining the propriety and accuracy of financial transactions and data;

5. Working with management to identify opportunities for process improvements, cost savings and revenue enhancements;

6. Evaluating the accuracy, security, effectiveness and efficiency of the University's information technology and processing systems;

7. Evaluating the effectiveness and efficiency of operations and programs along with determining whether the results of operations or programs are consistent with established goals and objectives;

8. Assisting in the education and training of employees in University policies and procedures, as well as the need for and characteristics of strong internal controls;

9. Assisting management in the deterrence of fraud and investigating any instances of such activity discovered at the University; and

10. Coordinating audit efforts with the Auditor of Public Accounts and other external auditors.

Standards for the Professional Practice of Internal Auditing

The Institute of Internal Auditors, Inc., an international organization dedicated solely to the advancement of the internal auditing profession, has adopted "The International Professional Practices Framework (IPPF)." The four mandatory elements of the IPPF are the core principles for the professional practice of internal auditing, definition of internal audit, Code of Ethics, and the International Standards for the professional practice of internal auditing (Standards).

The University Audit Department will govern itself by adherence to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework. The Chief Audit Executive will periodically report to senior management and the Audit and Compliance Committee regarding the internal audit activity's conformance to the Code of Ethics and the *Standards*.

Reporting and Responsibilities

The University Audit Department is functionally accountable and reports to the Board of Visitors through the Audit and Compliance Committee. The Chief Audit Executive will meet with the Audit and Compliance Committee at each of the scheduled quarterly Board meetings.

The Department reports administratively to the President's Office and works with the President or through a designated representative for the purpose of the day-to-day operations.

The Chief Audit Executive shall have direct access to the President and to the Audit and Compliance Committee of the Board of Visitors in any instance where the Chief Audit Executive believes that such access is needed to fulfill the stated objectives of the department.

The Chief Audit Executive shall periodically report to senior management and the Audit and Compliance Committee of the Board of Visitors regarding:

1. The department's purpose, authority and responsibility.

2. Risk-based audit plan and performance relative to the plan along with any adjustments needed to the plan.

3. Conformance with the IIA's Code of Ethics and *Standards*, and action plans to address any significant conformity issues.

4. Significant risk exposures and control issues to include fraud, governance issues and other matters requiring the attention of, or requested by, the Audit and Compliance Committee.

5. Results of audit engagements and other activities.

6. The propriety of any limitations on the scope of internal audits that may be imposed by University management.

7. Resource requirements.

8. Any response to risk by management that may be unacceptable to the University.

As used herein, the term "external" shall refer to representatives of or the activities of the Auditor of Public Accounts for the Commonwealth of Virginia, individual certified public accountants (the "CPA") and auditors from organizations, governmental or commercial, outside the University.

Code of Virginia §2.2-307 et seq., established the Office of the State Inspector General (OSIG) effective July 1, 2012, and charged the office with providing services in three core areas: (1) investigating complaints alleging fraud, waste, abuse, or corruption; (2) conducting performance reviews of executive branch agencies; and (3) coordinating and requiring standards for internal audit programs existing as of July 1, 2012, and developing and maintaining other internal audit programs. As the OSIG is required to coordinate and require standards for those internal audit programs, ODU's University Audit Department will adhere to any OSIG directives.

Authority

The Chief Audit Executive will have unrestricted access to, and communicate and interact directly with, the Audit and Compliance Committee, including private meetings without management present.

The Audit and Compliance Committee authorizes the internal audit activity to:

Have full, free, and unrestricted access to all university activities, property, personnel, and records which are relevant to fulfillment of the department's mission to the University.

- It is understood that certain items of the university are confidential in nature and special arrangements will be made when examining and reporting upon such items.

- Allocate resources, set frequencies, select subjects, determine scope of work, apply techniques required to accomplish audit objectives, and issue reports.

- Obtain assistance from the necessary personnel of Old Dominion University, as well as other specialized services from within or outside of the University, in order to complete the engagement.

Independence and Objectivity

The University Audit Department shall be free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. The University Audit Department shall be free from control or undue influence in the determination of facts revealed by the examination or in the development of recommendations or opinions as a result of the examination.

If the Chief Audit Executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to the appropriate parties. The Chief Audit Executive will disclose to the Audit and Compliance Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

System Planning and Development

The University Audit Department ~~will~~ may participate, in an advisory capacity, in the planning, development, implementation, and modification of major computer-based and manual systems to ensure that:

1. Adequate controls are incorporated in the system;

2. A thorough testing of the system is performed at appropriate stages;

3. System documentation is complete and accurate; and

4. The intended purpose and objective of the system implementation or modification has been met.

The internal auditor participating in such a review should ensure that the extent of participation does not affect independence, thus suggested audit trails or other controls will be transmitted through formal correspondence.

Responsibility for the Detection of Errors or Irregularities

The staff of the University Audit Department have a professional responsibility to conduct reviews with an attitude of professional skepticism, recognizing that the application of internal auditing procedures may produce evidential matter indicating the possibility of errors or irregularities.

If the internal audit staff believe that an error or irregularity may exist in an area under review or in any other area of the university, the Chief Audit Executive shall be notified at once. The Chief Audit Executive should consider the implications of such an error or irregularity and its disposition with the President and/or the President's designated representative. If the Chief Audit Executive believes that both of the individuals are directly involved, then the disclosure of potential errors or irregularities should be made directly to the ~~chairman~~ Chair of the Audit and Compliance Committee of the Board of Visitors.

The University Audit Department cannot be solely responsible for the detection and prevention of all errors and irregularities which may occur within the university. This is a responsibility shared by all members of the university management team.

Coordination of External Auditors

The Chief Audit Executive is responsible for coordinating the audit efforts of the University Audit Department with those of the Auditor of Public Accounts for the Commonwealth of Virginia and other external auditors that have business with the University. This coordination of audit efforts should be in the planning and definition of the scope of proposed audits so the work of auditing groups is complementary and will provide a comprehensive, cost-effective audit.

Audit Plan

Each year, a proposed detailed audit plan for the next fiscal year will be submitted to the Audit and Compliance Committee. Upon approval of the plan by the Committee and the full Board of Visitors, audits will be initiated pursuant to the plan.

A block of time will be set aside for unexpected audits, special request audits and consulting, and cases received from the Commonwealth's fraud, waste and abuse hotline. In excess of this, any additions to the plan will require written documentation as to the need for such additions with final approval for the request being made by the President and Committee.

A copy of all approved revisions to the audit plan will be submitted to the President and the Audit and Compliance Committee.

Audit Reports

At the conclusion of each audit, the department or activity audited will be provided an opportunity to respond in writing to the findings, conclusions, and recommendations of the University Audit Department. In addition, an exit conference will be held with the individual in charge of the department or activity under review. All findings, conclusions and recommendations will be

discussed and any differences of opinion settled or so noted. A formal audit report will be prepared after the exit conference is held and draft report reviewed. This report will contain a summary of the function of the department or area, the objective of performing the audit, the audit methods used, detailed explanations of any issues noted and recommendations for improvements thereon. A section of the audit report will include the department's response to the recommendations made by the University Audit Department.

Audit reports will be discussed with the vice president responsible for the area under review prior to the issuance to the President. All final audit reports will be issued to the President, with copies to the Vice President of the area audited and the department head. Executive summaries of all final audit reports will be presented to the members of the Audit and Compliance Committee. Final Audit Reports are also shared with the Office of the State Inspector General as required. Further distribution will be at the discretion of the Chief Audit Executive.

The University Audit Department will conduct a follow-up review on issues noted within the final audit reports to determine whether recommendations have been considered and acted upon. A status of open audit issues will be provided to the Committee periodically.

Detection, Investigation and Reporting of Fraud

The University Audit Department shall be notified in all cases where the discovery of circumstances suggests a reasonable possibility that assets have, or are thought to have, been lost through defalcation or other security breaches in the financial**,** operating or information systems. Upon such notifications, the Chief Audit Executive should ensure that the proper authorities within the department and the University have been notified of the potential loss**.** The Chief Audit Executive should work to ensure that the University promptly notifies other state departments as required under ~~Section~~ §30-138 of the Code of Virginia.

The University Audit Department will perform sufficient tests to identify the weaknesses in financial and operating procedures, both automated and manual, which permitted the loss and evaluate the impact the weaknesses have with respect to other activities of the institution. In addition, the University Audit Department will recommend improvements to correct the weaknesses and incorporate appropriate tests in future audits to disclose the existence of similar weaknesses in other areas of the institution.

Consulting Activities

As part of its mission, the University Audit Department will engage in evolving forms of value-added services which are consistent with the broad definition of internal auditing. As such, the Department from time to time may be asked to perform a variety of non-standard audit services, such as advisory activities and consulting engagements, both of which may involve formal or informal advice, analysis or assessment. These services will be provided at the discretion of the Chief Audit Executive where they do not represent a conflict of interest or detract from the Department’s obligation to the Board of Visitors or the President.

Decisions to adapt or implement recommendations as a result of consulting activities should be made by management. It must be understood that consulting services cannot be rendered in a manner that masks information that, in the judgment of the Chief Audit Executive, should be provided to the Board of Visitors and senior management. In the conduct of consulting activities, the Department will be guided by the IIA Code of Ethics and the Standards for the Professional Practice of Internal Auditing.

Personnel

The ultimate quality of the University Audit Department's performance is directly related to the quality of the people employed. The internal audit function should be directed by and staffed with qualified and competent individuals.

Minimum qualifications for each position within the audit function have been established; however, additional experience, training, specialized skills, as well as intelligence, adaptability, promotability, an inquiring mind, analytical ability, good business judgment, and an ability to communicate with individuals should be considered in the employment process.

The Chief Audit Executive should report annually to the Audit and Compliance Committee and the President and/or a designated representative as to the effectiveness of the present staff in fulfilling the stated objective of the University Audit Department.

Continuing Professional Development

The university recognizes the need for internal auditors to enhance their knowledge and skills and other competencies through continuing professional development.

To fulfill this need, it is required that each representative of the department obtain at least forty (40) hours of continuing professional education credits annually, subject to funding availability.

Quality Assurance and Improvement Program

Old Dominion University recognizes the benefits to be derived from a quality assurance review of the internal audit function. The internal audit activity will maintain a quality assurance and improvement programs that covers all aspects of the internal audit activity. The program will include an evaluation of the department's conformance with the Standards and an evaluation of whether the internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the department and identify opportunities for improvement.

The Chief Audit Executive will communicate to senior management and the Audit and Compliance Committee on the department's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments at least once every five years by a qualified, independent assessor, or assessment team from outside the University.

OLD DOMINION
UNIVERSITY

Activity and Status of Audit Issues Since June 2021

University Audit Department
September 2, 2021

Activity and Status of Audit Issues Since June 2021

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 46 open action items in the June 2021 report, of which 2 are now complete. The University Audit Department is actively tracking the remaining 44 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 June 2021

Issue Status by Engagement

Engagement Title	Report Date	# of Issues Closed Since 06/01/2021	# of Issues Open as of 08/30/2021
NCAA Compliance: Recruitment, Title IX, Academic Advising	8/22/16	0	1
College of Engineering and Technology	3/08/17	0	1
Office of the University Registrar	3/15/19	0	1
Department of Human Resources	4/02/19	0	1
Police Department Fiscal Activities Engagement FY19	1/06/20	0	2
Board Governance	6/04/20	0	1
NCAA Compliance: Financial Aid	8/27/20	0	1
Active Directory	8/27/20	1	1
Design and Capital Construction	11/25/20	0	5
Police Department Fiscal Activities Engagement FY20	11/25/20	0	1
Police Department Information Technology	11/30/20	0	7
Office of Research (Operational/Financial)	11/30/20	1	9
Academic Affairs*	3/17/21	0	8
Information Technology Services (ITS) Operational	4/09/21	0	5

Activity and Status of Audit Issues Since June 2021

Summary Status by Executive Area

Audit Engagement Title	Report Date	# of Issues Closed Since 6/01/2021	# of Issues Open as of 8/30/2021
Academic Affairs			
College of Engineering and Technology	3/08/17	0	1
Academic Affairs*	3/17/21	0	8
Administration and Finance			
Police Department Fiscal Activities Engagement FY19	1/06/20	0	2
Active Directory	8/27/20	1	1
Design and Capital Construction	11/25/20	0	5
Police Department Fiscal Activities Engagement FY20	11/25/20	0	1
Police Department Information Technology	11/30/20	0	7
Information Technology Services	4/09/21	0	5
Athletics			
NCAA Compliance: Recruitment, Title IX, and Academic Advising	8/22/16	0	1
NCAA Compliance: Financial Aid**	8/27/20	0	1
Human Resources			
Department of Human Resources	4/02/19	0	1
Student Engagement and Enrollment Services			
Office of the University Registrar	3/15/19	0	1
Research			
Office of Research (Operational/Financial)	11/30/20	1	9
Board of Visitors			
Board Governance	6/04/20	0	1

*An Interim Report was issued on August 28, 2020, which contained 5 of these issues.

**For the open action plan for Reduction, Cancellation and Renewal Letters under the NCAA Compliance: Financial Aid engagement, the Office of Student Financial Aid as part of Student Engagement and Enrollment Services Division has responsibility for completion.

Activity and Status of Audit Issues Since June 2021

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	In Progress
Academic Affairs	College of Engineering and Technology	College Managed Room Access	Security	3/08/17	10/01/17	In Progress
Student Engagement and Enrollment Services	Office of the University Registrar	Graduate Degree Certification and Exception Granting Process	Control	3/15/19	9/01/19	In Progress
Human Resources	Department of Human Resources	Records Management	Compliance	4/02/19	3/15/19	In Progress
Administration and Finance	Police Department Fiscal Activities Engagement FY19	Leave and Hours Worked	Financial Control	1/06/20	3/01/20	In Progress
		Fixed Assets	Control	1/06/20	3/01/20	In Progress
Board of Visitors	Board Governance	Bylaw and Board Manual Review Cycle	Governance	6/04/20	12/31/21	In Progress
Athletics	NCAA Compliance: Financial Aid	Reduction, Cancellation and Renewal Letters	Compliance	8/27/20	5/07/21	In Progress
Administration and Finance	Active Directory	Monitoring of SE and WLAN Domains	Control	8/27/20	2/28/21	Complete
		Auditing of Privileged Accounts	Control	8/27/20	8/31/21	Planned
Administration and Finance	Design and Capital Construction	Overhead Expense Allocation	Control	11/25/20	6/30/21	In Progress
		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	Planned
		Emergency Management Plans	Compliance	11/25/20	1/31/21	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	In Progress
Administration and Finance	Police Department Information Technology	System Life Cycle	Info Security	11/30/20	11/01/21	Planned
		Configuration and Vulnerability Management	Info Security	11/30/20	11/01/21	Planned
		Criminal Justice Information Services Security Policy Compliance	Compliance	11/30/20	11/01/21	Planned

Activity and Status of Audit Issues Since June 2021

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
		Business Continuity/Disaster Recovery	Operational	11/30/20	11/01/21	Planned
		System Risk Assessments	Compliance	11/30/20	11/01/21	Planned
		User Account Access Reviews	Info Security	11/30/20	11/01/21	Planned
		Electronic Record Retention	Compliance	11/30/20	11/01/21	Planned
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
		Scope for University Research Policies	Compliance and Control	11/30/20	7/31/21	Planned
		Budget Management	Control	11/30/20	12/15/20	In Progress
		Lease Arrangements	Compliance and Control	11/30/20	3/31/21	In Progress
		Institute for Innovation and Entrepreneurship	Effectiveness	11/30/20	6/30/21	Planned
		Records Management	Compliance	11/30/20	3/31/21	Complete
		Research Center Evaluations	Compliance and Control	11/30/20	12/31/20 to 1/31/23	Planned
		Timesheet Approvals	Compliance and Control	11/30/20	11/30/20	In Progress
Academic Affairs	Academic Affairs	Budget Management	Control	3/17/21	10/30/20	Planned
		Fixed Assets	Control	3/17/21	11/30/20	In Progress
		Compliance Training	Compliance	3/17/21	1/30/21	In Progress
		Goal Setting and Assessment	Effectiveness	3/17/21	8/30/21	Planned
		Performance Evaluation Monitoring	Control	3/17/21	1/30/21	Planned
		Faculty Background Checks and I-9 Forms	Compliance	3/17/21	3/15/21	In Progress
		Overload Payments	Control and Compliance	3/17/21	5/01/21	In Progress

Activity and Status of Audit Issues Since June 2021

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
		Faculty Self-Service User Account Management	IT Control	3/17/21	9/30/21	Planned
Administration and Finance	Information Technology Services (ITS) Operations	Door Access	Control	4/09/21	12/31/21	Planned
		Records Management	State Compliance	4/09/21	8/15/21	Planned
		Emergency Management Plans	Internal Compliance	4/09/21	7/31/21	Planned
		Leave and Time Approvals	Control and Internal Compliance	4/09/21	4/30/21	In Progress
		Internal Rates Charged for Services	Internal Compliance	4/09/21	7/01/21	In Progress

UNIVERSITY AUDIT DEPARTMENT OF OLD DOMINION UNIVERSITY
Audit of College of Business

AUDIT SUMMARY

Department Head: Jeff Tanner, Dean of College of Business **Responsible Vice President:** Austin Agho, Provost and Vice President for Academic Affairs	**Auditor:** Nina Preston **Chief Audit Executive:** Amanda Skaggs **Audit Report Date:** 08/02/2021

Background

The mission of the College of Business is to develop globally and ethically knowledgeable students for careers in business and government while engaging in scholarly exploration and active learning, solving business and community challenges in a global arena. The College offers undergraduate majors, minors, masters, doctoral and certificate programs. Academic departments include Economics, Finance, Management, Marketing, Information Technology and Decision Sciences, School of Real Estate, School of Public Service and School of Accountancy. The College has centers and institutes which enhance and support the academic programs. There are 55 budget accounts under the College's control with annual expenses in FY 2020 of $21,820,558.

Scope and Objectives

The objective was to provide management with an independent assessment of the design of internal controls and operations of the College and determine whether (a) adequate internal controls and operating procedures exist; (b) the College complies with State and University policies, procedures, and guidelines; (c) the College is operating efficiently and effectively; and (d) financial transactions are appropriate and monitored. Processes specifically reviewed include budget management, emergency management plans, expenses, fixed assets, part-time faculty certification for graduate Instruction, performance evaluations for teaching and research and adjunct faculty members, records management, revenue and contract administration for the Real Estate Center and timesheet approvals. The audit focused on activities and controls in place during FY 2019-2021.

Overall Risk Exposure[1]	Audit Conclusion: System of Internal Controls
☐ Low ☐ Moderate ☒ **High**	☐ Strong ☒ **Adequate** ☐ 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.

Issues	Planned Corrective Action
Certification records for part-time faculty teaching graduate courses (500 or higher) were not consistently retained and certifications could not be confirmed.	A system will be developed for monitoring graduate and exceptional certifications. Certification records will reside in the adjunct's file. Dean's Office will maintain the list of certified adjuncts and expiry of certification.
Overall performance evaluations for teaching and research faculty members were completed for CY 2020; however, there was not a process in place for completing adjunct faculty performance evaluations.	Evaluation process for adjuncts was created and disseminated to department chairs in 2021. Evaluations were completed in 6/2021. In the future, evaluations will be completed before end of Spring term and will be monitored by the Associate Dean for Faculty.
An effective monthly reconciliation process has not been implemented, which may have contributed to several accounts ending the year with deficits from FY 2016 through FY 2020.	Budget Manager will complete reconciliations that will include all sub-object codes, signatures, and Banner Report on all accounts, salary accounts, and those with no activities to be submitted to Dean by 5th of the month. Once hired, Academic Department Financial Manager (ADFM) will reconcile for 7 academic departments. Inactive or small balance accounts will be closed. Deficiencies will be addressed quarterly. Transfers will be processed for planned expenses at start of FY.
Effective contract administration practices are not in place within the Center for Real Estate for its third-party service provider (TPSP).	Interim Director will complete reconciliation of the revenue account until ADFM is hired. TPSP performance report and TPSP expenses will be reviewed in accordance with contract. FY20 mailing/postage will be reviewed for possible reimbursement. Center will contact Procurement to discuss Aramark discount and sales tax relief.
Records management practices are not in place as required.	Designated Department Records Coordinators (DRCs) attended training in 10/2020. Refresher training is scheduled for 9/2021. Records Manual will be developed. DRCs will complete inventory, records destruction, file directory structure and transfer of historical/archival records.
Fixed Asset processes do not consistently conform to University requirements.	Fixed Asset Coordinator will develop fixed asset expectations to provide to College employees annually. Associate Dean will review annually with department chairs to identify off campus equipment for completion of equipment form.
Timesheets were not consistently approved from 7/2019 through 12/2020.	Dean will emphasize the timely approval of timesheets at the 7/2021 College Advisory Council meeting.
While the College has an Emergency Action Plan, the Continuity of Operations Plan (COOP) is not finalized, both of which are University required documents.	College's Human Resource Liaison will continue to contact Office of Emergency Management (OEM) to obtain status of COOP. Once OEM approves, COOP will be disseminated to College employees.