

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON AUDIT AND COMPLIANCE
12:45 PM, THURSDAY, FEBRUARY 8, 2024
Gateway Dining & Events Center
(on the campus of Virginia State University)
(No Public Comment Period Scheduled)**

DRAFT AGENDA

CALL TO ORDER Mr. William Murray, Vice Chair

ROLL CALL

INVOCATION (*Pastor Seth Ahmad-McQueen, Director of Campus Ministries*)

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES

- November 16, 2023, Meeting Minutes

PRESIDENT’S REMARKS Dr. Makola M. Abdullah

CLOSED SESSION.....According to Va. Code 2.2-3711(19)
Nannette Williams, Chief Audit Executive
James Austin, IT Auditor, Office of Internal Audit

REPORTS AND RECOMMENDATIONS

- INTRODUCTION
Getting to Greater-an- Update on Corrective Action Progress and Preparation for Fiscal Year
2023 APA Audit

OTHER BUSINESS

ADJOURNMENT

2.16.24

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON AUDIT AND COMPLIANCE
12:45 PM, THURSDAY, FEBRUARY 8, 2024**

CALL TO ORDER

Visitor Murray called the Audit and Compliance Committee (“Committee”) meeting to order at 12:50 PM.

ROLL CALL

A quorum was present.

Committee Members Present:

Mr. Jon Moore (Chair)
Mr. William Murray (Vice Chair)
Ms. Shavone Gordon
Mr. William Murray
Dr. Valerie Brown, Rector
Dr. Robert Denton, Jr.
Dr. Leonard Haynes, III (*Virtual*)

Dr. Leonard Githinji, Faculty Representative
Ms. Kailyn Haye, Student Representative

Other Members Present

Mr. Victor Branch
Dr. Joseph A.F. Chase, Jr.
Thomas Cosgrove
Ms. Pamela Currey
Ms. Daphne Meeks
Mr. Edward Owens
General Dennis Via

Administration Present:

Dr. Makola M. Abdullah, President
Dr. Tia Minnis, Interim Provost/Executive Vice President for Academic and Student Affairs
Tonya S. Hall, Vice President for External Relations
Kevin Davenport, Senior Vice President for Finance and administration/Chief Financial Officer
Shawri King-Casey, Vice President for Institutional Integrity & Compliance
Dr. Annie C. Redd, Chief of Staff/Director, Board Operations & Relations

Legal Council:

Mike Melis, OAG

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INVOCATION

Pastor Seth Ahmad-McQueen gave the invocation.

APPROVAL OF AGENDA

Chair Moore called for a motion to approve the agenda. The motion was made and properly seconded. The Committee approved the agenda by voice vote.

APPROVAL OF PREVIOUS MINUTES

Visitor Moore called for a motion to approve the minutes from November 16, 2023, Committee. It was moved, seconded, and voted in the affirmative to approve the previous meeting minutes.

PRESIDENT'S REMARKS

President Abdullah thanked everyone for the work done in their various roles and complimented the Internal Audit Office for their work on the Information Technology audit.

CLOSED SESSION

At 12:54 PM Visitor Moore entertained a motion to enter a closed session to discuss plans to protect public safety as it relates to specific Cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law enforcement or emergency service officials under Virginia Code 2.2-3711(19) President Abdullah, Kevin Davenport, Ms. Tonya Hall, Dr. Alexis Brooks-Walter, Dr. Tia Minnis, Ms. Shawri King-Casey, Mr. Maurion Edwards, Mr. Travis Edmonds, Dr. Annie Redd. The Committee completed the closed meeting, certified the meeting with a motion, second, and affirmative roll call vote, and resumed the open meeting at @1:13p.m.

REPORTS AND RECOMMENDATIONS

Upon completion of the requisite protocols, the meeting re-entered open session and proceeded with the Audit and Compliance update by Ms. Shawri King-Casey, VP of Institutional Integrity & Compliance, and Ms. Nannette Williams, Chief Audit Executive.

Ms. King-Casey began her presentation with highlights of the entrance conference for fiscal year 2023 (FY23) Auditor of Public Accounts (APA) audit. The entrance conference occurred on January 29, 2024. Per the meeting, Mr. George Strudgeon will continue as Project Manager, and his team will consist of returning as well as new auditors. VSU emphasized the need for awareness of timing during the audit and timeliness in completing the audit due to the upcoming debate. Fieldwork is scheduled to start the week of February 12, 2024. The estimated completion date for the draft report is around Memorial Day. The estimated date for the final report is September 2024.

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Additionally, the new Governmental Accounting Standards Board (GASB) standards were discussed during the entrance conference to acknowledge the increasingly complex nature of the standards and what will likely be the need for sustained attention and resources on matters reviewed per the standards. Moreover, the entrance conference addressed the scope of the audit including a review of the open repeat items with the hope that many will be closed; a review of fiscal operations such as cash investment, debts, revenues, expenditures, procurement, as well as information systems and security; and an audit of Information Technology which will run parallel to the audit of the previously identified items.

Visitor Moore asked for clarification regarding the completion of the audit to which Ms. King-Casey responded that the anticipated draft date of Memorial Day and estimated final report date of September 2024. Visitor Moore asked that the team during a future conversation with APA highlight timing as a concern and determine why May 2024 cannot be the target date for completion.

Ms. Williams informed us that the timeline the University received this year is the same timeline we received last year, and APA did not make it. She explained that the APA is understaffed and most likely will try to get a draft report out while doing the fieldwork. Even then, she explained, there are levels of review before a final draft of the report can be produced. Ms. Williams expressed her appreciation in advance to Visitor Moore for any assistance he could provide in expediting the timeframe for the report's finalization.

Ms. Williams then moved forward with her portion of the presentation. Internal Audit has the following projects in progress:

- Procurement – Due to extensive changes in the department (e.g., a new director, new hires, etc.), Internal Audit thought it best to end the audit and will issue a report on the small purchase charge card (SPCC). Per Ms. Williams, progress has been made in that area. The next audit will incorporate a continuous function where the internal auditors will take samples quarterly of procurement office functions.
- Mackenzie Scott funds – Per Ms. Williams, this audit is approximately 50% complete.
- Financial statement review – Per Ms. Williams, the University's Controller has provided Internal Audit the financial statements for quality control review to reduce the potential for any APA adjustments. This review is approximately 80% complete and should be finalized by the end of the week of 2.12.24.

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- Corrective Action Plan review – Per Ms. Williams, Internal Audit looked at deficiencies from fiscal year 2022. As part of this process, the auditors got feedback from the business units regarding what they planned to do and took

samples to determine what had been done. One sample remains for testing and then the result will be provided to APA as a basis for follow-up.

The cyber security review was completed on January 11, 2024.

Ms. Williams announced two audits that are underway. The first is Capital Outlay with a limited scope of the Alfred W. Harris building construction. The engagement letter was sent this week. Per Ms. Williams, this project will give Internal Audit an overall feel of how the area functions. The estimated time of completion for this audit is the end of fiscal year 2024. The second audit is the IT Security review of the University's MediCAT system. An engagement memorandum was sent, and the entrance conference was scheduled for February 21, 2024.

With this update, Ms. Williams ended her presentation, and the floor was open for questions.

Visitor Meeks inquired about the cashier audit. Ms. Williams informed us that that audit was slated for the June/July timeframe. No additional questions were asked.

CONCLUSION

Before adjourning the meeting, Visitor Moore re-emphasized to the Committee his role as representative of the Board of Visitors when speaking with the APA regarding financial controls and compliance. He invited board members to express their concerns, if any, to him.

ADJOURNED

Having no additional business for the Committee, a motion to adjourn was seconded and passed. The meeting was adjourned at 1:26 PM.

Approved:

Chair

Date