

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON AUDIT & COMPLIANCE**

9:00 A.M.; THURSDAY, SEPTEMBER 12, 2024

Gateway Dining & Events Center

(on the campus of Virginia State University)

(No Public Comment Period Scheduled)

AGENDA

CALL TO ORDERMr. Jon D. Moore, Chair

ROLL CALL

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

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

- February 8, 2024 Meeting Minutes
Note: The committee did not meet in April 2024

PRESIDENT'S REMARKSDr. Makola M. Abdullah

CLOSED SESSION (if any)

- Cybersecurity Discussion – pursuant to Va. Code §2.2-

3711(19) REPORTS AND RECOMMENDATIONS

- Audit Plan, Audit Charter, Audit Team Update and Quality Assurance Review
– Nannette Williams, Chief Audit Executive
- FY 23 APA Audit Status Update - Shawri King-Casey, Vice President,
Institutional Integrity and Compliance

OTHER BUSINESS

ADJOURNMENT

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
AUDIT AND COMPLIANCE COMMITTEE**

**MEETING MINUTES
SEPTEMBER 12, 2024**

CALL TO ORDER

Visitor Moore called the Audit and Compliance Committee (“Committee”) meeting to order at 9:02 AM in the Gateway Dining & Event Center on the campus of Virginia State University.

ROLL CALL

A quorum was present.

COMMITTEE MEMBERS PRESENT:

Mr. Jon Moore, Chair
Dr. Joseph Chase
Mr. Robert Thompson
Dr. Harold Green, Jr.
Dr. Valerie K. Brown, Rector (ex-officio)

BOARD APPOINTEES:

Professor Tracy Jackson, Faculty Representative
Ms. Jaila Walton (*sitting in for Yousif Omer, Student Representative*)

OTHER MEMBERS PRESENT:

Mr. Victor Branch
Dr. Robert Denton, Jr.
Dr. Leonard Haynes, III
Mr. Edward Owens (*electronic participation*)
Ms. Verndell Robinson

Mr. Edward Owens participated by electronic means from South Boston, VA due to medical reasons.

ADMINISTRATION PRESENT:

Dr. Makola M. Abdullah, Present
Dr. Tia Minnis, Provost/Vice President for Academic and Student Affairs
Ms. Tonya S. Hall, Vice President for Advancement and External Engagement
Mr. Kevin Davenport, Senior Vice President for Finance & Administration/CFO
Ms. Shawri King-Casey, Vice President for Institutional Integrity & Compliance
Dr. Alexis Brooks-Walter, Vice President for Student Affairs/Enrollment Management
Dr. Annie C. Redd, Chief of Staff/Director, Board Operations & Relations

**AUDIT AND COMPLIANCE COMMITTEE
MEETING MINUTES
SEPTEMBER 12, 2024
PAGE 2**

Dr. Robert Corley led the Invocation. Visitor Moore proposed edits to the agenda including the removal of the closed session to the next committee meeting and the addition of the discussion about the vice-chair role in "Other Business." A motion to approve the agenda was properly made, seconded, and approved.

A motion to accept the previous meeting's minutes was properly made, seconded, and approved.

Next, President Abdullah extended his thanks to the Committee and welcomed the non-committee board members to the meeting.

Rector Brown called attention to the proposed committee membership roster and informed members that several vacant committee positions would be filled during the meeting(s). She explained the process for appointing a committee chair and vice-chair and that the full board would vote to approve the committee chair and vice-chair appointments.

Visitor Moore welcomed Visitor Thompson and provided a brief explanation of the committee, its history, and its purpose. Afterward, Visitor Moore opened the floor for Shawri King-Casey, VP of Institutional Integrity & Compliance, to begin her presentation.

VP King-Casey began her presentation with the theme "From Great Challenges Come Greater Collaboration: Auditor of Public Accounts (APA) Fiscal Year 2023 Audit Progress." She provided a brief overview of the types of audits that VSU may encounter, as well as the names of the corresponding agencies that conduct the audits.

Next, VP King-Casey provided an update on the APA FY23 audit and shared the following:

- The FY23 audit is still in progress.
- The entrance conference took place on February 1, 2024.
- The fieldwork concluded on August 20, 2024.
- There are eight (8) draft findings, which include two (2) verbal ones that are not truly findings but just drawing attention to issues.

The Committee paused to discuss the presentation's points.

Visitor Moore provided context about past audits and informed the Committee that the APA is historically late each year with completing VSU audits. For example, Visitor Moore recalled in a meeting being told by the APA that VSU would have a draft report of the FY23 audit by Memorial Day. As a result of the delay, the University is constantly in a position to receive a report after a new fiscal year has started, thereby hindering timely corrective action to receive credit for the upcoming audit.

**AUDIT AND COMPLIANCE COMMITTEE
MEETING MINUTES
SEPTEMBER 12, 2024
PAGE 3**

Visitor Moore shared his own experience with audits through his position at his company. He explained the importance of auditors providing timely information so that corrective action can be taken. His company's experience, however, is not what is happening for VSU. Per Visitor Moore, VSU has done a good job even though the audit system is broken in terms of how it serves the University.

A Visitor concurred with Visitor Moore's remarks. Another Visitor suggested that the Board bring back the audit in-charge, Mr. George Strudgeon, to discuss the matter again.

Visitor Moore informed the committee of ongoing conversations with Mr. Strudgeon during the summer and his impressions from those conversations. Per the conversations, APA is understaffed, but, per Visitor Moore's observations, there has been a great deal of scope creep in VSU's audit. Regardless, it doesn't make up for being late. Per Visitor Moore, accountability needs to happen. There need to be more conversations and corresponding actions, as actions speak louder than words.

A Visitor inquired about whether other Virginia universities receive late audits. Visitor Moore explained that although three schools typically are late, Virginia State University is the constant. Four schools are waiting for their reports now; however, VSU remains the constant.

President Abdullah thanked Visitor Moore for his insight and VP King-Casey for her work on the audit on behalf of VSU. He shared that this is the last year Mr. Strudgeon would be on audit. He also shared that the conversations about the audit will need to be taken higher than our current auditor and those who make the audit schedules.

A Visitor asked several follow-up questions regarding the audit's process and whether the auditors could argue that VSU is not responsive to the requests.

Visitor Moore explained the APA audit process from intake to the end. He also shared that he frequently communicates with the APA and consistently asks about VSU's responsiveness. Visitor Moore explained that he believes VSU has been responsive – even going as far as people working during vacation to address APA inquiries. Scope creep, though, has been a part of the audit process.

VP King-Casey continued her presentation with another update and shared that since the submission of her presentation to the Board, VSU has cleared an additional three (3) findings from FY23. VSU's APA audit finding total, therefore, has been reduced to five (5) findings.

A Visitor asked about how many findings were not cleared and whether it made sense to put a scorecard up regarding where VSU stands.

VP King-Casey shared there are three (3) outstanding items that VSU believes it has cleared but outside of the fiscal year. The other two (2) items will have corrective action in place the next time the APA comes to audit.

**AUDIT AND COMPLIANCE COMMITTEE
MEETING MINUTES
SEPTEMBER 12, 2024
PAGE 4**

Visitor Moore added that being cleared by APA versus being cleared by the Internal Audit team can be two different things and impact the numbers. VP King-Casey concluded the first half of her presentation with the audit by the numbers to quantify VSU's effort during the FY23 audit: 806 documents; 376 emails; 11 biweekly audit meetings.

VP King-Casey transitioned to the second half of the presentation and the Internal Audit update on behalf of Nanette Williams, Chief Audit Executive (CAE). VP King-Casey proceeded to explain Internal Audit's Audit Plan ("Plan") and Quality Assessment Review ("QAR") efforts. The plan has two carryovers which are the result of Internal Audit's efforts to manage their workload as well as assist with the current APA audit via testing to ensure VSU could confidently enter the APA audit process.

Visitor Moore explained that the CAE reports to the Board separately and that the Board is responsible for hiring the CAE. The Board's other responsibility is to review and approve the Audit Plan. The Audit Plan was developed by identifying the areas throughout the University with the greatest risk. Once Internal Audit develops the Plan, the audit team presents it to the Board for discussion and a resolution stating approval. After approval, the audit team works on the plan and reports its progress to the Board.

VP King-Casey reviewed the proposed Audit Plan which includes the following:

- Capital Outlay Audit (carry over from FY24)
- Cashier Operations Audit (carry over from FY24)
- Gift Administration
- Travel; Information Technology (IT) Change Management; IT Policy Review
- 1 Sensitive IT System Security Audit; SOC Report Review; IT Policy Review
- Quality Assessment Review

Next, VP King-Casey shared Internal Audit's upcoming Quality Assessment Review (QAR), an event that occurs every five (5) years as required by the Office of the State Inspector General (OSIG). Internal Audit received funding for the QAR and is currently negotiating with a vendor to perform the review. Internal Audit anticipates beginning the review in mid-October and concluding it by December 15, 2024.

VP King-Casey concluded her presentation and opened the floor to additional questions. A Visitor asked what prevented the Cashier's Audit from happening. VP King-Casey explained that staffing impacted the audit.

Visitor Moore further explained that in the Audit Plan, the Board asks the audit team to do more audits than they can actually do. In addition to audits, Internal Audit handles hotlines. So, prioritization is key and sometimes results in the Audit Plan becoming less of a priority. Visitor Moore praised Internal Audit's prioritization efforts.

**AUDIT AND COMPLIANCE COMMITTEE
MEETING MINUTES
SEPTEMBER 12, 2024
PAGE 5**

Visitor Moore also shared that there is a large amount of construction going on at VSU which is why that area is being examined in the audit. IT poses another big risk, which explains the focus on the various parts of that audit. Visitor Moore stated that the Committee would go into a closed session at the next meeting to discuss IT. VP King-Casey also shared that the Plan is based on four (4) people but the audit team is currently understaffed.

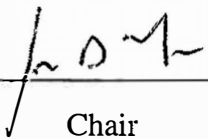
A Visitor asked Visitor Moore to share his credentials with the committee to provide additional context to the Committee's discussion and leadership. Visitor Moore obliged by sharing his work at Altria and his current role as President/CEO of Philip Morris USA for the last five (5) years.

At the discussion's conclusion, it was moved and seconded, and a roll call vote was performed with unanimous agreement to recommend approval of the Audit Plan to the full board.

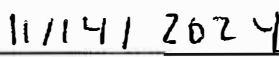
Visitor Moore proposed Visitor Daphne Meeks as Vice-Chair of the Audit and Compliance Committee. The Committee moved, seconded, and a roll call vote was performed with unanimous agreement to recommend approval to the full board of Daphne Meeks as vice-chair of the Audit and Compliance Committee.

It was moved, properly seconded, and voted on to adjourn. The meeting adjourned at 9:39 AM.

APPROVED:



Chair



Date