

**OLD DOMINION UNIVERSITY
BOARD OF VISITORS**

**AUDIT COMMITTEE
Thursday, September 26, 2013**

FINAL – APPROVED BY THE COMMITTEE 12/5/13

MINUTES

The Audit Committee of the Board of Visitors met on Thursday, September 26, 2013 in the James/Lynnhaven River Rooms of Webb University Center on the Norfolk campus. Present from the Committee were:

Frank Reidy (Vice Chair)
Jeff Ainslie
Barry M. Kornblau (ex-officio)
Judy O. Swystun

Also present were:

John R. Broderick	Donna Meeks
Robert L. Fenning	Mary E. Maniscalco-Theberge
Velvet L. Grant	R. Earl Nance
David F. Harnage	Jay Wright
Deane Hennett	September Sanderlin

The Chair called the meeting to order at 8:06 a.m. Mr. Kornblau moved to approve the minutes from the June 16, 2013 meeting. Ms. Swystun seconded the motion and the minutes were unanimously approved by all members present and voting. (*Ainslie, Kornblau, Reidy, Swystun*)

Mr. Deane Hennett, University Internal Auditor, welcomed new members and updated the Audit Committee on projects underway and completed.

The FY 2014 University-wide Audit Risk Assessment, typically done every two years, was recently completed. The assessment is required by audit standards, but it also aids in determining areas most at-risk at the University and what will be placed on the audit agenda for the year. ODU has adopted a risk method developed by the Association of College and University Auditors that is typical to all higher education institutions. Using this method, 73 different areas were identified and placed in 10 categories including academic-related risks, compliance risks, financial risks, legal risks, governance-related risks, information technology risks, general management risks, research-related risks and student-related risks. Working with the university vice presidents and members of the audit staff, areas most at-risk were rated as high, medium and low based upon the individual's inherent knowledge of the area. They were

also asked to indicate the likelihood of problems within these areas. The outcome of these

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ratings provided a starting point for establishing the audit agenda for the year. Some areas identified include intellectual property and research, financial aid, financial management, public safety, international student management, e-commerce, information technology and accounts receivable.

The continuous improvement of practices has been another important audit project. Benchmarks with peers have been conducted and report formats have been updated to make them more useful. For example, control grades are given at the end of the audit report. In the past, a five-point model was the standard, but it was determined from reviews that the top and bottom ratings were rarely used. These ratings have been changed to strong, adequate and needs improvement. Also, a one-page executive summary is given which lists the audit issue, type of issue (i.e. efficiency matter, control weaknesses, compliance issues), and planned corrective action. The report body was changed to list the type of issue and the relative risk allowing management to quickly see where immediate action is needed. The last part of the report contains recommendations, management sign-off, individual responsible for corrective action/projected completion date and corrective plan.

Old Dominion is using new audit management software by Pentana Vision. The upgraded software provides more stability and ensures greater consistency in audit efforts. A peer review is due early next year to determine if the system is being used properly. The Commonwealth Inspector General has organized a task force that will conduct reviews of the auditor offices across the state.

Projects underway include audits of Financial Aid, Budget Office, IT Controls, annual review of the President's Office expenditures, College of Business and Public Administration and other committees and special projects.

Mr. Kornblau read a closed session statement and moved to convene in closed session. Mr. Ainslie seconded the motion. The Committee then received, in closed session, details of recent audits and reviews performed in the President's areas and Administration and Finance. Specifically covered were audits of NCAA compliance related to Financial Aid and the University Card Center.