

COMMITTEE ON AUDIT AND COMPLIANCE
September 25, 2013
3:30 – 5:00 p.m.
Board Conference Room - Blow Memorial Hall

John Charles Thomas, Chair
Leigh A. Pence, Vice Chair

- I. Introductory Remarks - Mr. Thomas
- II. Approval of Minutes – April 18, 2013
- III. Closed Session (if necessary)
- IV. Report from Director of Internal Audit - Michael L. Stump
 - A. Report of Internal Audit Activity Since April 18, 2013 - Enclosure C.
- V. Report from Chief Compliance Officer – Kiersten L. Boyce
- VI. Report from the Vice President for Administration – Anna B. Martin
- VII. Report from Vice President for Finance – Samuel E. Jones
- VIII. Discussion
- IX. Adjourn

COMMITTEE ON AUDIT AND COMPLIANCE

MINUTES – APRIL 18, 2013

MINUTES
Committee on Audit and Compliance
April 18, 2013
Board Conference Room - Blow Memorial Hall

Attendees: John Charles Thomas, Chair; Michael Tang, Vice Chair; Edward L. Flippen; John E. Littel; and Leigh A. Pence. Board members present: Ann Green Baise. From the Auditor of Public Accounts: Laurie Hicks and Brad Hypes. Others present: President W. Taylor Reveley, III; President Debbie L. Sydow; Kiersten L. Boyce; Abby Boyle; Edmund A. Brummer, III; Courtney M. Carpenter; Michael R. Halleran; Samuel E. Jones; Deborah A. Love; Anna B. Martin; Annette S. Parker; Suzanne Raitt; Michael L. Stump; Sherree T. Walker; and Michael J. Fox.

Chair John Charles Thomas called the meeting to order at 8:00 a.m. Recognizing that a quorum was present, Mr. Thomas moved approval of the minutes of the February 7, 2013, meeting. Motion was seconded by Mr. Tang and approved by voice vote.

Mr. Thomas introduced Laurie Hicks and Brad Hypes, from the Auditor of Public Accounts (APA), to the Committee. Mr. Thomas informed the Committee that the audit opinion was unqualified, but the audit report was not "clean" because of the finding concerning the financial statement process at Richard Bland College (RBC). Ms. Hicks called the Committee's attention to the required communication document that was distributed just prior to the beginning of the meeting. There were no instances of fraud and the financial statements were accurate. She informed the Committee that there were no material errors in RBC's portion of the financial statements but that the APA was concerned about the extensive manual process to produce RBC's portion of the statements. Mr. Thomas asked Ms. Hicks to discuss the possibility of separate audit reports for William and Mary and Richard Bland College. Currently, there is a single audit report for both institutions. Ms. Hicks explained that the APA was reviewing the matter in light of GASB 61 and hoped to have an answer soon. Mr. Thomas stated that separate audits would be beneficial to the Board. Mr. Thomas thanked Ms. Hicks for her efforts and asked her to contact him if she had any concerns.

Mr. Thomas moved that the Committee on Audit and Compliance of the Board of Visitors of the College of William and Mary convene in closed session for the purpose of discussing personnel matters pertaining to the performance and evaluation of specific executive personnel, and briefings by legal counsel or staff members pertaining to specific legal matters, as provided for in Section 2.2-3711.A. 1. and 7., of the Code of Virginia.. Motion was seconded by Mr. Tang and approved by voice vote. Observers were asked to leave the room and the Committee went into closed session at 8:08 a.m.

The Committee reconvened in open session at 8:53 a.m. Mr. Thomas reviewed the topic discussed in the closed session and moved the adoption of the **Resolution** certifying the closed session was held in accordance with the Freedom of Information Act. Motion was seconded by Mr. Flippen and approved by roll call vote conducted by Vice President for Finance Samuel Jones (Certification **Resolution** is appended.)

Committee on Audit and Compliance

MINUTES

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Mr. Thomas asked Mr. Stump for his report. Mr. Stump called the Committee's attention to Enclosure E and discussed three projects that are nearly complete: Board resolution compilation and review, Highland, and vendor create/modify controls.

Mr. Thomas asked Ms. Boyce for her report. Ms. Boyce discussed a new compliance initiative to increase awareness and compliance with policies and laws related to conflicts of interest. This initiative will include training and education, review of Statements of Economic Interest, as well as some policy actions. Ms. Boyce will continue to brief the Committee about this initiative in future meetings. Ms. Boyce briefed the Committee on the Deputy Compliance Officer search.

Mr. Thomas asked Ms. Martin for her report. Ms. Martin informed the Committee that data collection for the hazard mitigation study will begin in September. She also discussed security preparations for Commencement.

Mr. Thomas moved that the Committee on Audit and Compliance convene in Executive Session for the purpose of discussing personnel matters pertaining to the performance and evaluation of specific executive personnel, as provided for in Section 2.2-3711.A. 1., of the Code of Virginia. Motion was seconded by Mr. Tang and approved by voice vote. Observers were asked to leave the room and the Committee went into Executive session at 9:01 a.m.

The Committee reconvened in open session at 9:29 a.m. Mr. Thomas reviewed the topics discussed in the closed session and moved the adoption of the **Resolution** certifying the closed session was held in accordance with the Freedom of Information Act. Motion was seconded by Mr. Tang and approved by roll call vote conducted by Secretary to the Board Michael Fox. (Certification **Resolution** is appended.)

There being no further business, the Committee adjourned at 9:30 a.m.

April 18, 2013

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Committee on Audit and Compliance has convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712.D. of the Code of Virginia requires a certification by this Committee that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, That the Committee on Audit and Compliance, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Committee on Audit.

VOTE

AYES:

4

NAYS:

0

ABSENT DURING CLOSED SESSION:



John C. Thomas

Chair

Committee on Audit and Compliance

April 18, 2013

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Committee on Audit and Compliance has convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712.D. of the Code of Virginia requires a certification by this Committee that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, That the Committee on Audit and Compliance, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Committee on Audit.

VOTE

AYES: 5

NAYS: 0

ABSENT DURING CLOSED SESSION:



John C. Thomas

Chair

Committee on Audit and Compliance

COLLEGE OF WILLIAM AND MARY and RICHARD BLAND COLLEGE
REPORT OF INTERNAL AUDIT ACTIVITY SINCE APRIL 18, 2013

<u>Projects</u>	<u>Completion Date</u>
• Honor Council elections – management request	April 22
• Highland – Judge Thomas' request *	April 30
• Vendor create/modify controls – management request *	May 13
• Hotline - William and Mary	May 23
• Hotline - Richard Bland College	June 4
• School of Education	June 5
• Hotline – Richard Bland College	June 6
• Hotline – William and Mary	June 10
• Theatre, Speech, and Dance – management request *	June 24
• Hotline – Richard Bland College	July 3
• Update risk assessment	July 5
• Auxiliary Services (Learning Odysseys) – mgmt. request *	July 16
• Hotline – William and Mary	July 24
• Law School Foundation - Discoverer reports – mgmt. request	July 24
• NCAA interviews – Athletics' request	August 19
• Asst Dir of Student Conduct search – management request	Sept 11
<u>Projects in process</u>	<u>Estimated Completion Date</u>
• Assist Auditor of Public Accounts *	Ongoing
• BoV resolution compilation and analysis *	Ongoing
• Centralized billing and VA benefits – management request *	Ongoing
• EVMS financial evaluation	Ongoing
• President's Business Innovation Comm – President's request *	Ongoing
• Risk Management Steering Committee – management request*	Ongoing
• School of Education	Sept 2013
• Small Purchase Charge Card Program *	Ongoing
• VIMS/SMS Vessel Operations – management request *	Oct 2013

Note: Specific Annual Work Plan projects are denoted by an asterisk (*)