

COMMITTEE ON AUDIT, RISK AND COMPLIANCE

September 27, 2018

2:00 – 3:30 p.m.

Board Room - Blow Memorial Hall

Brian P. Woolfolk, Chair

Barbara L. Johnson, Vice Chair

- I. Introductory Remarks – Mr. Woolfolk
- II. Approval of Minutes – April 19, 2018
- III. Report from Director of Internal Audit – Kent B. Erdahl
- IV. Report from Interim Chief Compliance Officer – Pamela H. Mason
- V. Closed Session (if necessary)
- VI. Discussion
- VII. Adjourn

**MINUTES**  
**Committee on Audit and Compliance**  
**April 19, 2018**  
**Board Room - Blow Memorial Hall**

Attendees: Christopher M. Little, Chair; Brian P. Woolfolk, Vice Chair; and John E. Littel. Barbara L. Johnson participated via telephone. Board members present: Sue H. Gerdelman and Lisa E. Roday. Others present: Richard Bland President Debbie L. Sydow, Senior Assistant Attorney General Carrie S. Nee, Virginia M. Ambler, Kiersten L. Boyce, Deborah Cheesebro, Kate Conley, Kent B. Erdahl, Michael J. Fox, Samuel E. Jones, Deborah A. Love, Pamela H. Mason, Cynthia H. Norwood, Richard Pearce, John M. Poma, Amy S. Sebring, Debbie L. Sydow, Sandra J. Wilms, Brian W. Whitson, and other William and Mary and Richard Bland staff.

Eric Sandridge, Jenny Schoeller, and Dawn Schraf of the Auditor of Public Accounts (APA) were also present.

Chair Christopher Little called the meeting to order at 7:32 a.m.

Mr. Little advised that Barbara Johnson was in New Orleans at a previously scheduled conference and unable to attend this meeting but had requested to participate by phone. The Board *Bylaws* set forth the procedure to be followed if a member would like to fully participate in the meeting but cannot be present. Therefore, noting compliance with the *Bylaws*, Mr. Little asked for a motion that the Committee approve the remote participation of Barbara Johnson by telephone. Motion was made by Mr. Littel, seconded by Mr. Woolfolk, and approved by voice vote of the Committee. Mr. Little welcomed Ms. Johnson to the meeting.

Recognizing that a quorum was present, Mr. Little asked for a motion to approve the minutes of the meeting of February 8, 2018. Motion was made by Mr. Littel, seconded by Mr. Woolfolk, and approved by voice vote.

Mr. Little asked Internal Audit Director Kent Erdahl for his report.

Mr. Erdahl discussed two recently completed internal audits. He reported that Human Resources has taken, or plans to take, appropriate action to address payroll overpayments. He also reported on the Optional Retirement Plan migration from the Virginia Retirement System to William & Mary. Audit testing noted accurate transfer of participant accounts.

Mr. Erdahl provided a summary of external audit activity at Richard Bland College. In connection with the Richard Bland/William & Mary MOU, the Department of Accounts was asked to perform a Quality Assurance Review (QAR). A draft QAR report was provided to the committee and contained many findings. The APA FY17 Internal Control report included two material weaknesses and nine significant deficiencies. Many of the APA and QAR issues were similar. Mr. Erdahl recommended development of a detail action plan to address the APA/DOA findings. He indicated in many cases remediation will address both an APA and DOA issue. Mr. Erdahl reported that two Financial Aid audits (US Department of Education, Veterans Affairs) are complete. Richard Bland expects the final reports for these audits in the coming months.

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Chief Compliance Officer Kiersten Boyce reported to the Committee, providing updates on the compliance program and equity program. The compliance program report included updates on the conflicts of interest policy under development, revisions to the policy on threats and acts of violence, and efforts by Human Resources to improve compliance with employee eligibility verification. A slide presentation was made regarding the Drug-Free Schools and Communities Act.

As part of the equity program report, Ms. Boyce described efforts underway to modify the process for adjudication of sexual misconduct allegations. These modifications would be effective for the next academic year. Ms. Boyce also reported on the recent release of campus climate survey results. Deputy Compliance Officer/Title IX Coordinator Pamela Mason presented the third quarter data regarding reports and investigations of Title IX and Violence Against Women Act offenses. A brief discussion ensued.

Mr. Little welcomed Eric Sandridge, the APA Director of Higher Education Programs, thanked the APA for completing the audit in April and encouraged this audit timetable going forward, then asked for his report.

Mr. Sandridge communicated that the FY17 audit is complete. He reported that the audit opinion for the consolidated financial statements is unmodified. He communicated no differences in application of accounting principles and no disagreements with management. He thanked both the William & Mary and Richard Bland accounting staff for their support during the audit.

Mr. Sandridge stated that the APA report on internal controls contained one significant deficiency for William & Mary. For Richard Bland, the report included two material weaknesses and nine significant deficiencies. Mr. Sandridge described the internal control weaknesses, with greater emphasis on the two material weaknesses, for Richard Bland College. Both material weaknesses were repeat findings from the FY16 audit. Mr. Sandridge reported some evidence of progress compared to FY16, but noted that there is substantial opportunity for improvement. He specifically noted improvement in Information Technology and Human Resources. A brief discussion ensued.

Mr. Little moved that the Committee on Audit and Compliance of the Board of Visitors of the College of William & Mary convene first in Closed Session for the purpose of discussing specific personnel matters; discussing internal investigations involving identifiable students and/or employees, for consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation; and for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, and then in Executive Session for the purpose of discussing personnel matters pertaining to the performance and evaluations of specific executive employees, as provided for in Section 2.2-3711.A. 1., 2., 7. and 8., of the Code of Virginia.. Motion was seconded by Mr. Littel and approved by voice vote of the Committee. Observers were asked to leave the room and the Committee went into closed session at 9:00 a.m.

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The Committee reconvened in open session at 9:48 a.m. Mr. Little reviewed the topics discussed in closed session and then asked for a motion to adopt the **Resolution** certifying that the closed session was held in accordance with the Freedom of Information Act. Motion was made by Mr. Littel, seconded by Mr. Woolfolk and approved by roll call vote conducted by Mr. Little. (Certification **Resolution** is appended.)

There being no further business, the Committee adjourned at 9:49 a.m.

April 19, 2018

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:



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Christopher M. Little  
Chair  
Committee on Audit and Compliance