

WILLIAM & MARY

BOARD OF VISITORS
COMMITTEE ON AUDIT, RISK AND COMPLIANCE
DRAFT MINUTES
APRIL 21, 2022
ALAN B. MILLER HALL – BRINKLEY COMMONS

COMMITTEE MEMBERS PRESENT

Hon. Charles E. Poston, Chair
Ms. Cynthia E. Hudson, Vice Chair
Mr. William H. Payne II

Mr. John P. Rathbone
Mr. J.E. Lincoln Saunders
Mr. Brian P. Woolfolk (*remote via Zoom*)

OTHER BOARD MEMBERS PRESENT

Mr. S. Douglas Bunch
Mr. Victor K. Branch
Ms. Barbara L. Johnson
Hon. John E. Littel, Rector

Ms. Lisa E. Roday
Dr. Karen Kennedy Schultz
Ms. Ardine Williams
Dr. Shannon H. White, Staff Liaison

OTHERS PRESENT

Dr. Katherine A. Rowe, President
Dr. Debbie L. Sydow, RBC President
Dr. Peggy Agouris, Provost
Ms. Amy S. Sebring, Chief Operations Officer
Ms. Carrie S. Nee, University Counsel
Mr. Eric Sandridge, Deputy Auditor of Public Accounts
Dr. Edward Aractingi, Chief Information Officer
Mr. Paul Edwards, RBC Chief Business Officer
Mr. Kent Erdahl, Director of Internal Audit
Dr. D. Derek Aday, Dean and Director of the Virginia Institute of Marine Science
Dr. Virginia M. Ambler, Vice President for Student Affairs
Dr. Deb Cheesebro, W&M Police Chief
Dr. Robert C. Knoeppel, Dean of the School of Education
Dr. Christopher D. Lee, Chief Human Resources Officer
Mr. Brian D. Mann, Director of Athletics
Dr. Jeremy P. Martin, Chief of Staff
Ms. Pamela Mason, Chief Compliance Officer/Title IX Coordinator
Mr. Scott Newton, RBC Director of Athletics
Ms. Stacey Sokol, RBC Director of Online and Continuing Education
Mr. Brian W. Whitson, Chief Communications Officer
Mr. Michael J. Fox, Secretary to the Board of Visitors
Ms. Jessica Walton, Deputy Secretary to the Board of Visitors

INTRODUCTORY REMARKS

Mr. Charles E. Poston, Chair, called the meeting to order at 8:00 a.m.

Mr. Poston noted that Mr. Brian P. Woolfolk had notified the Rector that he is unable to attend the RBC Committee meeting in person due to a family member's medical condition that requires him to provide care. He requested to participate in the meeting electronically from Fort Washington, Maryland. Pursuant to the Virginia Freedom of Information Act and Section III.D of the Board bylaws, Mr. Branch moved that the Committee approve use of

electronic participation. The motion was seconded by Ms. Cynthia E. Hudson and passed by voice vote.

APPROVAL OF MINUTES

Recognizing that a quorum was present, Mr. Poston asked for a motion to approve the minutes of the February 11, 2022 meeting. Motion was made by Mr. William H. Payne II, seconded by Mr. John P. Rathbone, and approved by voice vote.

REPORT FROM AUDITOR OF PUBLIC ACCOUNTS

Mr. Eric Sandridge, Director of Higher Education Programs in the office of the Auditor of Public Accounts (APA), informed the Committee that the June 30, 2021 consolidated audit of William & Mary and Richard Bland College is substantially complete. Mr. Sandridge expects that an unmodified opinion will be issued related to the audit.

Mr. Sandridge explained that, in connection with the audit, the APA assesses internal controls and provides management a separate internal control report. He noted that the internal control report contained no material weaknesses, which are the most severe internal control weaknesses. Some significant deficiencies were noted.

Mr. Sandridge described six significant deficiencies for William & Mary. Two related to Information Technology, two related to Financial Operations, and two related to Financial Aid. Regarding the Financial Aid findings, he communicated that these are repeat findings but due to the delay in performing audits there is limited time for remediation. These recommendations are expected to be fully compliant by next year.

The APA audit identified three significant deficiencies related to Richard Bland College. All three related to Information Technology.

Mr. Sandridge reported good cooperation from both William & Mary and Richard Bland College management and noted no significant audit adjustments resulting from the audit. Mr. Poston thanked the APA for their audit.

REPORT FROM DIRECTOR OF INTERNAL AUDIT

Mr. Kent Erdahl, Director of Internal Audit, updated the Committee on current audit activity. Internal Audit has completed internal control reviews for Arts & Sciences and the School of Education; with a new Dean at VIMS, a similar internal control audit is being planned for later in calendar year 2022. Internal Audit also completed an audit of Search Waivers. The audit revealed process improvement opportunities and the recommendation is a full reset of the HR search waiver processes. HR agreed with the recommendation and will initiate a fresh review of policies and procedures.

Mr. Erdahl provided a status update for audits currently in progress, including an internal control review requested by RBC with emphasis on ARMICS compliance. Testing of RBC internal control review is underway. Upcoming scheduled audits in the planning phase include Gift Accounting and Student Organizations.

Internal Audit has two open auditor positions. After a failed search in early 2022, Mr. Erdahl worked with HR to reevaluate compensation levels and has reposted the position. If at least one candidate is

not hired from the current search Mr. Erdahl will assess the need for external audit resources to aid in completing the audit plan.

A discussion ensued regarding the posted audit positions.

Mr. Erdahl provided an update on the status of follow-up testing, which is progressing in a slow but steady manner. Auditee staffing challenges have delayed some corrective action implementation.

REPORT FROM CHIEF COMPLIANCE OFFICER

Ms. Pamela Mason, Chief Compliance Officer/Title IX Coordinator, presented Title IX 3rd Quarter data and noted the numbers were consistent with previous data relative to number of reports, types of misconduct reported or disposition of reports. Ms. Mason announced some reorganization plans for the Office of Compliance & Equity, including naming Carla Costello, Deputy Compliance Officer, as the Title IX Coordinator. Ms. Mason will assume FOIA Officer responsibilities, as well as the ability to advise the Determination Official in discrimination investigations and hearings.

CLOSED SESSION

Mr. Poston moved the William & Mary Committee on Audit, Risk & Compliance convene into closed session pursuant to Va. Codes §2.2-3711.A.1 for discussion of the performance of the RBC Athletics Department and the RBC business office where the conversation will necessarily involve discussion of the performance of individuals; §2.2-3711.A.1 to evaluate the performance of the following Departments or Offices at William & Mary: Athletics, Advancement, IT, Facilities, Finance & Administration, Compliance & Equity, Admissions, Campus Security, Residence Life, Dean of Students, Arts & Sciences, and Internal Audit where such discussion will necessary involve discussion of performance of specific individuals; and §2.2-3711.A.8 for consultation with legal counsel regarding RBC and W&M regulatory compliance. The motion was seconded by Mr. J.E. Lincoln Saunders and approved by – 6-0 – conducted by Mr. Michael J. Fox, Secretary to the Board of Visitors.

At that time Committee and Board members, RBC President, Provost, Chief Operations Officer, University Counsel, Director of Internal Audit, Chief Compliance Officer/Title IX Coordinator, Chief Human Resources Officer, Director of Athletics, Chief of Staff, Chief Communications Officer, RBC Director of Athletics, RBC Director of Online and Continuing Education, W&M Police Chief, and Secretary to the Board of Visitors entered the closed session meeting at 8:29 a.m.

RECONVENED OPEN SESSION

Following the closed session, Committee members and others returned to open session at 9:27 a.m. Mr. Poston moved that the Committee certify by roll call vote that, to the best of each member's knowledge, only matters lawfully exempted from the open meeting requirements under the Freedom of Information Act were discussed, and only matters identified in the motion to have the closed session were discussed. Motion was seconded by Mr. Saunders and approved by roll call vote – 6-0 – conducted by Mr. Fox.

Mr. John E. Littel, Rector, moved that the Board authorize the Chair of the Committee on Audit, Risk and Compliance discuss with the Director of Internal Audit their salary and benefits per the discussion in closed session. The motion was seconded by Mr. Saunders and approved by voice vote.

ADJOURNMENT

There being no further business, Mr. Poston adjourned the meeting at 9:28 a.m.