

# WILLIAM & MARY

BOARD OF VISITORS  
COMMITTEE ON AUDIT, RISK AND COMPLIANCE  
DRAFT MINUTES  
FEBRUARY 9, 2023  
ALAN B. MILLER HALL - BRINKLEY COMMONS

## **COMMITTEE MEMBERS PRESENT**

Ms. Cynthia E. Hudson, Chair  
Mr. John P. Rathbone, Vice Chair  
Mr. C. Michael Petters

Mr. J.E. Lincoln Saunders  
Dr. Karen Kennedy Schultz  
Ms. Ardine Williams

## **OTHER BOARD MEMBERS PRESENT**

Mr. Kendrick F. Ashton, Jr.  
Mr. Stephen J. Huebner

Ms. Barbara L. Johnson

## **OTHERS PRESENT**

Dr. Katherine A. Rowe, President  
Dr. Peggy Agouris, Provost  
Ms. Jackie Ferree, Interim Chief Operations Officer  
Ms. Carrie S. Nee, University Counsel  
Mr. Kent Erdahl, Director of Internal Audit  
Ms. Pamela Mason, Chief Compliance Officer/FOIA Officer  
Mr. Eric Sandridge, Deputy Auditor of Public Accounts  
Dr. Deb Cheesebro, W&M Police Chief  
Mr. Paul Edwards, RBC Chief Business Officer  
Mr. Michael J. Fox, Secretary to the Board of Visitors  
Ms. Jessica Walton, Deputy Secretary to the Board of Visitors  
Members of the President's Cabinet

## **INTRODUCTORY REMARKS**

Ms. Cynthia E. Hudson, Chair, called the meeting to order at 8:16 a.m.

## **APPROVAL OF MINUTES**

Recognizing that a quorum was present, Ms. Hudson asked for a motion to approve the minutes of the November 18, 2022 meeting. Motion was made by Mr. John P. Rathbone, seconded by Mr. C. Michael Petters and approved by voice vote.

## **REPORT FROM AUDITOR OF PUBLIC ACCOUNTS**

Mr. Eric Sandridge, Deputy Auditor of Public Accounts, discussed the Auditor of Public Accounts (APA) June 30, 2022 audit. The audit is underway, and the primary audit objective is issuing an opinion on the financial statements. Mr. Sandridge is targeting the April Board meeting for substantial completion of the audit.

Mr. Sandridge reported that this is the implementation year for GASB 87 related to lease accounting. Since this is an implementation year, this area will receive audit emphasis.

Mr. Sandridge indicated the APA attempts to utilize W&M's Internal Audit work to realize efficiencies. He said that the APA will coordinate with the Director of Internal Audit to leverage internal audit testing where possible.

Mr. Sandridge will meet with the committee chair to inquire about areas of concern and risk. He asked that other members contact him if they have any questions or concerns about the audit or particular risk areas.

**REPORT FROM CHIEF COMPLIANCE OFFICER**

Ms. Pamela Mason, Chief Compliance Officer/FOIA Officer, provided second quarter Title IX/VAWA data analyzing the number of reports, types of reports and disposition of reports. Ms. Mason also provided Office of Compliance & Equity updates, including new initiatives to provide collaboration opportunities with individuals on campus who have centralized higher education compliance responsibilities. Ms. Mason reported that two new whole university policies were adopted at the end of December – one on content neutral Posting and Chalking on Campus and one establishing Clery Act Compliance responsibilities for individuals and departments. Finally, Ms. Mason announced the OC&E is undergoing a web refresh that will streamline and consolidate much of the information for the office that will provide more effective communication to the community.

**REPORT FROM DIRECTOR OF INTERNAL AUDIT**

Mr. Kent Erdahl, Director of Internal Audit, reviewed the Office of Internal Audit's 2022 plan. There were ten audits originally planned for calendar year 2022, nine were completed and one was cancelled. One additional audit was initiated, and there were four Inspector General hotline calls which required investigation.

Mr. Erdahl noted that a consultant was hired to perform an evaluation of HR functions, which accounted for the cancelled audit. At the request of the committee, Internal Audit reviewed the Richard Bland College information technology outsource arrangement with Ellucian. This represented the 2022 unscheduled audit. Mr. Erdahl updated the committee on Internal Audit personnel. Kristin Bell resigned in the spring, and Denise Peterson was hired in the summer.

Mr. Erdahl presented a five-year historical review of Inspector General hotline investigations and outcomes. Since 2018 there have been 12 investigations, four of which were substantiated. In 2022, one of the four investigations was substantiated. Upon committee request, Mr. Erdahl provided some context on the hotline origin and purpose. The Commonwealth has a Fraud, Waste and Abuse anonymous hotline which is advertised to state employees. The hotline is a resource for anyone to file an anonymous claim. The Office of the Inspector General evaluates allegations before assigning to Internal Audit for investigation. Internal Audit then acts as an agent for the Inspector General Office and each claim is investigated fully.

Mr. Erdahl provided a summary of Internal Audit's 2022 resource allocation. William & Mary represented 62%, VIMS 17%, and Richard Bland College 21% of internal audit time. Mr. Erdahl reminded the committee that William & Mary is funding Richard Bland College audits.

Mr. Erdahl commented on two recently completed audits (VIMS Internal Control review and Payroll Overpayments). The VIMS audit revealed opportunities to enhance Faculty Funding model documentation and procedures. Other VIMS findings related to budget monitoring and limiting system access. The Payroll Overpayments audit identified improvement areas related to collections of overpayments and recommended enhanced communication between the HR, Payroll, and Accounts Receivable departments.

Finally, Mr. Erdahl presented the updated follow-up score card to show corrective action progress from past audits. Many aged audits are close to full remediation.

**ADJOURNMENT**

There being no further business, Ms. Hudson adjourned the meeting at 8:50 a.m.