

COMMITTEE ON AUDIT & COMPLIANCE
September 20, 2012
7:45 – 9:30 a.m.
Board Conference Room - Blow Memorial Hall

John C. Thomas, Chair
Michael Tang, Vice Chair

- I. Introductory Remarks - Mr. Thomas
- II. Approval of Minutes – April 25, 2012
- III. Report from Auditor of Public Accounts
- IV. Report from Director of Internal Audit - Michael L. Stump
 - A. Report of Internal Audit Activity Since April 25, 2012 - Enclosure E.
- V. Report from Compliance and Policy Officer – Kiersten L. Boyce
- VI. Closed Session (if necessary)
- VII. Open Session - Certification of Closed Session **Resolution**
- VIII. Discussion
- IX. Adjourn

COMMITTEE ON AUDIT

MINUTES – APRIL 25, 2012

MINUTES
Committee on Audit
April 25, 2012
Board Conference Room - Blow Memorial Hall

Attendees: The Honorable John C. Thomas, Chair; Michael Tang, Vice Chair; Edward L. Flippin; and Laura L. Flippin. Absent: Leigh A. Pence and L. Clifford Schroeder, Sr. Others present: Kiersten L. Boyce; Michael R. Halleran; Samuel E. Jones; Jennifer B. Latour; Deborah A. Love; Anna B. Martin; Chris McKenna; and Michael L. Stump.

Chair John C. Thomas called the meeting to order at 4:28 p.m. and recognizing that a quorum was present, asked for a motion to approve the minutes of the February 1, 2012 meeting. Motion was made by Mr. Flippin and seconded by Mr. Tang and approved by voice vote.

Mr. Thomas informed the Committee that the Auditor of Public Accounts (APA) had not finished their work and did not have a report for the Committee.

Mr. Thomas asked Ms. Boyce for her report to the Committee. Ms. Boyce discussed her report about the protection of minors on campus; the President asked Ms. Boyce to research this. She discussed Athletics' efforts concerning summer camps, including the requirement for background checks for certain individuals hired to staff the camps. Ms. Boyce told the Committee that Ms. Love worked with Conference Services to improve their contractual protections for minors reserving College facilities for summer programs. Mr. Tang advised the Committee that the depth of the College's review of these programs may create new liabilities for the College. Ms. Boyce discussed the possibility of providing an anonymous process to report suspected abuse of minors and other illegal conduct. Mr. Flippin asked if the College has control of all the upcoming summer activities on campus involving minors. Ms. Boyce said we do not and that this will happen when the College institutionalizes the policies and procedures we discussed. Mr. Flippin asked if these recommendations had been executed; Ms. Boyce responded "not yet".

Ms. Boyce is attempting to increase awareness of the College's three-year-old Code of Ethics, including particularly the obligation to report illegal and unethical actions. Ms. Boyce explained that her office's website lists all the avenues to report complaints, including web links to the appropriate websites. Ms. Flippin asked if there was a comprehensive training program for all the matters just discussed. Ms. Martin responded "no", but all mandatory training is addressed through on-line courses and tests. Mr. Thomas thanked Ms. Boyce for her report and her efforts. Mr. Thomas reminded the Committee that the compliance function is still new and much remains to be done.

Mr. Thomas informed the Committee of two audits added to Internal Audit's annual work plan: Development and Highland. Mr. Thomas asked Mr. Stump to discuss projects completed and in process. Mr. Stump referred the Committee to the Report of Internal Audit Activity in Enclosure D and informed the Committee that two of the projects will be discussed in closed session. The Vice President for Student Affairs asked Mr. Stump to be a member of the committee to assist the Vice President with the fraternity housing selection process. Mr. Stump briefly described the

process, emphasizing the controls, planning, and education involved. The new fraternity housing complex will cost approximately \$25 million and should be completed during the summer of 2013. Mr. Stump discussed his ongoing work on the President's Honor System Review Committee. The draft report is finished and is being discussed today, at this very moment, in a forum in the Sadler Center.

Mr. Stump briefly discussed the seven projects in process.

Mr. Thomas moved that, pursuant to Sections 2.2-3711.A.1 and 19 of the Code of Virginia, the meeting be closed to discuss personnel matters involving identifiable College employees and security of the College. 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 4:51 p.m.

The Committee reconvened in open session at 5:36 p.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 Mr. Thomas. (**Certification Resolution** is appended.)

There being no further business, the Committee adjourned at 5:36 p.m.

April 25, 2012

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Committee on Audit 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, 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

COLLEGE OF WILLIAM AND MARY and RICHARD BLAND COLLEGE
REPORT OF INTERNAL AUDIT ACTIVITY SINCE APRIL 25, 2012

<u>Projects</u>	<u>Completion Date</u>
• Dining Services RFP and Procurement Investigation	May 29
• Procurement	July 2
• Payroll	July 10
• Law School Foundation - Discoverer reports – mgmt. request	August 10
• Procurement Assoc. Dir. Interviews – mgmt. request	August 17
• RBC contracts review – President's request	August 17

<u>Projects in process</u>	<u>Estimated Completion Date</u>
• Assist Auditor of Public Accounts	Ongoing
• Centralized billing and VA benefits – management request	Ongoing
• Data center reviews	Dec 2012
• EVMS financial evaluation	Dec 2012
• Hotlines (multiple)	Oct 2012
• President's Business Innovation Comm – President's request	Ongoing
• Risk Management Steering Committee – management request	Ongoing
• Small Purchase Charge Card Program	Ongoing