

September 14, 2015

**MEMORANDUM**

TO: Board of Visitors Audit Committee  
Judy O. Swystun, Chair  
Frank Reidy, Vice Chair  
Ronald C. Ripley (*ex-officio*)  
John F. Biagas (*ex-officio*)  
David L. Bernd  
Mary Maniscalco-Theberge  
Robert M. Tata : : 8

FROM: John R. Broderick  
President

SUBJECT: Meeting of the Audit Committee ó Thursday, September 24, 2015

**AGENDA**

- I. Approval of Minutes ó The Committee will consider a motion to approve the minutes from the Audit Committee meeting held on April 23, 2015.
- II. Report from the Internal Audit Director ó Amanda Skaggs, Internal Audit Director
  - A. Program
    - 1. Proposed Revisions
    - 2. Audit Charter Proposed Revisions
    - 3. Approval of Proposed Revisions to Board of Visitors Policy 1610 ó Charter of the Internal Audit Department
  - B. Audit Projects in Process
    - 1. Sensitive Data Federal/State IT Compliance
    - 2. Revenue Contracts
    - 3. Banner Database Audit
    - 4. Banner Key Security Controls (ARMICS)
    - 5. Campus Network
    - 6. Virginia Modeling and Simulation Center
    - 7. College of Continuing Education and Professional Development
- III. Motion for Closed Session
  - A. Anticipated Audit Reports and Issues
    - 1.

- IV. Reconvene in Open Session and FOIA Certification
- V. Adjourn

**NUMBER:** 1610

**TITLE:** Charter of the Internal Audit Department

**APPROVED:** November 14, 1981; Revised May 15, 1982; Revised April 5, 1990; Revised

1. Evaluating financial and operating procedures for adequacy of internal controls and providing advice and guidance on control aspects of new policies, systems, processes and procedures;
2. Ascertaining the extent of adherence, by the University and its employees, to established policies, plans, and procedures, and compliance with state and federal laws and regulations;
3. Ensuring that proper safeguards are maintained to protect University assets from loss, and if necessary, verify their existence;
4. Determining the propriety and accuracy of financial transactions and data;
5. Working with management to identify opportunities for process improvements, cost savings and revenue enhancements;
6. Evaluating the accuracy, security, effectiveness and efficiency of the University's information technology and processing systems;
7. Appraising the results of operations to ascertain the effectiveness and efficiency of organizations in accomplishing their missions, objectives and goals;
8. Assisting in the education and training of employees in University policies and procedures, as well as the need for and characteristics of good internal controls;
9. Assisting management in the deterrence of fraud and to investigate any instances of such activity discovered at the University; and
10. Coordinating audit efforts with the Auditor of Public Accounts and other external agencies.





### System Planning and Development

The Internal Audit Department will participate, in an advisory capacity, in the planning, development, implementation, and modification of major computer-based and manual systems to ensure that:

1. Adequate controls are incorporated in the system;
2. A thorough testing of the system is performed at appropriate stages;
3. System documentation is complete and accurate; and
4. The intended purpose and objective of the system implementation or modification has been met.

The internal auditor participating in such a review should ensure that the extent of participation does not affect independence, thus suggested audit trails or other controls will be transmitted through formal correspondence.

### Responsibility for the Detection of Errors or Irregularities

The staff of the Internal Audit Department have a professional responsibility to conduct reviews with

The Internal Audit Department shall assist the Audit Committee of the Board of Visitors in the evaluation of the external auditors' examination of the University.

### Audit Plan

Each year, a proposed detailed audit plan for the next fiscal year will be submitted by the Internal Audit Director to the Audit Committee. Upon approval of the plan by the Audit Committee, the Internal Audit Director will initiate audits pursuant to the plan.

A block of time will be set aside for unexpected audits, special request audits and consulting, and cases received from the Commonwealth's fraud, waste and abuse hotline. In excess of this, any additions to the plan will require written documentation as to the need for such additions with final approval for the request being made by the President and Committee.

A copy of all approved revisions to the audit plan will be submitted to the President and the Audit Committee.

### Audit Reports

At the conclusion of each audit, the department or activity audited will be provided an opportunity to respond in writing to the findings, conclusions, and recommendations of the Internal Audit Department. In addition, an exit conference will be held with the individual in charge of the department or activity under review. All findings, conclusions and recommendations will be discussed and any differences of opinion settled or so noted. A formal audit report will be prepared after the exit conference is held and draft report reviewed. This report will contain a summary of the function of the department or area, the objective of performing the audit, the audit methods used, detailed explanations of any issues noted and recommendations for improvements thereon. A section of the audit report will include the department's response to the recommendations made by the Internal Audit Department.

This report will be discussed with the chief operational officer (vice president) responsible for the area under review prior to the issuance to the President of the University. All final audit reports will be issued to the President of the University via the Chief Operating Officer, with copies to the Vice President of the area audited and the department head. Executive summaries of all final audit reports will be presented to the members of the Audit Committee. Further distribution will be at the discretion of the Internal Audit Director.

The Internal Audit Department will conduct a follow-up review on audit reports issued to ensure that all recommendations have been considered and acted upon. Distribution of this follow-up report will follow that of the original report.

### Detection, Investigation and Reporting of Fraud

The Internal Audit Department shall be notified in all cases where the discovery of circumstances suggests a reasonable possibility that assets have, or are thought to have, been lost through



defalcation or other security breaches in the financial, operating or information systems. Upon such notifications, the Internal Audit Director should ensure that the proper authorities within the

## Training

The university recognizes the need for members of the Internal Audit Department to "stay current" on accounting issues and auditing techniques in the university.

To fulfill this need, the Internal Audit Department will require each representative of the department to obtain at least forty (40) hours (1 week) of continuing education credits annually. (Training is subject to funding availability.)

## Quality Assurance Review

Old Dominion University recognizes the benefits to be derived from a quality assurance review of the internal audit functions.

A full scope quality assurance review of the University's internal audit function will be performed at least once every five years in accordance with the Institute of Internal Auditors standards.