

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES, FINANCE & AUDIT
FRIDAY, SEPTEMBER 17, 2021
9:00 A.M.
The Welcome Center @ VSU Multipurpose Center
(No Public Comment Period Scheduled)**

DRAFT AGENDA
(as of 9.13.21)

CALL TO ORDER Mr. William Murray, Vice Chair

ROLL CALL

INVOCATION (*Pastor Jasmyn Graham, Director of Campus Ministries*)

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

PRESIDENT’S REMARKS Dr. Makola M. Abdullah

REPORTS AND RECOMMENDATIONS

- Internal Audit Ms. Sheila Alves
Chief Audit Executive
 - Information Items
 - Internal Audit Team Update
 - Corrective Action Plan Status
 - Case Workload
 - Internal Audit Strategic Plan
 - Audit Plan Status
 - Internal Audit Survey
 - Commonwealth Update
 - Consulting Services

- Division of Finance Mr. Kevin Davenport
Vice President for Finance & Administration/CFO
 - Information Items
 - Budget to Actual Financial Reports as of June 30, 2021
 - Actual to Actual Financial Reports as of June 30, 2021
 - Comparative Cash Reserves as of June 30, 2021
 - Recommended FY 2022 Auxiliary Reserve
 - Report on Status of Capital Projects
 - Investment RFP Update

- Technology Services Update Mr. Hubert D. Harris
Chief of Staff

- Institutional Compliance Update Ms. Shawri King-Casey
Senior Advisor, Institutional Equity, Ethics & Compliance

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CLOSED SESSION

OTHER BUSINESS

ADJOURNMENT

***All start times for committees are approximate. Meetings may begin either before or after the posted approximate start time as committee members are ready to proceed. Meetings may also end either before or after the posted time. The Board reserves the right to change its schedule as needed.*

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
FACILITIES, FINANCE AND AUDIT COMMITTEE
MEETING MINUTES
September 17, 2021**

CALL TO ORDER

Dr. Valerie Brown, Rector, called the Facilities, Finance and Audit Committee meeting to order at approximately 9:00 a.m. in the VSU Welcome Center. Rector Brown called the meeting to order in the absence of the chair, Mr. James Stegmaier who is unable to participate due to health challenges. Rector Brown announced that at today's meeting, the committee will select a Vice Chair who will act in the Chair's absence.

ROLL CALL

A quorum was present.

Committee Members Present:

Mr. Jay Stegmaier, Chair (*absent*)
Mr. William Murray, Vice Chair
Mr. Michael Flemming
Mr. Raul Herrera
Mr. Charlie Hill (*electronic participation*)
Mr. Jon Moore
Mr. Wayne Turnage (*electronic participation*)
Dr. Valerie Brown, Rector (*ex-officio*)

Others Board Members Present:

Mr. Glenn Sessoms
Ms. Pamela Currey
Dr. Christine Darden
Ms. Shavonne Gordon

Administration Present:

Makola M. Abdullah, Ph.D., President
Dr. Donald Palm, Senior Vice President/Provost
Kevin Davenport, Vice President, Finance/Administration/CFO
Sheila Alves, Chief Audit Executive
Tonya S. Hall, Vice President, External Affairs
Hubert Harris, Chief of Staff
Tanya Simmons, Human Resources
Maurion Edwards, CIO/Technology Services
David Bragg, Chief of VSU Police Dept.
Shawri King-Casey, Senior Advisor, EEC
Alexis Brooks-Walter, Asst. Vice Provost, Enrollment
Dr. Gwendolyn Dandridge, Interim Director, Communications
Dr. Annie C. Redd, Special Asst. to President/Board Liaison

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Legal Counsel Present:

Cynthia Norwood, Assistant Attorney General

Deborah Love, Senior Assistant Attorney General

Others Present:

Yourdonus James, Director, Conference Center

Benjamin Houck, Finance

Adrian Petway, Budget Office

Brenda Stith-Finch, Chair, VSU Foundation Board

Pastor Jasmyn Graham, VSU Campus Ministries

Creasy McQueen, Campus Ministries

Christopher Henry, Technology Services

Corey King, Technology Services

Maurion Edwards, Technology Services

The following Board members participated by electronic means from remote locations identified below. The Board members participated by Cisco WebEx virtual meeting.

- Mr. Hill located in Hampton, VA; unable to attend due to personal reasons due to a conflict.
- Mr. Turnage located near Hanover, VA and is unable to be physically present due to personal reasons--he is enroute to the meeting.

INVOCATION

Rector Brown invited Pastor Jasmyn, Director of Campus Ministries to offer the invocation.

APPROVAL OF AGENDA

Rector Brown announced changes to the agenda. Nomination of a committee vice chair would be added to the agenda. The committee would go into closed session first, and the Internal Audit presentation would be received after the Compliance presentation. The committee approved the revised agenda.

NOMINATION OF VICE CHAIR

The Rector stated that Chair Stegmaier was unable to participate due to health challenges. With the Chair's recommendation, the Rector nominated Mr. William Murray as Vice Chair and called for nominations from the floor. A motion was made to accept the nomination of Mr. Murray as Vice Chair, and the motion was properly seconded and unanimously passed. The Rector then turned the meeting over to Mr. Murray.

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

The Committee approved the previous minutes from the April 23, 2021 meeting.

PRESIDENT'S REMARKS

President Abdullah commented that the team worked hard on their presentations, and he was excited for them to have the opportunity to present them to the Committee.

CLOSED SESSION

The Chair convened a closed session at 9:10 a.m. for personnel matters related to the employment, assignment, appointment or performance of specific employees, pursuant to Section 2.2-3711(A)(1) specifically relating to the performance of a senior leader and a faculty member. The Chair invited Ms. Sheila Alves, Chief Audit Executive, to remain for the first phase of the closed session and President Abdullah to return for the second phase. Cynthia Norwood, Assistant Attorney General, and Deborah Love, Senior Assistant Attorney General also remained for the closed session.

The Board re-convened in opened session with a roll call of voting committee members that the Committee discussed or considered only those public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such public business matters as were identified in the motions by which the closed meeting was convened.

The Chair read a motion to recommend to the full board that the Rector be authorized to undertake the course of action on a personnel matter in a manner consistent with the discussion in closed sessions. The motion was properly seconded and passed by a roll call vote of 6 to 1; 6 for and 1 against.

REPORTS AND RECOMMENDATIONS

Division of Finance

Upon returning to open session, the Vice Chair called Mr. Davenport, asking that he present a high-level summary due to time constraints. The Vice Chair commended Mr. Davenport and his team for the clarity of the financial reports. Mr. Davenport stated that the University has a historic year ending with a surplus of about \$62 million this year, noting that this money is attributable to the \$30 million gift from MacKenzie Scott, federal funding for Covid-19 stimulus funding, and additional funds from the state.

Technology Services

Mr. Harris stated the university has a lot of projects underway to move forward. He provided a framework for higher education in the Board's materials along with diagram of the system VSU has in place. Mr. Harris also emphasized the Technology Services focus on cybersecurity to manage daily threats to university systems.

Institutional Compliance

The Vice Chair called Ms. King-Casey to give an update on Institutional Compliance. The Vice Chair encouraged her not to feel pressured to skip over anything material related to compliance.

Ms. King-Casey introduced herself and provided some background on her relevant experience in the legal and compliance areas. She highlighted several key past accomplishments that are relevant to the work she is undertaking at VSU, including leading an overhaul of the use of outside counsel at the Office of the

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Attorney General, resulting in a savings of \$1 million per year and a net amount spent annually which was much less than similarly situated states. Ms. King-Casey explained the high-level objectives of the Office of Compliance, providing a definition of compliance and establishing a role for the compliance program within the university. She emphasized the goal of efficient use of resources in order to provide the greatest benefit to students. She also noted that the compliance program will be built around education, training, and accountability.

Ms. King-Casey explained the eight elements of a solid compliance program and outlined the critical elements for establishing a centralized compliance program. She discussed systemic issues such as documentation, training, policies and procedures, lack of integration of parallel work flows, and lack of succession planning and talent management.

Ms. King-Casey presented a plan for the implementation of this centralized compliance program. She explained the risk registry that categorizes and ranks all risk /audit findings, explaining that this registry will prioritize resources, identify overarching themes, and investigate root causes of risks. She then presented a slide summarizing all of the 2019 audit findings, presented an update on the NIFA liability, and concluded her presentation with a recap of the material presented.

A trustee voiced agreement with the overall approach and commended Ms. King-Casey for the amount of progress made by the Internal Compliance area within six months.

Division of Internal Audit

The Vice Chair called Ms. Alves, who started her presentation with an update on the corrective action plan. She provided follow up on information received relating to certain cases, noting what needs to be done to have these cases cleared. She provided an update on what items have made it to completion. She thanked Jane Harris and Dale Mason for the work they put forth to clear several items in their respective areas.

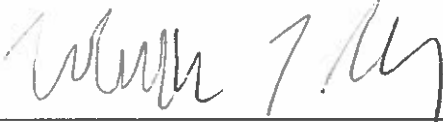
Ms. Alves presented a table summarizing the length of time outstanding for each corrective action item. She presented an update on the grants audit and also on the NIFA matter, noting the additional semi-annual reporting requirement and also the 800k in grant funds that was unfrozen by NIFA. Ms. Alves also discussed policies and procedures relating to Procurement, the Title III program, and issues related to accounts receivable.

Ms. Alves announced that she was able to hire a new person who is going to be able to help with software tools relating to internal audit. She concluded by noting the consulting services provided by Internal Audit and highlighting the highest possible feedback received by Malika Blume for her work on the grants audit.

ADJOURNMENT

There being no further business, the Chair adjourned the meeting at approximately 12 noon.

Approved*



William L. Murray, Acting Chair

11-19-21

Date