

Committee Meeting Minutes - August 29, 2002

**BOARD OF VISITORS**  
**Audit Committee Meeting**  
**Board of Visitors Conference Room**  
**August 29, 2002**  
**12:15 p.m. - 2:00 p.m.**

**MINUTES**

Dr. Caspa L. Harris, Chair, called the meeting to order at 12:45 p.m. Roll call indicated that the following Committee members were in attendance and that a quorum was present.

**Committee Members Present:**

Dr. Caspa L. Harris, Jr., Chairman  
Dr. Alvin Bryant, Rector (ex officio)  
Mrs. Teresa H. Carrington  
Mrs. Viola M. Madison-Foreman  
Cpt. Fred S. Garner

**Committee Member Absent:**

Mr. Michael L. Ball

**Members of NSU Staff Present:**

Dr. Marie V. McDemmond, President  
Dr. Alvin J. Schexnider, Interim Executive Vice President  
Mr. Ernest M. Ellis, Jr., Director of Internal Audit  
Mrs. Karla Johnson, Executive Assistant to the President  
Mr. Edward B. Jolley, Jr., Vice President for Finance and Business  
Mr. Patrick B. Kelly, General Counsel

**1. Approval of Agenda**

The revised agenda was approved as indicated by Dr. Harris.

**2. Approval of Minutes**

**Mrs. Madison-Foreman motioned, seconded by Mrs. Carrington and unanimously voted by the Committee to approve the minutes of the May 9, 2002 meeting.**

**3. Closed Session**

**Cpt. Garner motioned, seconded by Mrs. Carrington and unanimously approved by the Committee to adjourn and reconvene in closed session, as permitted by Section 2.2-3711.A of the Code of Virginia for the purpose of discussing the evaluation of departments and programs, namely Finance and Business.**

The Audit Committee having reconvened in open session, took a roll call vote on certification that (i) only public business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified in the motion by which the Audit Committee closed meeting was convened were heard, discussed or considered in the meeting by the Committee. Any member of the Committee who believed that there was a departure from the requirements as stated above, was asked to so state prior to the vote, indicating the substance of the departure that in his or her judgment has taken place.

Committee Members who certified the motion:

Carrington	yes
Garner	yes
Madison-Foreman	yes
Harris	yes

#### **4. Board and Administrators Travel and Related Expenses**

Dr. Harris proposed to the Committee a recommendation for the internal audit plan to be revised to include annual reviews of the travel-related expenses incurred by major administrators that directly report to the President and Vice Presidents as well as members of the Board.

He proposed travel-related procedures include joint approvals in writing by the Rector or the President before expenses are incurred. He indicated that **proposed travel procedures be brought back to the Audit Committee**. Mr. Ellis has some information that can be used in the draft of the procedures.

The proposals were approved by common consent.

#### **5. Other Business - A**

Dr. Harris requested that the **annual external audit reports of the affiliated foundations be provided to the Audit Committee**. President McDemmond stated that audit reports will be sent to the Audit Committee.

Mr. Kelly raised the issue of the risk of liability if the Board does not question items in the audit report and indicated that such audit reports on affiliated foundations are subject to the Virginia Freedom of Information Act.

Dr. Harris wanted it on record that the Board has no liability with regard to the affiliated foundations and their activities.

After much discussion by the Committee, Mr. Kelly stated that the Board members have no liability relative to the affiliated foundations, except that the Board must be prudent with any information they receive.

After it was revealed that audit reports are distributed to the Rector and various other Board members who serve on the board of directors on the affiliated foundations, Dr. Harris stated that he will ask the Rector to share his copies of the audit reports with the Audit Committee. It was noted that no Board member currently serves on the Board of Directors of the Athletics Foundation of Norfolk State University.

Dr. Harris shared with the Committee that in the near future, the Governmental Accounting Standards Board (GASB) will require that the financial statements of the affiliated foundations be integrated with the financial statements of the respective universities.

## **6. Other Business - B**

Dr. Harris requested that Internal Audit periodically review time and effort reports. Also, he requested **that the professional staff of the Internal Auditing Department attend a future meeting** so that the Committee can meet them.

## **7. Adjournment**

There being no further business, the meeting was adjourned at 2:08 p.m.

Respectfully submitted,

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Ernest M. Ellis, Jr.  
Director, Internal Audit

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Dr. Caspa L. Harris, Jr., Chair  
Audit Committee