NORFOLK STATE UNIVERSITY

ELECTRONIC MEETING
(see details page 2)

AGENDA
Audit, Risk and Compliance Committee Meeting
Thursday, February 18, 2021
9:00 a.m. to 11:00 a.m.

Mary L. Blunt, Chair

I. Call to Order

II. Recommend Approval of the December 3, 2020 Audit, Risk and Compliance Committee Minutes

III. Discussion Items
– Update on Action Plan for Enrollment Management .... Dr. Justin Moses
– Update on Action Plan for Building Access .... Gerald Hunter
– Update on Action Plan for Grants and Sponsored Programs .... Gerald Hunter
– Ticket Center Audit Findings

IV. Public Comment

V. CLOSED MEETING - Pursuant to §2.2-3711A. 1, 4, 7, and 8 of the *Code of Virginia*

VI. OPEN MEETING
– Closed Meeting Certification
– Motions/Actions

VII. Adjournment

Audit, Risk and Compliance Committee Members
Mary L. Blunt, Chair
Bishop Kim W. Brown
Dwayne B. Blake
Dr. Deborah M. DiCroce
BK Fulton
Michael J. Helpinstill
Staff: Derika Burgess, Interim Chief Audit Executive
Chief Compliance Officer
Dr. Javaune Adams-Gaston, President

All times are approximate and the Board reserves the right to adjust its schedule as necessary.

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An Equal Opportunity Employer

The Norfolk State University Audit, Risk and Compliance Committee of the Board will meet Thursday, February 18, 2021 at 9:00 a.m. Pursuant to Executive Amendment 28 to HB29 (2020), the Committee will meet by electronic communication means, without a quorum and without any Board member physically assembled at one location.

The meeting will be held in open and closed sessions via the Zoom Webinar app. The open meeting can be accessed through the app using the following link to register:

February 18, 2021   https://nsu-edu.zoom.us/webinar/register/WN_ec75VzaISZa_WBzpuWV2uw

Registering will allow participants to attend virtually or by phone. Information on public comment is provided on the registration form. Public comment should address only the items listed on the agenda.

If you require assistance with registering, or if there is any interruption in the broadcast of the meeting, please contact (atallbritton@nsu.edu 757-823-8676).

A recording of the meeting will be posted to the Board of Visitors website following the meeting.

All times are approximate and the Board reserves the right to adjust its schedule as necessary.

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An Equal Opportunity Employer

BOARD OF VISITORS
AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING
ELECTRONIC MEETING
December 3, 2020

MINUTES

1. **Call to Order**

Ms. Blunt, Chair, called the Audit, Risk and Compliance Committee meeting to order at approximately 2:05 p.m. Listed below are the individuals that joined the webinar meeting.

Participants - Committee Members
Ms. Mary L. Blunt, Chair
Mr. BK Fulton
Mr. Michael J. Helpinstill

Non-Participants – Absent Committee Members
Mr. Dwayne B. Blake
Dr. Deborah M. DiCroce, Vice Rector

Board Member – Listening purposes only
The Honorable James W. Dyke, Jr.

Participants – NSU Administrators and Staff
Dr. Javaune Adams-Gaston, President
Ms. Karla J. Amaya Gordon, Assistant VP for Finance and Administration/Controller
Ms. Derika Burgess, Interim Chief Audit Executive
Mr. Ericke S. Cage, Executive Advisor to the President and Board of Visitors for Policy, Compliance and University Ombudsman
Dr. Karen Pruden, Assistant Vice President for Human Resources
Ms. Tanya S. White, Special Assistant to the President
Mrs. April T. Allbritton, Office Manager/Board Liaison
Mr. Rasool A. Shabazz, Project Engineer, Office of Information Technology

Participant - Counsel
Ms. Pamela F. Boston, University Counsel and Senior Assistant Attorney General

Observers
Dr. DoVeanna Fulton, Provost and Vice President for Academic Affairs
Dr. Lamiaa Youssef, Special Assistant to the Provost

2. **Approval of the Minutes**

Mr. Fulton motioned, seconded by Mr. Helpinstill, the Committee unanimously voted to approve the Audit, Risk and Compliance Committee minutes for September 17, 2020.

3. Management Action Plans Update – Ms. Burgess' update included the following remarks:

- There are three overdue action plans for Human Resources, which are scheduled for completion by March 2021.

   1) A committee has been formed to review the Administrative and Professional Faculty Handbook. Currently at 75% completion.

   2) Human Resources and Payroll (combined effort) are working to complete the report on employee leave and overtime balances.

   3) A review has been completed to ensure compliance with FLSA guidelines due to changes in employee exempt status. Further actions will be needed before the implementation can began.

- All action plans for the Policy Framework have been completed and implemented.

- As of November 24, 2020, the remaining items for the Finance and Administration Action Plans pertain to grants and contracts and building maintenance. Internal Audit is currently reviewing documents provided to address the grants and contracts audit findings. This is expected to be closed sooner than June 2021.

- **Management Action Plan Summary** – There is one additional MIRA for Human Resources and one for the Provost's Office since the September 2020 meeting. Fourteen items have been closed for Human Resources, twenty-one for Finance and Administration, and all five for the Policy Framework.

   In response to Ms. Blunt, Ms. Burgess explained the timeline for responding to an observation is 12 months, an attention item is six months, and an immediate attention item is three months.

Action Items:

1) *Dr. Moses is requested to present an action plan for financial aid and Dr. Fulton for degree clearance at the next meeting of this Committee that will take place 2021. Date TBD. The Board Liaison is to ensure that these leads have an invitation to the next meeting and the leads should presently proceed/commence with this work.*

2) *Prior to the next meeting, Ms. Burgess should prepare and present a revised timeline (on each step) for completing a management action plan. Look at the current process and come back with a new, improved and much more expeditious process. Be very specific.*

4.   **Consent Agenda**

   Internal Audit Charter – Ms. Burgess stated that the Internal Audit Charter is subject to review every three years unless there are changes. Due to the name change of the Committee as approved by the Board, there are fifteen instances in the Charter where this needs to be updated to the Audit, Risk and Compliance Committee. Other than that, there are no other changes to be made to the Charter.

   Mr. Helpinstill motioned, seconded by Mr. Fulton, the Committee unanimously voted to approve the changes to the Internal Audit Charter as presented.

   Quality Assessment Review – Ms. Burgess stated that there were no instances of non-conformance. From the external review done last year by ABNB Federal Credit Union, the Charter for the Audit, Risk, and Compliance Committee was completed. She and Pernell Barlett, the Research Auditor, have qualified to take the CIA examination, as part of the recommendation on continuing education/certifications for staff. The examination is a three part test to be completed in 2021. Lastly, there is a recommendation to use a third party to perform the IT audits. The hire of an IT Auditor was delayed due to the hiring freeze.

   Dr. Pruden noted that the hiring freeze was lifted on October 26, 2020.

   Action Item – Ms. Burgess was asked to look at some potential external auditors that could do the audits for IT and to call Ms. Blunt with that information. The intent is to get working on this so that the process can start prior to 2021 and be completed by the fall semester.

   Ms. Blunt will discuss this with the Board at next Friday's meeting.

   Mr. Fulton motioned, seconded by Mr. Helpinstill, the Committee unanimously voted to approve the Quality Assessment Review as presented.

5.   **Chief Compliance Officer and Chief Audit Executive Recruitment Updates**

   Dr. Moses served as Chair of the Chief Compliance Officer Search. The following comments were provided by Dr. Moses and/or Dr. Pruden.

   - The position was posted on the Commonwealth's job website on November 4th. Posted on other sites on November 10th.

   - A total of fourteen applications were received and twelve were certified and forwarded to the Chair.

- The Committee reviewed the twelve applications and narrowed the phone interviews to five applicants. From the five, two applicants have been identified to recommend to the Audit, Risk and Compliance Committee and to Dr. Adams-Gaston.

Action Item – Dr. Moses was asked to forward the twelve application packets to Ms. Blunt for review and to single out the two that have moved forward in the process.

Mr. Hunter served as the Chair of the Chief Audit Executive Search Committee. Dr. Adams-Gaston stated the reason for his absence. On Mr. Hunter's behalf, Ms. Amaya Gordon, Assistant Vice President, who also serves on this Search Committee, provided the following update

- Six applications have been received and the applications were screened on November 20, 2020.

- Three applicants have been selected for interviews that will begin on Monday, December 7, 2020.

Ms. Blunt asked to discuss whether there were any internal applicants for this position during the Closed Meeting.

6. **Closed Meeting**

Mr. Fulton motioned, seconded by Mr. Helpinstill, the Committee unanimously moved to adjourn and reconvene in Closed Meeting pursuant to Section 2.2-3711(A) 1, 4, 7 and 8 and 2.2-3705.3 (7) of the Code of Virginia, for the following purposes, pursuant to the noted subsections:

3711(A) 1 and 4 and 3705.3 (7): discussing personnel matters, including more specifically, discussion of assignment, appointment, promotion, salaries, performance evaluations as well as the promotion of, and granting tenure to, certain university employees; and discussion or evaluation of performance of departments of the university that necessarily involve discussion regarding performance of individual employees, more specifically related to reports, investigative notes, correspondence and information furnished in confidence and records otherwise exempted, of the university Internal Audit Office and the Office of the State Inspector General, and

3711 (A) (7) and (8): consultation with legal counsel pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the university, including more specifically for legal counsel to give a status update on pending and potential litigation of which the Board should be made aware; along with any necessary consultation with legal counsel regarding matters noted in this motion; and

Further, that the President, the Interim Chief Audit Executive, the University Counsel, the Provost and the VP for Human Resources remain for the Closed Meeting; and that any member of the NSU Board of Visitors be permitted to attend virtually or by phone to listen in the Closed Meeting.

7. **Open Meeting**

The Committee having reconvened in open session, took 3-0 Roll Call vote on certification that that (1) only public business matters lawfully exempted from open meeting requirements, and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the Board. Any member of the Board who believes that there was a departure from the requirements as stated above, shall so state prior to the vote, indicating the substance of the departure that in his, or her judgment, has taken place.

Closed Session Certification – Committee Members only

Ms. Blunt..yes
Mr. Fulton ....yes
Mr. Helpinstill...yes

8. **Adjournment**

No one signed up for Public Comment. There being no further business, the meeting was adjourned at approximately 3:49 p.m.

Respectfully submitted,

_____
April T. Allbritton, Board Liaison

_____
Ms. Mary L. Blunt, Chair
Audit, Risk and Compliance Committee

February 18, 2021 Internal Audit Update

Meeting Agenda

- **Management Action Plans Update**
  1. Enrollment Mgmt………..Justin Moses
  2. Building Access……………Gerald Hunter
  3. Grants and Contracts…..Gerald Hunter

- **Ticket Center Audit**

Management Action Plans

- There were (6) Enrollment Management action plans closed, there are (0) remaining
- There are (6) Building Physical Access action plans closed, (6) remain open
- The bulk of the remaining Finance and Administration action plans are scheduled as follows:
  1. OSP, Grants and Contracts combined closed (3) action plans (12) remain open
  2. Bldg. Maintenance, closed by August 2021

Management Action Plans Summary

Impacted Area	# Open MAP	# Open MRIA	# Overdue MRIA	# MRIA Closed since December 2020 Meeting	# MRIA Opened since December 2020 Meeting	% Overdue MRIA
HR	4	4	3	0	0	75%
Finance and Admin	13	10	8	2	2	80%
Policy	0	0	0	0	0	0%
Provost	6	5	5	2	1	100%
Physical Access	6	6	6	0	0	100%
Financial Aid	4	3	3	0	0	100%
Enrollment Management	0	0	0	7	0	0%
IT	25	14	6	0	0	43%
Total	58	42	31	11	3	74%

Enrollment Mgmt. Updates

Dr. Juan Alexander will present updates on Enrollment Management action plans.
(See Enrollment Management Presentation.)

Bldg. Physical Access

Chief Moore will present updates on Building Physical Access action plans.
(See Building Physical Access Presentation).

OSP, Grants and Contracts

Karla Amaya-Gordon will present updates on Sponsored Programs, Grants and Contracts action plans. (See Office of Sponsored Programs, Grants and Contracts Presentation).

Spartan Ticket Sales Audit

Overview

- The Spartan Ticket Center was designed to be the central outlet for information about the ticketing of athletic events, arts, and cultural events on the campus of Norfolk State University.
- The Ticket Center provides a variety of services including online and hard copy ticket sales, complimentary admissions tickets, at door ticket sales and consignment tickets.
- The operating procedures used by the Ticket Center to govern various sales transactions has greatly improved operations, however the work they do can be enhanced. The overall design and operating effectiveness of processes governing Spartan ticket sales, distribution and inventory is "Needs Improvement"

Spartan Ticket Sales Audit

Summary of Observations

Issue Number	Brief description	Issue Rating
1	**Central Ticketing Governance and Training** The ticket center provides a service available to all event holders on campus. However, the ticket center is not given the authority to be the sole source for paid ticket sales despite policy guidelines to have all paid tickets flow thru the Ticket Center. Enforcing this requirement permits the University to account for and monitor all ticket sales revenue, and decrease the opportunity for wrongdoing. Although the Ticket Center provides new hire and continuous training for their employees, the policy does not address education and training requirements.	**MRIA**

Spartan Ticket Sales Audit

Summary of Observations

2	**Safeguarding of Assets** The Ticket Center does not continually evaluate security controls. Without this assessment we cannot ensure the space which contains ticket stock and petty cash is secure.	**MRIA**
3	**Consignment Tickets** The Ticket Center also supports events on campus through their consignment program. Although there are internal procedures to outline how to collect payment, there is no policy available to communicate expectations of the consignment ticket program to the campus community.	**MRA**

Spartan Ticket Sales Audit

Summary of Observations

4	**Complimentary Ticket Sales** The Ticket Center is the campus source for complimentary tickets. However, the Ticket Center does not have authority to require complimentary ticket policies for events that occur outside of athletics, such as performing arts and external events. Having defined complimentary ticket policies will communicate expectations and responsibilities of those who distribute and utilize complimentary tickets. This also reduces the risk of complimentary ticket abuse and resale.	**OBS**
5	**Event Pricing** The Ticket Center sets pricing as requested by area management or event holders. However, the work that is done in the Ticket Center can be enhanced by using a pricing schedule or historical document to guide fair and reasonable pricing for events on campus. These guidelines can provide oversight for competitive and appropriate costs of NSU sponsored events.	**OBS**

UNIVERSITY   NSU CAMPUS ANNOUNCEMENT   es Audit

Update:

NORFOLK STATE
UNIVERSITY   NSU CAMPUS ANNOUNCEMENT

From: Gerald·E.·Hunter,·Vice·President·Finance·&·Administration¶
To: NSU·Students,·Faculty,·Staff·and·Administrators¶
Subject: University·Sponsored·Ticketed·Events¶

University·Sponsored·Ticketed·Events¶

University·policy·states·that·access·to·University·sponsored·paid·events·shall·be·restricted·to·ticketholders.·ALL·ticketed·events·MUST·be·generated·via·the·University·Ticketing·System·and·sold·through·the·Ticket·Center·and·via·internet.·**Effective·immediately,·all·University·ticketed·events·shall·be·solely·under·the·oversight·of·Auxiliary·Services/Business·Services.**

02/15/2021

NSU B.O.V. AUDIT COMMITTEE MEETING
FEBRUARY 18, 2021

ENROLLMENT MANAGEMENT M.A.P.

Glossary of Terms

- **MRIA** – Matter Requires Immediate Attention
- **MRA** – Matter Require Attention
- **OBS** – Observation

IMPACTED UNIT/DEPARTMENT:	ISSUE:	RATING:		SUMMARY:
ENROLLMENT MANAGEMENT	RECRUITMENT ACTIVITY ASSESSMENT & EVALUATION	MRIA (MATTER REQUIRES IMMEDIATE ATTENTION)		While data is used to identify target recruitment areas, there is limited documentation to support recruitment activities, site visits, and relationships with feeder high schools resulting in challenge to assess/evaluate the effectiveness of the recruitment processes.

FINDINGS:	RECOMMENDATIONS:	MANAGEMENT ACTION PLAN(s):	ACTION PLAN DUE DATE:	CURRENT STATUS:	DATE CLOSED:
FINDING 1: Three of the top 10 feeder high schools were not scheduled for a dedicated site visit. Additionally, the admissions recruitment schedule calendar is not updated to reflect changes or modifications.	Identify and leverage data to increase operational effectiveness; identify target students, schedule recruitment events, marketing and building relationships with feeder schools.	1. Update current recruitment plan with data points to identify targeted student populations.	**1-1-2020**	**CLOSED**	**2-10-2021**
FINDING 2: Ten states were selected for review. A comparison was conducted comparing number of visits to these states and actual enrollment numbers as of August 14, 2019. Five of the states had two or more visits, but less than 10 enrolled students from those states.	Establish a mechanism to record the work being done, the strategies used, and the reasoning behind the changes to the calendar. This is essential for determining how you proceed in the future.	2. Update recruitment schedule to include better coordination of travel schedule with Outlook calendar along with utilizing post-recruitment reports more effectively.	**12-1-2019**	**CLOSED**	**2-10-2021**
FINDING 3: At the time of the audit, there was not evidence of an enrollment Marketing and Communications plan. While promotional material is available, it is unclear as to how and when the information is provided to potential students.	Implement marketing and communication plans to provide relevant, reliable and timely communication to potential students. It should not only appeal to different types of students, but also emphasize various strengths of the institution. Use marketing and communication to increase visibility of new programs, programs with low enrollment or recruitment of target students.	3. Continue working with the University's Marketing and Communications Office on targeted messaging and graphics to prospective students along with building and expanding the current marketing plan to various student types, counselors and other stakeholders. Use of external agencies such as Student Search has been employed to identify potential students. In October of 2020 a commercial developed by NSU in conjunction with AEA-Tomawares, was released marketing NSU as a premier institution	**On Going**	**CLOSED**	**2-10-2021**

IMPACTED UNIT/DEPARTMENT:	ISSUE:	RATING:		SUMMARY:
ENROLLMENT MANAGEMENT	STRATEGIC PLANNING	MRIA (MATTER REQUIRES IMMEDIATE ATTENTION)		Although there is a strategic implementation plan, the goals and objectives, such as target students and target student mix, are not defined. Additionally, the plan, at the time of the audit, was not shared with recruitment staff, updated, or evaluated for effectiveness.

FINDINGS:	RECOMMENDATIONS:	MANAGEMENT ACTION PLAN(s):	ACTION PLAN DUE DATE:	CURRENT STATUS:	DATE CLOSED:
FINDING 1: At the time of the audit, there was no specific evidence of which tasks take priority over others and no identification of an administrator responsible for execution of task.	Provide specific information (characteristics, demographics, attitudes, and values of current students and prospective students) to set the vision and direction with SMART goals.	1. Update recruitment plan to target and recruit a diverse population of students to include variations of socioeconomic and regional backgrounds and will measure success through internal data.	**12-1-2019**	**CLOSED**	**2-10-2021**
	Communicate the plan with relevant stakeholders.	2. Structure bi-weekly/monthly meetings to share updates with relevant stakeholders to include alumni, faculty and staff.	**On-going**	**CLOSED**	**2-10-2021**
FINDING 2: At the time of the audit, some tasks in the strategic implementation were incomplete or had not been started.	Develop monitoring procedures to evaluate and update the plan, as necessary. Provide status updates to both management and staff	3. Update post-recruitment reports to assist with measurements of targeted events. Meet with staff members often to discuss and gauge the success of events as well as growth opportunities and any changes needed.	**12-1-2019**	**CLOSED**	**2-10-2021**

IMPACTED UNIT/DEPARTMENT:	ISSUE:	RATING:	SUMMARY:
ENROLLMENT MANAGEMENT	MANAGEMENT OVERSIGHT	MRIA (MATTER REQUIRES IMMEDIATE ATTENTION)	At the time of the audit, management oversight effectiveness was not able to be assessed due to limited reporting.

FINDINGS:	RECOMMENDATIONS:	MANAGEMENT ACTION PLAN(s):	ACTION PLAN DUE DATE:	CURRENT STATUS:	DATE CLOSED:
FINDING: Management tracks the overall headcount and freshman recruitment number throughout the enrollment cycle. However, there is limited reporting and formal oversight over the freshman recruitment process, i.e. success of recruitment events, number of applications received from events and staff activity reports. As a result, we are unable to test the effectiveness of the oversight and reporting.	Enhance oversight by assessing and monitoring performance using operating reports, Key Performance Indicators (KPI), and evaluations. Vary the levels of detailed reporting based on management responsibilities.	1. Enhance the Operating Performance plan to monitor recruitment efforts and yield.	12-1-2019	CLOSED	2-10-2021

Questions

NSU Finance and Administration Audit Presentation NSU BOV

February 16, 2021

Finance and Administration
Management Action Plan Status

Division	Finding	Issue Rating	Recommendation	Management Action plan	Status Feb 2021
Finance and Administration/ University Police	There is no formal process to identify, evaluate and prioritize physical access vulnerabilities and the risks those threats pose to campus safety.	MRIA	Conduct Risk Assessments to identify sensitive/critical areas, evaluate existing controls and identify vulnerabilities at minimum on an annual basis or when material changes warrant doing so. Create building specific Security Plans to identifying top ticket assets, sensitive and restricted areas, and types of security in place. Establish a governance structure that facilitates regular conversations with senior management on known vulnerabilities in order to exercise judgment about the University's acceptable levels of risk.	Management will conduct a comprehensive analysis of the current posture with emphasis on solutions to address deficiencies across the enterprise. Management will develop a systematic improvement project to mitigate vulnerabilities Management will Implement progressive and layered strategies along with appropriate software platforms to reduce and/or eliminate vulnerabilities that threaten the university's students, faculty, staff and visitors. 1. With respect to issue no. 1, the risk assessment has been completed for MCAR to determine vulnerabilities. The recommendations were approved and are now moving forward with implementing the security upgrades for MCAR. No other assessments have been completed as the decision was made to use MCAR as the model for the other buildings on campus. Additionally, the framework of the project should be briefed to senior leadership for appropriate support and resources. The leadership of the Police Department and the leadership of Facilities Management are equally responsible for this effort.	Complete
Finance and Administration/ University Police	The existing policies are limited to controlling physical keys and card access, and do not outline objectives, strategies and oversight responsibilities over physical access	MRIA	Create a Building Physical Access Program with policies to define ownership, enforcement and desired outcomes of program activities. Provide periodic training to raise awareness and communicate expectations.	2. No physical access program has been completed to date and no training has been completed to raise awareness. This cannot be accomplished until the appropriate support from university leadership is obtained.	Complete

Finance and Administration
Management Action Plan Status

Division		Finding	Issue Rating	Recommendation	Management Action plan	Status Feb 2021
Finance and Administration/ University Police		Access to the buildings, including critical, sensitive or restricted areas, are not consistently monitored.	MRIA	Create monitoring procedures to ensure appropriate access, including disciplinary action for repeat offenders.	3. No monitoring procedures have been identified or implemented to ensure appropriate access. This cannot be accomplished until the appropriate support from university leadership is obtained.	Complete
Finance and Administration/ University Police		Active Authorizations for Mc Demmond Center	MRIA	Compiled list of authorized research facility, and staff	List of Authorized MCAR facility and staff completed	Complete
Finance and Administration/ University Police		Assessment on Alert Boxes and Areas of Refuge	MRIA	Inspection on fire alarms and sprinkler systems must be conducted on an annual basis. The alert boxes and areas of refuge are included in this inspection.	Annual fire alarm and sprinkler systems inspections are currently being conducted including buildings with an area of refuge (Nursing Building, Madison Hall, Residential Complex, Robinson Tech, Student Services, Student Center and Bozeman Building).	Complete
Finance and Administration/ University Police		Fire doors at Student Center/Student Services Center Malfunctioning	MRIA	DEB approved construction documents for both buildings have been reviewed. Egress from the pedestrian bridge flows in the direction of travel from the Student Services Building, to the bridge and to the Student Center. Per the Virginia Uniform Statewide Building Code (VUSBC) the doors open in the direction of travel. The push-bar hardware and the exit signs all reinforce this route for a building occupant. It's important to note that a 2-hour UL# U423 fire rating exists in a 10' circumference around both sides of the bridge as it connects to both buildings. The entire structure of the bridge is coated in with a intumescent fire rating. The egress capacity for the NE stair at the Student Center is 277 occupants, allowing for an additional capacity of 50 occupants of the pedestrian bridge to exit through the Student Center.	The egress plan for the pedestrian bridge was carefully designed, coordinated, reviewed, approved, permitted and given a Certificate of Occupancy by the Commonwealth's Department of Engineering and Buildings (DEB), formerly BCOM.	Complete

Finance and Administration
Management Action Plan Status

Division	Finding	Issue Rating	Recommendation	Management Action plan	Status Feb 2021
Finance and Administration/ University Police	Undated Physical and system door identifiers NRS2 Systems (Student Center and Student Services Center).	MRIA	Coordinate with vendor and University Police to have locks readers replaced	Student Center and Student Services Center doors now operate properly after the installation of a single card reader.	Completed
Finance and Administration/ University Police	No current Visitor/Contractor Policy	MRIA	Update your current Visitor/Contractor policy	Coordinate with facilities and Spartan Card to update the current Visitor/Contractor Policy	Completed
Finance and Administration/ University Police	Spartan Card Inventory/System Clean-up (Software upgrade)	MRIA	Create a process in order to regularly purge system, maintain access and accountability of cards.	Coordinate with Spartan Card, Facilities and Human Resources to ensure that card inventory is accounted for and the system is regularly purged.	Process is in place
Finance and Administration/ University Police	Rekeying of sensitive Areas/ Upgrade to Card Access	MRIA	MCAR Elevators (first floor/Freight) needs to be reprogramed	Coordinate with Facilities and OIT to provide access to authorized personnel (assigning privileges, etc.).	Installation complete
Finance and Administration/ University Police	Key Inventory out of Compliance	MRIA	In compliance with new Key Policy of NSU and as new buildings are being built our key coding will change to a new secure pattern.	Coordinate with Facilities to purchase new key machine to provide secure lock until all buildings are brought online. As new buildings are brought online, keys will be become obsolete and be replaced by swipe access over the entire campus.	Ongoing
Finance and Administration/ University Police	RS2 functionality accessing needs and system capabilities	MRIA	Meet with vendor to discuss capabilities of the RS2 System	Meet with vendor and assess functionality and capabilities of the RS2 System. Funding identified to begin additional security upgrades as related to RS2 capabilities.	Met with vendor and accessed functionality. Funding has been identified to link cameras with the RS2 system.
Finance and Administration/ University Police	Update MCAR Keying Card Policy, Training/Awareness (Assess to Lab/office spaces)	MRIA	Update Universities' Key and Lock policy	Coordinate with Facilities Environmental Health and Safety to ensure the University's Key and lock policy is updated, Lab and MCAR cleanroom assess is managed by established SOP.	Complete

Finance and Administration
Management Action Plan Status

Division		Finding	Issue Rating	Recommendation	Management Action plan	Status Feb 2021
Finance and Administration/ University Police		Video Security Capability/ Storage Capacity MRIA	MRIA	Create process to ensure University video security capability has adequate storage and review capabilities	Currently OIT is in the process upgrading there system in order to provide the infrastructure for additional camera as well as the university mass notification system integration . OIT, Outlaid and NSU police are working together to provide a comprehensive camera repair program. We anticipate repairing approximately 200 hundred camera before the end of 2021. Plans are currently being reviewed by OIT, Facilities, NSU Police and the camera repair contractor to determine the way forward.	Funding has been identified and project is in process.

Questions?

NSU
Finance and Administration Audit Presentation NSU B.O.V.

February 18, 2021

Finance and Administration
Management Action Plan Status

Division	Finding	Recommendation	Management Action plan	February 2021 update
Finance and Administration / Controller's Office	**ARMICS Risk Assessment :** Agency-wide Risk Assessments were not conducted and documented in accordance with DOA's ARMICS Standard. Per DOA, ARMICS is required to conduct and document two types of assessment: 1) an agency-wide risk assessment and 2)agency-level risk assessments for each fiscal process. ARMICS must also consider fraud originating inside and outside of the agency as part of those assessments. See page 21 of the Standard.	ARMICS should work with other assurance functions and the Budget/Planning group to conduct an agency wide risk assessment in accordance to the requirements of DOA's ARMICS Standards. ARMICS should also evaluate information from the most recent S.W.O.T. to analyze the agency, its environment and existing opportunities. See CAPP 10305 Internal Control Guidance.	ARMICS Coordinator will participate in Risk Assessment meetings and collaborate with Internal Audit and Budget on performing SWOT analyses.	Open and Pending decision to engage third party. Target completion date June 2021.

Finance and Administration
Management Action Plan Status

Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 update
Finance and Administration / Procurement	Conflict of interest in procurement as purchases are being made from a company owned by a household member.	MRIA	1. Modify the Procurement Policy to require the written approval from the Attorney General's office prior to purchase approval for any known instances where the purchase might create the appearance of a conflict. 2. Increase the frequency of training on Conflict of Interest (not just procurement) and maintain evidence of attendance at employee training events. 3. Provide University employees with periodic training on the red flags of fraud, especially in the areas of Procurement and Accounts Payable. 4. Compare the active employee personnel data against the Vendor Master File to identify potential improprieties. Comparison of the vendor and employee information should be conducted prior to adding new vendors into Accounts Payable (Colleague) and annually thereafter. 5. Create university policies to address Fraud; Nepotism and Conflict of Interest.	1. Ethics in procurement policy will be updated to require approval from either the Attorney General or the Virginia Conflict of Interest and Ethics Advisory Council. (Closed) 2. The Vice President for Finance and Administration in partnership with Human Resources will develop a comprehensive program to provide annual Conflict of Interest (COI) training to all employees. The mandatory training may include an approach similar to that which is available at COVLC.virginia.gov. 3. This topic will be presented at an upcoming Forum for the University Community. In addition, focused training will be provided for Procurement, Accounts Payable and other units that might benefit. 4. Periodic audits/tests comparing vendor and employee information will be conducted in both the Procurement and Accounts Payable offices to identify potential improprieties. 5. The Vice President for Finance and Administration in partnership with Human Resources will develop University policies to address Fraud, Nepotism and Conflict of Interest if deemed applicable, respectively.	1) Closed 2) Closed Derika to pull Friday's training session ; provided Power point on PI training w/OSP ; Annual Moat training on COI/ fraud and ethics is now available. 3) Closed 4) Closed; Report comparing vendor payment addresses to employee address database was completed for the quarter ended December 2020 and copy provided to Internal Audit as evidence. 5) Closed Provided copy of Draft policy 43-01 Supplier Diversity Policy; 43-14 General Procurement Policy; 43-19 Emergency Procurement Policy; 43-21 Proprietary Procurement Policy; 43-20 Sole Source Procurement;

Finance and Administration
Management Action Plan Status

Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 Update
Finance and Administration / Facilities & Police Security	There is no formal process to identify, evaluate and prioritize physical access vulnerabilities and the risks those threats pose to campus safety.	MRIA	Conduct Risk Assessments to identify sensitive/critical areas, evaluate existing controls and identify vulnerabilities at minimum on an annual basis or when material changes warrant doing so. Create building specific Security Plans to identifying top ticket assets, sensitive and restricted areas, and types of security in place. Establish a governance structure that facilitates regular conversations with senior management on known vulnerabilities in order to exercise judgment about the University's acceptable levels of risk.	Management will Conduct a comprehensive analysis of the current posture with emphasis on solutions to address deficiencies across the enterprise. Management will Develop a systematic improvement project to mitigate vulnerabilities Management will Implement progressive and layered strategies along with appropriate software platforms to reduce and/or eliminate vulnerabilities that threaten the university's students, faculty, staff and visitors. 1. With respect to issue no 1 the risk assessment has been completed for MCAR to determine vulnerabilities. The recommendations were approved and we are now moving forward with implementing the security upgrades for MCAR. No other assessments have been completed as the decision was made to use MCAR as the model for the other buildings on campus. Additionally, the framework of the project should be briefed to senior leadership for appropriate support and resources. The leadership of the Police Department and the leadership of Facilities Maintenance Division are equally responsible for this effort.	Ongoing - We are in the process of relocating 4th Floor occupants at MCAR in order to secure the floor and restrict it to only those (OIT) that have a need to be there. The security desk in the lobby will be redesigned to accommodate the new enhance security posture. This is a joint endeavor between the Police Department and Facilities. This project will be used as a model for University wide security upgrades in line with the roll out of the RS2 system (which is the new visitor access system the university has acquired). The expected completion date on this MCAR project is April 2021.

Finance and Administration
Management Action Plan Status

Date of Audit	Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 Update
3/5/2019	Finance and Administration / Facilities & Police Security	The existing policies are limited to controlling physical keys and card access, and do not outline objectives, strategies and oversight responsibilities over physical access	MRIA	Create a Building Physical Access Program with policies to define ownership, enforcement and desired outcomes of program activities.\n\nProvide periodic training to raise awareness and communicate expectations.	2. No physical access program have been completed to date and no training has been completed to raise awareness. In my opinion, I don't think this can be accomplished until we have the appropriate support from university leadership on this effort.	Ongoing - the building access program has been revised (August 2018) specifically addressing the University's key and lock policies. These revisions address who and under what conditions you would receive building access. It also addresses under what condition this access denied and/or removed. The complete roll-out of these new policies have been delayed due to the effects of COVID-19. The expected roll-out/training of these revised policies and procedures is April 2021.
3/5/2019	Finance and Administration / Facilities & Police Security	Access to the buildings, including critical, sensitive or restricted areas, are not consistently monitored.	MRIA	Create monitoring procedures to ensure appropriate access, including disciplinary action for repeat offenders.	3. No monitoring procedures have been identified or implemented to ensure appropriate access. In my opinion, I don't think this can be accomplished until we have the appropriate support from leadership on this effort.	Ongoing - the building access program has been revised (August 2018) specifically addressing the University's key and lock policies. These revisions address who and under what conditions you would receive building access. It also addresses under what condition this access denied and/or removed. The complete roll-out of these new policies have been delayed due to the effects of COVID-19. The expected roll-out/training of these revised policies and procedures is April 2021.

Finance and Administration
Management Action Plan Status

Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 Update
Finance and Administration / Controller's Office	Grant Closeout Process The project closeout process is not performed on all expiring awards. As a result 125 active account that have expired between 2011 and 2018 remain active, some of which had spending after the award end date. Per 2 CFR § 200.343 Closeout, "Final reports should be submitted within 90 days after end date and the account should be closed." We reviewed expenditures for 44 of the 125 expired awards and noted that the closeout process had not been started. We reviewed the accounts further to determine if expenses were charged to the account after the project end date and to determine why the account was still open. • Twenty-five awards incurred expenses after the project end date, of which some were overspent or had an active budget. The overspent expense categories included participant cost, overhead cost, equipment cost, personnel/fringe, and various expenses.	MRIA	Monitoring reports should be developed to ensure oversight over the grant closeout process.	The Financial Services Manager has implemented processes for grant project close-out. These process have been used for several months with Private and State Grants and will be implemented for Federal as well. The process requires PI/PDs to receive 90, 60, and 30-day Grant Close-Out Notices at the close of each month (for those applicable grant projects). With the 30-day notices, The PI/PD of Private and State grants are also sent a Project close-out form. This form requires the PI/PD to certify that all financial obligations for the project has been cleared. If not, the PI/PD must give justification for any remaining balance or encumbrances. We then request a no-cost extension be submitted to expend all encumbrances or remaining amounts. This process is also being implemented with Federal Grants. Some grant projects remain open until all revenue requested is received from the grantor. We have projects where funds for reimbursement are received 30-days after submission. The grant project is kept open until the funding is deposited. The Granting Agency is aware of this. Many grant project encumbrances are not actually paid out until after the official closing period due to process timing. It is the same with the payroll process, Stipends and Indirect Costs. The grant project remains open until all allowable encumbrances have been charged properly to the grant project (with approval of the granting agency). The Grants and Contracts Office will work with the Office of Sponsored programs to improve the communication on no-cost extension approvals. This will help both offices maintain accurate information on the timing of grant spending. Many Grant Projects in our database are actually Multiple-Year Awards. This is particularly the case with the Dept. of Ed. There is one award for five years or more years. (some awards are more than ten years) Each year of the award is considered a budget period and has a grant number though it is not necessarily an individual grant. The Department number in our chart of accounts groups all of the grant numbers for the multi-year grants. The grant project number or budget period is not closed out until the final year of the award is closed. Therefore, several grant project numbers that have budget periods may appear to have expenditures after the date or have over expended when actually the multi-year total Budget and project period is what's used as the basis for the grant dates and amounts. We also had a system conversion where one system was closed (IFAS) and a new system was developed (Colleague). The revenue was received in one system and expenditures where reflected in another system. Because the revenue was in the old system it could not be converted to the new system. As a result some projects appear to have been over expended when actually the revenue was reflected in the old system. Long period Multi Year grants have been impacted. This will be addressed during the close out	Closed - Grant Close-Out Process is currently being performed on all current grant projects • Grant Close-Out procedures have been written to document the processing. • Colleague listing report is utilized to monitor grant close-out • PIs are required to sign all grant close-out documents

Finance and Administration
Management Action Plan Status

Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 Update
Finance and Administration / Controller's Office	Management Oversight There is limited evidence to support monitoring over the fiscal aspects of grant management, e.g. Overspending, spenddown rates, award closeout, unobligated funding, etc.	MRIA	Develop management reports and escalations procedures to highlight issues of noncompliance and unobligated funding.	The Financial Services Manager has implemented procedures for Private and State Grants that require PI/PDs to certify financial reports each month before requesting reimbursement. These financial reports reflect the status of each budget line in the grant project. This practice has prevented overspending and has alerted PI's well in advance if their spending trends/forecasts will require budget line adjustments or no-cost extension requests. The same process is being implemented for Federal Projects for monitoring and staying within established financial requirements.	Closed - The following procedures have been implemented to address issues this finding • Financial Services Manager Reviews each active grant once each month • Schedule of draw requests has been implemented for all active grants • All invoices and draw requests require financial statements indicating the status of each budget category. Additionally, the Research Compliance Auditor is reviewing and grants listing and meeting with PI/PD to discuss issues concerns and spend down on grants. This is being reported to OSP, Controller's Office, VP of the Finance and the Dean of Graduate Studies • If there are any grants with over spending, etc. The Grant Accountant is instructed to resolve the problems (Budget Line Adjustment, Journal Entry to move expenses to department) • Excel spreadsheet is used to track the draw requests and invoices. • PIs must certify each month that all expenditures are allowable and in accordance with the grant project. • PIs also certify the transactions remaining on grant 30-days before grant close date.

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Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 Update
Finance and Administration / Controller's Office	Governance Polices related to the fiscal administration of awards are not documented. Additionally, the roles and responsibilities over fiscal administration are not clearly defined and communicated, especially as it related to allowability of expenditures. We reviewed the job description for the grants and contracts accountants. While the job description calls for a review of cost allowability, in practice the review is for availability of funds. • GCA does not have a public website. While GCA is referenced in the NSU Sponsored Programs Website, those references do not provide guidance on managerial roles nor management expectations with regards to the fiscal administration of awards. The internal "MYNSU" Website is outdated and contains broken links, outdated references, documents, forms and contacts. • The 2014 Grants and Contracts Accounting Procedures Manual is outdated. E.g. references to OMB A-21 and A-133, instead of 2 CFR 200, references to outdated NSU policies and GCA Professional Development Credit requirements.	MRIA	Establish a uniform policy to comply with 2 CFR 200 that is augmented with a procedural manual, and a website presence that clearly defines roles and responsibilities for all stakeholders with fiscal responsibility for managing award funding. Provide periodic training to reinforce expectations to all stakeholders. Establish procedures to ensure compliance with the policies.	The University's Intranet will be utilized to establish communication on financial management of grants. Since the financial management of grants is an internal process, a link to the MYNSU Grants and Contracts page will be added onto the Controller's webpage on University's website. Training was conducted in April 2019 to all PI/PDs in the University. This was a joint training between the Grants and Contracts Office and the Office of Sponsored Programs which clearly identified roles and responsibilities for all stakeholders with fiscal responsibility for managing award funding. An Award Service was also held. Grants and Contract Office will continue to collaborate with OSP to provide ongoing training for PI/PDs. The ARMICS Coordinator is assisting with updating policy for Grants and Contracts.	Closed- The following procedures have been implemented to address the issues in this finding. • All PIs certify monthly Financial Reports indicating expenditures are allowable and according to grant project • Grant Projects are reviewed monthly by draw requests or invoice. If there are any unallowable expenditures, The Grant Accountant contacts the PI for a Budget Line adjustment or Journal Entries are completed to move expenditures to department where applicable.• The University's Intranet has been updated to provide communication and information on the financial management of grant projects • Trainings have been conducted to PIs (twice a year) through Office of Sponsored Programs with assistance of Grants and Contracts Office. Training materials are posted on MYNSU under Finance and Administration Training (see attached) • Grant set up meetings are held for all new grants awarded by OSP. Others Dept in attendance are Grants and Contracts, Internal Auditor, Payroll and Budget Office with PI. o The Direct Costing Policy for Sponsored Award-Related Goods and Services have been drafted and submitted the President's office and legal office for review. This policy. This policy includes the roles and responsibilities over the fiscal administration (see attached).

Finance and Administration
Management Action Plan Status

Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 Update
Finance and Administration / Controller's Office	Process and Procedures FFR submissions did not always have the required attachments to support the FFR. Additionally, documents used to support FFR submissions were not consistently signed, dated and/or approved. We sampled 20 FFR submissions and noted the following: • Two instances where the expenditure was reported in the wrong period on either the FFR or Analysis Form • One instance where the actual spending did not match the amount reported • 13 Analysis Forms were not dated and one Analysis Form was dated after the FFR was submitted • 15 Delivery receipts were not available for review and/or were not maintained on file. As a result, we were unable to determine whether FFRs were submitted timely in accordance with sponsoring agency guidelines and/or GCA policies • Nine Analysis Forms were not approved by the approver and/or did not have the preparer's initials	MRA	Establish a process to ensure all administrative steps related to the submission of FFR are completed and approved in accordance to GCA policies prior to submission to the sponsor.	As desk procedures are developed as part of the grants financial monitoring and reporting process, standards will be established to ensure supporting documentation and approvals are consistent.	Closed - FFR Reporting procedures were created and provided as evidence.

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Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 Update
Facilities Maintenance	TMA, the official University Work Request System, has not been fully implemented and system functionalities, while available, were not consistently used by trades staff and the campus community. As a result, much of the work performed, including preventative maintenance and special projects, is performed outside of the system and remains undocumented. 1A. TMA, the official University Work Request System, has not been fully implemented and many system functionalities, while available, were not utilized at the time of the audit. Functionality used to prioritize, schedule, plan and oversee tasks are not actively used. The ability to send automatic emails and other communication features to clients is disabled, therefore customers are unaware of status or completion times for work requests. 1B. Due to the lag times between requests and response, users have lost faith in the TMA system. As a result, much of the work performed, including preventative maintenance and special projects, is not captured in the system. Instead, the daily workload is based on customer emails and phone calls to the Facilities Vice President, trade staff and management. However, there is limited documentation to support daily maintenance work performed outside of the system. Management was unable to provide evidence to support the fact that work orders are consistently closed out, signed off, or initialed by customers. As a result, we were unable to test the effectiveness of response times and the effectiveness of the system.	MRIA	1A. Establish a program that utilizes exiting TMA system functionality to manage day-to-day operations on campus. Create Standard Operating 1B Procedures to manage work orders in TMA, including escalation and oversight. This includes documentation of all work performed, prioritizing, scheduling and communicating status of work orders. 1C. Provide periodic training to campus users in response to campus needs, requirements and expectations.	1A. Facilities Management will develop an SOP to educate employees, staff and the entire campus community on work order system. Trades Supervisors will be held accountable for ensuring staff members are trained to process work-orders as dictated by the SOP in a timely fashion. 1B. Copy of database was sent to TMA System Support staff on Dec. 17th to evaluate status of current modules. Following their evaluation, system needs such as scheduling and prioritizing, module updates and training will be determined. 1C. FM will schedule formal training sessions for staff at least 2 times a year and annually for campus community.	Note: While some progress has occurred in addressing this outstanding internal audit item, progress in closing out this item has been impacted by the COVID-19 Governor-mandated hiring freeze. it is proposed that an extension be granted through the end of the fiscal year 6/30/20.
Finance and Administration / Facilities Maintenance	At the time of the audit 16 of the 38 trade maintenance positions were vacant. The inability to timely fill trade staff positions has resulted in a back log of work and an increase reliance on contractors to fulfill routine maintenance requests. Using the Building Operating Management's Annual FM Pulse Survey as an industry benchmark, we noted that facilities has the appropriate number of trades' maintenance positions. However, at the time of the audit 16 of the 40 trade maintenance positions were vacant.	MRIA	Work closely and communicate with HR throughout the entire hiring process to fill positions in a timely manner. Continually set expectations and emphasize the urgent need to fill trade staff positions.	FM will meet with NSU Human Resources Department to discuss vacated trades positions, steps to expedite hiring and processing disciplinary actions.	Note: While some progress has occurred in addressing this outstanding internal audit item, progress in closing out this item has been impacted by the COVID-19 Governor-mandated hiring freeze. it is proposed that an extension be granted through the end of the fiscal year 6/30/20. Prior to the pandemic, Facilities Mgt. and HR leadership met weekly to address workforce shortfalls in the unit.

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Division	Finding	Issue Rating	Recommendation	Management Action plan	February 2021 Update
Finance and Administration / Facilities Maintenance	There is limited evidence to support management oversight and reporting into the Work Order process. There is no evidence Management examines which work orders are processed, how they are planned and when they are completed. As a result, internal audit was unable to test the effectiveness of monitoring and reporting	MRIA	Create KPIs and utilize existing reports, such as aging and customer satisfaction surveys to monitor performance. The level and frequency of detailed reporting should vary based on management responsibility and campus needs.	Coordinate with TMA System Support and OIT to develop modules for reporting, performance and productivity monitoring.	Note: While some progress has occurred in addressing this outstanding internal audit item, progress in closing out this item has been impacted by the COVID-19 Governor-mandated hiring freeze. it is proposed that an extension be granted through the end of the fiscal year 6/30/20.

Questions

<p style="text-align: center">Norfolk State University
Board of Visitors Audit, Risk and Compliance Committee Meeting
Closed Meeting Motion
Thursday, February 18, 2021</p>

<u>Motion</u> – (by Board member)

Madam Chair, I move that we adjourn and reconvene in Closed Meeting pursuant to:

Section 2.2-3711(A) 1, 4, 7 and 8 of the Code of Virginia, for the following purposes**,** pursuant to the noted subsections:

(1) and (4) :

 To discuss personnel matters, including more specifically, discussion of assignment, appointment, promotion, salaries, performance evaluations as well as the promotion of, specific individuals and certain university employees; and

 To discuss or evaluate performance of departments of the University that necessarily involve discussion regarding performance of individual employees, more specifically related to reports, investigative notes, correspondence and information furnished in confidence and records otherwise exempted, of the university Internal Audit Office and the Office of the State Inspector General, and

 (7) and (8):

 consultation with legal counsel pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the university, along with any necessary consultation with legal counsel regarding matters noted in this motion, and further

Optional:
State all that apply:

   _X_   that the President, the Interim Chief Audit Executive, University Legal Counsel, and the Assistant VP for Human Resources remain for the Closed Meeting, and

   _X_   that any member of the NSU Board of Visitors be permitted to attend virtually or by phone to listen in the Closed Meeting

Chair: There has been a motion to go into Closed Meeting for the reasons stated. Is there a second? All those in favor? Opposed? Motion carried.

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(Immediately following Closed Meeting, after going back into Open Meeting)

Reconvene in Open Meeting

Chair: Having reconvened in Open Meeting, we will now take a roll call vote on certification that (1) only public business matters lawfully exempted from open meeting requirements, and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the Board. Any member of the Board who believes that there was a departure from the requirements as stated above, shall so state prior to the vote, indicating the substance of the departure that in his, or her judgment, has taken place.

Please call the Roll.

Call Committee Members