



**RADFORD UNIVERSITY BOARD OF VISITORS  
BUSINESS AFFAIRS & AUDIT COMMITTEE MEETING  
BOARD ROOM  
MARTIN HALL – THIRD FLOOR  
RADFORD, VIRGINIA  
10:30 A.M.  
SEPTEMBER 18, 2014**

**APPROVED**

**MINUTES**

**COMMITTEE MEMBERS PRESENT**

Dr. Andrew Fogarty, Vice Chair  
Ms. Callie M. Dalton  
Ms. Georgia Anne Snyder-Falkinham  
Mr. Michael A. Wray, Rector

**COMMITTEE MEMBERS ABSENT**

Mr. Matthew B. Crisp, Chair  
Mr. Anthony R. Bedell

**BOARD MEMBERS PRESENT**

Dr. Kevin R. Dye  
Mr. Randolph “Randy” J. Marcus  
Dr. Javaid Siddiqi  
Dr. Jerry M. Kopf, non-voting faculty advisory representative

**OTHERS PRESENT**

President Penelope W. Kyle  
Mr. Richard Alvarez, Vice President for Finance and Administration and Chief Financial Officer  
Mr. Joe Carpenter, Vice President for University Relations and Chief Communications Officer  
Dr. Sam Minner, Provost and Vice President for Academic Affairs  
Ms. Margaret McManus, University Auditor  
Ms. Lisa H. Ridpath, Associate Vice President for Finance & Administration  
Ms. Christina Brogdon, Executive Director & Chief Human Resources Officer  
Radford University faculty and staff

Ms. Karen Helderman, Information Systems Development Specialty Team Director and Audit Project Manager for Radford University

Ms. Linda Pierce, Performance Management Group

Ms. Michele N. Schumacher, Secretary to the Board of Visitors

### **CALL TO ORDER**

Dr. Andrew Fogarty, Vice Chair, called the meeting to order at 10:40 a.m. in the Board Room in Martin Hall on the campus of Radford University.

### **APPROVAL OF AGENDA**

Dr. Fogarty asked for a motion to approve the September 18, 2014 meeting agenda, as published. Ms. Georgia Anne Snyder-Falkinham so moved and Ms. Callie M. Dalton seconded the motion and the motion carried unanimously.

### **APPROVAL OF MINUTES**

Dr. Fogarty asked for a motion to approve the minutes of the May 8, 2014 meeting of the Business Affairs & Audit Committee, as published, and the minutes of the August 27, 2014 joint meeting with the Academic Affairs Committee, as published. Ms. Snyder-Falkinham so moved and Ms. Dalton seconded the motion and the motion carried unanimously.

### **REPORTS & RECOMMENDATIONS**

#### **Report from Auditor of Public Accounts**

Ms. Karen Helderman, Information Systems Development Specialty Team Director and Radford Audit Project Manager with the Auditor of Public Accounts (APA) for the Commonwealth of Virginia, provided a summary of the APA's audit of the University's fiscal year 2012-2013 financial statements, noting that the University received an unmodified opinion with no material weaknesses or instances of noncompliance.

Dr. Fogarty thanked Ms. Helderman for her report.

#### **Report from the University Auditor**

Ms. Margaret McManus, University Auditor, introduced her staff and then provided an overview of the Internal Audit Department's duties and responsibilities, including providing the Committee with a copy of the department's current Charter. Ms. McManus also reported that a review of the University Discretionary Fund for the quarter ended June 30, 2014 was conducted. One hundred percent of the expenditures were reviewed and all were in compliance with the Board of Visitors' guidelines. Ms. McManus also presented the following reports: fiscal year 2013-2014 Activity Report, budget and staffing summaries for fiscal years 2013-2014 and 2014-2015, fiscal year 2014-2015 Audit Plan, balanced scorecard for fiscal year 2013-2014, and a

follow-up audit status report. She also presented an Information Technology audit report on Password Management for the Active Directory and Banner systems.

Dr. Fogarty thanked Ms. McManus for her report.

### **Capital Projects Update**

Mr. Richard Alvarez, Vice President for Finance & Administration and Chief Financial Officer, presented an update of current capital projects that included the Student Recreation & Wellness Center; the Center for the Sciences; the new academic building for the College of Humanities & Behavioral Sciences; the Renovate Residence Hall Umbrella Project; Whitt Hall's proposed renovation; the expansion of the Intramural Fields and the construction of the Indoor Batting Facility for the Division 1 softball and baseball programs.

### **2013-14 Financial Performance Report**

Mr. Alvarez, Chief Financial Officer and VP for Finance & Administration, provided a summary of unaudited revenue and expenditure activity for the year ending June 30, 2014, and reported that revenue and expenditures were at expected levels after being adjusted for unexpected enrollment growth and one-time items.

Dr. Fogarty thanked Mr. Alvarez for his reports.

## **ACTION ITEMS**

### **Recommendation to the Board of Visitors for approval of the revised Office of Audit & Advisory Services Charter**

Ms. McManus reviewed the proposed changes to the Radford University Office of Audit and Advisory Services Charter, noting that the revisions were necessary to incorporate changes to Internal Audit Standards and to reflect the correct name of the Committee, as the Charter had not been amended since the Committee name change.

The Committee reviewed and discussed the proposed revisions to the Charter of the Office of Audit & Advisory Services. Dr. Fogarty asked for a motion recommending that the Board of Visitors approve the Resolution "Approval of the Revised Office of Audit and Advisory Services Charter". Ms. Snyder-Falkinham so moved and Ms. Dalton seconded the motion and the motion carried unanimously. A copy of the resolution and the proposed changes to the Charter are attached hereto as *Attachment A* and are made a part hereof.

### **Recommendation to the Board of Visitors for approval of the Radford University 2014-15 Operating Budget and 2014-15 First Quarter Adjustments**

Mr. Alvarez reviewed the 2014-15 operating budget, and explained that it was developed considering projected enrollment levels, actions taken by the Governor and General Assembly during the 2014 session, Board-approved tuition and fee rates, the strategic goals of the University, and the outlook of the economy. He provided an overview of the recommended budget by major program and reviewed the major base budget initiatives funded for 2014-15. Mr. Alvarez also provided an update on revised revenue projections and state budget reductions,

and identified the need for a first quarter budget adjustment. The Committee reviewed and discussed the adoption of a resolution approving the 2014-15 operating budget. Dr. Fogarty asked for a motion recommending that the Board of Visitors approve the Resolution “Approval of the Radford University 2014-2015 Operating Budget and 2014-2015 First Quarter Adjustments”. Ms. Snyder-Falkinham so moved, and Ms. Dalton seconded the motion and the motion was unanimously adopted. A copy of the report and the Resolution “Radford University 2014-15 Operating Budget and 2014-15 First Quarter Adjustments” is attached hereto as **Attachment B** and is made a part hereof.

**Recommendation to the Board of Visitors for approval of the Radford University 2014 Six-Year Plan**

Mr. Alvarez reported on the University’s Six-Year Plan (2014). He reported that Radford University’s Six-Year Plan was updated to reflect existing strategies and new strategies based on institutional priorities and legislative action during the 2014 General Assembly Session, and that comments regarding the University’s 2014 Six-Year Plan were received from state officials on August 29, 2014. He noted that the only change from the previously approved Six-Year Plan was the inclusion of the Career Services initiative. Dr. Fogarty asked for a motion recommending that the Board of Visitors approve the Resolution “Approval of Radford University’s 2014 Six-Year Plan”. Ms. Dalton so moved, and Ms. Snyder-Falkinham seconded the motion and the motion was unanimously adopted. A copy of the report and the Resolution “Approval of Radford University’s 2014 Six-Year Plan” is attached hereto as **Attachment C** and is made a part hereof.

**Recommendation to the Board of Visitors for approval of the Resolution Approving Write-Off of Past Due Accounts and Delegation of Authority to Chief Financial Officer**

Ms. Lisa Ridpath, Associate Vice President for Finance & Administration, reviewed with the Committee that the Board of Visitors had delegated to the Vice President for Finance & Administration the authority to write-off past due accounts of \$25,000 per quarter, and that amounts in excess of the \$25,000 must be approved by the Board of Visitors. She reported that there are a total of 17 accounts in the amount of \$41,937.43 as of June 30, 2014 that need to be written off and, because the amount exceeds the delegated authority, Board approval is required. Ms. Ridpath also stated that to ensure timely and accurate financial reporting, the University requests approval to further delegate the write-off of all past due accounts meeting State and University guidelines at the end of each financial reporting quarter to the Vice President for Finance & Administration with a requirement that said Vice President for Finance & Administration will provide an annual informational report of all write-offs of past due accounts for the previous fiscal year ending June 30<sup>th</sup> at each September Business Affairs & Audit Committee meeting. Dr. Fogarty asked for a motion recommending that the Board of Visitors approve the Resolution “Approval to Write-Off Past Due Accounts and Delegation of Authority to Write-Off Past Due Accounts”. Ms. Dalton so moved, and Ms. Snyder-Falkinham seconded the motion and the motion was unanimously adopted. A copy of the report and the Resolution “Approval to Write-Off Past Due Accounts and Delegation of Authority to Write-Off Past Due Accounts” is attached hereto as **Attachment D** and is made a part hereof.

**ADJOURNMENT**

With no further business to come before the Committee, Dr. Fogarty, Vice Chair, adjourned the meeting at 11:55 a.m.

Respectfully submitted,

Michele N. Schumacher  
Secretary to the Board of Visitors