

**West Virginia State University Board of Governors**  
**Audit Committee**  
**Erickson Alumni Center, Grand Hall**  
**January 26, 2017**  
**9:30 a.m. – 10:20 a.m.**  
**Agenda**

1. Call to Order and Roll Call – Committee Chair L. Vincent Williams, presiding
2. Verification of Appropriate Notice of Public Meeting Action 2
3. Review and Approval of Agenda Action 1
4. Review and Approval of Minutes of Previous Meeting Action 3
5. University Recommendations and Reports
  - 5.1 Update on University Financial Statement Audit Information
  - 5.2 Other Business Information
6. Next Meeting Date – *March 16, 2017*
7. Adjournment

West Virginia State University  
*Audit Committee*

Date/Time: 1/26/2017 --9:30AM

**Location:**

West Virginia State University  
Erickson Alumni Center  
Grand Hall  
Institute, WV

**Purpose:** To conduct the regular business of the Committee in preparation for the January 26, 2017 Board of Governors meeting.

**Notes:**

This is a compliant meeting.

Meeting was approved: 1/17/2017 8:08:15 AM

**West Virginia State University Board of Governors**  
**Audit Committee**  
**Erickson Alumni Center, Grand Hall**  
**Minutes**  
**November 10, 2016**

**1. Call to Order and Roll Call**

Mrs. Gail Pitchford called the meeting of the West Virginia State University Board of Governors Audit Committee to order at 9:30 a.m.

**Present:** Mr. Lipscomb, Mrs. Pitchford, Dr. Smith, Mr. Swingle, Mrs. Squirts, and Mr. Williams. Several members of the administration, faculty, and staff were present.

**2. Verification of Appropriate Notice of Public Meeting**

Mrs. Pitchford announced the Verification of Appropriate Notice of Public Meeting.

**3. Review and Approval of Agenda**

Mrs. Pitchford asked for approval of the agenda of the last meeting, June 16, 2016. Mr. Lipscomb made the motion, and it was seconded by Mr. Williams. The motion passed.

**4. Review and Approval of Minutes of Previous Meeting**

Mrs. Pitchford asked for approval of the minutes of the previous meeting held on September 15, 2016. Mr. Swingle made the motion, and it was seconded by Mr. Lipscomb. The motion passed.

**5. University Recommendations and Reports**

**5.1 Update on University Financial Statement Audit**

Mrs. Kristi Williams addressed the Committee with a draft of the combined financial statements for the University, which include the Research & Development Corp. and as a component unit; WVSU Foundation is presented in the pages behind the University's statements. She expressed that the University is still waiting on the State of West Virginia Consolidated Retirement Board for information on the Gatsby 68, which is the reason why the audit has not been officially published by Clifton Larson Allen. Mrs. Williams noted that it was a statewide delay, but a letter was sent out by the State stating that they anticipated the information being received by October 31; however, that did not occur. Mr. Swingle asked about Revenue and Expenses listed on page 13 and the change in net position showing a loss of \$3,751,000. Mr. Swingle further inquired about the breakdown of the three components. Mrs. Williams stated that they are not consolidated, but discreetly presented. She also spoke on the deficit of each component and explained the net position. Mr. Swingle asked how much of the balance is the position of the institution verses the Research & Development Corporation. Mrs. Williams stated that \$27,547,668 is the University and

\$443,731 is the Research & Development Corp. Mr. Swingle stated that as an institution, we lost \$4,216,000 unadjusted for pension obligations last year and have approximately a capital of \$27,000,000; Mrs. Williams agreed that is the net asset. Mr. Melvin Jones clarified that \$2,000,000 was in depreciation. Mrs. Williams provided a breakdown of the interest expense of 2015 and 2016; it is up \$772,000 because of there being only 6 months in 2015, which rolls into 2016 causing it to reflect a full year. Mr. Williams asked if there were any questionable findings in addition to not having the other items from the State. Mrs. Williams stated that no communication has been received indicating that there were any findings, only three proposed adjustments. Mrs. Pitchford clarified that this is an informational update and there is no need for a motion to approve the financial statements; however, the Committee was encouraged to review the updated audit and be prepared for further discussion in the future.

## **5.2 Legislative Audit Update**

Mrs. Williams spoke of her attendance at the CFO Conference where Protiviti, a third party that the HEPC has procured services to conduct audits at the state level, performed an audit and assessment and presented some information, which they will send to her. In 2017, Protiviti plans to perform an ERP assessment, a grant review, and an accreditation review; they also plan to review prior Audit Action Plan and Risk Assessment Refresh, all of which are contracted through the HEPC. On October 17, 2016, a letter from the Legislative Auditors was received requesting additional clarification on request #9 related to copies of contracts, incentives, bonuses, etc. for former President Brian O. Hemphill. A discrepancy in the data provided was addressed and, based on the correct information and calculations, it was determined that Dr. Hemphill was not eligible for a bonus he had received. On October 18, 2016, Dr. Hemphill returned the full \$7,500 bonus that he received.

## **6. Other Business**

Mr. Jones presented information regarding revenue and expenses of athletics, public safety, student union, and housing. Staff is reviewing Fiscal Years 2016 and 2015 to determine what changed. Payments from BridgeValley/KVCTC had a large impact; they continue to make payments, but at a lower rate which decreases yearly. Internal occupant rent of the student union had a slight decrease from the original bond; there was an error found in the student auxiliary fees. Supplies, utilities and the bond expense have been reviewed. A standing committee will work on rental space across the campus to ensure all space is paid for when rented. In addition, a fee committee looks at adjustments to fees to match each auxiliary account. Mr. Jones expressed that the University could greatly reduce the salary line due to the new payroll procedure that allows employees to use comp time instead of overtime pay. There is funding from Bayer CropScience for \$200,000 that has been earmarked to hire an additional officer.

## **7. Next Meeting Date**

January 26, 2017

8. **Adjournment**

With there being no further business, Mrs. Pitchford asked for a motion to adjourn the meeting. Mr. Swingle motioned to adjourn, and Mr. Williams seconded the motion. The motion passed. The meeting adjourned at 10:00 a.m.

Respectfully submitted,

Natasha Tyson  
Executive Administrative Assistant  
Business & Finance