Mr. William Smith  
UNC Board of Governors  
P. O. Box 2688  
Chapel Hill, North Carolina 27515-2688

Dear Mr. Smith:  

In accordance with the Best Financial Practices Guidelines adopted by the Board of Governors in November 2005, I confirm that the Board of Trustees (BOT) Audit Committee of “Institution Name” is in compliance with the following (any exceptions must be identified and explained in an accompanying statement):

1. Met at least four times this year.
2. Reviewed the results of the annual financial audit with the State Auditor or his designated representative.
3. Discussed the results of any other audit performed and report/management letter (i.e. information system audits, investigative audits, etc.) issued by the North Carolina Office of the State Auditor with either the State Auditor or his staff, the Director of Internal Audits or appropriate campus official.
4. For any audit finding contained within a report or management letter issued by the State Auditor, reviewed the institution’s corrective action plan and received a report once corrective action has taken place.
5. Discussed the results of any audit performed by independent auditors and, if there were audit findings, reviewed the institution’s corrective action plan and received a report once corrective action has taken place.
6. Reviewed all audits and management letters of University Associated Entities as defined in Section 600.2.5.2 [R] of the UNC Policy Manual.
7. Received quarterly or four reports from the institution’s Director of Internal Audit that, at a minimum, reported material (significant) reportable conditions, the institution’s corrective action plan for these conditions and a report once these conditions have been corrected.
8. The institution’s Director of Internal Audit reports directly to the Chancellor with a clear and recognized reporting relationship to the chair of the BOT Audit Committee.
9. Received, reviewed, and approved the annual audit plan for the internal audit department.

10. Received and reviewed an annual summary of the audits performed by the internal audit department.

11. The institution’s Director of Internal Audit forwarded copies of both the approved audit plan and the summary of internal audit results to UNCGA in the prescribed format.

_________________________________________________________________
Chair of BOT Audit Committee
Mr. William Smith  
UNC Board of Governors  
P. O. Box 2688  
Chapel Hill, North Carolina 27515-2688

Dear Mr. Smith:

As Director of Internal Audit at "Institution Name", I confirm that we are in compliance with the following (any exceptions must be identified and explained in an accompanying statement):

1. Met and updated the BOT Audit Committee at least four times this year.

2. Attended the financial audit exit conference conducted by the State Auditor or his designated representative.

3. Discussed the results of any other audit performed and report/management letter (i.e. information system audits, investigative audits, etc.) issued by the North Carolina Office of the State Auditor with either the State Auditor or his staff or appropriate campus official.

4. I report directly to the Chancellor with a clear and recognized reporting relationship to the chair of the BOT Audit Committee.

5. The audit plan was constructed with the consideration of risk and potential internal control deficiencies and included any audits outlined by the UNC General Administration (UNCGA). At this time, the only audit required by UNCGA is as follows: (1) an audit of institutional flexibility expenditures for the year and a report forwarded to the Chancellor for their review.

6. Ensured that all internal audits were planned, documented and executed in accordance with professional standards.

7. Forwarded copies of both the approved audit plan and the summary of internal audit results to UNCGA in the prescribed format and updated the BOT Audit Committee for completion.

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Director of Internal Audit