MINUTES

The University of North Carolina at Greensboro
Board of Trustees
Audit Committee
September 6, 2007
Alexander Room - EUC

Attending-Audit: Richard Moore, Randall Kaplan, William Pratt, James Smith, Gwynn Swinson

Board Members and Guests: Kate Barrett, John Bryant, Lucien Capone, Linda Carlisle, Erlene Hardie Cox, Jean Davis, Carol Disque, Betsy Ervin, Carolyn Ferree, Steve Gilliam, Stephen Hassenfelt, Beth Hens, Donna Honeycutt, Sharlene O’Neil, David Perrin, Jane B. Preyer, Steve Rhew, Yvonne Ross, Andrew Sharpe, Don Skeen, Patricia Stewart, Patricia Sullivan, Reade Taylor, Lanita Withers

Richard Moore called the meeting to order at 11:03 a.m. The minutes were approved as distributed.

ACTION ITEM

Approval of the 2007-2008 Internal Audit Plan (AUD-1)

The 2007-2008 audit plan, which is a requirement from GA begun in 2006-2007, outlines the audits that are scheduled for the next fiscal year (see Schedule A). Some of the audits listed are annual requirements. Schedule B (see handout) ranks the major potential risks and is the guideline the Internal Audit Department uses to schedule the internal audits. This year Don Skeen asked the Chancellor and Executive Staff to identify the major 1-3 risks in their areas and 1-3 risks in other areas. Based on the resources provided by the Executive staff as to the major risks, ranking mostly financial risks, the plan was developed.

Gwynn Swinson asked about the N/A listing of Emergency Notification. Mr. Skeen advised that the Internal Audit Department at UNCG is not the area that would audit such a system. Mr. Taylor reported that a committee has been created including the police, housing, environmental safety and other areas for recommendations regarding this need. A report is due in October which will include cost estimates which are necessary to prioritize our efforts. An AM radio station dedicated to UNCG has already been established as the backbone of our plan. In the future text messages and emails will alert the populace to tune into the station for comprehensive news. Radios are currently being distributed to all departments. Chancellor Sullivan also reported that we already have voice mail and email plans but are investigating quicker response and the ability to reach personnel off campus. PIER is one tool that is being investigated for communication with off-campus areas.

Don Skeen reported that the risk assessment is now a more formal process. Steve Hassenfelt observed that it would be a good source to contact the external auditors in addition for financial risk updates.
Linda Carlisle asked how many auditors were employed by UNCG. Two full-time auditors are charged with auditing our campus.

Richard Moore moved to accept the audit plan. Randall Kaplan seconded the motion and it was unanimously approved for recommendation to the full Board.

INFORMATION ITEM

Audit Review for Board of Trustees (AUD-2)

Don presented the summary of audits performed since the April 19, 2007 meeting. There were no findings in any of the reports submitted, which include:

- Contracts & Grants - compliance with University and Federal policies and procedures, (SERVE Center)
- Entertainment Expenditures - University Advancement - Compliance with University policies and procedures.
- Self-Assessment of Internal Controls - Compliance with State of North Carolina requirement of State Agencies.
- Contracts & Grants - Compliance with University and Federal policies and procedures, (NIH grant)
- Personal Identification Numbers - Compliance with University policy and NC Statute.

This last audit is still in process.

Also included for the Board’s information was a certification letter from the Audit Committee to Mr. William Smith of the UNC Board of Governors. This is a new requirement coming from Board of Governors following the creation of Audit Committees with all trustees in the UNC system. The eleven items outlined in the letter are from the charge to the committee from the Board of Governors.

There was some discussion on the level of involvement of the Audit Committee to review the University’s and affiliated entities’ audit reports submitted to the Board. One additional meeting may be called of the Audit Committee, with all other Board members invited to meet with the external auditors and have the reports submitted formally with a question period available. Randall Kaplan submitted that seeing the full report was the minimum necessary to fulfill this charge. Reade Taylor pointed out that all of the foundations have external audits annually and each of the foundations have their own audit committees that meet with the external auditors as well.

With no further business the meeting was adjourned at 11:28 a.m.

Respectfully submitted,

Donna Honeycutt