MINUTES

The University of North Carolina at Greensboro
Board of Trustees
Audit Committee

September 18, 2008

MEMBERS PRESENT: Richard Moore (Chair), Jean Davis, Stephen Hassenfelt, Randall Kaplan, William Pratt

OTHER BOARD MEMBERS/GUESTS: Rebecca Adams, Kate Barrett, Linda Brady, Lucien Capone, Linda Carlisle, James Clotfelter, Jeff Colbert, Earlene Hardie Cox, Carolyn Ferree, Steve Gilliam, Scott Millman, Sharlene O’Neil, David Perrin, Jane Preyer, Cindy Reed, Don Skeen, Patricia Stewart, Reade Taylor, Michael Tuso

PROCEEDINGS: Richard Moore called the meeting to order. The minutes of the April 10, 2008 meeting were approved as submitted.

ACTION ITEM:

Approval of the 2008-2009 Internal Audit Plan

Don Skeen provided some background information on the Internal Audit Plan. It was requested that the Chancellor and the Executive Staff identify one to three major potential risks in their areas, as well as one to three risks outside their areas. After identifying the areas of risk, they were ranked high, medium, and low. Skeen described items included in the Audit Plan, including: Weatherspoon Arts Foundation, Travel Expenditures (for Chancellor, Deans, Provost, Vice Chancellors), Compliance with Donor Terms, Intercollegiate Athletics Program (required by NCAA guidelines), University Box Office, Follow-up Resolution of Audit Findings of the Office of the State Auditor, Contracting for Services, Misuse or Theft of State Property, EAGLE (Enhancing Accountability in Government through Leadership and Education) Internal Control Testing, Contracts & Grants (Time & Effort Reporting), Clearing Accounts, Self-Assessment of Internal Controls (EAGLE).

Moore requested a motion to approve the Audit Plan for 2008-2009. Hassenfelt moved and Kaplan seconded. The motion carried unanimously.

INFORMATION ITEM:

Audit Review for Board of Trustees

Richard Moore explained that the Audit Committee activities result in his signing of the certification letters to Ms. Hannah Gage, Chair, UNC Board of Governors, dated August 31, 2008. These are submitted every year to affirm that we have followed the Board of Governors
guidelines on audit. Moore indicated that we have met all of those requirements, and he is willing to sign the letters.

Skeen commented on findings of recent audits, as follows.

There is a University policy that requires individuals who are responsible for funds within the University to review monthly fund reports. It was found that occasionally there was a lack of oversight by department heads in reviewing fund reports. It was determined that the policy of the University was not as clear as it could be, so the policy was revised accordingly and department heads were advised to adhere to the policy.

A self-assessment of internal controls was conducted as a requirement of the State of North Carolina for state agencies. This is the last year for conducting this particular self-assessment, as it has been replaced by the EAGLE program. There was one minor finding in the Student Health Center Pharmacy relative to the procedures used in conducting its inventory.

An investigative audit was performed by the State Auditor based on a hotline complaint regarding the installation of the Banner system using the services of an outside contractor. There were concerns about whether the contracting of services was properly documented. Internal Audit confirmed that the University has changed its procedures so that as of July 1 any contracting service of $5,000 or more requires a review in Purchasing.

With no further business to come before the Committee, the meeting was adjourned.