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

November 3, 2009

MEMBERS PRESENT: Jean Davis (Chair; by telephone), Steve Hassenfelt (by telephone), William Pratt, Gwynn Swinson (by telephone)

OTHER BOARD MEMBERS/GUESTS PRESENT: Kate Barrett, Linda Brady, Lucien Capone, James Clotfelter, Rollin Donelson, Steve Gilliam, Bruce Griffin, Larry Henson, Jill Hillyer, Jason Marshburn, Sharlene O’Neil, Cindy Reed, Don Skeen

PROCEEDINGS: Jean Davis called the meeting to order at 9:30 a.m. The minutes of the August 25, 2009 meeting were approved as submitted.

INFORMATION ITEMS:

Audit Review for Board of Trustees


He noted that the Internal Audit Plan Summary was also sent to the Office of Internal Audit within the Office of State Budget and Management in accordance with the North Carolina Internal Audit Act of 2007.

The Summary of Internal Audits Performed includes:

1) Weatherspoon Arts Foundation, namely the art collection of the Weatherspoon Art Museum. The objective in this review is to examine the internal control over the art collection. The art collection is recorded in the inventory system. The physical art pieces are compared with the inventory records. The audit emphasizes items with high market values ($50,000 and greater) and items that have been added in the last year. No findings were noted.

2) Travel Expenditures, limited to management level employees who are not required to obtain advance authorization. Compliance with travel policies and procedures of the university is reviewed. Two minor findings were found with respect to individuals not filing travel reports on time (typically within 10 business days of travel). Those individuals have received written reminders of the policy.

Information Systems Audit to be Conducted by Office of the State Auditor

Chair Davis commented that on a periodic basis, the Office of the State Auditor assesses the security and integrity of information technology systems of state agencies, the University of North Carolina, and community colleges. The last review of this type was completed at UNCG in December of 2004. UNCG’s next review will begin in January of 2010.
Jim Clotfelter provided an overview of attachments AUD-2a, “Summary: OSA Information Systems Audits,” and AUD-2b, “UNC General Administration Letter: UNCG IS Audit (2004).” As noted in the letter received from General Administration following the last IS audit, Mr. Clotfelter pointed out that a satisfactory audit means that UNCG is allowed to maintain its “Special Responsibility Constituent Institution” designation. He also stressed that there are always findings in an information systems audit, however they are not findings that we cannot easily address. A long list of issues have been identified that could surface in the audit, and staff members have been working to address these issues in advance.

Examples of Mitigation of Nonfinancial Risks

Don Skeen commented that at the August meeting of the Audit Committee, concerns were expressed by committee members regarding how nonfinancial risks are mitigated. As a result, Rollin Donelson, Associate Vice Chancellor for Safety and Emergency Management, was asked to provide a presentation regarding enterprise risk management beyond financial risk.

Mr. Donelson, Jason Marshburn (Emergency Manager), and Bruce Griffin (Director of the Office of Safety) presented a powerpoint entitled “Enterprise Risk Management Oversight.”

After some discussion, the committee recommended that a brief overview of today’s presentation be presented to the full board.

With no further business to come before the committee, the meeting was adjourned at 10:20 a.m..

Respectfully submitted,

Cindy Reed