MINUTES
The University of North Carolina at Greensboro
Board of Trustees
Audit Committee
March 30, 2010

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

ABSENT WITH NOTICE: Steve Hassenfelt

OTHER BOARD MEMBERS/GUESTS PRESENT: Sharlene O’Neil, Dave Perrin, Cindy Reed, Steve Serck, Don Skeen, Reade Taylor

PROCEEDINGS: Chair Jean Davis called the meeting to order at 2:00 p.m. The minutes of the November 3, 2009 and the February 2, 2010 meetings were approved as submitted.

ACTION ITEM:

Approval of the 2010-11 Internal Audit Plan

Don Skeen explained that the Internal Audit Plan has typically been approved at the first meeting of the fiscal year, however this year we are attempting to receive approval before the fiscal year begins. The primary function of internal audit is to evaluate internal controls. A risk assessment provides a framework for evaluation of internal controls. The risk assessment information is drawn from two sources. The Chancellor and executive staff were asked to identify their top one to three risks considered to be problems for achievement of objectives, both within and outside of their areas of responsibility. The second source is the EAGLE assessment program that has been put in place by the Office of the State Controller. There were no high risks identified within the EAGLE program, however there were ten medium risk financial processes identified. Of these, Gift Processing (Stock), Fixed Assets (Capital Equipment), Foundation Finance (Unitization), Cashiers Office (Student Refunding), and Purchasing – Purchase Orders/SciQuest were included in the audit plan.

The committee moved on the following action item:

1. It is recommended that the Audit Committee of the Board of Trustees of The University of North Carolina at Greensboro accept and approve the 2010-2011 Internal Audit Plan for The University of North Carolina at Greensboro as prepared by the Office of the Internal Auditor.

All approved and the motion carried. It was agreed that this item will be placed on the consent agenda for the April 15, 2010 full board meeting.

INFORMATION ITEM:

Audit Review for Board of Trustees
Chair Davis reminded committee members that this is part of an Audit Committee Charter requirement which ensures that the committee upholds its duties and responsibilities.

Don Skeen summarized the audits performed since the last Audit Committee meeting.

1) Misuse or Theft of State Property – This audit is performed every year. The objective is to ensure compliance with North Carolina statutory requirements for reporting the misuse or theft of state property to the State Bureau of Investigation. Police incident reports were reviewed from July 1, 2009 through February 20, 2010. There were no findings.

2) The Alumni Association of The University of North Carolina at Greensboro – The independent auditor had some audit findings relative to the preparation of financial statements, adjusting journal entries, and segregation of duties. As a result, UNCG conducted a review with the objective to communicate to the Chancellor and to General Administration whether satisfactory progress has been made in resolving these weaknesses. After reviewing, it is the opinion of the Office of the Internal Auditor that the Alumni Association has resolved the internal control deficiencies.

3) Purchasing Card Program – Transactions were reviewed from September through November of the current fiscal year. There were minor findings, including five monthly approval reports that were missing one of three required signatures and/or a timely date, and one purchase not exempted from NC sales tax. The exceptions identified were communicated to the PCard Compliance function which routinely monitors PCard transactions. Skeen explained that the second finding should not have been noted since the sales tax was paid on prepared food and UNCG is not exempt on prepared food. It was further explained that the five monthly approval report findings were determined through scanning of 8,000 transactions.

With no further business to come before the committee, the meeting was adjourned at 2:19 p.m..

Respectfully submitted,

Cindy Reed