COMMITTEE MEMBERS PRESENT: Jean Davis, Chair (by telephone), Randall Kaplan, William Pratt

ABSENT: Gwynn Swinson

OTHER BOARD MEMBERS/GUESTS PRESENT: Keith Ayscue, Kate Barrett, Linda Brady, Bonita Brown, Cherry Callahan, Carolyn Ferree, Bruce Griffin, Helen Hebert, Beth Hens, Jill Hillyer, Kelley Mills, Richard Moore, Dave Perrin, Cindy Reed, Steve Rhew, Susan Safran, Steve Serck, Terri Shelton, Don Skeen, David Sprinkle, Patricia Stewart, Reade Taylor

PROCEEDINGS: Chair Jean Davis called the meeting to order at 8:30 a.m. The minutes of the February 8, 2011 meeting were approved as submitted.

ACTION ITEM:

Approval of the 2011-2012 Internal Audit Plan

Director of Internal Audit Don Skeen told board members that there are two sources used for performing a risk assessment. One source, the UNCG Office of Enterprise Risk Management, works with executive leadership to identify significant risks and provides assistance in quantifying and reporting the risks. The second source, the UNCG Assessment of Internal Controls, has a financial reporting perspective. He stated that Internal Audit reviewed UNCG’s annual assessment of internal controls over financial reporting and risk assessment of significant processes related to the financial statement accounts. The most significant processes were ranked in terms of severity of risk, and that was one of the primary sources of information used to create the internal audit plan.

After discussion regarding the cycle of audits, Jean Davis suggested that Mr. Skeen bring to the next committee meeting a chart of all audits performed in the last 3-5 years.

The committee moved on the following action item:

That the Audit Committee of the Board of Trustees of The University of North Carolina at Greensboro accept and approve the 2011-2012 Internal Audit Plan as prepared by the Office of the Internal Auditor.

All approved and the motion carried.
INFORMATION ITEM:

Audit Review for Board of Trustees

Don Skeen reported that an internal audit of Contracted Services Procurement was recently completed. The objective of this examination was to evaluate the procurement of contractual services governed by the university’s purchasing authority. The scope of the review incorporated expenditure accounts where activity consists of payment to outside entities for fees and services. Transactions were restricted to disbursements during the final three months of the fiscal year ended June 30, 2010. The population of vendors was limited to those receiving single or multiple payments exceeding $5,000. There were no findings relative to the allowability or documentation of the expenditures. Eleven vendors were questioned relative to whether they should have gone through the purchasing contract management and review. It was recommended that the policies and procedures for contract management and review be clarified to determine who is exempt.

Mr. Skeen reported that one external financial audit report was completed for Gateway University Research Park, Inc. This entity is not included in the university’s basic financial statements, but it is affiliated with the university, and auditors Dixon Hughes, PLLC conducted this financial audit. There were no findings.

With no further business to come before the committee, the meeting was adjourned at 8:53 a.m.

Respectfully submitted,

Cindy Reed