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

September 18, 2012

COMMITTEE MEMBERS PRESENT: Lee McAllister (Chair), Randall Kaplan

COMMITTEE MEMBERS ABSENT: Harriett Smalls

OTHER BOARD MEMBERS/GUESTS PRESENT: Bonita Brown, Cindy Reed, Don Skeen

PROCEEDINGS: Lee McAllister called the meeting to order at 2:00 p.m. Minutes from the May 2, 2012 meeting were approved.

INFORMATION ITEM:

Audit Review

Internal Auditor Don Skeen summarized recent internal audits as follows:

1) Weatherspoon Arts Foundation – Foundation assets consist of the art collection of the Weatherspoon Art Museum (approximately $22,000,000 book value, roughly $172,000,000 market value). In accordance with generally accepted accounting principles, the art collection is blended within the University’s financial statements at book value. The objective of the audit is to review internal control over the art collection inventory. The scope of the audit is art items recorded in the inventory system as of June 30, 2012. A representative of the Office of the State Auditor participated in the audit examination. There were no audit findings.

2) Travel Expenditures: The objective of this audit is to review travel expenditures of management level employees (not required to obtain advance authorization) for compliance with travel policies and procedures of the University. The examination included travel expenditures of the Chancellor, Provost, Vice Chancellors, Associate Provosts, Deans and others during the 2011-2012 fiscal year. There were minor findings regarding the timeliness of filing travel reports (not within ten business days of date of return). Three individuals received a written reminder from the Office of the Chancellor.

Mr. Skeen summarized external audits as follows:

1) SERVE, Inc. (affiliated entity excluded from the University’s basic financial statements) – The audit was conducted by Bernard Robinson & Company, LLP for the fiscal year ended November 30, 2011. The independent auditor’s report expressed the opinion that the financial statements were presented fairly, and the letter to the board of directors communicated no significant audit findings.
Mr. Skeen then provided an overview of documents (AUD-1c and AUD-1d) provided to General Administration. Attachment AUD-1c, “Internal Audit Plan Summary, Year Ending June 30, 2013,” outlines objectives for the current fiscal year. Attachment AUD-1d, “Internal Audit Plan Summary, Year Ending June 30, 2012,” summarizes results of the prior fiscal year. Two certification letters addressed to the chair of the Board of Governors list the responsibilities of the Audit Committee and the Internal Auditor, respectively, and certify compliance with the Best Financial Practices Guidelines adopted by the Board of Governors.

With no further business to come before the committee, the meeting was adjourned at 2:14 p.m.

Respectfully submitted,

Cindy Reed