MINUTES
The University of North Carolina at Greensboro
Board of Trustees
Audit Committee
March 5, 2013

COMMITTEE MEMBERS PRESENT: Randall Kaplan (by telephone), Susan Safran, Harriett Smalls

COMMITTEE MEMBERS ABSENT: Lee McAllister

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

PROCEEDINGS: In the absence of committee chair Lee McAllister, Harriett Smalls called the meeting to order at 2:03 p.m. Minutes from the September 18, 2012 and the December 4, 2012 committee meetings were approved.

INFORMATION ITEMS:

Summary of Internal Audits Performed

Internal Auditor Don Skeen summarized recent internal audit activities as follows:

1) Intercollegiate Athletics Program – There are two basic NCAA requirements for reporting financial data. One requires an agreed-upon procedures report regarding revenues, expenses and capital expenditures be submitted to the Chancellor. The other requires online reporting of financial data to the NCAA. As the NCAA does not consider the internal auditor to be independent, the objective of internal audit is to assist the external auditor, McGladrey & Pullen, CPAs, with completion of an agreed-upon procedures report in accordance with financial reporting legislation of the NCAA. The scope of the agreed-upon procedures encompassed the Intercollegiate Athletics Program activities of fiscal year ended June 30, 2012. The agreed-upon procedures report is not a financial statement audit, but outlines specific audit procedures performed and the related audit findings based upon NCAA guidelines. The report serves as an independent review of the accuracy and completeness of the financial data prior to submission to the Chancellor. The Chancellor certifies the online reporting of financial data prior to submission to the NCAA. There were no audit findings.

2) Life Income Funds (Foundation Finance) – The objective of the audit is to perform a review of the life income funds process used to record planned gifts to The UNCG Excellence Foundation. The scope of the audit incorporated the gifts received via planned giving during the fiscal year ended June 30, 2012. There were no audit findings.

Quality Assurance Review

Mr. Skeen told committee members that a quality assurance review is required for the internal audit function of state agencies. He explained that the requirement was established in 2007 by
the North Carolina Internal Audit Act in accordance with professional standards. According to Standards for the Professional Practice of Internal Auditing issued by the Institute for Internal Auditors, the quality assurance and improvement standard includes an external assessment at least once every five years by a qualified, independent reviewer. One of the duties of the Council of Internal Auditing is to administer an independent peer review system for each State agency’s internal audit activity. UNCG’s internal audit plan for fiscal year 2014 will include the peer review. A self-assessment will precede an external review in order to prepare. Our tentative goal is to have the peer review completed by December 31, 2013.

With no further business to come before the committee, the meeting was adjourned at 2:20 p.m.

Respectfully submitted,

[Signature]

Cindy Reed