MINUTES

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

May 2, 2012

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

OTHER BOARD MEMBERS/GUESTS PRESENT: Kate Barrett, Charles Blackmon, Linda Brady, Bonita Brown, Cherry Callahan, Edna Chun, Jim Clotfelter, Carolyn Ferree, Helen Hebert, Jill Hillyer, Benita Peace, Dave Perrin, Judy Piper, Kim Record, Cindy Reed, Terry Riocci, Susan Safran, Steve Serck, Terri Shelton, Don Skeen, David Sprinkle, Mike Tarrant, Reade Taylor, Martin Weissburg

PROCEEDINGS: Lee McAllister called the meeting to order at 1:25 p.m. Minutes from the February 15, 2012 meeting were approved.

ACTION ITEM:

Approval of the 2012-2013 Internal Audit Plan

Internal Auditor Don Skeen began by reminding committee members that the primary function of internal audit is the evaluation of internal controls, which helps to ensure objectives such as reliability of financial reporting, compliance with applicable laws and regulations, and effectiveness and efficiency of operations. He added that risk assessment provides a planning framework for the evaluation of internal controls. Internal audit obtains risk information from two sources: 1) UNCG’s Office of Enterprise Risk Management (broad perspective); and 2) UNCG’s annual Assessment of Internal Controls (financial reporting perspective). Enterprise Risk Management enlists the executive staff to identify significant risks, and internal audit reviews the current risk register. The Assessment of Internal Controls over Financial Reporting provides internal audit an overview of finance-related controls. Internal audit also reviews the related financial statement account/caption risk assessment conducted by Business Affairs. Skeen mentioned that the Weatherspoon Arts Foundation and Intercollegiate Athletics are examples of annual reviews included in the internal audit plan.

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 2012-2013 Internal Audit Plan as prepared by the Office of Internal Audit.

All approved and the motion carried. It was decided that the item will be placed on the consent agenda for the full board meeting tomorrow.
INFORMATION ITEM:

Audit Review

Don Skeen summarized recent internal audits as follows:

1) Purchasing Card Program – The objective of this audit was to test compliance with the established internal control policies and procedures of the university’s purchasing card program. All September 2011 purchasing card transactions were scanned to identify possible instances of noncompliance, and a sample of individual transactions were selected for detailed examination. There were minor findings. Three purchasing card transaction approval reports were missing the required approval signatures, although the sample purchasing card transactions associated with those reports were allowable expenditures that were supported by proper documentation. Card coordinators were provided written communication to remind them of their responsibilities regarding approval reports. In addition, a reminder statement on the subject was incorporated into the routine monthly email that is sent to all card coordinators in advance of their reconciliation deadline.

2) Investment Fund Unitization Process: The objective of this review was to perform an assessment of the unitization process used to allocate ownership of The University of North Carolina at Greensboro Investment Fund. The examination encompassed the Investment Fund market ledgers and associated supporting records and was limited to participant activity in the Investment Fund during the three month period from November 2010 through January 2011. No exceptions were identified.

With no further business to come before the committee, the meeting was adjourned at 1:35 p.m.

Respectfully submitted,

Cindy Reed