MINUTES
The University of North Carolina at Greensboro
Board of Trustees
Audit Committee
February 18, 2014

COMMITTEE MEMBERS PARTICIPATING BY TELEPHONE: Randall Kaplan, Lee McAllister (chair), Ward Russell, Harriett Smalls

OTHERS PRESENT: Bonita Brown, Kathy Fair, Cindy Reed, Don Skeen, Laura Young

PROCEEDINGS: Committee chair Lee McAllister called the meeting to order at 9:00 a.m. Minutes from the December 4, 2013 committee meeting were approved.

INFORMATION ITEMS:
Internal Auditor Don Skeen summarized recent internal and external audit activities as follows:

Summary of Internal Audits Performed

Intercollegiate Athletics Program – NCAA Agreed-Upon Procedures – NCAA member institutions have two basic NCAA requirements for reporting financial data. One requires an agreed-upon procedures report regarding all revenues, expenses and capital expenditures for or on behalf of the intercollegiate athletics program be submitted to the chief executive officer (Chancellor). The other requires online reporting of financial data to the NCAA. This is an annual requirement for Division I programs. The agreed-upon procedures report must be prepared by a qualified independent accountant who is not a staff member of the institution. The objective of the audit is to assist the external auditor, McGladrey, LLP, with completion of an agreed-upon procedures report in accordance with financial reporting legislation of the NCAA. The scope of the audit is Intercollegiate Athletics Program activities of fiscal year ended June 30, 2013. 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 information provided the Chancellor and the NCAA is required to be completed by January 15 following the end of the fiscal year. The primary purpose of the agreed-upon procedures report is to ensure that the Chancellor is aware of athletics financial activity. This audit produced no reportable findings.

Misuse or Theft of State Property – The objective of this audit is to ensure compliance with North Carolina statutory requirements for reporting the misuse or theft of state property to the State Bureau of Investigation. The scope of the review is police incident reports submitted to the UNCG Department of Public Safety & Police from July 1, 2013 through December 31, 2013. There were no reportable audit findings.

Summary of External Audits Performed

The Alumni Association of the University of North Carolina at Greensboro – This was a financial statement audit for the fiscal year ended June 30, 2013. The independent audit was
conducted by Dixon Hughes Goodman, LLP. There were no audit findings in the report dated November 21, 2013.

Following Mr. Skeen’s report, Laura Young, associate vice chancellor for administrative systems, provided an overview of Information Technology Services’ involvement in state audits. There are two types of audits in which ITS participates. One is the full information system audits. Due to the broad, expanded scope of these audits each time they are performed, Ms. Young said that we typically expect there to be findings. These audits are not frequent; the last one at UNCG was in 2004. The second type of audit is the information systems component of the annual financial audit. Ms. Young added that ITS has an annual audit plan to ensure the operations are effective and we are prepared for the financial audit. ITS also does a review of audits of other institutions and state agencies in order to proactively prepare for our own audits.

With no further business to come before the committee, the meeting was adjourned at 9:19 a.m.

Respectfully submitted,

[Signature]

Cindy Reed