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

April 30, 2013

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

COMMITTEE MEMBERS ABSENT: Susan Safran

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

PROCEEDINGS: Committee chair Lee McAllister called the meeting to order at 2:02 p.m. Minutes from the March 5, 2013 committee meeting were approved.

ACTION ITEMS:

Approval of the 2013-2014 Internal Audit Plan

Internal Auditor Don Skeen began by telling 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 the effectiveness and efficiency of operations. He explained that in creating the internal audit plan, risk assessment provides a planning framework for the evaluation of internal controls and internal audit obtained risk information from primarily two sources: 1) UNCG’s Office of Enterprise Risk Management; and 2) UNCG’s annual Assessment of Internal Controls. Enterprise Risk Management enlists the executive staff to identify significant risks. The broad risk areas considered are strategic, financial, operational, compliance, and hazard risks. Our internal audit puts an emphasis on financial and compliance risks although all of the areas are linked.

Mr. Skeen said that the primary input used to create the internal audit plan is the assessment of internal controls over financial reporting that provides an overview of finance-related controls. The assessment is provided annually to the Office of the State Controller. It covers five components: 1) Control environment; 2) Risk assessment; 3) Control activities; 4) Information and communication; and 5) Monitoring. Skeen added that Internal Audit also reviews the related financial statement account/caption risk assessment conducted by Business Affairs.

In addition to the risk assessment, the internal audit plan includes annual reviews such as the Weatherspoon Arts Foundation and Intercollegiate Athletics. An assignment included in the internal audit plan this year that is not typically included is the quality assurance review of the internal audit function to comply with professional standards.

Committee members then 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 2013-2014 Internal Audit Plan as prepared by the Office of the Internal Auditor.

All approved and the motion carried.

INFORMATION ITEMS:

Summary of Internal Audits Performed

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

Purchasing—Purchase Orders – The objective of the internal audit review was to review the purchase of goods and services via the purchase order process to determine that transactions were properly authorized, documented, and recorded. The scope of the examination was limited to purchases above $2,500 (purchasing card limit) during the month of September 2012. Expenditures for travel and contracted services were excluded from the review to avoid duplication of recent internal audit efforts focused on those expenditures. There were no audit findings.

With no further business to come before the committee, the meeting was adjourned at 2:15 p.m.

Respectfully submitted,

Cindy Reed