MINUTES
The University of North Carolina at Greensboro
Board of Trustees
Audit Committee
August 27, 2013

COMMITTEE MEMBERS PRESENT: Randall Kaplan, Lee McAllister, Ward Russell (all by telephone)

COMMITTEE MEMBERS ABSENT: Harriett Smalls

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

PROCEEDINGS: Committee chair Lee McAllister called the meeting to order at 9:02 a.m. Minutes from the April 30, 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

Weatherspoon Arts Foundation – Foundation assets consist of the art collection of the Weatherspoon Art Museum. In accordance with generally accepted accounting principles, the art collection is blended within the University’s financial statements at book value. The objective was to review internal control over the art collection inventory. The scope of the examination was restricted to the art items recorded in the inventory system as of June 30, 2013.

Art objects were selected for physical observation, with emphasis on those of significant market value. Items representing 3% of units, but 43% of book value were physically located and compared to inventory records. Test items included art selected without regard to value, via random sampling. Documentation of current year acquisition values was also reviewed. A representative of the Office of the State Auditor participated in the audit examination, due to their responsibility for conducting the financial statement audit of the University. There were no audit findings.

Travel Expenditures – The objective was to review travel expenditures of management level employees (not required to obtain advance authorization) for compliance with travel policies and procedures of the University. Expenditures were examined of the Chancellor, Provost, Vice Chancellors, Associate Provosts, Deans and others during the 2012-2013 fiscal year. There were minor findings regarding the timeliness of filing travel reports (not within ten business days of date of return). Each individual received a written reminder from the Office of the Chancellor.
Summary of External Audits Performed

SERVE, Inc. – This is an affiliated entity excluded from the University’s basic financial statements. The audit review was conducted by Bernard Robinson & Company, LLP for fiscal year ended November 30, 2012. The auditor’s report expressed the opinion that the financial statements were presented fairly. The letter to the board of directors communicated no significant 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, 2014,” outlines objectives for the current fiscal year. Attachment AUD-1d, “Internal Audit Plan Summary, Year Ending June 30, 2013,” summarizes results of the prior fiscal year. Two certification letters (AUD-1e and AUD-1f) 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 9:13 a.m.

Respectfully submitted,

[Signature]

Cindy Reed