MINUTES

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

December 4, 2013

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

OTHER BOARD MEMBERS/GUESTS PRESENT: Bonita Brown, Kathy Fair, Cindy Reed

PROCEEDINGS: Committee chair Lee McAllister called the meeting to order at 9:02 a.m. Minutes from the August 27, 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

Departmental Deposits – The objective was to review departmental deposits relative to the timeliness of deposits and the adequacy of supporting documentation. University policy and state statute require that monies received by the University be deposited by the next business day with the Cashier’s Office. Documents supporting the deposits should describe the source and nature of the deposited funds to ensure proper accounting. The scope of the review was the departmental deposits of checks and cash received by the Cashier’s Office from January through June of the fiscal year ended June 30, 2013. The audit resulted in minor findings. In the sample of departmental deposits reviewed there were five exceptions relative to timeliness, including three items deposited within two business days and two items deposited within four business days after received. Resolution of the findings is pending feedback from the departments. Once feedback is received, written reminders of the daily deposit policy will be sent from the Cashier’s Office to the appropriate departments.

Summary of External Audits Performed

UNCG Financial Statement Audit for Year Ended June 30, 2013 – The report of the North Carolina Office of the State Auditor was dated November 21, 2013. The exit conference was held November 25, 2013, and the report was released on the state auditor’s website the next day. There were no reportable findings. The Office of the State Auditor provides three items relative to the financial statement audit, the primary one being the Independent Auditor’s Report which states an opinion on whether the financial statements are fairly stated and free from material misstatement. A second report is on internal control and compliance. The purpose of this report is solely to describe the evaluation of internal control and compliance with laws, regulations, agreements, etc. and to identify any deficiencies. The report does not provide an opinion on the effectiveness of the University’s
internal control or on compliance. The third item is a letter to the UNCG Board of Trustees which is in the process of being completed. The letter includes information regarding any significant accounting estimates, any difficulties encountered in performing the audit, any corrected misstatements or disagreement with management, and information about management consultation with other accountants. Mr. Skeen said that he does not think anything will be reported to the Board of Trustees relative to these items.

**University Endowment and Foundation Audits / Financial Reports for Year Ended June 30, 2013** – This represents entities that are included in the University’s basic financial statements. Audits included The UNCG Excellence Foundation, Inc., The Endowment Fund of UNCG, The UNCG Investment Fund, Inc., The UNCG Human Environmental Sciences Foundation, Inc., the Weatherspoon Art Museum Association, and the Capital Facilities Foundation, Inc. Audits were conducted by McGladrey & Pullen LLP. All audit reports were issued with no reportable findings.

**Gateway University Research Park, Inc. / Financial Report for Year Ended June 30, 2013** – This entity is associated with the University but it is not included in the basic financial statements. The audit was conducted by Dixon Hughes Goodman LLP. There were no findings.

Following Mr. Skeen’s report, committee members asked for clarification on the responsibility of UNCG’s Board of Trustees relative to the Gateway University Research Park audit given that Gateway is a collaboration between UNCG and NCA&T. Since it is unclear about follow-up procedures in the case of an audit finding, Chief of Staff Bonita Brown agreed to check into it further and report back to the committee.

With no further business to come before the committee, the meeting was adjourned at 9:16 a.m.

Respectfully submitted,

Cindy Reed