Russell called the meeting to order at 9:27 a.m.

Russell reminded the Committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and advised that any conflict of interest or appearance thereof with respect to any matter before the Board or the Committee needed to be raised at that time. None were identified.

Quorum was confirmed through roll call. The minutes of the May and September meetings were presented for approval and passed.

**Discussion Items:**

Skeen presented the following items for discussion:

**Internal Audits Performed**

- Contracted Services Procurement: The objective of this audit is to evaluate the procurement of contractual services governed by the University’s purchasing authority, with emphasis on compliance with the written policies and procedures relative to contract management, review, and processing. The audit incorporated the University expenditure accounts where activity consisted of payments to outside entities for fees and services. Transactions were summarized by vendor to identify payments of $2,500 or more. A sample of vendors/payments was examined for the period from July 1, 2015 - April 30, 2016. It was found that disbursements to the vendors selected for audit were allowable expenditures; however, exceptions were noted relative to compliance with policies and procedures governing contractual services documentation. Six departments were identified, exceptions included: not requisitioned through Purchasing, no written contract, no independent contractor checklist and questionnaire, no sole source of documentation. To resolve the findings, Purchasing was consulted and exceptions were communicated to departments identified.

**External Audits Performed**

- Financial statement audits of the University’s Endowment and the separate legal entities affiliated with the University are communicated to the Boards and Audit Committees of those entities. The Audit Committee Charter (2006) of UNCG outlines duties and responsibilities, including the review of all audits and management letters of University-Associated Entities as defined (2005) in the UNC (system) Policy Manual. UNC Policy Manual: An “Associated Entity” means any foundation, association, corporation, LLC, partnership or other non-profit that was established by officers of the University, that is controlled by the University, that raises funds in the name of the University, that has a primary purpose of providing services or conducting activities in furtherance of the University’s mission pursuant to an agreement with the University, or that has a tax
exempt status that is based on being a support organization for the University.

- Financial statement audits of the entities included in the University’s basic financial statements (University’s Endowment & the University’s Affiliated Entities) for the fiscal year ended June 30, 2016. The financial statements of these entities are blended in the University’s financial statements because their directors are appointed by the UNCG Board of Trustees and their sole purpose is to benefit UNCG: The UNCG Investment Fund, Inc., The Endowment Fund of UNCG, The UNCG Excellence Foundation, Inc., and The UNCG Human Environmental Sciences Foundation, Inc. Independent auditor’s (Bernard Robinson & Co., LLP) report for each of these entities, issued September 22, 2016, expressed the opinion that the financial statements were presented fairly, in all material respects. Independent auditor’s (management) letter to the Boards of each entity reported no significant audit findings. An independent auditor’s report on internal control and compliance was provided to the Board of The Endowment Fund of UNCG as required by governmental auditing standards (no deficiencies were identified).

- Financial statement audits of entities excluded from the University’s basic financial statement for the fiscal year ended June 30, 2016 – The Alumni Association of the University of North Carolina at Greensboro. Independent auditor’s report (Duncan Ashe, P.A.), issued November 9, 2016, expressed the opinion that the financial statements were presented fairly, in all material respects. Independent auditor’s letters to the Board reported no significant audit findings and identified no weaknesses in internal control.

Maimone presented the following item for discussion:

**Risk Management and Compliance Update:** On September 23, 2016, the Board of Trustees adopted the resolution to change the name of the Audit Committee to the Committee on Audit, Risk Management and Compliance (ARMC). The ARMC is responsible for overseeing the audit, risk management and compliance functions for the university.

The University’s safety and security-related risks and compliance operations involve several offices across campus: Emergency Management, Police Department, Facilities, and the Office of Research and Economic Development. The Safety and Security Steering Committee was created and charged with “serving as the central coordinating mechanism for all University committees concerned with aspects of safety and security, especially with respect to both public safety and environmental health and safety matters.” It is the goal of this committee to produce a prioritized master list of safety and security items including recommendations for physical improvements, policy changes, and resource allocations.

Several subcommittees were formed with specific tasks:

- Safety and Security Subcommittee - receive information and generate recommendations on matters related to public safety and security, prioritizing through risk assessment models
- Environmental Health and Safety Subcommittee - receive information and generate recommendations on matters related to environmental health and safety, prioritizing through risk assessment models
- Safety and Scientific Research Subcommittee - advise the Office of Environmental Health and Safety and the Office of Research and Economic Development in developing and administering policies and procedures to assist the scientific research enterprise.
With no further business for the committee, Russell moved to adjourn and Priddy seconded. All approved and the meeting adjourned at 10:19 a.m.

Respectfully submitted,

Shannon Bennett
Associate Chief of Staff and Board Liaison