

AUDIT COMMITTEE OF THE BOARD OF TRUSTEES

North Carolina Agricultural and Technical State University
Greensboro, NC

April 17, 2015

MINUTES

The Audit Committee of the Board of Trustees convened on Friday, April 17, 2015 at 12:05 pm in the Alumni-Foundation Event Center, Executive Boardroom. Mrs. Pamela McCorkle Buncum called the meeting to order.

Roll Call revealed the following:

Present: Mrs. Pamela McCorkle Buncum, Chair
 Mr. Spence Broadhurst
 Mrs. Karen Collins
 Mr. William Dudley
 Ms. Laura Meagher
 Dr. Bertram Walls

Others Present: Mrs. LaShonna Frederick, Interim Internal Audit Director
 Mrs. Carolyn Morrison, Recorder, Internal Audit
 Mr. Robert Pompey, Jr., VC for Business & Finance
 Dr. Charles Waldrup, General Counsel

A motion for the approval of the open session minutes of the last meeting held February 13, 2015 was offered by Mr. William Dudley and seconded by Dr. Bertram Walls. The motion was unanimously carried and the minutes were approved.

The open session and closed session activity reports were provided to the committee members prior to the meeting. These reports were broken down by scheduled and unscheduled audits. Mrs. Frederick discussed the open session activity report. The reporting period was February 1, 2015 to April 10, 2015.

Scheduled Audits

There was one scheduled audit completed since the last committee meeting.

FY 2014-15 3rd Quarter Surprise Cash Counts

There were no audit issues.

Unscheduled Audits

There was one unscheduled audit completed since the last committee meeting.

Irregular Fuel Transaction Patterns in a University Department

An employee noticed excessive fuel dispensed for a vehicle and piece of equipment. The employee notified his supervisor and controls were implemented to address the problem. The OIA was contacted after the problem was announced to the department and new controls put into place. The OIA was unable to determine the person responsible for dispensing the excessive fuel. Mrs. Buncum asked would the OIA go back at some point and time and follow-up to make sure that the procedures are still in place. Mrs. Frederick responded that we would perform a follow-up to ensure that the controls are still active.

There were no additional questions or comments. Mr. Charles Waldrup read the language for closed session in accordance with N.C.G.S. 143-318.11 a (1). Mrs. Karen Collins made the motion to go into Closed Session. It was seconded by Ms. Laura Meagher.

There were four scheduled and five unscheduled audits in process listed for the period. These audits, which were in various stages, were discussed in Closed Session.

Following the discussion, Mrs. Karen Collins made the motion to resume Open Session. It was seconded by Mr. William Dudley and unanimously carried.

Enterprise Risk Management

In Open Session, Mr. Waldrup gave an update on the University's Enterprise Risk Management (ERM) process. A committee of cabinet members and eight knowledgeable others around the university was established. The plan is to have a consultant come to campus and review the risks that the divisions have come up with. Ms. Meagher stated that the Audit Committee would like to know what was considered and why the ERM Committee decided to prioritize what was prioritized. With a limited number of resources, the low hanging fruit may be easier to go after. The ERM Committee will have to understand the methodology for prioritizing those risks. Mr. Waldrup stated that he did a heat map that displayed frequency and severity. Mr. Dudley asked whether the timeframe for bringing in a consultant was appropriate. Will it work? Mr. Waldrup stated that they would target June 2015, but we also want to make sure that we get a great consultant – someone with actual experience, not just theoretical knowledge. The ERM Committee will try to meet in such a way that updates could be provided during the scheduled Audit Committee meetings.

Mrs. Buncum told the Audit Committee that because of the discussion around Enterprise Risk Management in the Executive Committee meeting, she asked Mrs. Frederick to provide copies of the Audit Committee charter to the Committee. Ms. Meagher stated that since we have the charter, the Audit Committee needs a work plan. The charter sets forth what the Committee should be doing. There should be a work plan at every scheduled meeting. The work plan will show what the Committee needs to accomplish. Mr. Spence Broadhurst added that getting the Audit Committee organized and a creating a charter was the first step. It was not taken to step two. Ms. Meagher stated that she had an audit committee work plan that could be used to create a model for this committee.

Other Business

Internal Audit Director Search Update

The Search Committee will meet the upcoming week to select the top candidate. The Search Committee will forward its recommendation to the Chancellor.

Last Meeting for Some Audit Committee Members

This Audit Committee meeting is the last meeting for Board of Trustees' members Mr. Broadhurst, Mrs. Buncum, and Mrs. Collins. Each member gave remarks about their time served on the Committee. Mr. Pompey also gave remarks and thanked them for their years of service. Mrs. Frederick made final remarks on behalf of the Office of Internal Auditing.

With no further business, Ms. Meagher made a motion to adjourn the meeting. It was seconded by Mrs. Collins. The meeting adjourned at 12:50 pm.

Recorded by:

Carolyn Morrison