

RISK MANAGEMENT, AUDIT & COMPLIANCE COMMITTEE OF THE BOARD OF TRUSTEES
North Carolina Agricultural and Technical State University
Greensboro, NC

February 19, 2016

MINUTES

The Risk Management, Audit & Compliance Committee of the Board of Trustees convened on Friday, February 19, 2016 at 11:00 am in the Alumni-Foundation Event Center, Executive Board Room. Ms. Laura Meagher called the meeting to order.

Roll Call revealed the following:

Present: Mr. William Dudley
 Ms. Venessa Harrison
 Ms. Laura Meagher, Chair

Absent: Ms. Donna James

Others Present: Ms. Angela Ealey, Internal Audit Director
 Ms. LaShonna Frederick, Recorder
 Ms. Kathy Murphy, Deputy General Counsel
 Ms. Nicole Pride, Chief of Staff
 Ms. Priscilla Siddle, Office of the State Auditor
 Dr. Charles Waldrup, General Counsel
 Dr. Bertram Walls, Chair, Board of Trustees

A motion for the approval of the open session minutes of the last meeting held November 20, 2015 was offered by Mr. William Dudley and seconded by Ms. Venessa Harrison. The motion was unanimously carried and the minutes were approved.

Ms. Priscilla Siddle, Audit Supervisor for the Office of the State Auditor (OSA), presented the North Carolina A&T State University financial statement audit report for fiscal year ending June 30, 2015 to the committee. There were no reportable findings in regard to the financial statement audit. Ms. Siddle told the committee that at the conclusion of the audit, the OSA issued a governance letter addressed to the Chairperson of the Risk Management, Audit & Compliance Committee. This letter identified the results of the financial statement audit, which had no findings. There were no questions or comments, so Ms. Siddle excused herself from the meeting.

Ms. Meagher yielded the meeting to Ms. Angela Ealey.

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. Ms. Ealey

discussed the open session activity report. The reporting period was November 1, 2015 to February 15, 2016.

There were five audits completed since the last committee meeting.

Scheduled Audits

There were four scheduled audits completed since the last committee meeting.

FY 2015-16 2nd Quarter Surprise Cash Counts

We performed counts in the Graduate Admissions Office, University Ticket Office, and Student Health Center. There were no deficiencies noted.

FY 2015-16 Treasurer's Office Cash Handling Procedures

In an effort to reduce the number of cash counts performed on campus, the OIA reviewed internal controls over cash handling procedures in the Treasurer's Office. The existing controls in place were adequate to safeguard assets. We did not find any needed improvements.

Aggie-Mart E-Procurement System Review

Aggie-Mart allows the university to purchase supplies and services. There were audit issues and recommendations made for this system review. The OIA recommended that policies and procedures be strengthened, authorized access request forms be completed, and access removal for users no longer needing access be completed in a timely manner.

Follow-Up: 2009 Security Breach-2013 Review

All three issues in the follow-up audit report have been resolved.

Unscheduled Audits

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

Verification of Salary Payout Schedule

This was an unscheduled review. The Division of Human Resources (HR) was notified by an Interim Senior Manager that employees were not fully compensated for hours worked. The Department's Payroll Coordinator was adjusting hours worked down to the scheduled hours. HR reviewed timesheets and prepared a payout schedule. The role of the OIA was to verify the payout schedule. We sampled for accuracy and completeness.

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) to prevent the disclosure of information that is privileged and confidential. Mr. Dudley made the motion to go into Closed Session. It was seconded by Ms. Harrison.

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

Following the discussion, Ms. Harrison made the motion to resume Open Session. It was seconded by Mr. Dudley.

After returning to open session, Ms. Harrison made a motion to accept the OSA Financial Statement Audit Report for fiscal year ending June 30, 2015, which was discussed in the beginning of the meeting. It was seconded by Mr. Dudley.

Enterprise Risk Management Update

Ms. Nicole Pride provided an update to the committee members on Enterprise Risk Management. She told the committee that Senior Administrators have identified and ranked several risks to the university. Owners of those risks have been identified and tasked with performing an analysis on their risks and presenting to the cabinet. A full report of those risks will be presented at the Board of Trustees' Retreat this summer. After Ms. Pride discussed the risk categories, Ms. Meagher added that Retention should be a part of the Faculty/Staff Recruitment category. Ms. Pride agreed and stated that she would make that change. Mr. Dudley commented that he would like to see a scenario of one of the risks played out. Ms. Pride stated that there will be another presentation at the Board of Trustees' Retreat that will include an executive summary of all of the plans. She will use one of the plans to walk through a scenario.

There were no other questions and comments.

Other Business

Ms. Ealey told the committee that the OIA has a vacant position. The Information Technology Auditor left in January of this year. This may have an impact on the completion of audit work.

With no further business, Mr. Dudley made a motion to adjourn the meeting. It was seconded by Ms. Harrison. The meeting adjourned at 11:36 am.

Recorded by:

LaShonna Frederick