

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

November 18, 2016

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**MINUTES**

The Risk Management, Audit & Compliance Committee of the Board of Trustees convened on Friday, November 18, 2016 at 12:05 pm in the Alumni-Foundation Event Center, Executive Board Room. Ms. Laura Meagher called the meeting to order.

Roll Call revealed the following:

Present:	Ms. Laura Meagher, Chair Mr. William Dudley
Absent:	Ms. Donna James Ms. Venessa Harrison
Others Present:	Ms. Angela Ealey, Internal Audit Director Ms. LaShonna Frederick, Recorder Dr. Ericka N. Smith, Vice Chancellor for Human Resources Dr. Charles Waldrup, General Counsel

Chairwoman Laura Meagher acknowledged the absence of a quorum for today's meeting. Hence, the approval of the open session minutes for the last meeting held September 16, 2016 was tabled to the next scheduled meeting on February 17, 2017.

**Risk Management Update**

Dr. Charles Waldrup provided the committee with a Risk Management update. Dr. Waldrup told the committee that cabinet members were assigned the responsibility of major areas of focus such as: Revenue Generation, Campus Safety, Faculty/Staff Recruitment, Information Security, Enrollment Management, Emergency Preparedness, and Compliance. Cabinet members began with the strategic objective setting and moved forward to risk identification. They are currently in the risk assessment phase of the process.

Dr. Waldrup added that the cabinet members are to complete a responsible plan for each of their assigned risk(s). These plans are to be presented to the cabinet at least weekly or every other week so that feedback can be provided and incorporated into the response plan. Any impediments will be addressed at this time. The next steps are to document the risk response plans, ensure that controls are in place, monitor and communicate risk information, and survey organizational risk for FY 2017-18. The survey will be completed at the summer cabinet retreat.

Ms. Meagher commented that it would be helpful if the university's key strategic objectives remain in the risk management presentation as the pillars. This will assure the committee that the risks that have been identified here continue to be the correct risks to the accomplishment of those strategic objectives. Ms. Meagher added that it was the committee's duty to make sure that the university is making progress toward the strategic objectives. Dr. Waldrup made a note of the suggestion and will forward it on to Ms. Nicole Pride. Mr. Dudley asked whether there was a timeline for completing this cycle. Dr. Waldrup responded that Ms. Pride wanted the project completed by June.

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 September 1, 2016 to October 31, 2016. There were two audits completed since the last committee meeting.

#### **Scheduled Audits**

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

#### **Follow-up Audit: Irregular Fuel Transaction Patterns in a University Department**

This follow-up audit was performed to determine whether the department's corrective action plan was implemented. Management had made some progress but the opportunity for improvement still exists.

#### **Unscheduled Audits**

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

#### **Allegation of Wrongdoing in a University Department**

This unscheduled audit was performed to investigate allegations of fraud, a department not submitting pertinent transactions to a provider, inconsistent rates in the system, and employee misconduct. Allegations of fraud and inconsistent rates in the system did not have merit. Allegations that the department did not submit pertinent transactions and employee misconduct did have merit. Management has taken action to address the allegations that did have merit.

There were no questions or comments.

The committee could not enter into closed session due to the lack of a quorum. There was one pressing issue that needed to be discussed in closed session. It was decided that the issue would be presented at today's full board closed session meeting.

With no further business, the meeting ended at 12:23 pm.

Recorded by:

*LaShonna Frederick*