

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

September 15, 2017

MINUTES

The Risk Management, Audit & Compliance Committee of the Board of Trustees convened on Friday, September 15, 2017 at 12:01 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, Chairperson
Ms. Venessa Harrison
Ms. Donna James
Mr. Paul Jones

Others Present: Ms. Angela Ealey, Internal Audit Director
Ms. LaShonna Frederick, Recorder
Dr. Beryl McEwen, Interim Provost & VC/Academic Affairs
Ms. Nicole Pride, Chief of Staff
Dr. Charles Waldrup, General Counsel

A motion for the approval of the open session minutes of the meeting held April 28, 2017 was offered by Ms. Venessa Harrison and seconded by Ms. Donna James. The motion was unanimously carried and the minutes were approved.

Risk Management Update

Ms. Nicole Pride provided the Committee with a risk management update. Ms. Pride stated that the bowtie analysis had been completed and each cabinet member had presented their risk management plans. Later this month, the Executive Director of the Enterprise Risk Management Initiative at North Carolina State University will conduct a workshop for all of the cabinet members. The goal is to go back through this process again and conduct another survey. Risks may have shifted over the last year and we need to determine whether the risks that have been identified are still priority. We have to take a look at the university's accelerated level of growth and think about our services. How do we ensure not having really long lines in the dining hall? We have to think about how to accelerate our plan for upgrades to campus facilities. The university has grown at a significant rate and retention was great this year. We have done all of this without a student center. This risk process is ongoing. We are going to do the workshop, conduct another survey, identify and rank the risk as we did before. We will bring those back to the Board.

FY 2017-18 Audit Plan

Ms. Angela Ealey, Internal Audit Director, presented the FY 2017-18 Audit Plan to the committee members. The audit plan, which was emailed to the committee members in advance, contained some carryover items from last year. Ms. James wanted to know which audits were the carryovers from the previous year and if there were any carryover items a second time. Ms. Ealey discussed the audits that were carryovers and responded that there is one follow-up audit that is a carryover from two years ago. Ms. James asked whether the carryover meant that they have not completed the fix or does it mean that the fix finished but the OIA has not had time to review it. Ms. Ealey responded that other items were higher priority and the OIA did not get to the follow-up audit in the previous two years. There were no other questions or comments pertaining to the audit plan. A motion for approval of the audit plan for July 1, 2017 to June 30, 2018 was made by Ms. James and seconded by Ms. Harrison. The audit plan was accepted by the committee.

Ms. Laura 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 April 16, 2017 to August 31, 2017. There were two scheduled audits and one unscheduled audit completed since the last committee meeting.

Scheduled Audits

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

Assessment of Internal Controls over Financial Reporting

The Office of the State Controller requires every university to complete this assessment. The OIA's role is to review the university's responses to determine whether there are any deficiencies in key areas surrounding financial reporting. The OIA did not note any deficiencies. The report was issued July 17, 2017.

Campus Mail Center

The OIA performed a surprise cash count at the Campus Mail Center. There were no discrepancies noted. The report was issued July 17, 2017.

Unscheduled Audits

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

Resolution of the State Auditor's Statewide Federal Compliance Audit Procedures

This report was issued June 30, 2017. The Office of the State Auditor issued a federal compliance audit report on April 5, 2017. The audit report indicated that the university did not timely report enrollment status changes to the National Student Loan Data System for students who received federal financial assistance. North Carolina General Statutes require that the OIA perform a review within 90 days to determine whether the university is making progress toward resolving the issue. The University Registrar is responsible for reporting the status change. The OIA determined that the University is making progress toward resolving the issues. Ms. Laura Meagher wanted to know the consequences of this failure. Ms. Ealey stated that this was a very common finding for federal student financial aid in the

nation. The university could receive a warning or be placed on provisional type status, but there are no financial consequences. Ms. Meagher commented that the university has the opportunity to remediate this, so the controls are being put into place so that the reporting is always timely from now on. Ms. Ealey added that the OIA is continuing to assess the university's progress. Mr. Paul Jones asked whether the problem was with the Student Financial Aid Office. Ms. Ealey responded that the Registrar's Office is responsible for reporting this information.

There were no questions or comments regarding the audits completed since the last committee meeting. Dr. 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 pursuant to the laws of this state. Ms. James made the motion to go into Closed Session. It was seconded by Ms. Harrison.

There were four 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, Mr. Jones made the motion to resume Open Session. It was seconded by Ms. Harrison.

With no further business, Ms. Harrison made the motion to adjourn the meeting and it was seconded by Ms. James. The meeting ended at 1:18 pm.

Recorded by:

LaShonna Frederick