

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

February 16, 2018

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**MINUTES**

The Risk Management, Audit & Compliance Committee of the Board of Trustees convened on Friday, February 16, 2018 at 12:00 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 * Mr. Paul Jones
Others Present:	Ms. Angela Ealey, Internal Audit Director Ms. LaShonna Frederick, Recorder Mr. Timothy King, Chair, Board of Trustees Ms. Kathy Murphy, Deputy General Counsel Ms. Nicole Pride, Chief of Staff Dr. Charles Waldrup, General Counsel Mr. Marcus Worsley, Auditor
Absent:	Ms. Venessa Harrison Ms. Donna James

\*Participated via teleconference

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 November 17, 2017 was tabled to the next scheduled meeting on April 27, 2018.

Ms. Meagher yielded the meeting to Ms. Nicole Pride for the risk management update.

**Risk Management Update**

Ms. Pride told the Committee that the risks for the University have been identified and the cabinet members have completed the bow tie analysis of each individual risk along with the key risk indicators. Each cabinet member was tasked with presenting in detail, their risk and mitigation strategy. The entire cabinet has provided feedback throughout the process. After all of the risks have been presented, a timeline dashboard will be added to each of the risks. The timeline, which will show the current status, completion date, and the risk mitigation, will be brought back to the Committee.

Ms. Pride provided the Committee with a risk management dashboard that detailed the current status of the risks that have been identified by the University. The dashboard also included the mitigation and prevention efforts. The dashboard was discussed in great detail and prompted dialogue and questions from the Committee members.

Ms. Meagher yielded the meeting to Dr. Charles Waldrup to discuss the Compliance Program & Standards of Ethical Conduct Policy.

### **Compliance Program & Standards of Ethical Conduct Policy**

The policy was provided to the Committee prior to the meeting. Dr. Waldrup stated that this policy was drafted prior to Deputy General Counsel Kathy Murphy took on the responsibility of the compliance program. The Office of Legal Affairs felt the need to start an effort to setup such a program. Dr. Waldrup stated that he believed general compliance was going on in the various areas, but his office has not been able to put its arms around it at the university-wide level. After a brief discussion, it was agreed to take this policy to the full board for approval.

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

The open session and closed session activity reports were provided to the Committee 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 16, 2017 to February 15, 2018. There were two scheduled audits completed since the last committee meeting.

### **Scheduled Audits**

#### **Surprise Cash Count & Follow-Up of the Office of the Registrar**

This follow-up audit and surprise cash count was performed to determine what actions management has taken to correct the deficiencies noted in the August 25, 2016 report. The OIA found the following issues: internal control weaknesses and lack of segregation of duties over the readmission process, the mail-in transcript process, and the counter receipts process. The Office of the Registrar was missing \$90 in the change fund at the time of the cash count. The funds were discovered missing in March 2017, but nobody reported it to the University Police Department. The Office of the Registrar finally reported it to the University Police Department and it is now under investigation. The OIA recommended that the Office of the Registrar meet with Business & Finance personnel to design and implement internal controls over their cash receipting processes. New processes are expected to be implemented as of February 9, 2018.

#### **Follow-Up: Review of the University's Non-Fixed Assets**

The original audit report was issued in 2014. Non-fixed assets are assets costing below \$5,000. In the 2014 audit report, there were three issues. Two of the issues have been corrected. The third issue was that university departments do not have a tracking system for non-fixed assets. The OIA made a recommendation that the Division of Business & Finance remind the university community of the policies and procedures over non-fixed assets.

For a point of reference, Board of Trustees Chair Timothy King inquired about the total amount of the Registrar's Office change fund and the total value of the university's non-fixed assets. There were no further questions or comments regarding the audits completed since the last committee meeting.

The Committee could not enter closed session due to the lack of a quorum. There was one item that needed to be discussed in closed session. It was agreed that the item would be discussed when the full board enters into closed session later today.

With no further business, the meeting ended at 12:58 pm.

Recorded by:

*LaShonna Frederick*