

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

April 27, 2018

MINUTES

The Risk Management, Audit & Compliance Committee of the Board of Trustees convened on Friday, April 27, 2018 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
Mr. Paul Jones

Others Present: Ms. Cathy Clark *
Ms. Angela Ealey, Internal Audit Director
Ms. LaShonna Frederick, Recorder
Mr. Tom Jackson, Vice Chancellor for Information Technology
Ms. Kathy Murphy, Deputy General Counsel
Ms. Priscilla Siddle *
Dr. Charles Waldrup, General Counsel

Absent: Ms. Donna James

*Participated via teleconference

A motion for the approval of the open session minutes of the meetings held on November 17, 2017 and February 16, 2018 was offered by Mr. Paul Jones and seconded by Ms. Venessa Harrison. The motion was unanimously carried and both sets of the minutes were approved.

Ms. Meagher yielded the meeting to Ms. Priscilla Siddle, Audit Supervisor for the North Carolina Office of the State Auditor for an update via teleconference.

Office of the State Auditor Update

Ms. Siddle thanked the committee for the opportunity to speak with them via teleconference since both she and Cathy Clark were out-of-town attending a meeting. Ms. Siddle told the committee that Cathy Clark supervised the financial statement audit and the single audit at North Carolina A&T State University. Ms. Siddle turned it over to Ms. Clark to tell the committee about the audits.

The two audits were for fiscal year ending June 30, 2017. The purpose and objective behind these audits were to provide an opinion as to whether the financial statements were materially correct on a reasonable basis and to provide independent assurance that management presented a true and fair presentation of the university's financial performance. In addition, OSA also considered whether the university was in compliance with the requirements applicable to the major federal program supporting the statewide single audit, which this year involved just the TRIO cluster of programs – which is through the Department of Education.

The financial statements audit report was issued December 7, 2017 and did not include any audit findings. The TRIO single audit report was issued on April 5, 2018 and there were no audit findings. Ms. Clark stated that management at the university was very cooperative and pleasant to work with. After Ms. Clark concluded her update, there were no questions.

Ms. Siddle and Ms. Clark ended the teleconference call. Ms. Meagher yielded the meeting to Mr. Tom Jackson, Vice Chancellor for Information Technology, so that he could present to the committee a mandate from the UNC System Office concerning information security and the university's response to that mandate.

Information Security Policy

Mr. Jackson began by providing background information about information technology to the committee. At the university, there is central information technology (IT), which reports to Mr. Jackson, and then there are several distributed information technology (IT) units. Mr. Jackson implemented a plan in June 2017 to begin working on consolidating the distributed units into central IT. At the same time, the NC Office of the State Auditors began auditing the university. The state auditors optioned to suspend the audit and gave Mr. Jackson a list of concerns that they had.

Mr. Jackson presented the committee with the details of the IT initiative developed to deal with the concerns that the state auditors had. Two of the items presented were the UNC System Office information security policy and the university's information security policy.

Dr. Waldrup read the language to go into closed session for the committee to be able to hear the issues without exposing the university's weaknesses to the world. The motion to go into closed session was made by Mr. Paul Jones and seconded by Ms. Venessa Harrison. Various issues, including vulnerabilities were discussed in closed session.

Ms. Harrison made a motion to return to open session. It was seconded by Mr. Jones. The committee voted to recommend the Information Security Policy for approval to the Full Board.

Risk Management Update

Dr. Charles Waldrup provided the risk management update for Ms. Nicole Pride. Dr. Waldrup distributed a risk management dashboard to the committee that showed the progress for each of the risks identified by the university. Due to time constraints, Dr. Waldrup "walked" the committee through some of the risks that were presented on the dashboard. He added that Ms. Pride would take the dashboard to cabinet for the risk owners to report on their progress each time.

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

Internal Audit Update

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 February 16, 2018 to April 16, 2018. There were two scheduled audits and one unscheduled audit completed since the last committee meeting.

Scheduled Audits

Review of Internal Controls Over Parking Services Employee Vehicle Registration Revenues

Review of Internal Controls Over University Procurement Cards

Unscheduled Audit

Review of Selected University Policies and Practices

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. Harrison made the motion to go into Closed Session. It was seconded by Mr. Jones.

There were five scheduled and three 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, the meeting ended at 1:12 pm.

Recorded by:

LaShonna Frederick