

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

February 17, 2023

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**MINUTES**

The Risk Management, Audit & Compliance Committee of the Board of Trustees (BOT) convened on Friday, February 17, 2023 at 12:00 pm in the Alumni-Foundation Event Center, Executive Board Room. Chair William Dudley called the meeting to order.

Chair Dudley asked the committee members to read the conflict of interest statement and reminded them of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of such. The Chair asked the Committee members if there were any conflicts or appearances of conflicts of interest and there were none noted.

Roll Call revealed the following:

Present:                    Mr. Mark Copeland  
                                  Mr. William Dudley, Chair  
                                  Ms. Venessa Harrison  
                                  Judge Paul Jones

Others Present:         Ms. Cathy Clark, North Carolina OSA Financial Audit Supervisor  
                                  Ms. LaShonna Frederick, Interim Director of Internal Auditing  
                                  Ms. Erin Hart, Chief of Staff  
                                  Ms. Melissa J. Holloway, General Counsel & VC for DLARC  
                                  Ms. Hilda Pinnix-Ragland, Chair - BOT  
                                  Ms. Sandra Ross, Recorder

The committee members present constituted a quorum.

Chair Dudley called for a motion to approve the minutes of the meeting held on November 11, 2022. The motion was offered by Judge Paul Jones and seconded by Ms. Venessa Harrison. The motion was unanimously carried, and the minutes were approved.

Chair Dudley yielded the meeting to Ms. Cathy Clark from the North Carolina Office of the State Auditor for an update.

## **Office of the State Auditor Update**

Ms. Cathy Clark presented the Office of the State Auditor (OSA) update, which entailed the results of the Fiscal Year 2022 financial statement audit for North Carolina A&T State University. There was not a single audit performed this year. The objective of the financial statement audit was to render an opinion on the basic financial statements for Fiscal Year 2022. Ms. Clark gave a few reminders before presenting the results of the audit. The objective of the opinion provides reasonable assurance that the statements are free from material misstatements whether that may be due to fraud or error. Limited procedures were also performed on the required supplementary information, which included management discussions and analysis, as well as pension schedules that are reported along with the financial statements. The audit was conducted in accordance with both generally accepted auditing standards, as well as the generally accepted government auditing standards. The purpose of the audit was to provide the university with independent assurance that university management presented a true and fair presentation of the financial performance of the university in order to facilitate sound decision-making by users of the financial statements.

University management is still ultimately responsible for ensuring that internal controls are implemented, in place, and designed to prevent and detect the misstatements from occurring in the first place. The OSA does not provide an opinion on the effectiveness of the internal control that is in place.

The financial statement audit report was issued on December 9, 2022 with a clean, unmodified opinion. There were no audit findings. The staff was great to work with and the audit went smoothly. A concluding letter was provided to Chair Dudley on December 14, 2022 that provided the results discussed today. Helen Buck and Kathy Burckley were very involved with the process.

A question was asked about the level of IT review performed by the OSA financial statement auditors. Ms. Clark discussed some of the IT-related areas that her office reviews, as well as other areas that the OSA IT audit team reviews. There were no further questions.

Chair Dudley thanked Ms. Clark for the update and yielded the meeting to Ms. LaShonna Frederick, Interim Director of Internal Auditing, for the Internal Audit Update.

## **Internal Audit Update**

### *Internal Audit Activity Dashboard*

The summary of internal audit activity since the last committee meeting covered the period of November 1, 2022 to January 31, 2023. The OIA completed two audits and one investigation during this period. The audit reports were distributed to the committee members when they were issued. There were three audits and three investigations in process.

### *University Hotline*

Next, Ms. Frederick presented on the university hotline, which is a confidential and anonymous method for employees to report instances of fraud, waste, abuse, improper conduct, potential noncompliance with laws, regulations, university policies and standards, and other concerns. She discussed how to contact the hotline, what happens after a hotline complaint is filed, and the process that the university hotline administrators use to assign the hotline complaint. Ms. Frederick also shared with the committee the type of issues received in the hotline complaints during the last three calendar years.

Chair Dudley thanked Ms. Frederick for the update and yielded the meeting over to Ms. Melissa Holloway, General Counsel and Vice Chancellor for Legal Affairs, Risk, and Compliance for the Compliance Update.

### **Compliance Update**

Ms. Holloway provided a compliance program update. She presented background information on Title VI of the Civil Rights Act of 1964 and the university's compliance requirements with Title VI. The North Carolina Department of Transportation is conducting a Title VI Compliance Review at the university, so Ms. Holloway presented the committee with the timeline for that review.

Ms. Holloway also shared with the committee the proposed Title IX regulations. These new regulations, which will be released in May 2023, are expanding the definitions as they relate to sexual discrimination and harassment. A discussion followed on the cost of implementing any new procedures to bring the university in compliance with the new Title IX regulations.

Next, Ms. Holloway presented details on future federal rulemaking. There were several things on the horizon that the Division of Legal Affairs, Risk & Compliance has the responsibility of monitoring and making sure that university departments that have official oversight are aware. She discussed the plans to amend regulations in the areas of Accreditation, Distance Education, Cash Management, Return to Title IV, and Federal Trio Programs.

There were no questions. Chair Dudley thanked Ms. Holloway for the Compliance update.

### **Other Business**

Ms. Frederick is serving as the Interim Director of Internal Auditing. The university has launched the search for a new Director and Ms. Frederick was actively involved with the process. There was a great response to the search and a finalist for the position has been identified.

With no further business, Chair Dudley called for a motion to adjourn the meeting. Judge Jones made the motion. It was seconded by Mr. Copeland.

The meeting adjourned at 12:49 pm.

Respectfully Submitted by:

*LaShonna Frederick*