

UNIVERSITY OF NORTH CAROLINA  
**SCHOOL OF THE ARTS**

**Audit Committee**  
**The University of North Carolina School of the Arts**

**Thursday, September 24, 2015**  
**9:30-10:30 a.m.**  
**Room 301, Hanes Student Commons**

**OPEN SESSION MINUTES**

**Audit Committee Members Present**

- \*Stephen Berlin, Chair
- \*Charlie Lucas (phone)

**Members Absent**

Rob King, Ex-officio

**Staff**

Shannon Henry, Chief Audit Executive  
George Burnette, Chief Operating Officers  
David Harrison, General Counsel  
Amanda Balwah, Secretary of the University  
Dennis Booth, Faculty Council Representative  
Leslie Kamtman, Staff Council Representative  
Javon Lee, Internal Auditor  
Stacey Sneed, Internal Auditor  
Carin Ioannou, Senior Director of Business Affairs  
David English, Vice Provost  
Marla Carpenter, Director of Communications

**Guests in Attendance**

Jon Hinton, Winston-Salem Journal  
Reporter

\*Denotes voting members

**Convene Meeting and Confirm Quorum**

Committee Chair Steve Berlin convened the Open Session of the University of North Carolina School of the Arts Audit Committee at 9:32 a.m. A quorum was confirmed.

**Approval of Minutes**

**Motion: Charlie Lucas moved to approve the April 21, 2015 Open Session Minutes. Steve Berlin seconded and the motion was unanimously approved.**

**Discussion of External Audits and Reviews**

Shannon Henry, Chief Audit Executive, reported the following:

- The University's 2015 financial statement audit is underway. David English, Vice Provost & Dean of Academic Affairs, noted that UNCOSA's 10-year accreditation reaffirmation through the Southern Association of Colleges and Schools (SACS) is occurring now, and that the process requires a review of UNCOSA's financial audit.
- The UNCOSA Foundation received a clean financial statement audit.

## DRAFT

- The North Carolina State Education Authority (NCSEEA) completed a review of the State financial aid programs administered by UNCSEA. The review identified one minor finding that required the return of \$631. The money has been returned and UNCSEA has taken action to prevent future non-compliance relative to the finding. Internal Audit plans to follow-up during FY2016 to ensure appropriate corrective measures have been implemented.
- The Department of Purchase and Contract completed a compliance review of the UNCSEA's Purchasing Department. The University requested the audit for the purpose of having its purchasing delegation increased. The review resulted in three findings:
  - Use of charge cards vs. procurement cards
  - Underutilizing Statewide Term Contract
  - Incorrect Commodity Code

UNCSEA concurred on all findings and the Purchasing Department has taken steps to appropriately address them. The University's purchasing delegation was increased from \$50k to \$100k.

### **Internal Audit Operations**

Ms. Henry provided a snapshot of Internal Audit Operations for FY2015 as of June 30, 2015, which included:

- Completed audits and advisory services resulting in reports with eight findings that produced fifteen written recommendations and six verbal comments for improvements in several university departments.
- Reviews in FY2015 included one follow-up of prior year audit reports.
- Internal Audit completed an external quality assurance review, which resulted in the highest rating of general conformance to the standards.

### **Internal Audit 2015-2016 Plan**

Ms. Henry presented the 2015-16 Internal Audit Plan which included the addition of two new audits to the ongoing plan:

- Clery Act Compliance Audit
- Environmental Health and Safety – Life Safety

She also provided updates on the Housekeeping Survey report progress and the IT Operational Review.

**MOTION: Charlie Lucas made a motion to approve the 2015-2016 Internal Audit Plan as presented by the Chief Audit Executive. Steve Berlin seconded and the motion was unanimously approved.**

### **Motion to Move to Closed Session**

**MOTION: Steve Berlin moved that the Audit Committee go into Closed Session to prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1), the Internal Auditor's work papers. Charlie Lucas seconded and the motion was unanimously approved.**

DRAFT

**Report from Closed Session**

Chairman Berlin reported that the committee approved the closed session minutes from the April 2015 meeting.

**Adjournment**

With no further business to discuss, Chairman Berlin adjourned the meeting at 10:02 a.m.

Submitted by:

Amanda Balwah

Assistant Secretary to the Board of Trustees