

Audit Committee
The University of North Carolina School of the Arts

Tuesday, April 25, 2017
4:00 – 5:00 p.m.

Law Offices of Kilpatrick Townsend & Stockton LLP

OPEN SESSION AGENDA

Audit Committee

*Stephen Berlin, Chair

*Charlie Lucas

*Anna Folwell

*Rob King

Michael Tiemann, ex officio

Shannon B. Henry, Chief Audit Executive

Amanda Balwah, Staff

Faculty Representative

Staff Representative

Foundation Liaison

*Denotes voting members

- I. Call to order and Confirm Quorum
- II. Approval of February 7, 2017 Minutes
- III. 2016-2017 Internal Audit Plan Activity Update & Completion (*summary*)
- IV. Other Business
 - Memorandum of Understanding for Internal Audit Services
- V. Closed Session
- VI. Adjourn

UNIVERSITY OF NORTH CAROLINA
SCHOOL OF THE ARTS

Audit Committee

Tuesday, February 7, 2017

4:00 p.m.

Kilpatrick Townsend & Stockton LLC

OPEN SESSION MINUTES

Audit Committee Members Present

- *Stephen Berlin, Chair
- *Anna Folwell (phone)
- *Charlie Lucas (phone)
- *Michael Tiemann (ex-officio)

Audit Committee Members Absent

- *Rob King

Staff

Shannon Henry, Chief Audit Executive
David Harrison, General Counsel
Amanda Balwah, Secretary of the University
Dennis Booth, Faculty Council Representative (phone)
Rod Isom, Internal Auditor
Carin Ioannou, Chief Financial Officer
Lisa McClinton, Controller
Claire Machamer, Chief Technology Officer
James Lucas, Human Resources Director

*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 4:03 p.m. A quorum was confirmed.

Approval of Minutes

Motion: Anna Folwell moved to approve the December 6, 2016 Open Session Minutes. Charlie Lucas seconded and the motion was unanimously approved.

Completion of the 2016-2017 Internal Audit Plan

Shannon Henry, Chief Audit Executive, and Rod Isom, Internal Auditor, reviewed the status of the 2016-2017 Internal Audit Plan:

- Internal Audit's completed audits and advisory services for the 2017 fiscal year have resulted in reports that produced 18 written recommendations and 1 verbal recommendation for improvements in the Information Technology and Human Resources offices.

February 7, 2017

DRAFT Audit Committee Minutes – Open Session

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- Numerous consults have been conducted with university personnel.
- 88% of previous Internal Audit findings have been resolved and the University has implemented 77% of Internal Audit's recommendations. UNCSA continues to meet or exceed Internal Audit's target recommendation implementation rate of 70%.
- Winston-Salem State's (WSSU) Internal Audit Office has expended 1,335 hours versus 626 hours planned through this period. The committee raised concerns and discussed the possibility of additional resources since the demand outweighs the current capacity.

Discussion of Internal Audit Reviews

Ms. Henry and her team reported that one investigative report was completed during the quarter and will be discussed in closed session. One additional investigation, and an audit of year-end inventory balances, are in progress.

Other Business

The Audit Committee reviewed the Ethics Committee Charter, drafted by Ms. Henry.

MOTION: Charlie Lucas moved to approve the Ethics Committee Charter as presented, which will allow the Ethics Committee to provide oversight and make decisions with respect to the University's ethics, policies and procedures. Anna Folwell seconded and the motion was unanimously approved.

Closed Session

MOTION: Anna Folwell moved to go into closed session to prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1), Internal Auditor's work papers, under Section 116-40.7 of the North Carolina General Statutes. Charlie Lucas seconded and the motion was unanimously approved.

Adjournment

After returning to open session, there was no further business to discuss. Chairman Berlin adjourned the meeting at 4:43 p.m.

Respectfully submitted by:
Amanda Balwah
Assistant Secretary to the Board of Trustees