

DRAFT

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

**Tuesday, February 10, 2015
4:00-5:00 p.m.
Flow Automotive Offices**

OPEN SESSION MINUTES

Audit Committee Members Present

- *Don Flow, Chair
- *Steve Berlin
- *Charlie Lucas (phone)

Members Absent

Rob King, Ex-officio

Staff

Shannon Henry, Chief Audit Officer
George Burnette, Chief Operating Officer
Amanda Balwah, University Secretary
Dennis Booth, Faculty Council
Representative
Patsy Seiler, Staff Council Representative
David Harrison, General Counsel (phone)
Javon Lee, Internal Auditor
Stacey Sneed, Internal Auditor
Lisa Smith, Chief Information Officer
Eddy Cavenaugh, Information
Technologies
Clarisse Davis, Emergency Management
Coordinator
Julie Williams, Foundation Liaison

*Denotes voting members

Convene Meeting and Confirm Quorum

Committee Chair Don Flow convened the Open Session of the University of North Carolina School of the Arts Audit Committee at 4:02 p.m. on February 10, 2015. A quorum was confirmed.

Approval of Minutes

Motion: Steve Berlin moved to approve the December 2, 2014 Open Session Minutes. Don Flow seconded and the motion was unanimously approved.

Discussion of External Audits and Reviews

Shannon Henry, Internal Auditor, reported that the Office of the State Auditor's 2014 Federal Compliance Audit concerning Student Financial Aid is complete and UNCOSA received a clean audit. The results of that review will be disclosed in the statewide single audit report anticipated to be released in March.

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2014-2015 Internal Audit Plan Activity Update & Completion

Ms. Henry and the committee reviewed the Business Continuity/IT Disaster Recovery Audit Management Letter. The major deficiencies concerning Business Continuity & IT Disaster Recovery were discussed at the December BOT meeting. Corrective actions taken since that time were discussed. The audit also identified a few minor issues that were shared with the committee via a management letter. UNCOSA has responded positively and has made satisfactory progress toward resolving the noted concerns.

The Information Technology Operational Review has commenced. The purpose of this review is to evaluate the effectiveness of IT's management across key applications and systems. All of this is detailed in the Engagement Letter.

Ms. Henry reported that UNCOSA's percentage of Internal Audit findings resolved is currently 89%, which, Ms. Henry believes, is very good. Chairman Flow communicated that he'd like to see the University achieve 100%.

Motion to Move to Closed Session

Motion: Charlie Lucas moved that the 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. Steve Berlin seconded and the motion was unanimously approved.

Report from Closed Session

Chair Flow reported that the committee approved the closed session minutes from the December 2014 meeting.

Adjournment

With no further business to discuss, Chair Flow adjourned the meeting at 4:40 p.m.

Submitted by:

Amanda Balwah

Assistant Secretary to the Board of Trustees