

## Annual Report for 2010-2011

### Audit Committee

The Audit Committee is responsible for reviewing annual and other audit reports of the constituent institutions and affiliated entities of the University, reviewing a summary of the internal audit plans and work of the audit committees of the constituent institutions, reviewing annual financial audit reports and management letters on University associated entities, meeting with the State Auditor annually, and taking such other actions as are necessary or appropriate to assure the integrity of the finances of the University. This report summarizes the work of the Audit Committee from August 2010 through June 2011.

The list below shows the membership of the committee at the beginning of this period.

Irvin A. Roseman, Chair

Walter C. Davenport, Vice Chair

Franklin E. McCain, Secretary

John M. Blackburn

Laura W. Buffaloe

Frank Daniels, Jr.

Ronald C. Leatherwood

### University of North Carolina Finance Improvement and Transformation Project (UNC FIT)

Highlights of the UNC FIT project for the current year are:

- All campuses have migrated off the state's central payroll system to the Shared Services Center.
- Key Performance Indicators are in place for the Contract and Grants, Financial Aid, and General Accounting process improvement areas and are being monitored here at General Administration.
- Two new process improvement areas - Student Accounts and Capital Assets - have been developed and are in the process of being implemented.

### Review of Audit Reports of the Constituent Institutions

The Office of the State Auditor performs audits of all Universities in the UNC system.

- All financial and compliance audits for 2010 have been completed and only one has yet to be released. Release is expected by the end of June.
- The audit reports included only eight findings this year. This is down from 27 in 2009 and 38 in 2008.
- The State Auditor has completed its audit of UNC General Administration and that report is expected to be released by the end of June. The State Auditor plans to present the report to the Audit Committee in August.

### Review of the Internal Audit Plans of the Constituent Institutions

During the year, the Audit Committee reviewed the internal audit plans from all seventeen constituent institutions and the plan for UNC General Administration.

### Review of a Summary of the Work of the Internal Auditors of the Constituent Institutions

- The Audit Committee reviewed a summary of the results of the work of the campus internal auditors from the prior year.

### Review of Summary of Annual Financial Audit Reports and Findings of University Associated Entities

- The Audit Committee receives an annual update on the status of the audit reports performed on each institution's affiliated entities. Most of the entities have had their June 30, 2010 financial audit, and the reports have been provided to us. A few have December 31 year ends and most of those are not yet available. Of the 115 affiliated entities, 94 have provided their audits to us. We are continuing to work with the institutions to obtain all the required financial audits.

Lastly the Audit Committee annually reviews the requirements set forth by its charter and is pleased to report that it is meeting all these requirements.