

Minutes of the October 7, 2010 Meeting
of the Board of Governor's Audit Committee

The Audit Committee met in the Executive Conference Room at the UNC General Administration-Spangler Center in Chapel Hill, North Carolina on Thursday, October 7, 2010 at 5:22 p.m.

Members in attendance were Mr. John Blackburn, Mr. Frank Daniels, Jr., Mr. Walter C. Davenport, Dr. Laura W. Buffaloe, Mr. Ronald C. Leatherwood, and Dr. Irvin A. Roseman . Necessarily absent was Dr. Franklin E. McCain. Chancellors Kenneth Peacock (Appalachian State University), Steven Ballard (East Carolina University), Randy Woodson (N.C. State University), Philip Dubois (UNC Charlotte), and John Bardo (Western Carolina University); Interim Chancellor Thomas Williams (N.C. School of Science and Mathematics); University Attorney Donna Gooden Payne (East Carolina University); and UNC General Administration staff were in attendance.

Chair Roseman welcomed everyone to the meeting. Chair Roseman asked that the September minutes reflect his absence from the meeting for religious reasons. On a motion from Mr. Leatherwood, seconded by Mr. Davenport, the minutes of September 9, 2010 were approved as modified.

Mr. Jeff Henderson presented the UNC Systemwide 2010-11 Internal Audit Plans (see attachment). Questions were answered throughout the presentation. On a motion from Mr. Daniels, seconded by Mr. Blackburn, the UNC Systemwide 2010-11 Internal Audit Plans were approved.

Next, Vice President Ernie Murphrey provided an update on the UNC Finance Improvement and Transformation (UNC FIT) Project (see attachment).

- Fayetteville State University and North Carolina Central University are scheduled to go live with Banner bi-weekly payroll in October. Both are scheduled to implement monthly payrolls in January.
- N.C. A&T State University is scheduled to go live with Banner monthly payroll in October. The UNC FIT team is working with Winston-Salem State to implement Banner monthly payroll this month. Before the final decision is made, successful parallel payroll testing would be needed.
- UNC FIT advisory teams have been established for Financial Aid and Contracts and Grants to discuss additional standards and to revise Key Performance Indicators, if needed.

- Brainstorming sessions had been held to identify sub-processes within Capital Assets and Student Accounts Receivable, the next processes would be addressed on the campuses. Questions were answered throughout the report.

On the motion by Dr. Buffaloe, seconded by Mr. Davenport, the Committee went into closed session to prevent the disclosure of privileged information under North Carolina Statue 147-64.6(c)(18) and North Carolina General Statue 132.6.2(c).

There were concerns regarding some of the findings from four of the campuses in the Summary of Internal Auditor Activities for June 30, 2010. The four Chancellors were asked to address the concerns. One of the concerns was the Retreat Rights Policy and Chancellor Woodson explained the process from 2009. The other concerns were discussed in closed session.

CLOSED SESSION

The Committee returned to open session.

There being no further business, the meeting was adjourned.

Dr. Irvin A. Roseman
Chair of the Audit Committee

Dr. Franklin E. McCain
Secretary of the Audit Committee

*Note: The attachments for the October 7 meeting are not included due to size. They are posted on the Board of Governors' November meeting site; they are on file in the Finance Division and available upon request.