

**3. Reports Issued by the Office of the State Auditor .....Lynne Sanders**

**Situation:** Since the last meeting of the Audit Committee of the Board of Governors, three audit reports have been released by the Office of the State Auditor.

**Background:** All constituent institutions, affiliated entities, and General Administration of the University of North Carolina are subject to audit by the North Carolina State Auditor under Article 5A of Chapter 147 of the North Carolina General Statutes. One of the responsibilities of the Audit Committee of the Board of Governors is to review annual financial audits of the constituent institutions and UNC General Administration and other significant audit-related communications from the State Auditor's office.

**Assessment:** One financial statement audit report has been issued by the Office of the State Auditor for FYE June 30, 2013. In addition, an investigative report for NCCU was released in April 2014, and an investigative audit report for UNCG was released in June 2014. Each of the reports have at least one finding.

**Action:** This item is for information only

## **Reports Issued by the Office of the State Auditor**

### **Financial Statement Audit**

#### **Fayetteville State University** Two Audit Findings

Date Released: 5/5/14

Report URL: <http://www.ncauditor.net/EPSWeb/Reports/Financial/FIN-2013-6088.pdf>

#### Findings:

1. Deficiencies in financial reporting
2. Deficient cash management practices resulted in possible unallowable uses of restricted funds

### **Investigative Audits**

#### **North Carolina Central University** Two Audit Findings

Date Released: 4/7/14

Report URL: <http://www.ncauditor.net/EPSWeb/Reports/Investigative/INV-2014-0395.pdf>

#### Findings:

1. Supplemental compensation violated state policy
2. Athletic facility rental revenue held in foundation accounts

#### **The University of North Carolina at Greensboro** One Audit Finding

Date Released: 6/5/2014

Report URL: <http://www.ncauditor.net/EpsWeb/Reports/Investigative/INV-2014-0396.pdf>

#### Findings:

1. University practice violated state and University travel policies