

Minutes of the September 8, 2006 Meeting  
of the Board of Governors' Audit Committee

The Audit Committee met in the Executive Conference Room of the General Administration Building in Chapel Hill, North Carolina on Friday, September 8, 2006, at 8:00 a.m.

Members in attendance were Mr. William L. Burns, Jr., Mr. John W. Davis III, Mr. Ray S. Farris, Ms. Hannah D. Gage, Mr. William G. Smith, and Mr. David W. Young. Board of Governors members Mr. Phillip R. Dixon, Mr. Charles A. Hayes, Mr. Fred G. Mills, Mr. Charles S. Norwood, and Dr. Irvin A. Roseman were also in attendance. Others attending the meeting were Vice Presidents Robyn Render and Leslie Winner; Associate Vice Presidents George M. Burnette, David L. Harrison, Robert C. Kanoy, and James O. Smith; and JoAnn Pearson, Executive Director for the Shared Services Alliance. In attendance from the North Carolina State Auditor's Office were State Auditor Leslie W. Merritt, Jr., Deputy Auditor Bob DiNubila, Director of Field Audits Jeff Henderson, Manager Linda Hollar, and Performance Audit Manager Stan Wesner.

Chair Smith convened the meeting and welcomed everyone. He called for a motion to approve the minutes of August 10, 2006. On the motion of Ms. Gage, seconded by Mr. Farris, the minutes were approved.

Next, Chair Smith introduced the members of the Audit Committee, followed by introducing State Auditor Leslie Merritt.

Mr. Merritt then introduced his staff and offered each an opportunity to share their thoughts and perspectives regarding audits impacting the University System..

Ms. Hollar reported the overall results of the 2005 financial audit cycle:

- 11 Universities had no audit findings
- 2 Universities had audit findings
- 13 required either material or minor audit adjustments
- All campuses had been audited for 2005, however, the 2005 financial audit at NCCU had not yet been released

Mr. Stan Wesner then reported on the statewide performance audit which reviewed all of the internal audit efforts throughout state government. They recognized that the University System was well ahead of most of State Government in this area.

Mr. Merritt and his staff reported that the University was operating effectively and with minimal issues. Questions were answered throughout the presentation.

There being no further business, the meeting was adjourned.

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Mr. William G. Smith  
Chair of the Audit Committee

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Mr. David W. Young  
Secretary of the Audit Committee