

Minutes of the January 11, 2007 Meeting  
of the Board of Governors' Audit Committee

The Audit Committee met in Conference Room A of the General Administration Building in Chapel Hill, North Carolina on Thursday, January 11, 2007, at 4:00 p.m.

Members in attendance were Mr. William L. Burns, Jr., Mr. John W. Davis III, Mr. Ray S. Farris, Ms. Hannah D. Gage, and Mr. William G. Smith. Necessarily absent was Mr. David W. Young. Board of Governors member R. Steve Bowden was also in attendance. Others attending the meeting were Vice Presidents Robert O. Nelson, Robyn R. Render, and Leslie Winner; Associate Vice Presidents George Burnette, James O. Smith, and Laura Foxx. In attendance from Appalachian State University was Chancellor Kenneth E. Peacock.

Chair Smith convened the meeting and welcomed everyone.

On the motion of Mr. Burns, seconded by Mr. Davis, the minutes were approved.

Next, on the motion of Ms. Gage, seconded by Mr. Burns the agenda was approved.

Chair Smith called upon Mr. Burnette to present the audits released since the last meeting by the North Carolina Office of the State Auditor. The Committee discussed the following:

1. North Carolina State University: – (Financial Audit): – No Audit Findings

Report URL:

<http://www.ncauditor.net/EpsWeb/EDSreportdetail.asp?RepNum=FIN-2006-6030>

2. Western Carolina University: – (Financial Audit): – No Audit Findings

Report URL:

<http://www.ncauditor.net/EpsWeb/EDSreportdetail.asp?RepNum=FIN-2006-6075>

Mr. Burnette then reviewed the Summary Report of Associated Entities for the universities. He briefly discussed the status of several entities that had delinquent reports on file. Questions were answered throughout the review. It was noted that the status of Memorandums of Understanding (MOUs) for each of the entities would be provided at a later meeting pending the resolution of a few outstanding questions to the campuses.

After that, Mr. Burnette reported the Internal Audit Peer group would meet on January 12. He was going to attend and would give the committee an update at its next meeting.

On the motion of Ms. Gage, seconded by Mr. Davis, the Committee went into closed session to plan, conduct, or hear reports concerning investigations of alleged criminal conduct.

## CLOSED SESSION

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The Committee returned to open session.

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