

AUDIT COMMITTEE

Minutes: September 17, 2015 at 10:30 a.m. and 12:00 p.m.

UNC School of the Arts – School of Music Building, Winston-Salem, North Carolina

OPEN SESSION – Committee on University Governance

The following Audit Committee members were present: Mr. Roger Aiken, Mr. Walter Davenport, Mr. Rodney Hood, Mrs. Hannah Gage, Mr. Scott Lampe, and Mr. Bill Webb.

1. A joint meeting of the Governance and Audit Committees was held on September 17, 2015 at 10:30 a.m. to review and discuss draft revisions to the Audit Committee's Code Sections 301 A. and 301G. – *The Standing Committees' Jurisdiction* and to consider a draft of UNC Policy 1300.7 – *University Risk Management and Compliance*. The committees discussed the draft revisions and suggested adding language back that is applicable to the University's affiliated entities. Each committee entertained a vote to recommend the draft revision to *The Code* and the draft risk management policy for review and consideration by the full Board of Governors, pending receipt of input and suggested changes from Chancellors. From Governance, Mr. Hinton motioned and Mr. Rippy approved. From Audit Committee, Mr. Davenport motioned and Mr. Webb approved. Pending input and recommendations from campuses, these proposals will be considered by the full Board of Governors at a future meeting. After the joint session, the Committee on University Governance continued with its agenda.

OPEN SESSION – Audit Committee

Chair Aiken called the meeting of the Audit Committee to order at 12:00 p.m.

The following committee members were present: Mr. Roger Aiken, Mr. Walter Davenport, Mr. Rodney Hood, Mrs. Hannah Gage, Mr. Scott Lampe, and Mr. Bill Webb.

The following staff was present: Senior Vice President and General Counsel Tom Shanahan, Vice President for Compliance and Audit Services Lynne Sanders, Chief Audit Officer Joyce Boni, other General Administration staff, Chancellors, and staff from the campuses.

2. On the motion from Mr. Webb, seconded by Mr. Davenport, the minutes of the August 6, 2015 meeting were approved.
3. Mrs. Sanders made a presentation on key state agencies that the University works with to ensure compliance with the laws, rules and regulations, and in order to minimize risk exposure. State agencies mentioned were the Office of the State Auditor, Office of the state Controller and the state-level Office of Internal Audit.

Next, Chief Audit Officer of Winston-Salem University (WSSU) and University of North Carolina School of the Arts (UNCSA), Shannon Henry, and two of her staff members, Stacy

Sneed and Javon Lee, discussed the internal audit services provided by WSSU to UNCSA and the scope and results of one of their recent internal audits.

Finally, the committee heard from UNCSA Board of Trustees members, Charlie Lucas and Steve Berlin, and Chief Operating Officer George Burnette about how risk is managed from a management standpoint and how mitigation strategies are planned and executed.

On the motion of Chair Aiken, seconded by Mr. Hood, the committee went into closed session to “prevent the disclosure of privileged information under North Carolina General Statute 116-40.7(c) and to consult with our attorney to preserve the attorney-client privilege under North Carolina General Statute 143-318.11(a)(3).”

CLOSED SESSION

On the motion of Mr. Davenport, seconded by Mr. Lampe, the meeting went back to open session and was adjourned.

Mr. Roger Aiken
Chair of the Audit Committee

Mr. Rodney Hood
Secretary of the Audit Committee