

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, nine 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 and seven statewide federal compliance audit reports have been issued by the Office of the State Auditor for FYE June 30, 2013. In addition, an investigative report for ECSU was released in March 2014. Six of the nine reports have findings.

Action: This item is for information only

Reports Issued by the Office of the State Auditor

Financial Statement Audits

North Carolina Central University No Audit Findings

Date Released: 2/12/2014

Report URL: <http://www.ncauditor.net/EpsWeb/Reports/Financial/FIN-2013-6090.pdf>

Investigative Audits

Elizabeth City State University One Audit Finding

Date Released: 3/13/2014

Report URL: <http://www.ncauditor.net/EPsWeb/Reports/Investigative/INV-2014-0394.pdf>

Finding:

1. Improper Accounting for Long-Distance Telephone Calls

Statewide Federal Compliance Audits

Western Carolina University No Audit Findings

Date Released: 3/17/2014

Report URL: <http://www.ncauditor.net/EpsWeb/Reports/Financial/FSA-2013-6075.pdf>

University of North Carolina at Greensboro No Audit Findings

Date Released: 3/17/2014

Report URL: <http://www.ncauditor.net/EpsWeb/Reports/Financial/FSA-2013-6040.pdf>

North Carolina Agricultural and Technical State University One Audit Finding

Date Released: 3/19/2014

Report URL: <http://www.ncauditor.net/EPsWeb/Reports/Financial/FSA-2013-6070.pdf>

Finding:

1. Improvements Needed in Direct Loan Notification Process

Elizabeth City State University One Audit Finding

Date Released: 3/20/2014

Report URL: <http://www.ncauditor.net/EPWeb/Reports/Financial/FSA-2013-6086.pdf>

Finding:

1. Lack of Controls over Federal Suspension and Debarment Verification

North Carolina State University Two Audit Findings

Date Released: 3/20/2014

Report URL: <http://www.ncauditor.net/EPWeb/Reports/Financial/FSA-2013-6030.pdf>

Findings:

1. Untimely Notice to Lenders of Changes in Enrollment Status
2. Lack of Controls over Required Reporting of Federal Grant Data

The University of North Carolina at Chapel Hill Three Audit Findings

Date Released: 3/20/2014

Report URL: <http://www.ncauditor.net/EPWeb/Reports/Financial/FSA-2013-6020.pdf>

Findings:

1. Internal controls over Equipment Need Improvement
2. Internal Control Deficiencies Related to Subrecipient Audit Findings
3. For-Profit Subrecipient Monitoring Not Adequate

Fayetteville State University Two Audit Findings

Date Released: 3/21/2014

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

Findings:

1. Cash Management Controls Need Improvement
2. Expenditures Understated on Annual Performance Report