

AUDIT COMMITTEE

Draft Minutes: January 21, 2016, at 12:00 noon
Boardroom, Alumni-Foundation Event Center
North Carolina A&T State University
Greensboro, North Carolina

OPEN SESSION

The following committee members were present: Chair Roger Aiken, Mr. Walter C. Davenport (via teleconference), Mrs. Hannah D. Gage, Mr. Rodney E. Hood, Mr. Scott Lampe, and Mr. William Webb.

The following staff were 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, and State Auditor Beth Wood, who was accompanied by Information Systems Audit Supervisor, Dwayne McKinley.

1. The draft Minutes of December 10, 2015 were properly approved, and seconded.
2. State Auditor Beth Wood discussed recently released IT General Controls audits for two campuses, Fayetteville State University (FSU) and North Carolina Central University (NCCU). She explained the background and general scope of OSA's IT General Controls audits, which provided a valuable perspective for the committee.
3. The committee reviewed the draft University Enterprise Risk Management and Compliance policy and also reviewed changes to the Code related to jurisdiction of Audit Committee. Committee questions were answered and the Committee approved the proposed policy and changes to the Code. These items would be included on the consent agenda for full Board approval in March.

The Committee went into closed session to:

- Prevent the disclosure of information that was privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes;
- Consult with our attorney to protect the attorney-client privilege;

Pursuant to Chapter 143-318.11(a)(1), (3), (6), and (7) of the North Carolina General Statutes.

**** CLOSED SESSION ****

As a result of the IT General Controls audits, discussion ensued among the committee about the need to have IT audit expertise within the system's internal audit function. It was acknowledged that some campuses had this resource, while others did not. VP Sanders reminded the Committee of the Internal Audit Shared Services report from December 2013 that recommended the need for these important audit positions. Unfortunately, funding had not been available to hire these positions.

State Auditor Wood also reported on the *Matter for Further Consideration* noted in the public reports for FSU and NCCU. Chair Aiken thanked the State Auditor for bringing this item to the members' attention.

There being no further business, the meeting was adjourned.

Walter C. Davenport, Chair
Audit Committee

Rodney E. Hood, Secretary
Audit Committee