



**Audit Committee  
Winston-Salem State University Board of Trustees  
Minutes**

Thursday, September 4, 2014  
10:00 – 11:30 AM  
Chancellor's Conference Room  
200 Blair Hall

**Audit Committee Members Present**

Karen McNeil-Miller  
Victor Johnson

**Members Absent**

Keith Vaughan  
Pradeep Sharma

**University Staff Present**

Chancellor Donald J. Reaves, Ph.D.  
Shannon B. Henry, Chief Audit Officer  
Anthony Bennett, NCAA Compliance Officer  
Camille Kluttz-Leach, General Counsel  
Frank Lord, Controller  
Stacy Sneed, Audit Manager  
Patricia Norris, Chief Campus Police  
Bobby Brown, Campus Police Compliance Officer  
Rod Isom, WSSU Auditor

**I. Call to Order**

The meeting was called to order at 10:02 a.m. by Dr. Karen McNeil-Miller. The motion was seconded by Mr. Victor Johnson.

**II. Approval of Minutes**

There was not a quorum at the meeting therefore, the minutes from the March 20, 2014 meeting were not approved.

**III. Discussion of External Audit Reports**

- Office of the State Auditor FY2014 Financial Statement Audit.

Auditor Henry shared that the 2014 Annual Financial Statement Audit has commenced. The committee was also informed that the State Audit team has begun a comprehensive audit of the

Student Financial Aid procedures. Chancellor Reaves added that this is a routine occurrence and that every year they carve out certain Federal Compliance functions on which they will focus. Mrs. Henry informed the committee that she feels that the results of the audit will be better than the previous audit completed for the FYE2009. It was also stated that UNC-GA has been monitoring our Student Financial Aid function via UNC-FIT and had concerns with reconciliation procedures.

#### **IV. University Compliance Matters**

##### **1. NCAA Compliance updates**

Membership Audit Report: Anthony Bennett shared a presentation with the committee regarding the WSSU NCAA Membership Audit Report. This is an audit that is done each summer regarding the numbers, amounts of scholarships and provisions made to each gender group. It was reported that we meet the standards for the scholarships for NCAA membership. Most of our scholarships are partial scholarships; there are possibly 4-5 full scholarships.

Process Improvement: Mr. Bennett informed the committee that they are in the process of hiring an Assistant Director of Athletics for Business. This person will assist with Athletics' workflow processes to gain more control in this area. Mr. Bennett has also been in consultation with Dr. Randy Mills in Finance & Administration in addition to the Office of Legal Affairs for assistance with process improvements in general and for contracts. Athletics has also begun an initiative to reduce the use of paper in the office by using the electronic resources that are available. They are also working on travel limits for traveling to away games to ensure that coaches have what they need without excess.

Sponsorships and Marketing: Mr. Bennett informed the committee that they have established a better flow and accounting system for donations. Accounts have been setup specifically for donations. Athletics' marketing is now being handled through the University's marketing department. This will help cut costs in Athletics.

Fundraising initiatives: Athletics is collaborating with the University's Advancement Office to ensure that all fundraising goes through the sponsorship director in athletics who in turn sends it to the foundation.

Compliance: Mr. Bennett informed the committee that Athletics is in the process of creating an additional compliance position. This person would assist with reports regarding enrollment management, academic certification, and compliance monitoring. Mr. Bennett is currently working with Institutional Research to ensure that all data is the same.

NCAA Partnership: Mr. Bennett stated that they are working with the NCAA on improving the process for recruiting student athletes.

#### **V. 2014-2015 Internal Audit Plan Activity Update & Completion**

- **Clery Audit**

The final draft report and request for management's response was shared with the committee.

Chief Norris stated that there will be *Campus Security Authority* (CSA) training done campus-wide in the near future. Training for campus police has already taken place and training for Student Affairs will take place the week following the committee meeting. Campus-wide training should be completed by December 1, 2014. CSA's are persons who have been identified as individuals to whom students can report crimes. Chief Norris also recommended that a campus-wide Clery Committee be created.

Mrs. Henry stated that she spoke with Dr. Trae Cotton and he has agreed to assist Campus Police in reviewing the sections of the Annual Security and Fire Safety Report (ASR) applicable to his areas of responsibility for accuracy prior to submission. The report and submission is due on-line October 1, 2014.

- **Clery Audit - Management Letter**

Mrs. Henry also shared other minor issues/concerns reported to management via a management letter that do not require a response, however, warrant attention.

## **VI. Additional Discussion Items**

- **2014-2015 Risk Assessment and Audit Plan**

Mrs. Henry submitted the 2014-2015 audit plan and risk assessment to the Audit Committee for review and approval. Added to the audit plan were projects in each of the following major functional areas:

1. IT
2. Student Affairs
3. Business Services &
4. Contracts and Grants

- **Internal Audit Quality Assurance Review**

Mrs. Henry stated that she has submitted all the required information and documentation to the Office of Internal Audit of the NC Office of State Budget and Management (the peer review team) and the review is underway. The review will ascertain whether or not the Office of Internal Audit is operating in compliance with Internal Auditing standards. The review team will conduct their on-site visit on campus the last week of October and will interview Chancellor Reaves and others.

- **UNC Internal Audit**

UNC Internal Auditors will maintain current model and potentially establish a reporting relationship with the audit representative at UNC-GA. UNC-GA is trying to define what type of reporting relationship they will have with the universities' audit departments. Internal Audit is

now required to submit a quarterly Key Performance Indicators (KPI) statistics report to UNC-GA.

- **Internal Audit Strategic Plan (2013-2015)**

Mrs. Henry shared the results of her 2014-2016 Strategic Plan Monitoring. In areas where goals were met, targets were revised for greater improvement, where practicable.

- **Budget Request**

A budget in the amount of \$80,000 was requested in order to support the following:

- a. Quality Assurance Review,
- b. Salary for Administrative Assistant,
- c. Funds for training and travel for licenses and CPE, and
- d. Supplies

This was approved by the Strategic Review Committee.

Provided that there was not a quorum present, Dr. McNeil-Miller asked if there were any items that need to be approved immediately and if they can be approved electronically. Mrs. Henry stated that the materials could be approved electronically and would send the information to all committee members for review and approval. The minutes for June 2014 would be voted on at the next committee meeting.

### **Adjournment**

Dr. McNeil-Miller moved and Mr. Johnson seconded the motion to adjourn the meeting. The meeting was adjourned at 11:00 a.m.

The next WSSU Audit Committee meeting will be held on Thursday December 18, 2014 at 10:00 a.m.

Submitted by: Karen Cession