



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

Thursday, December 18, 2014
10:00 – 11:30 AM
Chancellor's Conference Room
200 Blair Hall

Audit Committee Members Present

Karen McNeil-Miller
Keith Vaughan
Pradeep Sharma

Members Absent

None

University Staff Present

Chancellor Donald J. Reaves, Ph.D.
Shannon B. Henry, Chief Audit Officer
Camille Kluttz-Leach, General Counsel
Frank Lord, Controller
Stacy Sneed, Audit Manager
Javon Lee, Internal Auditor
Aaron Leftwich, Director of Environmental Health and Safety

I. Call to Order

The meeting was called to order at 10:02 a.m. by Mr. Keith Vaughan.

II. Approval of Minutes

Dr. McNeil–Miller motioned to approve the minutes and Mr. Pradeep Sharma seconded. The motion passed.

Minutes for the June 2014 meeting were approved; however the minutes for the September 2014 meeting need a slight revision and thus will be considered for approval at the March 2015 meeting.

Discussion of External Audit Reports

- Office of the State Auditor FY2014 Financial Statement Audit.

Auditor Henry shared that, according to the State Audit team, the university's 2014 annual financial statement audit resulted in no findings. Auditor Henry reported further that the State Audit exit conference was scheduled to take place later that afternoon.

Mr. Lord shared that the audit team is essentially new, however, there has been no indication of problems.

The committee was also informed that the State Audit team's comprehensive audit of the university's Student Financial Aid procedures is still underway. There may be issues with reconciliation. Auditor Henry will keep the committee informed as to the outcome.

III. University Compliance Matters

1. NCAA Compliance updates

Mr. Anthony Bennett was absent from the meeting and, as such, there were no updates regarding NCAA Compliance.

2. Environmental Health and Safety

Mr. Leftwich reported that Winston Salem State University is ahead of the curve as far as State regulations. Most of the new target areas and regulations, Winston Salem State has already implemented. Mr. Leftwich has been diligently working towards various certifications within the field, such as an associate in risk management, which he should have completed next year.

IV. 2014-2015 Internal Audit Reports

Auditor Henry began by discussing various reports that have been issued since the last meeting.

- **Clery Audit**

The final internal audit report was shared, along with the University management's response. The audit resulted in 11 findings pertaining to the lack of controls in place for accurate and timely crime reporting and/or compliance with the Clery Act.

- **Clery Audit - Management Letter**

Mrs. Henry shared other minor issues/concerns that were reported to management via a management letter that did not require a response, however, warrant management's attention.

- **2014-2015 Audit Plan**

Mrs. Henry discussed progress toward completion of the 2014-2015 audit plan. She mentioned the review of HR Employee Relations (ER) had been delayed due to limited staffing in this area;

there is only one employee in HR-ER. With the assistance of Interim Vice Chancellor for Finance, Dr. Randy Mills, the delays have been addressed and the audit has continued.

V. Additional Discussion Items

- **Internal Audit External Quality Assurance Review Results**

Mrs. Henry stated that the Internal Audit function was engaged, throughout the entire last quarter, in a peer review which is now complete. WSSU Internal Audit received the top rating of general conformance. In short, the function is operating in compliance with Internal Auditing standards. The review was conducted by the Office of Internal Audit at the NC Office of State Budget and Management (the peer review team).

- **UNC Strategic Plan – Internal Audit’s Reporting Requirements**

UNC-GA has decided to forgo the dotted-line reporting relationship between system-wide Internal Auditors and the Internal Audit function at GA. The current model will be maintained.

Closed Session

Dr. McNeil-Miller moved and Mr. Pradeep Sharma seconded the motion to go into closed session.

No actions were taken during closed session.

Dr. McNeil-Miller moved and Mr. Pradeep Sharma seconded the motion to come out of closed session.

Adjournment

Dr. McNeil-Miller moved and Mr. Pradeep Sharma 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 March 19, 2015 at 10:00 a.m.

Submitted by: Deidra Gilliard