



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

Thursday, September 17, 2015
9:30 – 10:30 a.m.
Chancellor's Conference Room
200 Blair Hall

Audit Committee Members Present

Pradeep Sharma, Chair
Robert Clark
Jerry (Mike) Shortt
Debra Miller, Ex-officio

Members Absent

Karen McNeil-Miller

University Staff Present

Shannon B. Henry, Chief Audit Executive
Camille Kluttz-Leach, University General Counsel
Randy Mills, Vice Chancellor of Finance and Administration
Frank Lord, Controller
Robert Muhammad, Director of Financial Aid
George Knox, Interim NCAA Compliance Officer for Athletics
Donald Pearsall, Assistant Vice Chancellor of Business Services
Stacy Sneed, Internal Audit Manager
Rod Isom, Internal Auditor
Carla Reaves, Internal Auditor

I. Call to Order

The meeting was called to order at 9:32 a.m. by Debra Miller. A quorum was confirmed.

II. Approval of Minutes

Debra Miller read the motion to approve the minutes from the June meeting. Mr. Pradeep Sharma seconded the motion and it was unanimously approved.

III. Discussion of External Audit/Reports

Shannon Henry, Chief Audit Executive (CAE) reported that the University's annual financial statement audit for 2015 is underway. As part of the audit, the State Auditors will follow-up and report on the status of three student financial aid issues identified in the 2014 Statewide Federal Compliance Audit Report. The results of their follow-up will be reported in the 2015 Statewide Federal Compliance Audit Report.

IV. University Compliance Matters

Ms. Henry introduced the new interim Compliance Officer for Athletics, George Knox. He is filling in until a permanent Compliance Officer is hired.

V. 2015-2016 Internal Audit Plan Activity Update (summary)

a. Statewide Federal Compliance Audit Procedures Follow-up Review

- Ms. Henry reported that the purpose of this review was to follow-up on three issues reported in the 2014 Statewide Federal Compliance Audit Report identified by the State Auditors.
- Ms. Henry noted the University has made satisfactory progress in resolving the issues, however none of the issue were considered to be fully resolved at the conclusion of the audit.

b. Cash Count and Receipting Audit and Follow-Up Review

- Ms. Henry reported that this review consisted of a follow-up of issues identified in previous surprise cash count audits in addition to a review of other areas that maintain a cash fund or receipt cash.
- The follow-up review revealed that four issues identified previously have been resolved and four have not been resolved.
- The review of new audit areas identified four new issues.

c. Internal Audit Operations

Ms. Henry provided a snapshot of Internal Audit Operations as of August 31, 2015.

- The Office of Internal Audit has completed audits and advisory services in reports with 6 findings that produced 16 written recommendations and 5

verbal recommendations for improvements in various departments within the University.

- Ms. Henry also stated that, based on follow-up reviews of 15 findings from previous years, 54% were either resolved or partially resolved.

d. 2015-2016 Internal Audit Plan

- Ms. Henry presented the 2015-2016 Internal Audit Plan which includes the addition of the following four audits to the pre-existing audit plan:
 - IT – Strategy, Operations and Performance
 - Payroll Processing
 - Fraud Risk Assessment
 - PCI Compliance

VI. Approval of the 2015-2016 Risk Assessment and Internal Audit Plan

After a discussion with Ms. Henry about the 2015-2016 Risk Assessment and Internal Audit Plan, Robert Clark made a motion to approve the plan as presented by the CAE. The motion was seconded and unanimously approved.

VII. Closed Session

Mike Shortt read the motion to go into closed session to prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1). The motion was seconded by Debra Miller unanimously approved.

VIII. Return to Open Session

Debra Miller moved and Pradeep Sharma seconded the motion to come out of closed session. The motion passed.

IX. Adjournment

Debra Miller moved and Pradeep Sharma seconded the motion to adjourn the meeting.

The next WSSU Audit Committee meeting will be held on Thursday, December 10, 2015 at 10:00 a.m.

Submitted by: Carla Reaves
Internal Auditor