

MINUTES
State Board of Community Colleges
ACCOUNTABILITY AND AUDIT COMMITTEE
Thursday, February 20, 2020

ACCOUNTABILITY AND AUDIT COMMITTEE MEMBERS PRESENT

Lisa Estep*	Frank Johnson*	Burr Sullivan*
William Holder*	Samuel Powell	Ann Whitford*

* Attended via phone

Absent: Jim Rose and Clark Twiddy

OTHER BOARD MEMBERS PRESENT:

Breeden Blackwell*	Hari Nath*	Bob Stephens*
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OTHERS IN ATTENDANCE

Jennifer Haygood	Bryan Jenkins	Mary Shuping
Jon Harris	Maureen Little	Dorothy Strickland
Kimberly Gold	Andrea Poole	
Sondra Jarvis	Jane Stancill	

CALL TO ORDER

Ms. Estep called the Accountability and Audit Committee meeting to order at 3:14 p.m. via telephone in the Dr. W. Dallas Herring State Board Room in the Caswell Building in Raleigh.

ROLL CALL

Mr. Jenkins took the roll of the Accountability and Audit Committee members.

ETHICS STATEMENT

Mr. Jenkins read the Ethics Awareness and Conflict of Interest Statement. No conflicts noted.

APPROVAL OF THE AGENDA

Ms. Estep requested a motion to approve the February 20, 2020 meeting agenda. Dr. Powell moved, seconded by Mr. Holder, agenda was approved by the Committee via voice vote.

APPROVAL OF THE MINUTES

Ms. Estep requested a motion to approve the January 16, 2020 meeting minutes. Mr. Johnson moved, seconded by Mr. Holder, minutes were approved by the Committee via voice vote.

Ms. Estep moved to go into closed session pursuant to North Carolina General Statute section 143-318.11(a)(3) to consult with our General Counsel to protect attorney-client privileged discussion. I also move to go into closed session pursuant to 143-318.11(a)(1) to prevent the disclosure of information that is confidential or privileged pursuant to North Carolina General Statute section 115D-27. Mr. Sullivan seconded, Committee entered closed session via voice vote.

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The Committee discussed matters related to the topics referenced above.

Following a motion by Mr. Holder and a second by Mr. Johnson, the Committee returned to open session via voice vote.

FOR ACTION

Accountability and Audit Charter (Attachment AUD 01)

Mr. Jenkins said this is the custom review of the charter. The only change is the language under VI. Number 4 where the name of Compliance Services has been updated. Mr. Johnson moved for approval of Attachment AUD 01. Mr. Sullivan seconded; Committee approved via voice vote.

FOR INFORMATION

College Financial Audit Findings 5 Year Summary (Attachment AUD 02)

Mr. Jenkins presented the 5-year summary of college financial audit findings. Positive trend of no findings continues for FY 2019-20 year we have had 12 completed and released with no findings. Hopefully we will have a second year with no findings. Three (3) of the twelve audits were completed by CPA firms.

Compliance Services Report FY 2018-19 (Attachment AUD 03)

Mr. Jenkins presented the annual summary of activities of the Compliance Services unit. 31 reviews conducted in FY 2019-20. Accomplished a great deal with less than total staffing. Three (3) examiners for majority of the year.

Ms. Whitford asked about normal staffing levels. Mr. Jenkins stated the unit usually has four. Ms. Estep asked if one (1) examiner is assigned per region. Mr. Jenkins confirmed.

James Sprunt Community College Investigative Audit (Attachment AUD 04)

Mr. Jenkins reviewed the findings of the audit report. Dr. Carraway, President of James Sprunt Community College, offered to report to the committee if needed. Desire is to look forward, not backwards. Dr. Carraway acknowledged mistakes. Oversight, policy and procedures of Small Business Center have been overhauled. Mr. Johnson asked about the client referenced in the report. Ms. Little stated there were five (5) clients using the space. Members expressed appreciation for Dr. Carraway's leadership and response. Members confident issues have been adequately addressed.

ADJOURNMENT

Mr. Johnson motioned to adjourn, seconded by Dr. Powell. The meeting adjourned at 4:15 p.m. via voice vote.

Respectfully submitted,
Bryan Jenkins