

MINUTES
State Board of Community Colleges
ACCOUNTABILITY AND AUDIT COMMITTEE
Thursday, February 17, 2022

ACCOUNTABILITY AND AUDIT COMMITTEE MEMBERS

Mr. William Holder, Chair	Mr. Andy Penry*	Mr. Jerry Vaughan
Ms. Lisa Estep	The Hon. Terry Van Duyn	Mr. Ann Whitford

*Attended via Zoom

OTHER STATE BOARD MEMBERS

Mr. Burr Sullivan

LIAISONS

David Heatherly, President, Coastal Carolina Community College

OTHERS

Mr. Brett Altman	Ms. Tiffany Howell	Ms. Kimberly Turner
Ms. Brandy Andrews	Ms. Kelly Kluttz	Dr. Latoya Wiley
Ms. Tawanda Artis	Pres. Carol Spalding, RCCC	Mr. Matt Williams
Ms. Elizabeth Grovenstein	Pres. Thomas Stith, NCCCS	Pres. Murray J. Williams, R-CCC

CALL TO ORDER

Mr. Holder called the Accountability and Audit Committee meeting to order at 1:46 p.m. in the J. Gregory Poole Conference Room of the Caswell Building.

ROLL CALL

Mr. Holder called the roll of the Accountability and Audit Committee members.

APPROVAL OF THE AGENDA AND MINUTES

Mr. Holder requested a combined motion to approve the January 20, 2022 meeting minutes and the agenda. Ms. Whitford motioned to approve, seconded by Mr. Vaughan, and approved by a voice vote.

ETHICS STATEMENT

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

FOR INFORMATION

FY 2019-20 College Financial Audit Findings Summary – June 30, 2020 (Attachment AUD 01)

Mr. Holder reviewed Attachment AUD 01 and Attorney Artis provided brief background of the attachment. Attorney Artis stated Attachment AUD 01 is a summary from the previous State Board meeting from July 2021 wherein the financial audits from fiscal year 2019-2020 for

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Rowan-Cabarrus Community College and Roanoke-Chowan Community College revealed a financial lack of monitoring in misstatements and increased risk of fraud and undetected errors for Rowan-Cabarrus Community College and a lack of internal controls which increased the risk of fraud and undetected errors for Roanoke-Chowan Community College.

The following For Information items were reviewed together:

- Rowan-Cabarrus Community College - Financial Statement Audit Report (Attachment AUD 02)
- Review of Audit Report for Rowan-Cabarrus Community College
 - Dr. Carol Spalding, President
 - Ms. Kelly Kluttz, CPA, Chief Financial Officer
 - Mr. Matt Williams, CFO Consultant

Dr. Carol Spalding of Rowan-Cabarrus Community College discussed their audit. She emphasized the need for a strong business office to address audits. Dr. Spalding stated they hired a search firm to help in filling the vacant CFO position. They also partnered with Matt Williams, a consultant who routinely advises community colleges. As a result of the search, Kelly Kluttz was hired as CFO.

Ms. Estep asked Dr. Spalding if they were audited for 2021. Dr. Spalding stated they were not but were open to an audit for fiscal year 2021-2022.

Mr. Holder requested Dr. Spalding clarify which positions are still open in the college's business office. Dr. Spalding stated that all vacancies have been filled.

Ms. Estep asked Mr. Matt Williams to elaborate on the training he provides and give a brief statement on his experience. Mr. Williams provided this information and further stated he found the college's processes to be good but found a disconnect with the person overseeing the financial statements and the person managing the construction process. To correct the disconnect, there is now training in place to educate everyone.

Mr. Vaughan asked Mr. Williams if his services are available throughout the State. Mr. Williams stated his services are available and utilized by various community colleges across the State. He added there is a charge for the classes which covers the payment of the instructors.

The following For Information items were reviewed together:

- Roanoke-Chowan Community College – Financial Statement Audit Report - June 30, 2021 (Attachment AUD 03)

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- Roanoke-Chowan Community College – Investigative Report – July 2021 (Attachment AUD 04)
- Review of Audit Report for Roanoke-Chowan Community College
 - Dr. Murray J. Williams, President
 - Dr. Latoya Wiley, CFO/Vice President of Administrative and Fiscal Services

Dr. Murray J. Williams of Roanoke-Chowan Community College discussed the difficulty in finding individuals to fill roles in the college's business office. She added the issues in the business office were due to high turnover rates of staff rather than lack of internal controls as indicated in the 2019-2020 audit. Dr. Williams reported all the vacancies in their business office have now been filled. The new CFO, Dr. Latoya Wiley, was recently added to the staff. Their new audit for 2021 resulted in no findings. Dr. Wiley stated she is on board with the vision of Roanoke-Chowan Community College and looking forward to strengthening the leadership team at the college. Dr. Williams stated training is in place to ensure everyone knows the responsibilities of their job and they are working on cross-training should there be any unexpected vacancies.

Mr. Vaughn asked Dr. Wiley what drives her commitment to Roanoke-Chowan Community College. Dr. Wiley stated she is a product of rural North Carolina. She stated the community colleges have been a crucial element in her community and she wants to continue to contribute to the community. She feels working with Roanoke-Chowan Community College will allow her to do so.

New Business

Ms. Estep stated she would like to get a status update on the compliance reviews. Attorney Artis stated there are ten (10) reviews pending. She discussed that she has completed the review of six (6) compliance reports, and they are ready to be released to the colleges. Attorney Artis provided she has been waiting for direction from leadership on how best to transition the work with the recent hire of Brett Altman. Attorney Artis stated she can review an additional two (2) of the remaining four (4) reviews to assist in the transition of this work to Mr. Altman. Ms. Estep requested an updated flowchart to know how the review process works. President Stith stated Mr. Altman, Attorney Artis, Dr. Gold, and himself will discuss how to proceed. Ms. Whitford inquired about the number of compliance officers. Ms. Estep and Attorney Artis confirmed there is four (4) compliance officers.

Mr. Sullivan asked Attorney Artis to clarify whether the delay of the compliance reviews was due to Mr. Jenkins departure or the vacancy of Director of Compliance Services. Attorney Artis stated she was assigned the interim responsibilities for the Compliance Team with both leadership positions previously held by Mr. Bryan Jenkins and Ms. Tammie Hill vacant and in November 2021 and spent the next two (2) months (around the holiday leave days) getting up to speed on the process of the compliance reviews and to review the reports. With the

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announcement of the hire of Brett Altman, Attorney Artis stated she was awaiting direction

from leadership on how best to proceed with the oversight for the compliance team and their reports. President Stith added that Mr. Altman has been given a pool of candidates to potentially fill the Director of Compliance Services position soon.

ADJOURNMENT

Mr. Holder declared the meeting adjourned at 2:23 p.m.

Respectfully submitted,
Halima Sharif
Recording Secretary