

**MINUTES**  
**State Board of Community Colleges**  
**ACCOUNTABILITY AND AUDIT COMMITTEE**  
**May 16, 2019**

**ACCOUNTABILITY AND AUDIT COMMITTEE MEMBERS PRESENT**

Lisa Estep, Chair	Breeden Blackwell	Bill McBrayer
Ann Whitford, Vice-Chair	William Holder	Jerry Vaughan

Members absent: Sam Powell and Clark Twiddy

**OTHER BOARD MEMBERS PRESENT:**

Frank Johnson	Bobby Irwin	David Willis
Scott Shook	Burr Sullivan	Ernie Pearson
Lynn Raye	Steven Walker	

**OTHERS IN ATTENDANCE**

Peter Hans	Mary Shuping	Maureen Little
Jennifer Haygood	Andrea Poole	Lyn Austin (NCACCT)
Shante Martin	Bryan Jenkins	Caroline Hipple (NCACCT)
JW Kelly	Chreatha Alston	
Brian Long	Chris Sparks	

**CALL TO ORDER**

Ms. Estep called the Accountability and Audit Committee meeting to order at 3:20 9.m. 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 May 16, 2019 meeting agenda. Dr. Blackwell moved, seconded by Mr. Holder, and the agenda was approved by the Committee via voice vote.

**APPROVAL OF THE MINUTES**

Ms. Estep requested a motion to approve the March 14, 2019 meeting minutes. Mr. McBrayer moved, seconded by Dr. Blackwell, and the minutes were approved by the Committee via voice vote.

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**FOR INFORMATION**

**College Financial Audit Findings 5-Year Summary (Attachment AUD 01)**

Mr. Jenkins reviewed the agenda item. Item reports a 5-year summary of financial audits. To date, 27 audits released and 0 with findings. Awaiting approximately four more which are due to be released soon. Hopeful the pattern of no findings holds.

Mr. McBrayer asked Mr. Jenkins what he believes made the total zero. Mr. Jenkins stated a variety of factors including college personnel gaining experience and receiving training as well as the implementation of process and control changes to address issues.

Ms. Haygood stated a few years ago the System Office worked with ACCBO to develop training which has made a difference throughout the System.

Mr. Jenkins reminded members colleges have the authority to contract with a CPA firm for financial audits. About a third of the colleges have used private firms. Discussed average billing rates of CPA firms and OSA.

Ms. Estep stated the report is great news and hopes the trend continues.

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**Internal Audit Report – Fixed Assets Inventory (Attachment AUD 02)**

Mr. Jenkins provided brief background information on the audit. Asked if Mr. Sparks could address the Committee. Mr. Sparks reviewed the report including the scope and sampling methodology utilized. Ten (10) items not accounted for and four (4) without tags.

Mr. Jenkins reminded members this audit is only for the System Office.

Mr. Sparks reviewed the recommendations.

Mr. Jenkins said no one was exempt from the audit.

Ms. Whitford asked if this is new. Mr. Jenkins stated this was the first time this audit has been performed but will become part of the annual internal audit plan.

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**NC Community College System Federal Compliance Audit FY 2017-18 (Attachment AUD 03)**

Mr. Jenkins presented AUD 03. Annual audit with no reported findings.

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College Federal Audits with Findings (Attachment AUD 04)

Mr. Jenkins presented AUD 04. Thus far five (5) reports issued and two (2) with findings. Majority of the findings related to timely reporting of changes to student data.

Mr. Jenkins reviewed each finding separately.

Dr. Kelley stated sometimes the delay has to do with the administrative process.

Mr. Jenkins stated Dr. Kelley and Dr. White are working hard to assure that colleges meet compliance.

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Roanoke-Chowan Community College Update (Attachment AUD 05)

Mr. Jenkins introduced the attendees from Roanoke-Chowan Community College.

Charles Francis, General Counsel, reviewed findings from the SACS visit that occurred as well as how the concerns were addressed. The college hopes warning will be removed once the response is received.

Mr. Holder stated he attended a Board meeting and got a sense from the meeting that the Board and President is in the interest is success of the college and the students. Dr. Elliot has become a stabilizing force in the college and moving forward. Commend the work that has been done.

Attorney Francis thanked Mr. Holder for the visit and thanked President Hans and Jennifer Haygood

Dr. Blackwell stated the report states that there is concern and caution as to what was said in interviews that could result in retribution. Mr. Francis stated the issue was discussed and leadership has been unable to discover why there was that feeling. It has been addressed and investigated.

Attorney Francis said Attachment 5, section 3.1 has been revised (see agenda item in red for the language) which has been submitted to SACS. Dr. Blackwell asked if that corrects the idea of the Board to not be involved in the hiring. The policy changes it from the Board approving to the Board having an information item with the updates.

Ms. Estep thanked the group for coming to address questions -

Attachment 4 – the title has 7pm and the meeting start is at 4:00pm. Attorney Francis stated these are not approved, and the draft will be corrected.

Attachment 6 – questioned to assure that there was a quorum and when Dr. Bazemore arrived

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and it should be noted.

President Hans shared a few thoughts about what SACS will do once they receive the response. He commended Chair Pierce and Attorney Francis, President Elliot, and Dean Lashay.

Ms. Estep asked Dr. Elliot if there has been a culture change. President Elliot stated there has been a change in the culture and the president, board, and college are working together.

Ms. Estep asked if there is anything else the Board that can do to help. President Elliot stated please continue to support us.

Chairman Shook stated please call on the System and the Board for help, if needed.

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**ADJOURNMENT**

Mr. Holder motioned to adjourn, seconded by Mr. Vaughan. The meeting was adjourned at 4:00 p.m. via voice vote.

Respectfully submitted,  
Bryan Jenkins