

MINUTES
State Board of Community Colleges
ACCOUNTABILITY AND AUDIT COMMITTEE
Thursday, October 20, 2022

ACCOUNTABILITY AND AUDIT COMMITTEE MEMBERS

Mr. Mark Merritt, Chair	Mr. Andy Penry*	Ms. Ann Whitford
Ms. Lisa Estep, Vice Chair	Hon. Terry Van Duyn*	

*Attended via Zoom

Absent: Mr. Jerry Vaughan

OTHER STATE BOARD MEMBERS

Ms. LaTasha Bradford	Hon. Ray Russell	Ms. Sarah West
Dr. Shirley Carraway	Mr. Burr Sullivan	

OTHERS

Ms. Brandy Andrews	Mr. Patrick Fleming	Ms. Tiffany Howell
Ms. Tawanda Artis	Dr. Kimberly Gold	Ms. Sondra Jarvis
Pres. Bill Carver, NCCCS	Pres. Darrin Hartness, DDCC	Mr. Bryan Matthews
Pres. Jeff Cox, WCC	Ms. Caroline Hipple, NCCCT	Ms. Hannah McClellan, EdNC

*Attended via Zoom

CALL TO ORDER

Mr. Merritt called the Accountability and Audit Committee meeting to order at 2:32 p.m.

ROLL CALL

Ms. Jarvis called the roll of the Accountability and Audit Committee members.

ETHICS STATEMENT

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

APPROVAL OF AGENDA AND MINUTES

Mr. Merritt requested a motion to approve the agenda. Ms. Estep motioned to approve, seconded by the Ms. Whitford; the committee approved by voice vote. Mr. Merritt requested a motion to approve the minutes from the September 16, 2022, meeting. Ms. Whitford motioned to approve, seconded by the Ms. Van Duyn; the committee approved by voice vote.

FOR ACTION

Approval of Accountability and Audit Committee Charter (Attachment AUD 01)

Mr. Merritt state there have been no changes or negative comments. He asked if there were any comments. Ms. Whitford thanked Mr. Merritt for his work on leading the revisions of the charters.

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Ms. Estep motioned to approve Attachment AUD 01; The Hon. Van Duyn seconded the motion. Attachment AUD 01 was approved by voice vote.

Annual Audit Plan (Attachment AUD 02)

Mr. Bryan Matthews reviewed the Annual Audit Plan. He stated in combination with Jefferson Wells a risk assessment was conducted. Mr. Matthews stated interviews were conducted and the list of items was reduced to focus on items that were auditable. He said the items were ranked by highest to lowest risk and stated there were two areas of highest risk. He stated the two items were included in the audit plan to be address this year. He noted the items included grant compliance of the ApprenticeshipNC program and the college data transfer audit. The college data transfer issue is information from the colleges sent to the System Office and has to be entered manually. He reviewed the Audit Plan which included other required audits and the estimated completion dates. He discussed the completion of the development of the audit programs and templates.

Ms. Whitford asked for further explanation about the college data transfer issue. Mr. Matthews stated there are two different systems utilized, the colleague system and the Statewide system. The transfer between the two systems is done via manual data entry which risks human error. Ms. Whitford asked if the new system that is being developed will change the manual data entry. Mr. Fleming stated the system will be developed to lead to more automation.

Mr. Merritt asked if any of the other risks would benefit from bringing in external resources to conduct performance audits. Mr. Matthews stated he believes the audits identified cover the highest risks. He stated the other moderate risks could change depending on assessment as the year progresses.

The Hon. Van Duyn motioned to approve Attachment AUD 01; Ms. Whitford seconded the motion. Attachment AUD 01 was approved by voice vote.

NEW BUSINESS

Mr. Merritt stated an Audit Committee calendar has been created which outlines the reports that will be reviewed through the year. The calendar will be available for review at the next meeting. He asked for feedback if there is additional reporting that the committee desires to be on the calendar.

Ms. Whitford stated this is a model she believes other committees should look at. Mr. Merritt stated the committee fell behind schedule of reporting and noted the committee has deadlines that require the need for a calendar to ensure the timelines are kept.

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Mr. Penry stated in his previous experience external auditors were used and asked the committee to consider using external auditors in partnership with the internal auditing . Mr. Merritt stated he agrees and noted the capacity of having one (1) internal auditor at the System Office may require the need to have additional external resources to meet the auditing needs of items identified as higher risk. Mr. Penry stated there is also a risk of the internal auditor also being an employee of the System, Mr. Penry noted he does not feel anyone has done anything wrong but concluded that external auditors can provide additional check points.

ADJOURN

The Hon. Van Duyn moved to adjourn. Mr. Merritt declared the meeting adjourned at 2:51 p.m.

Respectfully submitted,
Tiffany Howell
Recording Secretary