

**STATE BOARD OF COMMUNITY COLLEGES**  
**Accountability and Audit Committee Charter**

**I. Background**

The State Board of Community Colleges derives its authority from the State Board Code. The Accountability and Audit Committee was established on March 16, 2007 in response to recommendations for improving the operations of the Community College System outlined in a State Auditor's letter of December 29, 2005 to President Martin Lancaster and the statewide Performance Audit entitled "Internal Auditing in North Carolina Agencies and Institutions" dated September 2006.

**II. Purpose**

The purpose of the Accountability and Audit Committee is to ensure strong and effective systems of internal controls within the North Carolina Community College System and to clearly indicate responsibilities related to that system of internal controls, and to strengthen internal audit activities within the North Carolina Community College System.

**III. Organization**

The Accountability and Audit Committee shall be a standing committee of the State Board of Community Colleges. The Chair of the State Board of Community Colleges shall appoint the membership, designate the chair and vice-chair, prescribe the duties, and determine the size of the committee. The membership of the committee may be rotated at the discretion of the Chair of the State Board of Community Colleges.

**IV. Meetings**

Regular meetings of the State Board shall be held at least ten times a year on dates determined by the State Board of Community Colleges. The Accountability and Audit Committee shall meet on the same schedule as the other standing committees, as determined by the State Board of Community Colleges.

**V. Responsibilities**

The responsibilities of the Accountability and Audit Committee shall be:

1. To ensure that each division of the System Office and community colleges have in place processes and procedures that assess the following areas:
  - a. Effectiveness and efficiency of operations
  - b. Reliability and integrity of financial and operational information
  - c. Safeguarding of assets, and
  - d. Compliance with laws, regulations, and contracts;
2. To determine if appropriate controls are in place to mitigate risk, and to develop details on how identified areas of risk will be minimized;
3. To ensure that appropriate information to make well-informed decisions is received;  
and
4. To report to the full Board on an on-going basis.

## **VI. Duties**

The specific duties of the Accountability and Audit Committee shall include:

1. Review the work performed at the System Office and community colleges by the Office of the State Auditor, CPA firms, and other advisors and report to the State Board of Community Colleges on these activities. The report to the State Board of Community Colleges should include, but not be limited to, audit reports, reviews, investigations, special assignments, findings, responses and resolutions;
2. Participate, when necessary, in training sessions related to system-wide internal controls and internal/external audit issues;
3. Study, review, and report on regulatory changes by government agencies, regulatory authorities, and accreditation bodies that impact the System Office and college procedures and make recommendations to the Board on actions to be taken;
4. Review findings of annual compliance reviews, conducted by the System Office Compliance Services unit, of each college; and
5. Review and resolve any inconsistencies found with internal control procedures and conflicts of interest situations.

The Committee may modify or supplement these duties and responsibilities as needed.

The Committee should periodically review and assess the adequacy of the Accountability and Audit Committee Charter.

### **Contact(s)**

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