



Audit Committee Meeting		
9.13.2018	Start time: 2:28 pm	317 College Street
Meeting Type	Audit Committee Meeting	
Note taker	Beth Chancellor	
Attendees		Present (Y/N)
	Ms. Katherine Cannata (chair)	Y
	Mr. Billy Atkins	Y
	Dr. Nell Rayburn	Y
	Mr. Mike O'Malley (ex-officio)	Y
	President Alisa White	Y
	Dannelle Whiteside, General Counsel and Secretary to the Board	Y
Item A - Internal Audit Salaries and Budget (Roll Call Vote)		
Discussion	<p>Trustee Cannata recognized Blayne Clements for a report. Clements explained the Audit Committee Charter requires the Audit Committee to review and approve the salaries for staff in the Office of Internal Audit . Additionally, <i>International Professional Practices Framework</i> promulgated by the Institute of Internal Auditors, Standard 2020, requires the Board to review and approve the resources of the Office of Internal Audit. For this reason, the committee reviewed the budget for the Office of Internal Audit.</p> <p>Trustee Atkins moved to approve the Internal Audit salaries and budget. Trustee Rayburn seconded the motion.</p>	
Conclusion	<p>A roll call vote was taken and the motion passed unanimously with 3 trustees voting yes.</p>	
Follow-up Items	Person	Deadline
N/A		
Item B – FY 2019 Internal Audit Plan (Voice Vote)		
Discussion		

Trustee Cannata recognized Blayne Clements for a report. Clements explained the Office of Internal Audit prepares an annual audit plan at the beginning of each fiscal year. The plan is based on the staffing and time resources available to perform audits and is prepared in conjunction with an annual risk analysis of the university's audit universe (all potential auditable areas) and input from management. The audit plan includes required audits, risk-based audits, known investigations and special requests. During the year, changes in audit priorities may result in alterations to the plan.

The *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors (IIA) requires the audit plan, and any significant changes to the plan, be approved by the Audit Committee. The Audit Committee was provided a copy of the FY2019 Internal Audit Plan.

Trustee Atkins moved to approve the Internal Audit Plan. Trustee Rayburn seconded the motion.

Conclusion	
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A voice vote was taken and the motion passed unanimously with 3 trustees voting yes.

Follow-up Items	Person	Deadline

Item A – 2018 Year End Report (Information Item)

Discussion	
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Trustee Cannata recognized Blayne Clements for a report. Clements explained that the Audit Committee charter requires the Audit Committee to provide oversight on internal audit activities, which includes reviewing the results of the year's work. The Internal Audit Year End Report for FY2018 was provided to the committee. This report contains summary information of internal audit activities for the year.

Conclusion	
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This was an information item and required no action.

Follow-up Items	Person	Deadline

Item B – Internal Audit Reports issued between May 12, 2018 and August 20, 2018 (Information Item)

Discussion	
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Trustee Cannata recognized Blayne Clements for a report. Clements explained that the meeting materials include a list of all the internal audit reports released between May 12, 2018 and August 20, 2018. Clements briefly discussed the three reports released during this time period. Clements also explained that the Office of Internal Audit follows up on all recommendations included in internal audit reports and a summary of outstanding audit recommendations was provided to the committee.

Conclusion	
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This was an information item and required no action.

Follow-up Items	Person	Deadline

Item C – Quality Assessment Review with External Validation (Information Item)

Discussion	
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Trustee Cannata recognized Blayne Clements for a report. Clements explained state law requires the Office of Internal Audit to comply with the International Professional Practices Framework (IPPF) promulgated by the Institute of Internal Auditors (IIA). The IPPF requires the Office of Internal Audit to have an active Quality Assurance and Improvement Program, which includes periodic self-assessment and external assessments of operations to ensure compliance with the IPPF mandatory guidance.

The Office of Internal Audit performed a self-assessment during the spring of 2018. A team of qualified reviewers conducted an external validation of the self-assessment. This external validation included reviewing the self-assessment and its conclusions, as well as a site visit during the last week of August 2018. During this site visit, the team interviewed key staff, reviewed audit working papers, and reviewed related policies, charters and other pertinent documents. At the time of the Audit Committee meeting, the external reviewers had not released their final report. Clements explained that once it was released, he would ensure copies were sent to the audit Committee members, the Board Chair and the President. Clements stated if the report contained opportunities for improvement, a corrective action plan would be drafted detailing the action to be taken to address the issues, who was responsible, and an estimated date of completion. Clements stated he would keep the President and Audit Committee apprised of all progress regarding the corrective action.

Conclusion	
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This was an information item and required no action.

Adjournment

Discussion

Trustee Atkins moved to adjourn the meeting. Trustee Rayburn seconded the motion. The meeting adjourned at 2:48 p.m.