

DRAFT

**Report of the Audit, Risk and Compliance Committee
Board of Trustees, University of North Carolina Wilmington
February 7, 2019**

The Audit, Risk, and Compliance Committee met February 7, 2019, at 8:30 a.m. in the Azalea Coast Room of UNC Wilmington's Fisher Student Center. In attendance were Mr. Rippy, chair of the committee, Ms. Kidd, Mr. Kitchin, Mr. White, and Mr. Tillett.

The Audit, Risk and Compliance Committee updates began with Ms. Sharyne Miller, our Chief Information Officer, presenting UNC System Office Policy changes impacting all universities. She began with an overview of the approved UNC Board of Governors' IT policies that now necessitate UNCW's IT governance framework and policies to be updated. These updates to UNCW's governance framework and UNCW policies will align with the current IT governance frameworks as specified by the Board of Governors. Currently, the University's Board of Trustees is the oversight authority over second tier UNCW IT policy. In order to align our governance framework with the UNC - BOG, two action items were presented:

1. A request for the UNCW Board of Trustees approval of updated governance level IT Policies.
2. Changes to the authority for existing 07.100 sub-policies to the CIO and the creation of new 07.300 sub-policies to the authority of the CIO.

After the overview and a brief discussion, the Audit, Risk, and Compliance Committee approved the two action items as presented.

Ms. Stefanie Powell, then briefed the committee members on the fiscal year 2018 audited financial statements for UNCW. Ms. Powell noted that the State Auditor issued an unqualified opinion and there were no management letter comments or findings. In addition, there were no material weaknesses in internal controls. Ms. Powell emphasized that UNCW had continued growth in net position, with net position having increased \$34.2 million in fiscal year 2018. Ms. Powell provided an update on the new financial reporting requirements and the accounting for post-retirement benefit costs and their impact on our university financial statements moving forward. Ms. Powell also went over revenue sources, total expenses, and the audit reports of our associated entities.

Mr. Corby Johnson then presented Internal Audit's activity report. He provided a high level overview of the work completed during the quarter ending December 31, 2018, and an overview of current and upcoming projects.