The Audit, Risk, and Compliance Committee held its regular quarterly meeting on July 21, 2016. Chair Michael Drummond called the meeting to order and read the required ethics statement. Members of the committee in attendance were: Mr. Drummond, Ms. Daniels, Mr. Cameron, Mr. Kitchin and Mr. Smith.

The meeting began with the review and approval of minutes from the meeting that occurred on April 21, 2016.

Next, Mr. Koebel provided the committee members with an overview of UNCW’s coordinated compliance, policy, and ethics program. This program was created in response to the Audit, Risk, and Compliance Committee’s charter which states the committee will annually review management’s compliance processes. In addition, the program reflects the UNC system’s preference for a coordinated compliance function and aligns UNCW with the elements of an effective compliance program included in the Federal Sentencing Guidelines.

Mr. Koebel discussed the goals of the program and the program’s purpose and scope. He noted a compliance committee will be created and will include regular meetings with individuals with functional compliance responsibilities. Mr. Koebel also provided an overview of the roles of everyone involved in compliance from the Board of Trustees to individual staff members. Following Mr. Koebel’s presentation, there was discussion around the information presented and clarification of the compliance areas the program covers.

Ms. Powell then presented the Office of Internal Audit’s annual audit plan, or work plan. She explained the risk assessment used to develop the audit plan, and the items included on the audit plan. She noted that the proposed audit plan included limited IT audit coverage. There was subsequent discussion around the annual external IT audits conducted by the Office of State Auditors and others and the self-reviews of IT activity completed by Information Technology Systems (ITS). Following the discussion, the Audit, Risk, and Compliance Committee approved the audit plan.

Ms. Powell next presented Internal Audit’s activity report. She provided a high level overview of the audits completed during the quarter ending June 30, 2016 and provided a more detailed explanation of the recent quality assurance review, or peer review, of the Office of Internal Audit. Internal Audit received the highest possible rating both overall and in the separately evaluated standards. Internal Audit received
recommendations for increasing conformance to the *Standards* of the Institute of Internal Auditors as well as recommendations for increasing effectiveness and efficiency, and the office is working on implementing the recommendations.

Ms. Powell concluded her report by discussing a project completed with the assistance of Master of Science in Accountancy students from the Cameron School of Business and an overview of current and upcoming projects.

There being no further business, the meeting was duly adjourned.