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Audit Committee, June 21, 2007

Coastal Carolina University

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Audit Committee
June 21, 2007

Minutes
Coastal Carolina University
Board of Trustees

Audit Committee
Wall College of Business Board room
June 21, 2007

Committee Members:

Present: Mr. Clark B. Parker and Mr. Tommy M. Stringer

Committee Member

Note Present: Mr. J. Wayne George

Other Board
Members Present:

Mr. William H. Alford, Mr. William S. Biggs,
Mr. Joseph L. Carter, Mr. Fred F. DuBard Jr.,
Mr. Samuel H. Frink, Mr. Charles J. Hodge, Mr. William L. Lyles
Jr., Mr. Daniel W. R. Moore Sr., Mr. Robert L. Rabon, Dr. Oran P.
Smith, Mr. Eugene C. Spivey, and Dr. Samuel J. Swad

Others Present:

Mr. David A. Bredekamp, Dr. Janis W. Chesson,
Dr. David A. DeCenzo, Dr. Edgar L. Dyer, Mr. Wilbur L. Garland,
Ms. Alison Hawk, Ms. Linda P. Lyerly, Mr. Tim Meacham, Ms.
Anne T. Monk, Dr. Danny Nicholson,
Ms. Jolene Pennington, Dr. Judy W. Vogt, Dr. Lynn Willett, Ms.
Nila Hutchinson, and Ms. Chyrel Stalvey

In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda for the meeting. Mr. David Wrenn of The Sun News was in attendance.)

Mr. Parker called the Audit Committee meeting to order at 6:10 p.m. Mr. Stringer offered an invocation.

Mr. Stringer moved to approve the Audit Committee minutes of April 18, 2007, and the motion carried.

As there were contractual and personnel matters to discuss, Mr. Frink moved to go into Executive Session and Mr. Biggs seconded. The motion carried. Everyone was excused except for the Trustees, Dr. DeCenzo, Dr. Dyer, Mr. Meacham, Mr. Bredekamp, Ms. Hawk and Ms. Pennington. After Mr. Bredekamp and Ms. Pennington presented their report, they were excused as well.

No action was taken during Executive Session.

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As a result of the first phase of the Audit Committee's review of internal policies and practices, the committee drafted the following recommendations for the Board to review:

- We recommend that the contracts of outside consultants be reviewed individually and all future contracts signed by the University and related foundations or entities be approved by the Planning & Fiscal Affairs Committee, regardless of the amount.
- We recommend that a Human Resources Policy be implemented that guarantees all applicants consideration for employment based solely on their individual qualifications, that each position be properly advertised and that each interview follow EEOC guidelines.
- We recommend that the internal audit staff be expanded to include an Information Technology Auditor and that the head of Internal Audit Department report directly to the Board's Audit Committee and indirectly to the President of the University.
- We recommend that a Discretionary Spending Policy be implemented that requires any expenditure above \$20,000 be approved by the Planning & Fiscal Affairs Committee. We have referred the discretionary spending issues related to the past President to the External Auditor for recommendations.
- We recommend that all current leases be reviewed individually and all future leases be approved by the Capital Projects Committee regardless of the amount and the ownership of each lease being fully disclosed.
- We recommend that the Board adopt a policy prohibiting trustees from serving on the boards of any University related foundations or other related entities. We are continuing to review the policies of each related foundation and recommend the following:
 1. that each related foundation or entity should retain an external auditor separate from the University;
 2. that information be freely shared between the auditors of the University and each related foundation or entity; and
 3. that each related foundation or entity be responsible for the hiring, compensating and terminating of their respective employees.

The committee believes that these recommendations will give President DeCenzo and the Board the necessary authority to take corrective action concerning any improprieties at the University.

These recommendations will be further reviewed by the Board of Trustees.

With no further business, the meeting adjourned.

Respectfully submitted,

Samuel H. Frink
Secretary/Treasurer