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Audit Committee, January 22, 2010

Coastal Carolina University

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**Minutes
Coastal Carolina University
Board of Trustees**

**Audit Committee
Georgetown Campus, Room 103
January 22, 2010**

**Members of the
Committee Present:** Mr. Joseph L. Carter, Mr. Gary W. Brown, Mr. J. Wayne George,
Dr. Oran P. Smith and D. Wyatt Henderson

**Other Board
Members Present:** Mr. William H. Alford

Others Present: Ms. Stacie Bowie, Ms. Lorie Church, Dr. David A. DeCenzo,
Mr. Wilbur L. Garland, Dr. Rob Sheehan and Ms. Chyrel Stalvey

Mr. George called the Audit Committee to order at 8:05 a.m.

Dr. DeCenzo reported that at the last Board of Trustees meeting, the administration was charged to submit a plan to strengthen regulatory compliance and internal control with respect to financial services and university administration of resources.

Stacie Bowie stated that the administration proposes to move forward with internal audit using a committee approach with recommended members of the committee including representatives from the following departments: Athletics, faculty, Academics administrative personnel, ITS, Financial Services, Student Affairs, Enrollment Services/Financial Aid, Human Resources, Advancement, Facilities and Wyatt Henderson. The committee will meet quarterly and at the last meeting of the fiscal year determine the areas to be audited the next year. The President will give his approval and take the recommendations to the Board of Trustees' Audit Committee for approval.

Lori Church is a certified internal auditor and has been serving as a quasi auditor. This function has worked well.

After a review of the proposal, Joe Carter made a motion to move forward with the internal audit function using a committee approach with Dr. Karen Maguire as advisor and Wyatt Henderson to serve as a member of this committee. Gary Brown seconded and the motion passed. (Motion 10-07)

Mr. Carter moved to direct Dr. DeCenzo in conjunction with Dr. Sheehan to perform an audit of majors and student credit hours by the next meeting. Mr. Henderson seconded. The motion passed. (Motion 10-09)

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Dr. DeCenzo is concerned that there is not a control mechanism for reselling athletic tickets as it is all cash. It is hoped to have the mechanism in place by the time the baseball season starts. Mr. Garland reported that parking decals are now being purchased through the Bursar's office, instead of Public Safety.

Mr. Carter wanted to know the bidding process for projects. Will Garland responded that it is a two-phase process. The first phase is getting approval from the state to hire an architect to do a schematic design which is sent to a cost estimator selected by the architect. The second phase is to go back to the state to ask for permission to build the facility at the estimated price. Once the design is completed working with the state engineering office, the project goes out for bids. By law, unless we can justify not accepting the low bid, we must take the low bidder.

Mr. Carter wanted to know if we could design bid build finance. Mr. Garland stated that we can design bid build finance, design bid build, and design bid but the S.C. Commission on Higher Education cannot tell him how to do it because the first phase requires that we have to ask for money to design the project. Gary Brown added that the whole design build would be much more complicated set of variables that would allow more possibilities for corruption and price fixing. There are so many eyes on design bid build that there is no bid fixing on large projects.

Mr. Henderson moved to direct President DeCenzo to assist the Coastal Educational Foundation in limiting the scope of the audit of the endowments since 1993. Mr. Brown seconded and the motion passed. (Motion 10-08)

Mr. George asked for a report on the cost and instructional load of academic support personnel, such as center directors.

Mr. Henderson moved to acknowledge the receipt of the June 30, 2009, Comprehensive Annual Financial Report and Mr. Carter seconded. The motion passed. (Motion 10-10)

The meeting adjourned.

Respectfully submitted,

Chyrel Stalvey for
Secretary/Treasurer