

7-19-2012

## Audit Committee, July 19, 2012

Coastal Carolina University

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**Minutes  
Coastal Carolina University  
Board of Trustees**

**Audit Committee  
E. Craig Wall Sr. School of Business Administration Building, Board Room  
July 19, 2012**

**Members of the  
Committee Present:** Mr. J. Wayne George, Mr. Carlos C. Johnson Dr. Oran P. Smith,  
and Mr. Robert G. Templeton

**Committee Members  
Not Present:** Dr. Samuel J. Swad

**Other Board  
Members Present:** Dr. Larry L. Biddle, Mr. Gary W. Brown, Mr. Samuel H. Frink,  
Mr. D. Wyatt Henderson, Mr. William L. Lyles Jr., and  
Mr. William E. Turner III

**Others Present:** Ms. Stacie Bowie, Ms. Lori Church, Dr. Debbie C. Conner,  
Dr. David A. DeCenzo, Mr. Edgar L. Dyer, Ms. Martha S. Hunn,  
Mr. Timothy Meacham, Dr. Robert Sheehan, Ms. Jennifer Packard  
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.)

Chairman Wayne George called the Audit Committee to order at 3:30 p.m.

Mr. Will Turner moved to approve the Audit Committee minutes of May 3, 2012. Mr. Gene Spivey seconded and the motion passed.

A report submitted by Dr. Philip Little, chair of Coastal Carolina University's Internal Control and Risk Assessment Committee, said the University appears to be coordinating efforts and utilizing resources very efficiently in spite of all the growing enterprises. Four general areas where efficiency is needed were identified.

1. Standardized deposit form meeting the needs of all departments on campus.
2. Assess the possibility of programming for the exchange of data electronically and thereby eliminating the risk of error from human keypunching of data as well as enabling time savings and other efficiencies.
3. Reassess the purpose, not the use, of the legacy paper receipt system. In times of power outages for instance, a paper receipt is acceptable internal control. However, having it accompany each deposit as a duplicate of the electronic information may not be the most efficient use of personnel time or university resources.
4. Central compliance monitoring process in place which coordinates all departments with compliance regulations, a risk assessment of non-compliance, a set of objectives to

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enhance compliance and the monitoring of that compliance whether in-house with an internal audit function or contracted by a monitoring consultant.

A couple of procedural updates were suggested for the Quail Creek golf shop: after reviewing sales reports, the manager should sign off on the reports and employees should know the procedure for reporting suspected fraud.

The new ticketing system will be very beneficial for better control of money and improved internal control.

After review of the IT equipment inventory, the Human Resource Department recommended adding a step in the severance checklist to include the return of CCU equipment. The IT department specifically recommended that this include an inspection of the laptop by the IT department before severance proceedings are completed.

The Department of Public Safety (DPS) has outdated ticketing devices which they are looking to upgrade. The department issues both South Carolina Department of Public Safety (DPS) Uniform Traffic Tickets (UTT) and their own parking tickets in accordance with state law. DPS required inventory is done and UTT are adjudicated through established courts in local jurisdictions. The University has no revenue sharing agreement on fines with any of the local jurisdictions. Management should determine if there is a possibility of sharing revenues in this area.

The Post Office has some redundant controls in place which needs to be corrected. They also have a \$100 petty cash fund that has been in place for many years, which accounting did not know about it.

Health Services is in compliance with regulations and the staff is knowledgeable of procedures; however, it is recommended that the University may be better served by centrally coordinating compliance with all the various laws it must comply with in one office. Just maintaining a list of the laws it must comply with across the entire spectrum of departments and offices would vastly improve the University's ability to assess risks of compliance. Including Student Financial Aid Title IV and various DHEC regulations relating to students, there would be a better ability to evaluate across departmental coordination and monitoring as well as a central point to communicate risks for evaluation purposes

Mr. Tim Meacham stated that a chief compliance officer, who will be a lawyer, will be hired to coordinate University compliance and report to University Counsel. Title IX compliance is more extensive and the University is trying to get ahead of the Penn State report recommendations. FOIA has also been consolidated into the University Counsel's office.

As there was no further business, Mr. Robert Templeton moved to adjourn and Dr. Oran Smith seconded. The motion passed.

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With no further business, Mr. Johnson moved to adjourn the meeting and the meeting adjourned.

Respectfully submitted,

Chyrel Stalvey  
for Larry L. Biddle  
Secretary-Treasurer