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Executive and Audit Committee, February 26-27, 2015

Coastal Carolina University

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**Coastal Carolina University
Board of Trustees
Minutes**

**Executive & Audit Committee
E. Craig Wall Jr. Board Room
February 26 and 27, 2015**

Board Members Present: Mr. William S. Biggs, Mr. Fred F. DuBard III, Mr. Samuel H. Frink, Ms. Natash M. Hanna, Mr. D. Wyatt Henderson, Mr. Carlos C. Johnson, Mr. Marion B. Lee, Mr. Charles E. Lewis, Mr. George E. Mullen, Dr. Oran P. Smith, Mr. Eugene C. Spivey, Mr. Robert G. Templeton, and Mr. William E. Turner III

Others Present: Ms. Carolyn Bender, Ms. Stacie A. Bowie, Dr. J. Ralph Byington, Mr. Josh Chesson, Ms. Lori Church, Dr. Debbie C Conner, Dr. David A. DeCenzo, Mr. Edgar L. Dyer, Ms. Martha S. Hunn, Dr. Edward Jadallah, Dr. Steven J. Madden, Mr. Timothy E. Meacham, Ms. Jennifer Packard, Mr. William M. Plate Jr., Dr. Nelljean Rice, Ms. V. Chyrel Stalvey, Mr. Gregory Thompson, and Mr. David Yancey

(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. Charles Perry of the Sun News was in attendance.)

A short Executive Session was held on February 26, 2015:

Others present were: Ms. Stacie A. Bowie, Dr. J. Ralph Byington, Ms. Meredith Canady, Dr. David A. DeCenzo, Mr. Edgar L. Dyer, Ms. B. J. Landrum, Mr. Timothy E. Meacham, Mr. William M. Plate Jr., Ms. Chyrel Stalvey, and Ms. Kathy T. Watts

Chairman Wyatt Henderson made a motion to go into Executive Session to discuss legal updates and contractual and personnel issues. Gene Spivey seconded. Upon reconvening, it was noted that no action was taken.

Gene Spivey made a motion for the following fourteen faculty members to be promoted to associate professor with tenure: Amanda Brian, Jeffrey Case, Crystal Cox, Rajendra Dahal, Wesley Fondren, Greg Geer, Melanie James, Yun Sil Jeon, Brian Larkins, George Lyerly, Arlise McKinney, Scott Parker, Jonathan Trerise and Matthew Wilkinson. And, fourteen faculty members to be promoted to professor: Paul Clark, Florence Glaze, William Hills, Colleen McGlone, Maggi Morehouse, John Navin, Jason Ockert, Brandon Palmer, Donald Rockey, Douglas Smith, Jonathan Smith, James Solazzo, Nicholas Twigg and Yoav Wachsman. One faculty member, Michael Dunn, was recommended for tenure. And, three retiring faculty members to receive the status of distinguished professor

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emeritus at their retirement: Edgar Dyer, Michael Ferguson and Susan Webb. (Motion 15-11). Dan Moore seconded and the motion passed by acclamation.

Henderson appointed new trustee Delan Stevens to the Athletics and the Planning, Finance and Facilities Committees.

The Executive Committee on February 27, 2015:

Chairman Wyatt Henderson brought the meeting to order at 9:04 a.m.

Eugene Spivey moved to approve the minutes of October 24 and December 12, 2014. Larry Lyles seconded and the motion carried.

A hardcopy of the CAFR was distributed.

An RPF was submitted for a contract for external auditor and Cline Brandt Koechenower & Co. was issued another five-year contract for both the annual financial audit and the NCAA agreed upon procedures audit. We are confident in them, and they are familiar with the workings of the University.

We have received the preliminary report with recommendations for an internal control review of the Office of Lifelong Learning (OLLI) and Student Veterans Certification. Recommendations and efficiencies include:

OLLI: Need to work on some automation of the processes within OLLI which includes closing the cash “drawer” daily, daily deposits, pre-numbered registration forms, and automation of registration. Found some classes that have revenue but were not in the catalog and no reporting which allows tracking of revenue to a class by student and instructor. Cataloged prices varied on classes offered which cannot be compared to actual collections.

Veterans Affairs – Student Processing: The testing of the actual processes and the administration of the processes was clean and well done, but was done manually. No formal written policies and procedures are in place. We need to utilize the systems we do have for student verification and information tracking.

Internal audits have included:

- surprise audit for cash advances, revisited policies and made changes to process.
- vendor entry processes and duplicate vendors.
- payroll processes are being streamlined to eliminate as many manual manipulations and then determining how we can accomplish those practices within our existing system.
- Housing is implementing a new reservations system “Starrez” which integrates with the financials; therefore, instead of auditing them now we have decided to make sure that all financial ties and internal controls are in place with the new system and review it for potential flaws at a later time.

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We have previously discussed implementation of GASB68 adding a proportional amount of the state's pension liability to our books at year end. The staff has been trained, understands how it works and will apply the amounts we are given accordingly. It is a book entry. The liability is not ours but the state's and it's the amount they apportion to us to record at year end. If we applied GASB68 to last year's financials we would go from \$40.9M in unrestricted net assets to NEGATIVE \$68.6M. That's an adjustment of \$109M. Again, it is just a book entry but an official and required change. In May, this will be seen in the financial statements and more discussion will take place.

The interim year-end audit will take place in May.

Henderson wanted to know how the audits selected each year are determined. Bowie stated that financial services talks with each other to determine. We are constantly auditing ourselves. It is both a planned and impromptu process.

At the May meeting, Henderson would like to have a list of areas on campus that have been audited.

Carlos Johnson moved to go into Executive Session to discuss personnel and contractual matter. Marion Lee seconded, and the motion carried. Upon reconvening it was noted that no action was taken.

As there was no further business, Executive Session adjourned.

Respectfully submitted,

Chyrel Stalvey for
Charles E. Lewis
Secretary/Treasurer