



BOARD OF TRUSTEES MEETING
Jernigan Building Boardroom
April 23, 2024
7 p.m.

Regular Session Minutes

Call to Order: Chairman Gatling called the meeting to order at 7:00 p.m.

Roll Call: Roll call was done by Tarsha Bush-Dudley.

Trustee Attendance:

<u>Trustee Name</u>	<u>Absent/Present</u>
Ronald Gatling (Chair)	Present
Jeri Pierce (Vice-Chair)	Absent
Mary Harrell	Present
Albert Vann	Present
Jean Matthews	Present
Betty Pugh	Present
Otis Smallwood	Present
Renee Tyler	Present
Geneva Riddick-Faulkner	Present
Catherine Wilson	Present
Raymond Faircloth, Jr.	Absent

Staff Present: Dr. Murray Williams (President), Ms. Stephanie Benson (Executive Vice President for Workforce and Institutional Effectiveness), Ms. Miriam Caslin (CFO/VP of Administrative Services), Tarsha Bush-Dudley (Board Liaison)

Others Present: None

Invocation: Given by Dr. Williams.

Conflict of Interest Statement: Read by Chairman Gatling. None were noted.

Mission Statement Review: Trustee Pugh reviewed the R-CCC Mission Statement with the Trustees.

Approval of the Agenda:

- On a motion by Trustee Tyler and seconded by Trustee Vann the April 23, 2024, agenda was approved.



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Approval of Board Meeting Minutes:

- On a motion by Trustee Harrell and seconded by Trustee Smallwood, the Board approved the March 26, 2024, Board minutes.

Committee Reports:

Finance Committee:

- Ms. Caslin gave an overview of the Financial Report dated March 31, 2024.
- On a motion by Trustee Harrell and seconded by Trustee Pugh, the Board approved the Financial Report dated March 31, 2024.
- Ms. Caslin gave an update from the North Carolina Office of the State Auditor regarding completion of the financial statement audit at Roanoke-Chowan Community College for the year ended June 30, 2023. The audit findings and recommendations are as follows:

AUDIT FINDING AND RECOMMENDATION- Matters Related to Financial Reporting

- Inadequate Internal Controls Resulted in Significant Misstatements and Increased the Risk of Fraud and Undetected Errors College management did not have adequate internal controls to ensure accurate financial reporting.
- Auditors found that:
 - Reconciliations of bank accounts were not completed between January 2023 and June 2023.
 - Journal entries were not properly documented or reviewed for accuracy between March 2023 and June 2023. Inadequate internal controls over financial reporting resulted in several significant misstatements.
- Specifically:
 - Revenue accounts contained the following misstatements because of incorrect journal entries: Student tuition and fees were understated by \$138 thousand due to the overstatement of funds held for others. Student financial aid was understated by \$212 thousand and county appropriations and county capital aid were overstated by \$122 thousand due to recording revenues in the wrong fiscal year.
 - Capital-related accounts contained the following misstatements because the College did not adequately evaluate or record capital assets: Right-to-use subscription assets and subscription liabilities were understated by \$257 thousand. Depreciation and amortization expense was understated by \$102 thousand.



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- Accrued payroll was overstated by \$239 thousand because of incorrect journal entries, which also overstated salaries and benefits expense by the same amount.
- Current assets were understated by \$72 thousand because of errors in recording accounts receivable and amounts due from North Carolina component units.
- Cash accounts were misclassified by \$247 thousand because year-end presentational adjustments were not calculated correctly.
- Additional audit adjustments were required to restate the beginning net position balance because of prior year errors in revenues, expenses, and capital assets. If these errors had not been identified and corrected, financial statement users would have been misinformed about the College's financial condition or operating results. In addition, College management could have made financial decisions based on unreliable or incomplete information. There is also an increased risk that fraud could occur and go undetected.
- Cash management issues could arise from not reconciling bank accounts, resulting in the College not having funds available to meet obligations.
- Audit costs could continue to increase, resulting in the diversion of resources otherwise available to college management for use towards its principal purpose. The financial reporting errors occurred because College management did not adequately address the loss of institutional knowledge and expertise due to significant management and financial reporting staff turnover in recent years.
- North Carolina General Statutes 1- require that College management establish and maintain a proper system of internal controls in accordance with the standards established by the North Carolina Office of the State Controller. Included in those standards is the Committee of Sponsoring Organizations (COSO) Internal Control - Integrated Framework 2- which establishes objectives for the preparation of financial reporting for use by the entity, stakeholders, and other external parties.

RECOMMENDATION(S): College management should provide resources to ensure:

- Vacant positions that are essential to the financial reporting process are filled, and current staff are adequately trained to perform year-end financial reporting.
- Contingency plans are implemented to meet financial reporting objectives during periods impacted by staff turnover.
- In addition, College management should follow-up and monitor the financial reporting process to ensure corrective action is taken.



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Policy & Quality Assurance Committee:

- Trustee Smallwood gave an overview of Sections 3-7 of the Board Policy Manual.
- On a motion by Trustee Riddick-Faulkner and seconded by Trustee Wilson the Board approved Sections 3-5 of the Board Policy Manual with special emphasis to the following policies:
 1. Policy 3.34- Option 1
 2. Policy 3.36- Option 1

Board Chair's Report: None

President's Report:

- Dr. Williams stated the College has experienced significant enrollment growth across its divisions. Compared to last year, overall enrollment increased by 19.92%. The Continuing Education division saw a remarkable increase in enrollment by 24.18%, while the Curriculum division also grew by 18.89%. Additionally, College and Career Readiness experienced a 2.7% increase over the previous year.
- The R-CCC Foundation Golf Tournament will be held on Friday, April 26, 2024, at 10:00 a.m., at Beechwood Country Club.
- The 2024 R-CCC Commencement Ceremony will be held on Friday, May 3, 2024, at 6 p.m. in the Courtyard.
- On a motion by Trustee Vann and seconded by Trustee Harrell the Board approved the Continuing Education Workforce Development Continuity & Integrity Plan.

Closed Session:

- There was no closed session for this meeting.

Adjournment:

- On a motion by Trustee Harrell and seconded by Trustee Smallwood the meeting adjourned at 7:25 p.m.

A handwritten signature in black ink, appearing to read "Ronald Harrell", written over a horizontal line.

Board Chairman

A handwritten signature in black ink, appearing to be a stylized "J" or "L", written over a horizontal line.

Board Liaison