



Audit, Risk Management, Compliance, and Ethics Committee Meeting
 September 12, 2019
 Agenda

- I. Approval of April 11, 2019 Minutes Action
- II. Office of Internal Audit - Mr. Wayne Poole
 - A. Final FY 2019 IA dashboard, annual report, and annual certification letters for UNC SO (see Board materials) Information
 - B. FY 2020 IA Operating Budget (see Board materials) Information
 - C. Required Self-Assessment results (see Board materials) Information
 - D. Update on ongoing audits Information
- III. Research Compliance - Dr. Mike Van Scott
 - A. Organizational structure changes Information
 - B. Annual Conflict of Interest Report (see Board materials) Information
- IV. IT/Information Security - Mr. Don Sweet, Dr. Mark Webster
 - A. Recent activities and changes Information
- V. Enterprise Risk Management - Ms. Sara Thorndike
 - A. Recent program changes Information
- VI. BOT members' dual membership and conflicts of interest - Ms. Donna Gooden Payne
 - A. Annual review of relevant UNC Policies Information
 - B. Evaluation letters from State Ethics Commission Information
- VII. Closed session
- VIII. Other Business



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	I. Approval of April 11, 2019 Minutes
Responsible Person:	Vince Smith, Chair
Action Requested:	Approval
Notes:	N/A

**Minutes from ECU BOT Audit, Risk Management, Compliance, and Ethics Committee
April 11, 2019
Gateway Residence Hall – ECU Campus**

The Audit, Risk Management, Compliance, and Ethics Committee of the ECU Board of Trustees met in the Gateway Residence Hall on the campus of ECU on April 11, 2019.

Committee members present included Kel Normann (Chair), Bob Plybon, Jason Poole, and Jordan Koonts.

Other board members present included Leigh Fanning and Vern Davenport.

Others present included Donna Payne, Michelle DeVille, Lisa Heath, Sara Thorndike, Mark Webster, Alton Daniels, Megan Ayers, Mike Van Scott, Deb Elek, Virginia Hardy, Leila Faranesh, Dee Bowling, Tim Wiseman, LaKasha Forbes, Malorie Porter, Amanda Danielson, Bill Kraus, Philip Unger, Paul Zigas, Toni Grace, Jeannine Hutson, and Wayne Poole.

Kel Normann, Chair of the Committee, convened the meeting at 8:15AM. Mr. Normann read the conflict of interest provisions as required by the State Government Ethics Act. Mr. Normann asked if anyone would like to declare or report an actual or perceived conflict of interest. None were reported.

Mr. Normann asked for the approval of the minutes of the November 1, 2018 committee meeting.

Action Item: The minutes of the November 1, 2018 committee meeting were approved with no changes.

Mr. Wayne Poole provided the Internal Audit update.

Mr. Poole presented the Internal Audit dashboard for the fiscal year to date. As of March 31, Internal Audit has completed 63% of the annual audit plan, the audit staff has achieved a 74% productivity rate, and University management has completed 100% of the corrective actions that Internal Audit has followed up on since July 1.

Mr. Poole stated that Internal Audit is in the process of screening for a vacant auditor position, and when that is filled Internal Audit will be fully staffed for the first time in a year.

Mr. Poole stated that the University's fiscal year 2018 financial statement audit, has been completed by the Office of the State Auditor. The financial audits of the University's affiliated entities have also been completed by external auditors. None of the audit reports contained any findings.

Dr. Mike Van Scott presented the Research Compliance update.

Dr. Van Scott introduced the new Director of Research Integrity, Compliance, and Export Controls, Ms. Deb Elek.

Mr. Wayne Poole made an announcement on Information Security.

Mr. Poole introduced the University's new Information Security Officer, Dr. Mark Webster. Mr. Poole reminded the committee that the Information Security Officer is required by UNC System policy to periodically report to this committee.

Ms. Michelle DeVille presented the Healthcare Compliance update.

Ms. DeVille stated that she provided a written summary of activities for her office for the 2018 calendar year, in the committee's read-ahead materials. The summary included information on healthcare billing reviews, HIPAA compliance activities, and clinical trial billing reviews performed by her office during the 2018 calendar year. The committee members had no questions.

Mr. Tim Wiseman provided the Enterprise Risk Management (ERM) update.

Mr. Wiseman presented the 2018-19 top enterprise risks, which were derived from inputs of University management, students, and the ERM Committee. Mr. Wiseman advised that the top risks have been identified and shared with the Executive Council. Each has been assigned to a risk owner and risk treatment and management plans are being documented. Mr. Wiseman also shared the top five risks noted by ECU students. The committee engaged in discussion about how the top risks would be managed and the ownership of those risks.

Minutes from ECU BOT Audit, Risk Management, Compliance, and Ethics Committee
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Ms. LaKeshia Forbes presented an update on **Equal Opportunity and Title IX**.

Ms. Forbes and Ms. Malorie Porter provided an overview of the activities of the Office for Equity and Diversity. This included an overview of the complaint investigation process and the types of complaints received and investigations that were completed during the 2018 calendar year. Ms. Porter also provided a brief overview of the proposed changes to the federal Title IX guidance for higher education institutions. Ms. Forbes advised the committee that the proposed guidance may still be revised. Once any changes become final, all institutions, including ECU will have to determine how their response processes will change.

Other Business

Mr. Poole provided an update on one ongoing audit. While details cannot be discussed in open session, Mr. Poole stated that the review of the University's student conduct process is about 80% complete and a report will be issued soon.

There being no further business, the Audit Committee meeting was adjourned at 8:59 AM.

Respectfully submitted,
Wayne Poole
ECU Office of Internal Audit and Management Advisory Services



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	II.A. Final FY 2019 IA dashboard, annual report, and annual certification letters for UNC SO
Responsible Person:	Wayne Poole
Action Requested:	Information
Notes:	N/A



June 21, 2019

Ms. S. Lynne Sanders, CPA
Vice President for Compliance and Audit Services
The University of North Carolina System

Re: Annual Certification Letter – BOT Audit Committee

Dear Ms. Sanders:

In accordance with the Best Financial Practices Guidelines adopted by the Board of Governors in November 2005, I confirm that the Board of Trustees (BOT) audit committee for East Carolina University's internal audit function is in compliance with the following for the 2019 FY. The Board of Trustees (BOT) Audit, Risk Management, Compliance, and Ethics committee:

1. Met at least four times this past fiscal year.
2. Reviewed the results of the annual financial audit with representatives of the North Carolina Office of the State Auditor (OSA), the Chief Audit Officer and/or appropriate campus official, and discussed corrective actions, if needed.
3. Reviewed the results of any other audit performed and report/management letter (i.e. investigations, Statewide Federal Compliance Audit Reports, etc.) issued by the OSA with representatives of the State Auditor's Office, the Chief Audit Officer and/or appropriate campus official.
4. For any audit finding contained within a report or management letter issued by the OSA, reviewed the institution's corrective action plan and the report of the internal auditor on whether or not the institution has made satisfactory progress in resolving the deficiencies noted, in accordance with North Carolina General Statute 116-30.1 as amended.
5. Reviewed all audits and management letters of University Associated Entities as outlined in Section 600.2.5.2[R] of the UNC Policy Manual.
6. Received and reviewed quarterly status updates from the institution's Chief Audit Officer and internal audit reports that, at a minimum, reported material (significant) reportable conditions, management's corrective action plan for these conditions, and any follow-up reports regarding whether these conditions have been corrected.

7. Received, reviewed, and approved, at the beginning of the audit cycle, the annual audit plan for the institution's internal audit function.
8. Received and reviewed, at the end of the audit cycle, a comparison of the annual audit plan with internal audits performed by the internal audit department.

I further attest the following:

1. The institution's Chief Audit Officer reports administratively to the Chancellor with a clear and recognized functional reporting relationship to the chair of the BOT Audit Committee.
2. The Audit Committee charter defines appropriate roles and responsibilities, including the committee's oversight of the institution's information security program. These responsibilities also include the assurance that the institution is performing self-assessments of operating risks and evaluations of internal controls on a regular basis.
3. To my knowledge, internal audit functions are carried out in a way that meets professional standards. The auditor's risk assessment process and annual audit plan considers significant institutional risks, including information security.

To my knowledge, the institution's Chief Audit Officer forwarded copies of both the approved audit plan and the summary of internal audit results, including any material reportable conditions and how they were addressed, to the University of North Carolina System Office in the prescribed format.

Respectfully submitted by:



W. Keller Normann

Chair

ECU BOT Audit, Risk Management, Compliance, and Ethics Committee

cc: Mr. Dan Gerlach – Interim Chancellor
Ms. Megan Ayers – Assistant Secretary to the ECU Board of Trustees
Mr. Wayne Poole – Chief Audit Officer



August 2, 2019

Ms. S. Lynne Sanders, CPA
Vice President for Compliance and Audit Services
The University of North Carolina System

Re: Annual Certification Letter – Chief Audit Officer

Dear Ms. Sanders:

As Chief Audit Officer at East Carolina University, I confirm ECU's compliance with the following requirements for the 2019 fiscal year:

1. Met with and updated the Board of Trustees (BOT) Audit Committee at least four times this past fiscal year.
2. Attended the financial audit exit conference conducted by the North Carolina Office of the State Auditor (OSA).
3. If applicable, reviewed and discussed the results of any other audit performed and report/management letter (i.e. investigations, Statewide Federal Compliance Audit Reports, etc.) issued by the OSA with either representatives of the State Auditor and/or appropriate campus officials.
4. Reported administratively to the Chancellor with a clear and recognized functional reporting relationship to the chair of the BOT Audit, Risk Management, Compliance, and Ethics Committee.
5. Constructed the audit plan in consideration of risk, including information security risk, potential internal control deficiencies, and any audits/emerging issues outlined by the University of North Carolina System Office.
6. Strived to ensure that all internal audits were planned, documented and executed in accordance with professional standards.
7. Forwarded copies of both the approved audit plan and the summary of internal audit results to the UNC System Office in the prescribed format.
8. Updated the BOT Audit Committee on the completion/status of the audit plan. *(Our next report, for the completed 2019 fiscal year, will be shared in conjunction with the September 2019 BOT meeting.)*

Respectfully submitted by:



Wayne B. Poole, MBA, CIA, CISA
Chief Audit Officer

cc: Mr. Dan Gerlach – Interim Chancellor
Dr. Chris Locklear – Interim Chief of Staff
Ms. Megan Ayers – Assistant Secretary to the ECU Board of Trustees

FY 2019 Internal Audit Dashboard - as of June 30, 2019

Completion of Audit Plan: Completed vs. Planned Projects

<i>Status of Audit Plan</i>	<i>Number of Engagements</i>	<i>Percent of Total Plan</i>	Goal: ≥80% (by Jun 30)
Completed	47	90.4%	
Reporting Phase	0	0%	
In Process	4	8%	
Pending	1	2%	
Total	52	100%	

Staff Utilization: Direct vs. Indirect Hours

	<i>Entire team</i>	<i>Auditors Only</i>	Goal: ≥75%
Direct Hours	71%	75.1%	
Indirect Hours	29%	25.0%	

Consultations

	<i>Number</i>	<i>% of Hours</i>	Should not exceed 20%
Consultations	154	10%	

Management's Completion of Corrective Actions (at the time of IA follow-up)

<i>Action Items by Division:</i>	<i>Completed</i>	<i>Incomplete / Insufficient Progress</i>	<i>% Complete</i>
Academic Affairs	6	1	86%
Administration and Finance	24	0	100%
Athletics	3	0	100%
Chancellor	3	0	100%
Health Sciences	10	0	100%
Research, Econ Dev, Eng'ment	19	1	95%
Student Affairs	9	0	100%
University Advancement	1	0	100%
	75	2	
Percent Complete	97.4%		

Goal = 95%

Pirate Auditors

FY 2019 Year in Review



FY 19 by the Numbers

- Audit Plan Completion: **90.4%** (target is $\geq 80\%$)
- Auditor Productivity: **75.11%** (target is $\geq 75\%$)
- Projects Completed: 47
- Recommendations: 79
- Direct Monetary Recovery: ~ \$73k
- Hotline Triage: 29
- Consultations: 154 (approx 10% of team's hours)
- Committees/Workgroups: 18
- Search Committees: 5

How we spent our time

- Direct/Chargeable Hours (entire team, including non-auditor position): **71%**
 - Ops/Compliance/IT/Integrated Audits: 31%
 - Special Projects: 14%
 - Investigative Audits/Hotline Triage: 12%
 - Consults: 10%
 - Follow-up/Action Plans Tracking: 4%

Key Accomplishments

- Finished AutoAudit implementation
 - Risk Module/Audit Universe
 - Action Plan tracking
- Grew our data analytics capability
 - Additional software licenses
 - First robust use of IDEA
 - Provided management with tools for continuous monitoring – PCard, AP, HR
- Performed meaningful, outside the box engagements – such as Distributed IT Controls

Key Accomplishments

- Strengthened comm with other ECU risk and compliance units
- Co-sponsored UNCAA conference
- Presented on data analytics at ACUA national conference
- Presented on data analytics to other state agencies – led to state’s selection of Tableau as the statewide audit analytics software
- Drafted *University Code of Conduct and Investigative Responsibilities Regulation*

Key Accomplishments

- Re-structured the team
- Brought in an outstanding new team member
- One auditor completed the MSA program
- Three team members completed or made significant progress towards new certifications
 - CHRC, CIA, data analytics certificate

Community Service

- Served meals at JOY Soup Kitchen
- Collected Toys for Tots
- Collected food, water, and supplies for hurricane relief in Eastern NC
- Participated in Storm the Stadium to raise veterans' scholarship funds

Feedback from our Clients...

“Thank you...for a very beneficial and well-run process. We appreciate and will benefit from your effort and our involvement in the process.”

Feedback from our Clients...

“I have ALWAYS found our internal auditing staff excellent to work with! They tell it to us straight on any issues that are found so that we can get them addressed... and I truly appreciate that! I feel like we are a good team [with IA]”

Feedback from our Clients...

“I am proud of the way your team is positively viewed across the entire University. You are often asked to deal with negative or thorny issues, but your integrity, work ethic, and commitment to ECU and its mission is never in doubt.”

What's Next – FY 2020

- New year, new audit plan
- New bosses (Chancellor, BOT, Chief of Staff)
- Leaner budgets (money, but also time)
- Special Projects
 - Assurance Map
 - Strategic Plan
 - Training for campus (orientation and other)
- AutoAudit upgrade and new capabilities

What's Next – FY 2020

- Information sharing and team building
- Soft skills development (yes, still...we are servant leaders)
- Additional team member certifications and continued development
- **Community Service**

What's Next – Bottom Line

- Continued focus on agility, responsiveness, and activities that add clear value for the University and its stakeholders
- Continue to link our work to the institution's strategy and goals



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	II.B. FY 2020 IA Operating Budget
Responsible Person:	Wayne Poole
Action Requested:	Information
Notes:	N/A

ECU Office of Internal Audit - FY 2020 Annual Operating Budget

(IIA Standards require the CAO to communicate with the Audit Committee about available budget and resources)

Account Code	Budget	Comments
Student Pay 60521	\$ 4,600.00	1 intern, 12 hrs/week
Supplies 72000	\$ 2,000.00	
Property Plant Equipment 72400	\$ 10,000.00	audit and analytics software licenses
Contractual Services 73000	\$ 6,000.00	analytics support fees professional development required for licenses
Travel 73200	\$ 10,556.00	and certifications
Current Services 73400	\$ 2,000.00	phone, printing, etc.
Membership Dues/Subscriptions 73700	\$ 4,400.00	
TOTAL OPERATING BUDGET	\$ 39,556.00	FY 2019 budget was approx \$47k

Like most units on campus, we needed to make some cuts to our budget for FY 2020. However, we are very appreciative of the Chancellor's support and we are able to accomplish our mission with this operating budget.



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	II.C. Required Self-Assessment results
Responsible Person:	Wayne Poole
Action Requested:	Information
Notes:	N/A



August 8, 2019

Mr. Dan Gerlach
Interim Chancellor

Mr. Vince Smith
Board of Trustees,
Audit, Risk Management, Compliance, and Ethics Committee Chair

Re: Management Letter – Internal Audit Quality Assessment Review (J20003)

Dear Chancellor Gerlach and Trustee Smith:

As you know, NCGS 143-746 requires state entities in North Carolina to establish an internal audit function that complies with the *International Standards for the Professional Practice of Internal Auditing* (“Standards”), published by the Institute of Internal Auditors (IIA). The *Standards* require that an internal audit function receive a Quality Assessment Review (QAR) by an external reviewer every five (5) years, and to perform ongoing internal monitoring at regular intervals.

In 2016 the Office of Internal Audit and Management Advisory Services underwent our most recent external Quality Assessment Review (QAR). The reviewers noted that our office had implemented a strong ongoing review and monitoring program as required, but that the results of the annual internal review of procedures had not been formally communicated to senior management. The external reviewers recommended that the Chief Audit Officer establish a means for communicating internal assessment results, at least annually, to the Chancellor and the board. This report is submitted to you as a result of this year’s internal self-assessment. This self-assessment was completed as part of the FY 2020 annual audit plan. Our next assessment by external reviewers will occur in late 2020 or early 2021.

The principal objectives of the self-assessment were to evaluate the internal audit activity’s conformance to the *Standards* and effectiveness in carrying out its mission (as set forth in its charter and expressed in the expectations of the University’s Board of Trustees and management), and to identify opportunities to enhance internal audit processes and the value we provide to the University. The scope of our self-assessment included a review of:

- The IIA *Standards* and other IIA guidance
- Internal policies and procedures
- Risk assessment and audit planning processes

- Audit tools and methodologies
- Engagement and staff management processes

Overall Conformity Opinion

It is our opinion that the Office of Internal Audit and Management Advisory Services generally conforms with the *IIA Standards* and Code of Ethics.

The IIA's Quality Assessment Manual suggests a scale of three ratings, "Generally Conforms," "Partially Conforms," and "Does Not Conform."

- "Generally Conforms" means that an internal audit activity has a charter, policies, and processes that are in conformance with the *Standards*.
- "Partially Conforms" means deficiencies in practice are noted that are judged to deviate from the *Standards*, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner.
- "Does Not Conform" means deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

While we conform with the *IIA Standards*, I believe that any organization that doesn't consistently evolve and improve will soon find itself irrelevant. Therefore, we have established several goals and action plans that will lead to continued achievement of our mission in support of the University's overall objectives. You will find these in the attached document named *ECU Internal Audit Strategy and Goals*. I am pleased to report that all of the planned actions and measurements that are associated with FY 2019 or listed as "ongoing" were accomplished during this past fiscal year. I appreciate any questions, comments, and feedback that you have. I am happy to discuss this or any other topics with you at your convenience.

Conclusion

We appreciate the support extended to us by the University's senior management and the Board of Trustees. Without such strong support, we would be unable to conform with the *Standards* or provide meaningful insight and value to the University. Our partnership with you, with University management at all levels, and with the other compliance, risk and monitoring offices at the University are vital to the continued success of our institution. I also would like to take this opportunity to publicly thank the outstanding professionals on the Internal Audit team. Their hard work, professionalism, and integrity are head and shoulders above any team that I have ever been a part of.

If you have any questions or concerns, please do not hesitate to contact me.

Respectfully submitted by:



Wayne Poole MBA, CIA, CISA
Chief Audit Officer

Atch: ECU Internal Audit Strategy and Goals

cc: Audit Committee – ECU Board of Trustees
Dr. Chris Locklear – Interim Chief of Staff
Ms. Megan Ayers – Assistant Secretary to the ECU Board of Trustees
Ms. Jeannine Manning Hutson – Interim Chief Communications Officer
Ms. Dee Bowling – Internal Control Officer
Ms. Faye Steele – Specialist, Compliance Management
Ms. Lynne Sanders – Vice President for Compliance and Audit Services,
UNC System Office
North Carolina Council of Internal Auditing
Mr. Ray Whitby, Jr. – North Carolina Office of the State Auditor
Mr. Kyle Reeves – North Carolina Office of the State Auditor



Office of Internal Audit and Management Advisory Services

Strategy and Goals, FY 2019-2022

Most recently updated: 08/07/19

History:

The Office of Internal Audit and Management Advisory Services has tracked strategic priorities and goals in various forms since 2004. This document is the latest iteration of those efforts. It will be reviewed periodically by the CAO and Internal Audit team and periodically shared with the Chancellor and the Audit Committee of the Board of Trustees. This is a “living document” and will be updated with new goals, action items, measurements, and results as they are identified.

Definition of Internal Auditing:

The internal audit function is an independent and objective assurance and consulting activity guided by a philosophy of adding value to improve the operations of the University. It assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the University’s governance, risk management, and internal controls.

Vision:

We strive to become and remain an internal audit function that is a respected campus partner whose insight is actively sought and whose integrity is beyond reproach. We will be a selfless team that puts the needs of teammates and clients first and provides unbiased insights with actionable recommendations. We will be a team of highly skilled and credentialed professionals who take ownership of our role and our development, continuously seeking to improve our skills and internal operations. We will share candid feedback with our clients and internally with each other, always in a manner that builds trust and unity as we work towards common goals. We will perform all assignments in a way that is mindful of the larger purpose of the University, our constituents, and our community, and we will strive to always do what is right to fulfill that larger purpose.

Mission:

Our mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight to the University’s management and Board of Trustees.

Note: The Office of Internal Audit performs our mission in a manner consistent with the Institute of Internal Auditors’ (IIA) *International Standards for the Professional Practice of Internal Auditing* (the “Standards”). We undergo periodic external Quality Assurance Reviews to ensure that we are maintaining these *Standards*. Remaining in compliance with the *Standards* is an ongoing goal and is a statutory requirement in the State of North Carolina. This is an expectation of the Chief Audit Officer and the team even though it is not listed as one of the Strategic Goals in this document.

Our Strategic Goals and Action Plans

Our work will link to the University's commitments, responsibilities, and areas of distinction as outlined in the [2017-2022 strategic plan](#).

Goal 1: Provide an appropriate level of assurance coverage to high risk or high opportunity areas that would negatively impact University objectives if they were unsuccessful

- **Action:** Develop and execute a flexible risk-based annual audit plan that identifies and prioritizes engagements that add value and provide assurance over specific business processes and/or units.
 - Measurement: (ONGOING) Annually complete at least 80% of the annual audit plan, as approved by the Chancellor and Board of Trustees.
 - Measurement: (ONGOING) Annually complete engagements that are directly tied to core strategic goals and critical risks of the University.

- **Action:** Develop and maintain strong relationships and coordination with the other compliance, risk, and assurance providers within and outside the University to ensure that the highest risk areas are identified, and assurance is provided to senior management and the Board.
 - Measurement: (ONGOING) The CAO will ensure that the other providers share information with the Audit, Risk Management, Compliance, and Ethics Committee of the Board in conjunction with each meeting.
 - Measurement: (ONGOING) The Internal Audit Team will be represented on the Enterprise Risk Management Committee and other relevant compliance and risk committees at the University.
 - Measurement: (FY 2020 and ONGOING) The CAO will create and refine the University's Assurance Map, following the applicable IIA guidance, in collaboration with the other compliance, risk, and assurance providers.

- **Action:** Use the capabilities of the audit management system and other available tools to ensure that risks and auditable entities are actively monitored.
 - Measurement: (FY 2019 and ONGOING) The team will implement the Risk Module of AutoAudit and use this module to document, update, and rate the "Audit Universe" of risks and auditable entities on a continuous basis.

Goal 2: Provide consulting and insight that are sought and valued by the University community

- **Action:** Actively seek and provide consultative services timely and with a focus on the needs of the University. This will include membership on appropriate University standing and ad-hoc committees.
 - Measurement: (ONGOING) The team will spend approximately 10% to 20% of our time on consulting activities. (Lower than 10% may be an indicator that services are not providing value or being sought out; Higher than 20% may impact our responsibility to provide effective assurance services to the University.)

- **Action:** Identify areas in which management can use more efficient or effective analytics tools as part of the internal control environment and provide tools and consultative advice where possible.
 - Measurement: (ONGOING) The team will seek to provide at least one analytics tool for use by management or consult in management’s own development of such a tool for internal control and continuous monitoring each year.
- **Action:** Provide educational sessions and materials on governance, risk, internal controls, and related topics to the University community, and ensure the community is aware of the services that are provided by the Internal Audit team.
 - Measurement: (ONGOING) The team will participate in at least two such educational opportunities or workshops each year.
 - Measurement: (FY 2020-2021) We will develop education and awareness materials to be provided to all new employees during their University orientation period.
 - Measurement: (FY 2020-2021) We will collaborate with HR to determine the feasibility and value of offering a periodic training session open to the University community specifically on governance, risk, controls, and related topics.

Goal 3: Appropriately steward the resources that are entrusted to us and seek ways to continually improve efficiency of Internal Audit operations

- **Action:** Maintain auditor productivity at a level that is directed by the Chancellor and Board of Trustees, in order to fulfill our responsibilities.
 - Measurement: (ONGOING) Auditor productivity, the percentage of hours spent on direct, chargeable activity such as assurance and consulting services, will be at or above 75% annually, excluding unforeseen medical situations or other emergencies.
- **Action:** Use the capabilities of the audit management system and other available tools to accomplish our work and deliver results in the most efficient manner possible, without compromising effectiveness.
 - Measurement: (FY 2019 and ONGOING) The team will implement the Issue Tracking capability in the AutoAudit system and use the system capability to track and follow-up on management’s plans of action on a near “real-time” basis where appropriate. We will provide routine reporting to senior management on the status of their divisions’ action plans.

Goal 4: Sustain the qualifications, skills, and expertise necessary to fulfill our responsibilities to the University for the long term

- **Action:** Ensure that all auditors engage in regular education and training and retain appropriate certifications and credentials.
 - Measurement: (ONGOING) Each auditor will spend 80 hours engaged in professional development annually, as logged in the time tracking system.
 - Measurement: (ONGOING) Each auditor will actively seek and maintain at least one relevant professional certification such as the CPA, CIA, CISA, CFE, or other credential that is relevant to the auditor’s duties.

- **Action:** Provide leadership and growth opportunities to team members so that they are prepared for assuming larger roles as the team’s needs dictate.
 - Measurement: (FY 2019) The department structure will be revised so that more individuals have supervisory responsibility.
 - Measurement: (FY 2019 and beyond) We will implement and refine a program of regular team learning and information sharing to grow each individual’s knowledge of the higher education industry, the University environment, and various soft skills.

- **Action:** Ensure that the team has sufficient depth of expertise in critical areas so that we are not dependent on one person having the sole knowledge of the area.
 - Measurement: (FY 2019) One additional auditor will learn and extensively use the **IDEA** analytics software on an engagement.
 - Measurement: (FY 2019) At least one additional auditor will receive formal training on the **Tableau** analytics software and begin using it on an engagement.
 - Measurement: (FY 2020) One additional auditor will complete an engagement related to the **healthcare** or **research** enterprises of the University.
 - Measurement: (FY 2020) One additional team member will receive training and capability to assist with maintaining the department **web site**.
 - Measurement: (FY 2019) At least one additional auditor will complete an engagement that is primarily or heavily **IT**-related.
 - Measurement: (BY FY 2021) At least one additional auditor will complete the **CISA certification** process and significantly enhance IT-related knowledge.

Goal 5: Provide meaningful education and development opportunities for University students and potential future Internal Audit professionals

- **Action:** Maintain an active student intern program, employing at least one intern to function as a part-time entry-level auditor each semester as long as University funding allows.
 - Measurement: (ONGOING) Self-explanatory

- **Action:** Collaborate with faculty in the College of Business and/or other academic units to provide information on the internal audit profession to students with the potential skills and academic credentials to succeed in this profession.
 - Measurement: (ONGOING) We will attend at least one student event or class annually, as allowed by faculty.



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	II.D. Update on ongoing audits
Responsible Person:	Wayne Poole
Action Requested:	Information
Notes:	N/A



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	III.A. Organizational structure changes
Responsible Person:	Mike Van Scott
Action Requested:	Information
Notes:	N/A



Grants and Contracts Administration Reorganization

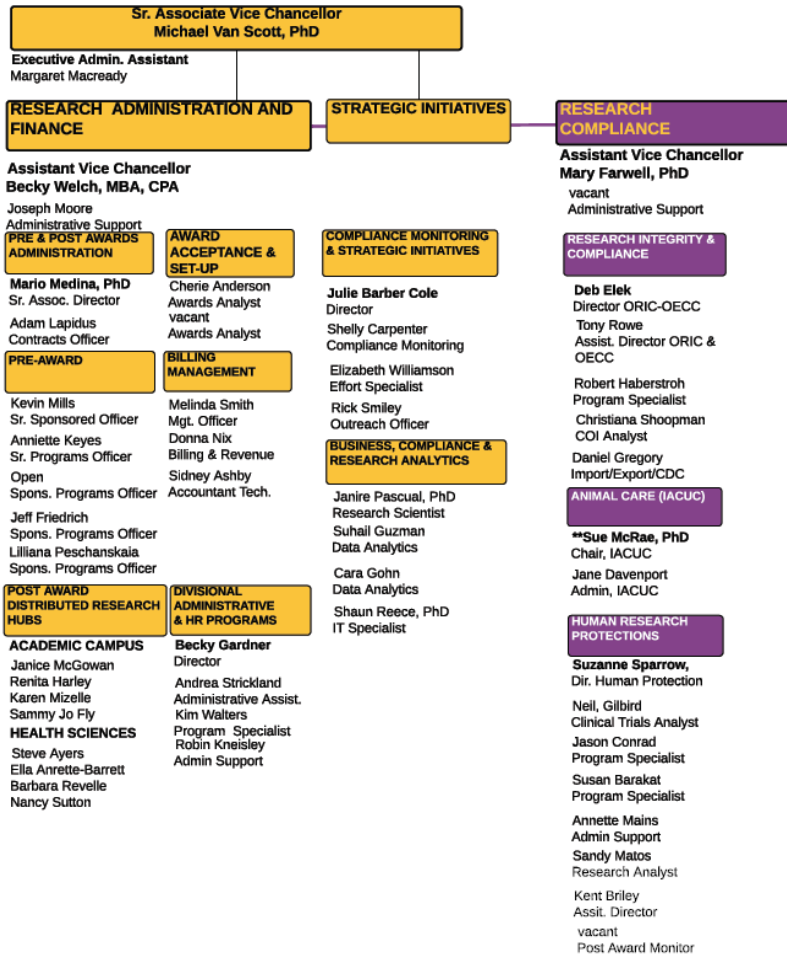
MIKE VAN SCOTT

9/12/2019

Goals

1. Accommodate budget cuts
2. Strengthen leadership and oversight of accounting functions
3. Institutionalize post-award monitoring and professional development
4. Facilitate data-driven business decisions
5. Plan for leadership succession

Dr. Jay S. Golden Executive Admin. Assistant
Vice Chancellor Margaret Macready



Becky Welch
Assistant Vice Chancellor

**Financial and Administrative
Operations**

**Pre- and Post-Award
Administration**
(M. Medina)

Proposal Submission
Award Negotiation and Acceptance
Award Initiation
Award Management
Award Closeout
Award Reporting

Research Finance
(B. Welch)

Banner Account Setup
Billing
Receivables
Reconciliations

Michael Van Scott
Senior Associate Vice Chancellor

**Post-award Monitoring, Analytics,
and Process Improvement**

**Financial Compliance Monitoring
and Professional Development**
(J. Cole)

Project Management
Rate of Burn
Cost Share
Personnel on Projects
Financial Compliance
Allowable/Questionable Costs
Reallocations
Effort
Portfolio Review
Training & Certification

**Business and
Research Analytics**
(M. Van Scott)

Electronic Research Administration Systems
Reporting Tools, Custom Reports
Data Analysis
Dashboards

Mary Farwell
Assistant Vice Chancellor

**Integrity, Compliance,
and Regulatory Affairs**

Research Integrity and Compliance
(D. Elek)

Conflicts of Interest
Management Plans
Disclosures
Federal Sponsor Compliance
Research Misconduct Investigations
Responsible Conduct of Research
Education and Outreach
Federal Sponsor Compliance
Export Controls and Customs (A. Rowe)
Screening and Training
License and Permit Applications
Foreign Influence

Human and Animal Subject Protections
(S. Sparrow, K. Briley, S. McRae)

Institutional Review Board
Research HIPAA
Post-approval Monitoring
Animal Care and Use Committee



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	III.B. Annual Conflict of Interest Report
Responsible Person:	Mike Van Scott
Action Requested:	Information
Notes:	N/A



East Carolina University

Office of Research Integrity & Compliance

Annual Report on Conflicts of Interest

August 2019

Prepared by Deb Elek

August 28, 2019

UNIVERSITY POLICY AND AWARENESS

Annual Disclosure Requirements

Pursuant to ECU regulation 01.15.03 and UNC Policy 3002.2.2, all EHRA employees, regardless of employment status, must complete a Conflict of Interest disclosure at least annually as a condition of employment. The annual disclosure period begins on July 1 and ends on June 30. Annual disclosures must be submitted through the [Activities, Interests and Relationships](#) system no later than June 30th.

For FY19, the completion rate for EHRA annual disclosures was **99.97%**, representing an increase of 0.23% in comparison to the previous year. Of 3112 university employees required to disclose, 3111 completed disclosures. The one employee who failed to complete a disclosure was a part-time, non-faculty employee.

Annual disclosures are also required for investigators on federally sponsored projects and is governed by 42CFR50 Subpart F, promoting objectivity in research. Institutions in receipt of such funding are required to maintain an appropriate written, enforced policy on conflict of interest that complies with this subpart and inform each Investigator of that policy, the Investigator's reporting responsibilities, and of the federal regulation. ECU's regulation 10.45.02, Objectivity in Research Under Public Health Service Grants, Cooperative Agreements, or Contracts meets this regulatory requirement.

100% of faculty in receipt of federal awards have completed annual COI disclosures for FY19, the same completion rate reported for the previous year.

Training, Education and Outreach

In addition to promoting an awareness of University Regulations, the Office of Research Integrity and Compliance provides COI training and promotes the availability of COI training on demand to various audiences.

COI Briefings

- Provided COI Briefing to new faculty at New Faculty Orientation on 1/3/2019
- Provided in person COI training to Department of Cardiovascular Sciences, Brody School of Medicine physicians on 4/23/2019.
- Provided in person overview of COI requirements to Graduate Program Directors at monthly meeting on 4/15/2019

Website Launch

The launch of ECU's new Word Press website platform allowed for a complete revision of ORIC's website presence in early 2019 and has provided an excellent resource for sharing COI information with the ECU community.

Cornerstone Modules

A Cornerstone Course was developed to meet training requirements outlined in the University Regulation 01.15.03 requiring that all covered individuals receive COI/COC training. New personnel are now assigned to complete Cornerstone training and a COI disclosure within 30 days of joining the university (FY18 goal).

RESOURCES

Human

Organizational Structure

- In March,2019, the Director of Export Controls left the University and the Director of ORIC (Deb Elek) assumed additional responsibilities as the Director of the Office of Export Controls and Customs.
- ORIC was reorganized to take on these additional responsibilities by adding an Assistant Director position for the Office of Research Integrity and Compliance

Staff Changes

- Director: Deb Elek hired as Director of ORIC effective 1/14/2019; assumed additional responsibilities as Director of the Office of Export Controls and Customs (OECC) on 3/15/2019 upon the departure of Director Tony Rowe.
- Tony Rowe was rehired on 7/29/2019 as the Assistant Director of ORIC, reporting to Deb Elek. As Assistant Director of ORIC, Tony has assumed responsibilities in both export controls and conflicts of interest.
- Robert Haberstroh who was serving as an entry-level COI Analyst was promoted from University Program Associate to University Program Specialist assuming the role of Senior COI Analyst and Responsible Conduct of Research Program Coordinator, a position required for NSF award recipients.
- Christiana Shoopman was hired on 8/1/2019 as a COI Analyst and her position will be critical to tracking COI metrics for the FY20 reporting period.

Professional Development

ORIC staff attended a number of conferences and workshops during FY19.

- OHRP Research Community Forum (hosted by ECU) – September 25-26, 2018; attended by Robert Haberstroh
- Public Responsibility in Medicine (PRIM&R) Advancing Ethical Research Conference – November 15-17, 2018; attended by Robert Haberstroh and Deb Elek
- AAMC Forum on Conflicts of Interest - March 28-29, 2019; attended by Robert Haberstroh
- Role of Research Integrity in Promoting Excellence (hosted by Northwestern University) – May 22-23; attended by Deb Elek
- HCAA Research Compliance Conference – June 9-12, 2019; attended by Deb Elek

OPERATIONS

COI Management Plans

New Management Plans	Audited & Updated Management Plans	Audited & Retired Management Plans
6	5	17

Key FY19 Accomplishments

- Reconstituted COI Committee and developed COIC Charter
- Designed and implemented COI training module for all EHRA employees in accordance with university regulation (identified as goal in FY18)
- Developed standard operating procedure for managing related persons working together on sponsored research projects
- Developed a plan and procedures for implementing project specific disclosures to ensure compliance with federal requirements related to objectivity in research
- Implemented FCOI training for all investigators funded on federal sponsored projects
- Drafted guidelines for navigating COI issues with faculty start-up companies
- Reconfigured and developed content for new ORIC website
- Addressed and resolved issues identified as areas of concern by Internal Audit

Key Compliance Goals for FY20

- Update regulations to include responses to non-adherence
- Develop SOPs associated with each policy
- Implement training programs and communication plan for
- Establish process for documenting compliance with policies and following SOPs through internal controls and monitoring
- Develop process improvement strategies for effectiveness and efficiency



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	IV.A. Recent activities and changes
Responsible Person:	Don Sweet Mark Webster
Action Requested:	Information
Notes:	N/A

State of IT Security

Presentation to ECU Board of Trustees

Audit, Risk Management, Compliance, and Ethics Committee

Mark D. Webster, Ph.D.
Chief Information Security Officer
websterm19@ecu.edu



Challenges of Cyber Defense in Higher Education

- We showcase a culture of academic freedom, knowledge sharing, and support for BYOD.
- Protecting information in an open environment requires the participation of all stakeholders.
- Information security safeguards our institutional mission.



Framework for ECU Information Security Program

- The framework for ECU's information security standards is ISO 27002
 - This is a popular, internationally recognized standard of best practice for information security.
 - The UNC System adopted the framework in 2012.
 - ISO 27002 provides implementation guidance for information security controls, and is the bedrock for our standards.

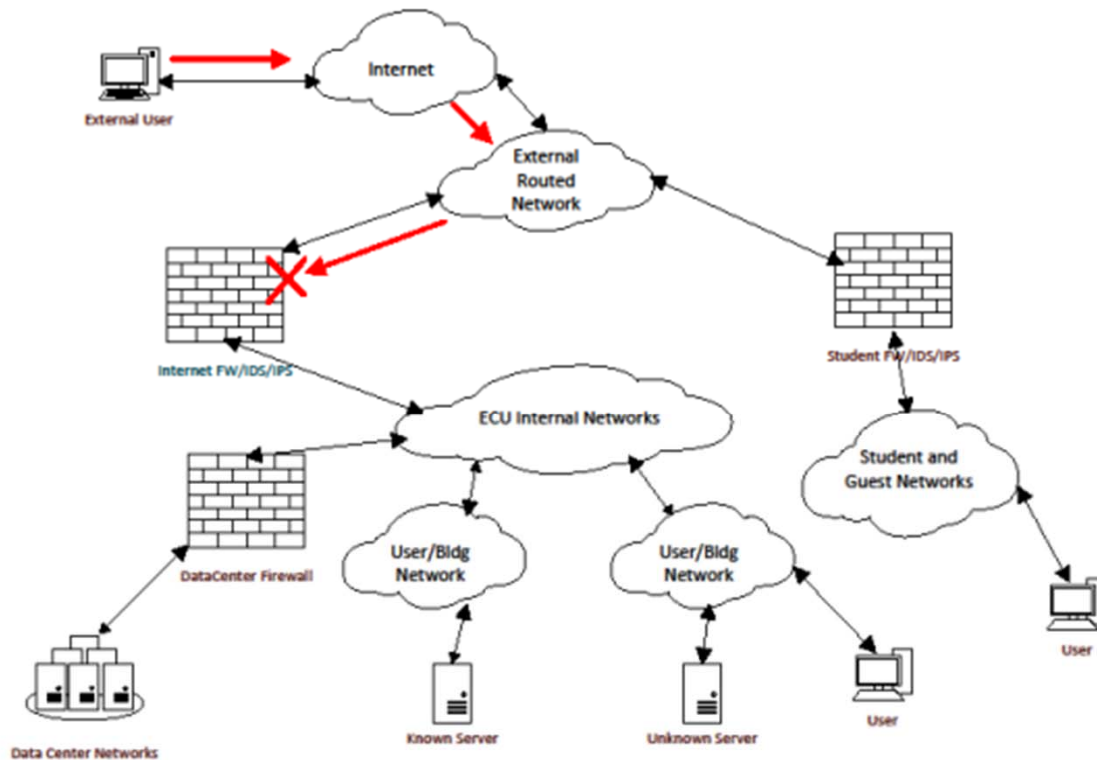


Technology Security Assessment

- An excellent practice at ECU involves the Technology Security Assessment, which is required when a department purchases a new technology or software application.
 - ITCS through the Central Project Office evaluates the system to ensure compatibility with ECU's platforms and infrastructure, and to identify any potential security threats.
 - The assessment includes verification of compliance with regulated sensitive data types (HIPAA, FERPA, SSN/PII, PCI).



Network Architecture: Segmented and Multilayered Controls



Segmentation

- Student and Guest Networks are segmented from ECU Internal Networks

Multilayered Controls

- Access from the Internet to Data Center resources passes through two firewalls and IDS/IPS/Anti-malware systems.



Disaster Recovery (DR) Plan

ITCS has a rigorous Disaster Recovery Plan that is continually maintained and tested to ensure overall preparedness.

- Every year, ITCS goes through DR Testing to validate our documented processes.
- The activities train our staff to respond, while identifying opportunities to refine our processes and update documentation.
- An example of IT processes already tested this year includes our Enterprise Storage and Backup Infrastructure.
 - SAN replication and verification between Data Centers
 - Pirate Drive hardware failover
 - MCNC backup & restore



Maturing Our Incident Response Planning

- Improving and maturing our incident response planning has been a priority for ITCS.
- Our Information Security team includes the Cyber Security Operations Center (CSOC), who detect and analyze emerging cyber threats, and handle technical investigations for incident response.

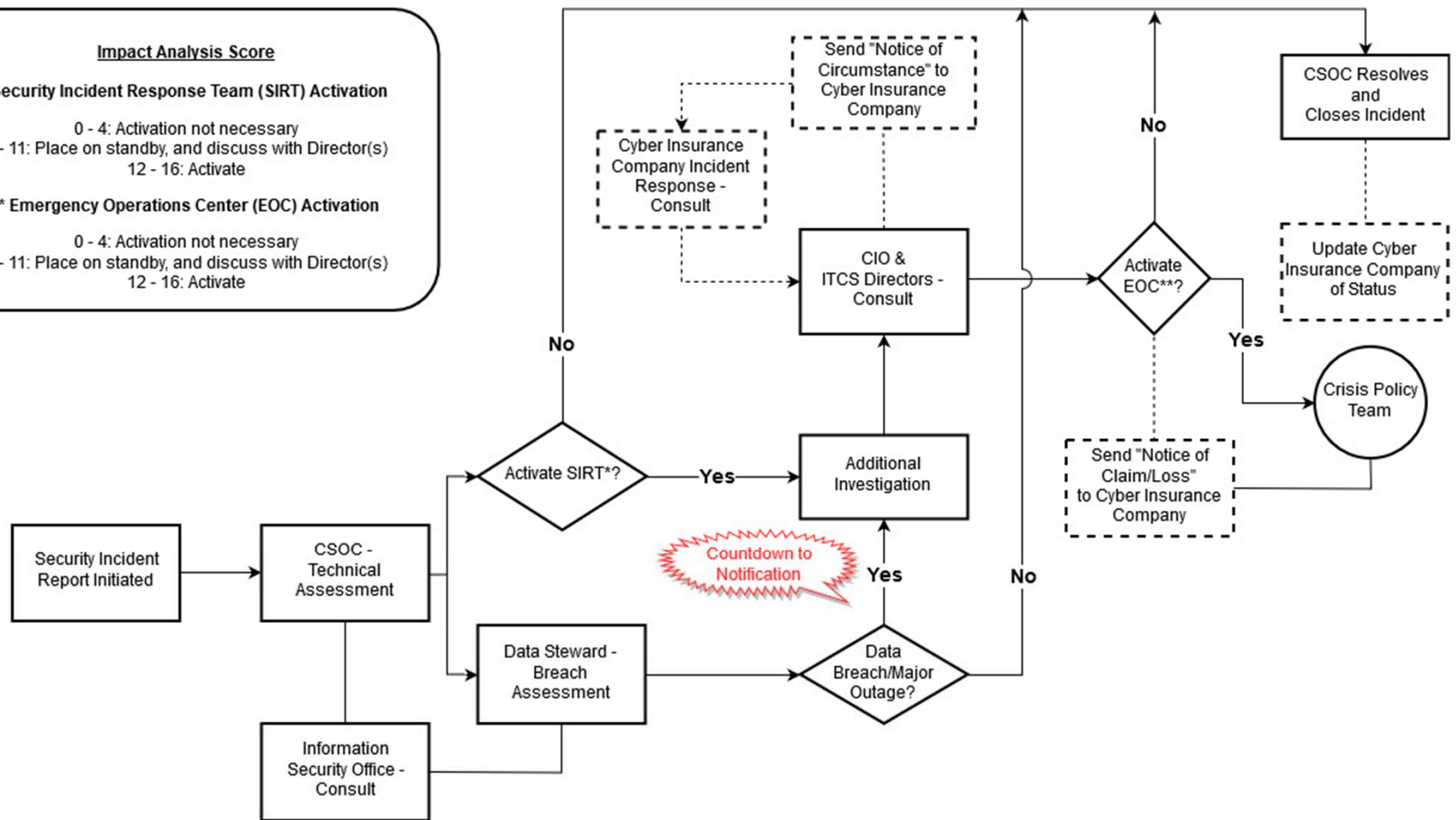


Maturing Our Incident Response Planning

Impact Analysis Score

***Security Incident Response Team (SIRT) Activation**
 0 - 4: Activation not necessary
 5 - 11: Place on standby, and discuss with Director(s)
 12 - 16: Activate

**** Emergency Operations Center (EOC) Activation**
 0 - 4: Activation not necessary
 7 - 11: Place on standby, and discuss with Director(s)
 12 - 16: Activate



Testing our Incident Response Planning

Training for Crisis Policy Team

- In August, the Information Security team facilitated a cyber security tabletop exercise with the Crisis Policy Team, designed to test our incident response plans.
 - Presentation by Jessica Nye, Special Agent Supervisor, FBI
 - The exercise incorporated a ransomware scenario.



Splunk - Security Information and Event Management (SIEM)

- Our Cyber Security Operations Center utilizes Splunk Enterprise Security to better detect and respond to cyber attacks. Splunk is the nerve center of our security ecosystem.



Vulnerability Management Efforts

Upgraded Vulnerability Management System

- Vulnerability management is another of our current information security priorities. This year we implemented the Rapid7 system to scan for high risk vulnerabilities.

Updated Vulnerability Management Plan and Process

- We're emphasizing a more proactive approach to vulnerability management, and ITCS and Distributed IT are working together and communicating. Our action-oriented approach means better patch management, and more frequent remediating of vulnerabilities.



Ongoing and Annual Risk Assessment

- The Information Security Officer facilitates the annual Enterprise Information Risk Assessment.
 - The Risk Assessment identifies information-related threats to ECU's critical business processes, which if realized would impair the University's capability to fulfill its mission and key objectives.







**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	V.A. Recent program changes
Responsible Person:	Sara Thorndike
Action Requested:	Information
Notes:	N/A



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	VI.A. Annual review of relevant UNC Policies
Responsible Person:	Donna Gooden Payne
Action Requested:	Information
Notes:	N/A

Chapter 200 Board of Governors Affairs

200.1 Dual Memberships and Conflicts of Interest

The Board of Governors seeks at all times to be fair and impartial in carrying out its responsibilities and tries to avoid even the appearance of partiality or undue influence. To promote this objective the following guidelines are adopted as board policy and recommended to the members for their guidance:

1. Service on Foundation Boards or Boards of Visitors of Constituent Institutions

Members of the Board of Governors may, from time to time, be asked to serve simultaneously on a foundation board or a board of visitors or some similar board for one of the 16 constituent institutions. No matter how conscientious or successful a member may be in maintaining impartiality among constituent institutions, service on such a board will undoubtedly be construed by some as showing favoritism. It is also felt that some institutions will feel pressure to name members of the Board of Governors to such boards if service on them becomes commonplace. For these reasons members of the Board of Governors are encouraged to decline any such service.

2. Service on Boards of Private Colleges and Universities

Members of the Board of Governors may be asked to serve simultaneously on the board of a private college or university in North Carolina. While such an invitation is always an honor, there are potential areas of conflict in such dual memberships. A member should satisfy himself or herself that dual service will not interfere with his or her obligations either to the University of North Carolina or to the private institution.

3. Inquiries Concerning Admissions and Job Openings

From time to time a member of the Board of Governors may wish to inquire, either directly or through an officer of the University, about a job opening in the University or about the admission of an individual to an institution or to a program. Sometimes a Board member is asked to write a letter of recommendation on behalf of a candidate for a job or for admission. It is highly inappropriate to use one's position on the Board of Governors in an attempt to influence employment or admissions. It is not inappropriate, however, for a member to make inquiries or to write letters of recommendation on the member's personal or business stationery. It should always be clear that the Board member is not seeking a favor and understands that the decision in all cases will be made strictly on the merits.

4. Appointments by the Board of Governors

In order to avoid any appearance of undue influence, the Board of Governors will not consider for membership on any board to which it makes appointments any person who is a spouse of a Board of Governors member, a brother or a sister or a lineal ancestor or descendant of a member, or the spouse of any such person. This policy shall not apply, however, to any person who may have been elected or appointed to any such board prior to the time the related person became a member of the Board of Governors. Nor shall the policy apply to any person who may already be serving on any such board at the time of the adoption of the policy. The Board of Governors will not consider for membership on any board to which it makes appointments any person who was a member of the Board of Governors at any time during the two-year period immediately preceding the effective date of the appointment. The boards to which this policy shall apply include the boards of trustees of the constituent institutions and all boards to which the Board of Governors make appointments.

5. Inappropriate Advantage Derived from Board Membership

- a. Purpose. It is of critical importance that decisions made on behalf of the University by its governors, trustees, chief executive officers, and chief finance officers be in the best interest of the University and not be influenced by any potential financial gain to the decision-makers. Furthermore, to assure public confidence in the integrity of the University, it is important that the University not appear to be influenced by the personal financial interests of those in decision-making positions. The purpose of this policy is assure public confidence in the integrity of the University by preventing members of the governing boards and chief executive and finance officers of the University from using their positions, or appearing to use their positions, to influence the decisions of the University for their personal financial gain while at the same time allowing the University to take advantage of contracts that are advantageous to the citizens of North Carolina and to the University and also avoiding having service to the University be so restrictive that persons with substantial financial interests will be reluctant to serve.
- b. Definitions

As used in this policy, the following terms have the following meanings:

- i. "Business entity" means a "business" as defined in G.S. 163A-152(5)^[1] or a not for profit corporation.
- ii. "Person" means a member of the Board of Governors or of a board of trustees of a constituent institution, the vice president for finance, a chancellor, or the chief finance officer of a constituent institution.
- iii. "Substantial interest" means any of the following:

1. A "business with which associated" as that term is defined in G.S. 163A-152(7),^[2] except that ownership of more than \$10,000 in a publicly traded corporation by itself is not a substantial interest; or
 2. A "nonprofit corporation or organization with which associated" as that term is defined in G.S. 163A-152(54),^[3] except that uncompensated service as a director, officer, or trustee of a not for profit corporation is not a substantial interest.
- iv. "The University" as applied to members of the Board of Governors, the president, and the vice president for finance means the University of North Carolina System Office (UNC System Office) or any of the constituent institutions. The University as applied to members of the boards of trustees, a chancellor, or a chief finance officer of a constituent institution means the constituent institution on whose board of trustees the member serves or at which the chancellor or chief finance officer is employed.
- c. Requirements
- i. Each person must contemporaneously submit to the vice president of finance, each Statement of Economic Interests that the person files with the State Ethics Commission pursuant to G.S. 163A-187. These disclosure statements are public records.
 - ii. Whenever a person has actual knowledge that a business entity in which the person has a substantial interest is attempting or planning to enter, is entering, or has entered into a contract with the University, the person must report the nature of the person's substantial interest and the nature of the contract to the chief finance officer of the institution that is or would be a party to the contract. If the person is a chief finance officer, then the chief finance officer must make this report to the chancellor or to the president of the institution that is or would be a party to the contract. Reports required by this paragraph shall be in writing and will be public records retained by the respective chief finance officers.
 - iii. The University will not enter into a contract with a value of \$10,000 or more, or with expected payments of \$10,000 or more per year, with a business entity in which a person has a substantial interest, unless one of the exceptions in paragraph c.iv., applies. A person will not in any way:
 1. Participate in making a contract;
 2. Attempt to cause or influence the University to make a contract; or
 3. Attempt to influence the contract specifications or contracting process concerning a contract between a business entity in which the person has a substantial interest and the University.

The vice president for finance and the respective chief finance officers of the constituent institutions are responsible for determining whether the University is entering into a contract with a value of \$10,000 or more with a business entity in which a person has a substantial interest.

- iv. The restrictions on entering into a contract in paragraph c.iii., do not apply if the person with the substantial interest does not participate in making or administering the contract and:
1. The contract results from a competitive sealed bid or a competitive request for proposals with specifications and criteria;
 2. The contract is for goods or services sold or provided to the general public at a uniform price or is for goods on state contract sold to state agencies at a uniform price, unless the contract is prohibited by state law;
 3. The contract is an employment contract with the dependent child or spouse of the president, the vice president for finance, a chancellor, or chief finance officer, or the dependent child of a member of the Board of Governors or a board of trustees and the employment is allowed under Section 300.4.2 of the UNC Policy Manual;
 4. The contract is with a bank or a public utility; or
 5. The committee of the Board of Governors or of the relevant board of trustees designated pursuant to paragraph d.i., below, finds that the contract is in the best interest of the University. Examples of when a contract might be in the best interest of the University include, but are not limited to, when it has financially advantageous terms, when the goods or services to be provided are demonstrated to be unique, or when the contract is a continuation of a contract that was in effect before the person with the substantial interest became affiliated with the University.
- v. If a person is an employee or agent of a business entity, the person shall not attempt to influence the University to enter into a contract with the business entity that employs or retains the person.
- vi. A person shall not attempt to influence the administration of or payments under a contract between the University and a business entity in which the person has a substantial interest or between the University and the person's employer.
- vii. No person shall disclose or use confidential information or information concerning economic development or technology research or development which the person received in his capacity as a board member or employee of the University for the person's financial gain.
- viii. No person shall accept a gift or favor from a business entity, or the principal in a business entity, which has entered into a contract with the University within the past year, who currently has a contract with the University, or who intends to attempt to enter into a contract with the University if the person:
1. Has or will prepare plans, specifications, criteria or estimates for the contract;
 2. Awards, approves, negotiates, or administers the contract; or
 3. Inspects or supervises the contract.

This paragraph does not prohibit the receipt of advertising items of nominal value, awards such as plaques or trophies, food served at professional meetings or banquets, or gifts from family members or personal friends when it is clear that the friendship extends beyond the business relationship.

- ix. A person shall not represent, as attorney, agent, or trustee, a third party who has an adverse relationship with the University. A person shall attempt to dissuade a firm or business entity in which the person has a substantial interest from engaging in representation adverse to the University.
- d. Procedures
- i. The chair of the Board of Governors and each chair of a board of trustees shall designate a standing committee to determine whether a potential conflict is a permissible or impermissible activity and to make recommended findings as to whether this policy has been violated.
 - ii. Potential conflicts:
 1. Any person who receives a report of a potential conflict shall forward that report to the chief finance officer of the institution that is or would be a party to the contract.
 2. If the person with the substantial interest claims or the chief finance officer believes that the contract is permissible pursuant to paragraph c.iv.1., , 3., or 4., above, the determination of whether the contract is permissible or impermissible may be made by the respective president or chancellor, or the president or chancellor may request that the designated committee make the determination. Any determination by the president or a chancellor shall be in writing and shall be a public record.
 3. If the person claims that the contract is permissible pursuant to paragraph c.iv.5., above, because the contract is in the best interest of the University, or if a chancellor or the president refers a conflict question to the committee, then the designated committee shall determine whether the proposed contract is a permissible or impermissible activity under this policy and shall enter its determination in the minutes of its proceedings.
 4. If the person who has the potential conflict is a member of the designated committee, the person shall not participate in the deliberations of the committee, other than to present the relevant facts to the committee, and shall abstain from voting.
 - iii. Allegations of conflict
 1. If any person or any senior academic or administrative officer (SAAO) becomes aware or alleges that a person covered by this policy has violated this policy, the person shall report the alleged violation to the chancellor or President of the institution that is or would be a party to the contract.
 2. The person who receives the allegation shall forward the allegation:
 - a. To the designated committee of the board of trustees or of the Board of Governors if the person alleged to have violated this policy is a member of that board;
 - b. To the designated committee of the Board of Governors if the president is alleged to have violated this policy;
 - c. To the president if the person alleged to have violated this policy is a chancellor or the vice president for finance; or
 - d. To the respective chancellor if the person is a chief finance officer of that constituent institution.
 3. If the person alleged to have violated the policy is the President or a member of a Board of Governors or of the board of trustees, then the designated committee will determine whether or not the policy has been violated. The chairperson of the designated committee will designate an individual to investigate the allegations and to make a report to the committee. After considering the report of the investigation and any response by the person alleged to have violated the policy, the committee shall make a determination as to whether the policy has been violated and, if so, a recommendation as to the appropriate sanction to the respective board of trustees or Board of Governors. The board of trustees or Board of Governors shall vote to affirm, reject, or modify the recommendation.
 4. If the person who has the potential conflict is a member of the designated committee, the person shall not participate in the deliberations of the committee, other than to present the relevant facts and arguments to the committee on his own behalf, and shall abstain from voting.
 5. A Board of Governors member, board of trustees member, or president who is alleged to have violated this policy is entitled to receive notice of the allegation, to be present to hear the report presented to the designated committee, and to inform the committee of any facts or arguments that demonstrate that he or she did not violate the policy.
 6. If the vice president for finance, a chief finance officer or a chancellor is alleged to have violated this policy, that allegation will be investigated and acted upon in accordance with the procedures for disciplining, demoting, dismissing, or terminating the contract of employees of that position.
 - iv. The president will present this policy annually to the Board of Governors and will present it to new members at the beginning of their service. The chancellors will present this policy annually to their respective Boards of Trustees and will present it to new members at the beginning of their service.
- e. Sanctions
- i. If the Board of Governors or a board of trustees finds that one of its members has violated this policy, the Board may take one or more of the following actions:
 1. Reprimand or censure the member;
 2. Remove the person from any board office the person holds or from any committee chairmanship or

assignment; and

3. Report the violation to the entity that appointed the member.
- ii. If the Board of Governors finds that the president has violated this policy, the Board of Governors may discipline, demote or dismiss the president, as it deems appropriate.
- iii. If the president finds that the vice president for finance has violated this policy, the president may discipline, demote, or dismiss the vice president, and shall report the violation and the action taken by the president to the Board of Governors.
- iv. If the president finds that a chancellor has violated this policy, the president may discipline the chancellor and report the action taken to the Board of Governors and the relevant board of trustees, or the president may recommend to the Board of Governors that the employment of the chancellor be terminated and that the chancellor be demoted or dismissed.
- v. If a chancellor finds that a chief finance officer has violated this policy, the chancellor may discipline, demote or dismiss the chief finance officer and shall report the violation and the action taken to the president and the board of trustees.
- vi. Pursuant to North Carolina law, any contract between the University and an entity in which a person has a substantial interest which was entered into in violation of state laws governing conflicts of interest is void.

The provisions of Section 5 are effective July 1, 2001. Initial disclosure forms will be filed on or before October 1, 2001. The provisions of paragraph c.iii., will apply to all contracts entered into after January 1, 2002. The Statement of Economic Interest replaces all disclosure forms due to be filed on or after July 1, 2007; the initial Statement of Economic Interest for people employed or in office on January 1, 2008, must be submitted to the vice president for finance by April 15, 2008.

^[1] G.S. 163A-152(5) defines a "business" as, "Any of the following organized for profit:

- a. Association.
- b. Business trust.
- c. Corporation.
- d. Enterprise.
- e. Joint venture.
- f. Organization.
- g. Partnership.
- h. Proprietorship.
- i. Vested trust.
- j. Every other business interest, including ownership or use of land for income."

^[2] G.S. 163A-152(7) Business with which associated. A business in which the covered person or filing person or any member of that covered person's or filing person's immediate family does any of the following:

- a. Is an employee.
- b. Holds a position as a director, officer, partner, proprietor, or member or manager of a limited liability company, irrespective of the amount of compensation received or the amount of the interest owned.
- c. Owns a legal, equitable, or beneficial interest of ten thousand dollars (\$10,000) or more in the business or five percent of the business, whichever is less, other than as a trustee on a deed of trust.
- d. Is a lobbyist registered under Article 8 of Chapter 163A of the General Statutes.

For purposes of this subdivision, the term "business" shall not include a widely held investment fund, including a mutual fund, regulated investment company, or pension or deferred compensation plan, if all of the following apply:

1. The covered person, filing person, or a member of the covered person's or filing person's immediate family neither exercises nor has the ability to exercise control over the financial interests held by the fund.
2. The fund is publicly traded, or the fund's assets are widely diversified.

^[3] G.S. 163A-152(54) Nonprofit corporation or organization with which associated. – Any not for profit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the state primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes and of which the covered person, filing person, or any member of the covered person's or filing person's immediate family is a director, officer, governing board member, employee, lobbyist registered under Article 8 of Chapter 163A of the General Statutes or independent contractor. Nonprofit corporation or organization with which associated shall not include any board, entity, or other organization created by this State or by any political subdivision of this state.

200.1: Adopted 05/11/84, Amended 06/09/89, Amended 09/08/89, Amended 05/11/91, Amended 06/08/01, Amended 11/09/07, Amended 09/18/09, Amended 12/15/17, Technical Corrections 04/25/19

Chapter 200 Board of Governors Affairs

200.7 Duties, Responsibilities, and Expectations of Board Members

- I. Applicability and Purpose. This policy sets forth the duties, responsibilities, expectations, and standards of conduct for members of the Board of Governors of the University of North Carolina, the boards of trustees of the constituent institutions, and the boards of University-affiliated organizations where membership includes individuals appointed by the Board of Governors.
- II. Definitions. For purposes of this policy:
 - A. "Board" means the Board of Governors, a board of trustees of a constituent institution of the University of North Carolina, or a board of a University-affiliated organization with members appointed by the Board of Governors.
 - B. "Board member" means any member of the Board of Governors, a board of trustees of a constituent institution of the University of North Carolina, or the board of a University-affiliated organization.
 - C. "Institution" means the University of North Carolina or a constituent institution of the University of North Carolina.
 - D. "University-affiliated organization" means an institution or organization that the Board of Governors is authorized to establish or to which it is authorized to appoint board members pursuant to statute, but does not include Associated Entities covered by Section 600.2.5.2[R] of the UNC Policy Manual or Centers or Institutes covered by Section 400.5[R] of the UNC Policy Manual.
- III. Duties and Responsibilities. Board members are responsible for performing essential functions that are central to the governance of the University, as described in Chapter 116 of the North Carolina General Statutes, *The Code* of the University of North Carolina, the Policy Manual of the University, and the policies and by-laws of the constituent institutions. Board members shall adhere to the standards of conduct and fulfill duties and expectations set forth in this policy.
 - A. Attendance. Board members shall attend board meetings. If a member of the Board of Governors is, for any reason other than ill health or service in the interest of the State or nation, absent for four (4) successive regular meetings of the Board, his or her place as a board member shall be deemed vacant.^[1] If a member of a board of trustees of a constituent institution is, for any reason other than ill health or service in the interest of the State or nation, absent for three (3) successive regular meetings of a board of trustees, his or her place as a board member shall be deemed vacant.^[2]
 - B. Participation in Policy and Oversight Functions. Board members are expected to prepare for meetings; actively contribute to the work of the board; and act in accordance with the governance, oversight, and advisory functions allocated to the board by:
 1. Reviewing and inquiring about materials that involve the institution or University-affiliated organization, such as board minutes and annual reports;
 2. Understanding and participating appropriately in the oversight function allocated to the board with respect to the finances and effectiveness of the institution or University-affiliated organization;
 3. Seeking information from and consulting appropriately with the chief executive officer of the institution or University-affiliated organization to gain additional context, make well-informed policy decisions, and carry out responsibilities for board-level oversight and monitoring of the affairs of the institution or University-affiliated organization;
 4. Participating as requested in the preparation and revision of long-range plans for the institution or University-affiliated organization;
 5. Serving on and contributing to the work of assigned committees;
 6. Listening to and considering differing opinions, and otherwise making reasonable efforts to conduct oneself in accordance with the practices and customs of formality and decorum articulated in Robert's Rules of Order;^[3]
 7. Referring matters of administration and management to the chief executive officer of the institution or University-affiliated organization for handling;
 8. Respecting and following executive leadership, management, and reporting lines when communicating with the University and the constituent institutions, and refraining from directing matters of administration or executive action except through the chief executive officer of the institution or University-affiliated organization; and
 9. Recognizing that board members' authority is collective, not individual, and only arises from their participation with other members of the board when it is officially convened.
 - C. Ethical Conduct. Board members shall adhere to high standards of ethical conduct by complying with laws, regulations, and University policies applicable to their service as board members and public officials, which include the obligations to:
 1. Exercise authority honestly and fairly, free from impropriety, threats, favoritism, and undue influence, as required by the State Ethics Act.^[4]
 2. Keep confidential all information and records that are required by law to be kept confidential, including, but not limited to, personnel records and information, student records and information, attorney-client communications, and closed session deliberations and information;
 3. Comply with North Carolina open meetings and public records laws;
 4. Bring matters of concern, potential or real conflicts of interest, and reports of unlawful and/or noncompliant activity to the attention of the appropriate institutional or organizational officer, such as the president, chancellor, board chair, or committee chair;
 5. Avoid any personal or business interest that may conflict with the member's responsibilities to the institution or University-affiliated organization;

6. Avoid even the appearance of impropriety when conducting the institution's or University-affiliated organization's business; and
 7. Recuse oneself from consideration of matters during meetings when required.
- D. Support for the Institution. Board members shall discharge their duties to the institution with care, skill, prudence, and diligence by:
1. Exercising the degree of diligence, care, and skill that a prudent individual familiar with such matters would use under similar circumstances in a like position;
 2. Acting in good faith with the best interest of the institution or University-affiliated organization in mind;
 3. Conducting oneself, at all times, in furtherance of the institution's or University-affiliated organization's goals and not the member's personal or business interests;
 4. Providing oversight to ensure that the institution's or University-affiliated organization's resources are dedicated to the fulfillment of its mission; and
 5. Becoming knowledgeable about issues that affect the University and seeking to understand the educational needs and desires of all the State's citizens, and their economic, geographic, political, racial, gender, and ethnic diversity.^[5]
- IV. Removal. A board member may be removed, or recommended for removal, for specified cause by affirmative vote of two-thirds (2/3) of the voting membership of the Board of Governors then in office.
- A. Removal of a Member of a Board of Trustees or University-affiliated Organization. The Board of Governors may remove from the board of trustees of a constituent institution or from the board of a University-affiliated organization a board member who was elected by the Board of Governors. With respect to a member of a board of trustees who was appointed by the Governor, the Board of Governors may vote to recommend to the Governor that the member be removed.
- B. Removal of a Member of the Board of Governors. The Board of Governors may recommend to the State House of Representatives or State Senate, whichever chamber elected the member, that a member of the Board of Governors be removed.
- C. Procedure for Removal; Specification of Cause; Notice and Opportunity to Respond
1. The chair of the Committee on University Governance shall send the board member a written specification of reasons to consider the board member's removal. In the event that the chair of the Committee on University Governance is the subject of the board's consideration of a recommendation of removal, the vice chair of the Committee on University Governance will temporarily serve in the chair's role. The notice shall state that the board member may submit a written response to the chair of the Committee on University Governance within five (5) business days of receipt of the written notice.
 2. The Committee on University Governance shall consider the written response of the board member and recommend to the Board of Governors action that the committee deems appropriate. If the board member submits no written response to the chair of the Committee on University Governance within the specified timeframe, the Committee on University Governance may continue with its consideration of removal of the board member, or a recommendation that the appropriate appointing or electing authority remove the board member.
 3. In its consideration of each matter, the Committee on University Governance may review any documents or establish any procedures it considers necessary based on the particular circumstances involved.
- V. Other Matters
- A. Effective Date. The requirements of this policy shall be effective on the date of adoption by the Board of Governors.
- B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.
- C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

[1] N.C.G.S. § 116-7(c).

[2] N.C.G.S. § 116-31(j).

[3] Section 202C(4) of *The Code of the University of North Carolina*.

[4] N.C.G.S. § 138A-2.

[5] N.C.G.S. § 116-7.



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	VI.B. Evaluation letters from State Ethics Commission Information
Responsible Person:	Donna Gooden Payne
Action Requested:	Information
Notes:	N/A



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

REVISED LETTER

Via Email

July 11, 2019

Mr. Harry L. Smith Jr., Chairman
UNC Board of Governors
910 Raleigh Road
Chapel Hill, North Carolina 27514

Re: Evaluation of Statement of Economic Interest Filed by Mr. Roger "Vern" Davenport as a Member of the East Carolina University Board of Trustees

Dear Chairman Smith:

Our office has received **Mr. Roger "Vern" Davenport's** 2019 Statement of Economic Interest as a member of the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business,

N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Davenport fills the role of an at-large member on the Board. He is a partner with NovaQuest Capital Management, a healthcare private equity management firm and serves on the board of directors for Clinical Ink, CutisPharma, Billy Beer, Inc. and WakeMed Health and Hospitals. Mr. Davenport and his spouse own financial interests in the real estate companies, Pirates Tale, LLC and Gigny Partners, LLC. Therefore, Mr. Davenport has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should any of these entities or interests come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Roger "Vern" Davenport
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

July 10, 2019

Mr. Harry L. Smith Jr., Chairman
UNC Board of Governors
910 Raleigh Road
Chapel Hill, North Carolina 27514

**Re: Evaluation of Statement of Economic Interest Filed by Ms. Leigh J. Fanning
as a Member of the East Carolina University Board of Trustees**

Dear Chairman Smith:

Our office has received **Ms. Leigh J. Fanning's** 2019 Statement of Economic Interest as a member of the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business,

N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Ms. Fanning fills the role of an at-large member on the Board. She owns financial interests in a number of privately held companies including, but not limited to, RAJDC Holdings, Inc., Goode Heating, Air Conditioning & Refrigeration, Inc., TRE Investment Group LLC, LJF Holdings, LLC, RAJDC NC Properties, LLC, Jeffreys Properties, LLC, and Quality Finance Co., Inc. Ms. Fanning's spouse is an attorney with the law firm of Ward and Smith, P.A. and owns a financial interest in Noucoux UN, LLC. Therefore, Ms. Fanning has the potential for a conflict of interest and should exercise appropriate caution in the performance of her public duties should the business of Ward and Smith, P.A. or any entity in which she owns a financial interest come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Leigh J. Fanning
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

February 19, 2019

Mr. Harry L. Smith Jr., Chairman
UNC Board of Governors
910 Raleigh Road
Chapel Hill, North Carolina 27514

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Thomas P. Furr
Prospective Appointee – East Carolina University Board of Trustees**

Dear Chairman Smith:

Our office has received **Mr. Thomas P. Furr's** 2019 Statement of Economic Interest as a prospective appointee to the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated

Mr. Harry L. Smith Jr., Chairman
February 19, 2019
Page 2 of 2

persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Furr would fill the role of a member nominated by the UNC Board of Governors. He is the Chief Executive Officer of PatientPay Inc. and owns a financial interest in the company. PatientPay Inc. is a software support company that provides patient billing and payment solutions for healthcare organizations. Because most universities provide student health services, Mr. Furr has the potential for a conflict of interest. Accordingly, Mr. Furr should exercise appropriate caution in the performance of his public duties should the business of PatientPay Inc. come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Thomas P. Furr

Attachments: Ethics Education Flyer and Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

July 10, 2019

Mr. Harry L. Smith Jr., Chairman
UNC Board of Governors
910 Raleigh Road
Chapel Hill, North Carolina 27514

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Max R. Joyner Jr.
as a Member of the East Carolina University Board of Trustees**

Dear Chairman Smith:

Our office has received **Mr. Max R. Joyner Jr.**'s 2019 Statement of Economic Interest as a member of the **East Carolina University Board of Trustees (the "Board")**. We have reviewed them for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business,

N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Joyner fills the role of an at-large member on the Board. He is a life insurance salesman for Towne Insurance and serves as the secretary for the nonprofit corporations, Greenville Jobs Now and East Rising, Inc. In addition, he is the secretary of the Greenville Progress Coalition PAC and the East Rising PAC. Mr. Joyner owns financial interests in Pro Bros, LLC and in two real estate related companies, Glenn Arthur, LLC and Crones, LLC. Therefore, Mr. Joyner has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving any of these entities or interests come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Max R. Joyner Jr.
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

February 20, 2019

Mr. Harry L. Smith Jr., Chairman
UNC Board of Governors
910 Raleigh Road
Chapel Hill, North Carolina 27514

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Phillip A. Lewis
Prospective Appointee – East Carolina University Board of Trustees**

Dear Chairman Smith:

Our office has received **Mr. Phillip A. Lewis'** 2019 Statement of Economic Interest as a prospective appointee to the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated

Mr. Harry L. Smith Jr., Chairman
February 20, 2019
Page 2 of 2

persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Lewis would fill the role of a member nominated by the UNC Board of Governors. Mr. Lewis has leadership roles and owns financial interests in three insurance-related companies, Carolina Benefit Specialist, Inc., Phillip A. Lewis & Company, Inc. and CBS Consumer Sales. Additionally, Mr. Lewis owns financial interests in a number of publicly traded companies, including Philip Morris International Inc., Waste Management, Inc. and F.N.B. Corporation, a holding company for First National Bank. As such, Mr. Lewis has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should any of these entities or any other entity in which he owns a financial interest comes before the Board for official action.


In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Phillip A. Lewis

Attachments: Ethics Education Flyer and Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

July 15, 2019

The Honorable Phil Berger
President Pro Tempore of the Senate
16 West Jones Street, Room 2008
Raleigh, North Carolina 27601

Re: Evaluation of Statement of Economic Interest Filed by Mr. James Fielding Miller as a Member of the East Carolina University Board of Trustees

Dear Senator Berger:

Our office has received **Mr. James Fielding Miller's** 2019 Statement of Economic Interest form as a member of the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated

persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Miller fills the role of an at-large member on the Board. He is the co-founder and chief executive officer of CAPTRUST Financial Advisors. Mr. Miller owns financial interests in Barings, BDC, Silvercrest Asset Management, Capfinancial Partners, LLC and PensionMark, LLC. In addition, Mr. Miller is a managing member of the real estate company, Signature Ventures Partners, LLC. Therefore, Mr. Miller has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should any of these entities or interests come before the Board for official action.

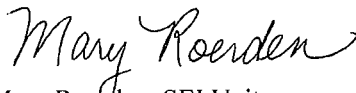
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: James Fielding Miller
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

July 9, 2019

The Honorable Tim Moore
Speaker of the House of Representatives
16 West Jones Street, Room 2304
Raleigh, North Carolina 27601-1096

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Robert B. Moore Jr.
as an Appointee to the East Carolina University Board of Trustees**

Dear Speaker Moore:

Our office has received **Mr. Robert B. Moore Jr.**'s 2019 Statement of Economic Interest as an appointee to the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated

persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Moore will fill the role of an at-large member on the Board. He owns financial interests in Quizno's, and in two outdoor advertising companies, Riley Outdoor, LLC and Patriot Outdoor, Inc. Therefore, Mr. Moore has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving any entity in which he owns a financial interest come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Robert B. Moore Jr.
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

March 20, 2019

Mr. Harry L. Smith Jr., Chairman
UNC Board of Governors
910 Raleigh Road
Chapel Hill, North Carolina 27514

**Re: Evaluation of Statement of Economic Interest Filed by Ms. Angela Moss
Prospective Appointee to the East Carolina University Board of Trustees**

Dear Chairman Smith:

Our office has received **Ms. Angela Moss'** 2019 Statement of Economic Interest as a prospective appointee to the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Ms. Moss would fill the role of a member appointed by the UNC Board of Governors. She is the Senior Director for UNC Management Company, an investment company that provides services to The University of North Carolina Chapel Hill (the "University") and institutions and tax-exempt organizations affiliated with the University. Ms. Moss and her spouse own financial interests in a number of publicly traded companies, including the investment firm Colony Capital, Inc. and the real estate development and management company, The Howard Hughes Corporation. Additionally, Ms. Moss and her spouse own financial interests in the real estate companies, Stonemoor Communities, LLC, Waterstone Leasing, LLC and Elon Crossing, LLC. Ms. Moss serves on the board of directors for the ECU Foundation Board, ECU Alumni Association, Triangle Community Foundation Investment Committee and 100 Women in Finance. As such, Ms. Moss has the potential for a conflict of interest and should exercise appropriate caution in the performance of her public duties should any of these entities or interests come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Angela Moss
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

July 10, 2019

Mr. Harry L. Smith Jr., Chairman
UNC Board of Governors
910 Raleigh Road
Chapel Hill, North Carolina 27514

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Robert B. Plybon
as a Member of the East Carolina University Board of Trustees**

Dear Chairman Smith:

Our office has received **Mr. Robert B. Plybon's** 2019 Statement of Economic Interest as a member of the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business,

N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Plybon fills the role of an at-large member on the Board. He owns financial interests in Plybon & Associates, a financial services company and in Airport Center Properties LLC. Therefore, Mr. Plybon has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving any entity in which he owns a financial interest come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Robert Plybon
Attachment: Ethics Education Guide



NORTH CAROLINA

State Board of Elections & Ethics Enforcement

mailing Address:
P.O. Box 27255
Raleigh, NC 27611-7255

Phone: (919) 733-7173
Fax: (919) 715-0135

KIM WESTBROOK STRACH
Executive Director

September 1, 2017

The Honorable Tim Moore
Speaker of the House of Representatives
16 W. Jones Street, Room 2304
Raleigh, NC 27601-1096

Via email

Re: Evaluation of Statement of Economic Interest Filed by Robert Poole
Trustee—East Carolina University Board of Trustees

Dear Speaker Moore:

Our office is in receipt of Robert Poole's **2017 Statement of Economic Interest** as a member of East Carolina University Board of Trustees ("the University"). We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Robert Poole fills the role of a trustee on the Board. He disclosed that he received income from a CPA firm as well as owns stocks in privately owned real property companies. Considering this information, he has the potential for a conflict of interest. He should exercise appropriate caution in the performance of his public duties should the CPA firm or any employees or the real property company or its employees, and/or any other company he or his immediate family have a financial interest in come before the Board for official action.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,



Diana Latta
Paralegal

cc: Robert Poole, Filer
Kenneth DeVille, Ethics Liaison
Chairman of the Board

Attachment: Ethics Education Flyer



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

July 10, 2019

The Honorable Phil Berger
President Pro Tempore of the Senate
16 West Jones Street, Room 2008
Raleigh, North Carolina 27601

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Thomas J. Segrave Jr.
as a Member of the East Carolina University Board of Trustees**

Dear Senator Berger:

Our office has received **Thomas J. Segrave Jr.**'s 2019 Statement of Economic Interest form as a member of the **East Carolina University Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated

persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Segrave fills the role of an at-large member on the Board. He is the owner of LGM Enterprises, LLC, a private aviation services company. Mr. Segrave also owns financial interests in Union Bank and LGM Ventures, LLC. Therefore, Mr. Segrave has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving any entity in which he owns a financial interest come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Thomas J. Segrave Jr.
Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

July 10, 2019

Mr. Harry L. Smith Jr., Chairman
UNC Board of Governors
910 Raleigh Road
Chapel Hill, North Carolina 27514

**Re: Evaluation of Statement of Economic Interest Filed by Mr. Vincent C. Smith
as a Member of the East Carolina University Board of Trustees**

Dear Chairman Smith:

Our office has received **Mr. Vincent C. Smith's** 2018 Statement of Economic Interest and 2019 No-Change form as a member of the **East Carolina University Board of Trustees (the "Board")**. We have reviewed them for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest or the likelihood for a conflict of interest.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

Mr. Harry L. Smith Jr., Chairman
July 10, 2019
Page 2 of 2

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Smith fills the role of an at-large member on the Board.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Mary Roerden, SEI Unit
State Ethics Commission

cc: Vincent C. Smith
Attachment: Ethics Education Guide



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	VII. Closed session
Responsible Person:	Vince Smith, Chair
Action Requested:	Information
Notes:	N/A



**Board of Trustees
Audit, Risk Management, Compliance, and Ethics Committee
September 12, 2019**

Agenda Item:	VIII. Other Business
Responsible Person:	Vince Smith, Chair
Action Requested:	Information
Notes:	N/A