



## East Carolina University | Board of Trustees Audit Committee Meeting | November 20, 2014 Agenda

- |      |   |             |
|------|---|-------------|
| I.   | Approval of September 18, 2014 Minutes                                      | Action      |
| II.  | Research Compliance Report – -Ms. Norma Epley and Dr. Hiromi Sanders        |             |
|      | A. Research and Institutional Review Board (IRB)                            | Information |
|      | B. Conflict of Interest   | Information |
| III. | Enterprise Risk Management Report – Mr. Tim Wisman                          | Information |
| IV.  | Health Sciences Compliance Report – Dr. Nicholas Benson and Dr. Ken DeVille |             |
|      | A. Compliance Priorities and Projects                                       | Information |
|      | B. Special and Ongoing Initiatives  | Information |
| V.   | Internal Audit Report – Ms. Stacie Tronto                                   |             |
|      | A. Status of Annual Audit Plan  | Information |
|      | B. Management's Corrective Action   | Information |
| VI.  | Other Business  |             |
| VII. | Closed Session  |             |

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Mark Copeland, Committee Chair
Agenda Item	I.
Item Description	Minutes of September 18, 2014
Action Requested	Approval
Disposition	
Notes	

**Minutes from ECU BOT Audit Committee  
September 18, 2014  
Mendenhall Great Room #3**

**Committee members present:** Chair Mark Copeland, Carol Mabe, Terry Yeargan, Robert Brinkley

**Others present:** Chancellor Steve Ballard, Rick Niswander, Phyllis Horns, Chris Locklear, Donna Payne, Nicholas Benson, Tim Wiseman, Ken DeVille, Norma Epley, Hiromi Sanders, Dan Sweat, Kristen Bonatz, Michelle Evans, Steve Duncan, Brian Jowers, Mike Van Scott, Mary Schulken, Amanda Danielson, Stacie Tronto, Wayne Poole

Mark Copeland, Chair of the Audit Committee, convened the meeting at 8:47AM. Mr. Copeland read the conflict of interest provisions as required by the State Government Ethics Act. Mr. Copeland asked if anyone would like to declare or report an actual or perceived conflict of interest. Hearing none, he asked for the approval of the minutes for the July 17, 2014 audit committee meeting.

**Action Item:** The minutes of the July 17, 2014 audit committee meeting were approved with no changes.

**Closed Session** – At 8:49 AM, Ms. Mabe made a motion that the committee go into closed session in order to discuss items that are protected according to state statutes governing personnel information, criminal investigations, internal audit working papers, sensitive security information, and/or otherwise not considered a public record within the meaning of Chapter 132 of the North Carolina General Statutes.

The Committee returned to open session at 9:54 AM.

Chair Copeland apologized to those in attendance that time was running short, and asked the presenters to cover their most important business. *The committee members' meeting materials contained a large amount of detail that was not verbally addressed by the presenters.*

Dr. Ken DeVille updated the committee on **Health Sciences Compliance**

- Dr. DeVille stated that effective June 2, 2014, the BSOM Compliance Office expanded its responsibility and now is the Health Sciences Office of Institutional Integrity – compliance committees are being formed in the Dental, Nursing, and Allied Health colleges/schools
  - The office's ongoing responsibilities remain essentially the same as they were, but are now applied across the Division instead of solely at BSOM
  - The office retains the same responsibilities for HIPAA privacy oversight; the office completes 1-2 HIPAA privacy investigations per week.
- Dr. DeVille briefed the committee on the recent implementation of a comprehensive Debarment Screening process to identify employees, vendors, contractors who have been debarred from doing business with the federal government. (Organizations that allow federal funding to be paid to such individuals or entities would be required to reimburse the federal funding source and may be subject to additional monetary penalties.) Elements of this process are owned by HR, Financial Services, Office of Grants and Contracts, Clinical Financial Services, and other offices. Dr. DeVille stated that the University's monitoring and detection efforts are believed to be the most comprehensive in the state, and exceed industry standards for monitoring of the List of Excluded Individuals and Entities.
- Dr. DeVille stated that the office has begun providing coding education for physician assistant students, and is in discussions with BSOM Academic Affairs to potentially provide coding education to BSOM students.
- Dr. DeVille stated that his staff has implemented HIPAA Education walkthrough sessions in clinics across the Health Sciences Division
- The coverage of BSOM provider documentation/coding reviews continues to expand; all providers will be covered in an 18-month cycle. An additional change, moving to retrospective chart reviews (i.e., after the charges are submitted to the payer) is being planned. This will make the process more efficient and effective (in terms of being able to target specific areas or providers).
- Dr. DeVille stated that Health Sciences Institutional Integrity and Internal Audit have reviewed the DHHS OIG annual workplan, and HS Institutional Integrity has allocated resources on its own workplan to highlight the highest risk areas for the University

**Minutes from ECU BOT Audit Committee  
September 18, 2014  
Mendenhall Great Room #3**

Ms. Norma Epley updated the Committee on **Research Compliance** efforts

- Ms. Epley provided statistics on the numbers of new research studies over the past three years. (FY 2013-14 submissions were slightly down from FY 2012-13.) We did not have time to delve into further detail.
- Ms. Epley briefed the committee on the federally-mandated Quality Improvement (QI) Program which is intended to provide stronger oversight to ongoing research (studies that have already been approved). *(Additional details may be presented at the next committee meeting.)*
  - Ms. Epley provided documents that outline the University's plan of action, which includes reviewing 18 studies within the next 12 months. Studies will be selected for review based on a multi-factor "risk assessment"
  - QI reviews will look at compliance with various requirements and will also have an "educational" element of sharing tools, best practices, etc. They are intended to be non-punitive.

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

- Mr. Wiseman presented information on ERM activities over the previous quarter, which included ERM Committee discussions on several topics
- Mr. Wiseman stated that he has been asked to co-chair the University's Youth Programs Task Force. The group has met twice and is charged with determining how the University should address the recommendations made by Internal Audit related to minors on campus; the committee is considering using the program at Clemson as a model
- Mr. Wiseman reported that the University's ERM efforts are gaining increased attention from outside – he will be presenting at an upcoming Risk Management and Insurance ERM conference *(a slide deck was shared with the committee members in their written materials)*
- Mr. Wiseman presented a list of the University's ERM milestones; the 2014 milestones include pushing enhanced ERM materials with the full BOT, adopting a 2-year ERM cycle model, and development of a formal risk assessment tool

Ms. Stacie Tronto provided the **Internal Audit update**. *(Note that this information was not discussed during the meeting, but was provided in writing with the committee members' materials.)*

- Ms. Tronto provided an update on the status of the FY 2014-2015 audit plan, as of Aug 29, 2014
  - 4 Operational reviews, 1 IT review, 5 investigations, and 3 follow-ups are currently in process
  - 29 consultations/advisory services have been completed since July 1, 2014; 10 additional consultations remain in progress

**Other Business** – No other business was brought forward by anyone in attendance, and the Audit Committee meeting was adjourned at 10:19 AM.

-----Respectfully submitted by Wayne Poole

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Ms. Stacie Tronto
Agenda Item	II.A.
Item Description	Research and Institutional Review Board (IRB)
Action Requested	Information
Disposition	
Notes	

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Ms. Stacie Tronto
Agenda Item	II.B.
Item Description	Conflict of Interest
Action Requested	Information
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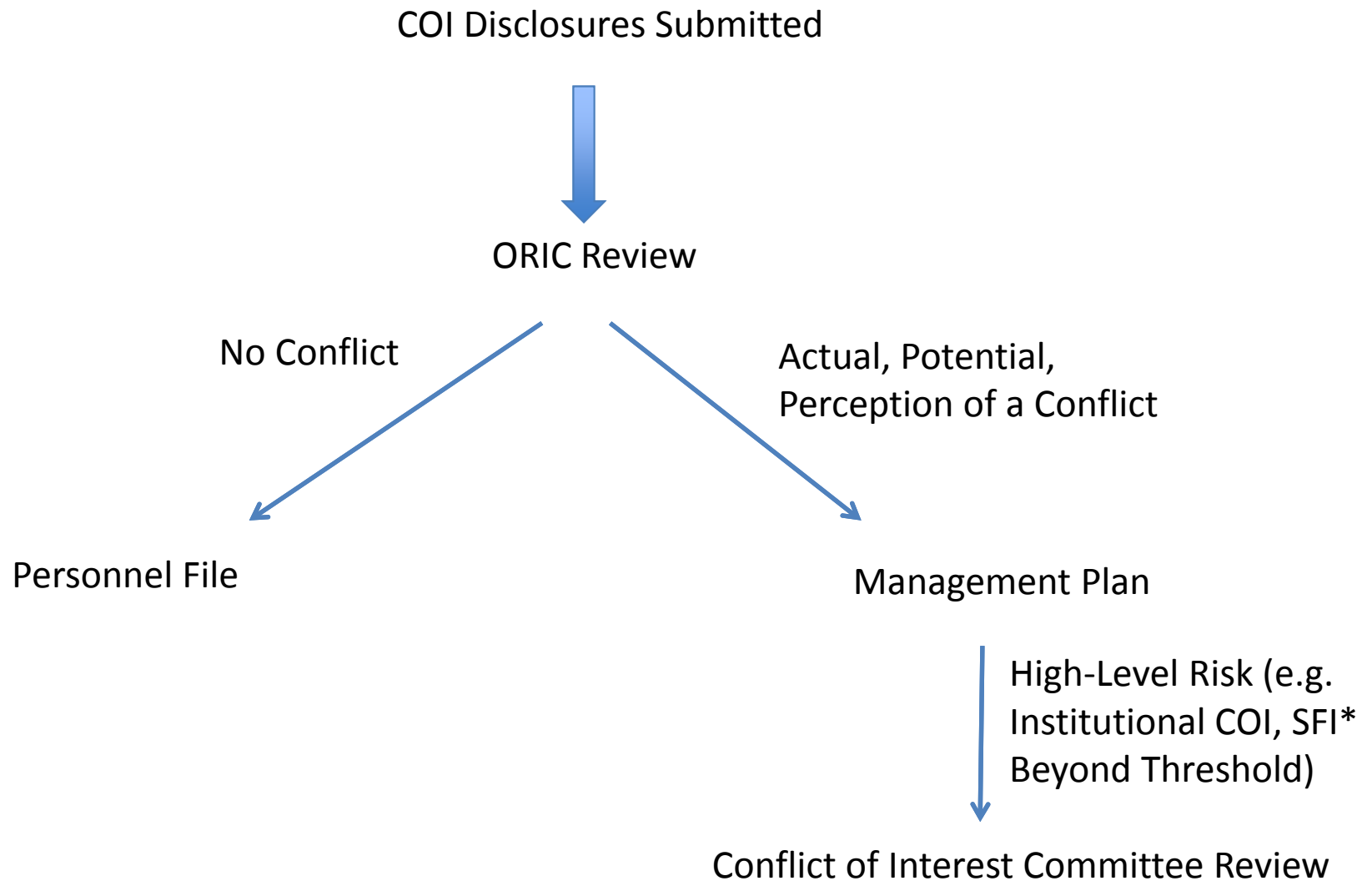
# Office of Research Integrity and Compliance

## Conflict of Interest

- Updates
  - New Management System
  - Disclosure Review Process
  - Disclosure Data
- Board of Trustees Meeting (Feb 2015)
  - External Professional Activities for Pay



# Disclosure Review Process



\* Significant Financial Interest





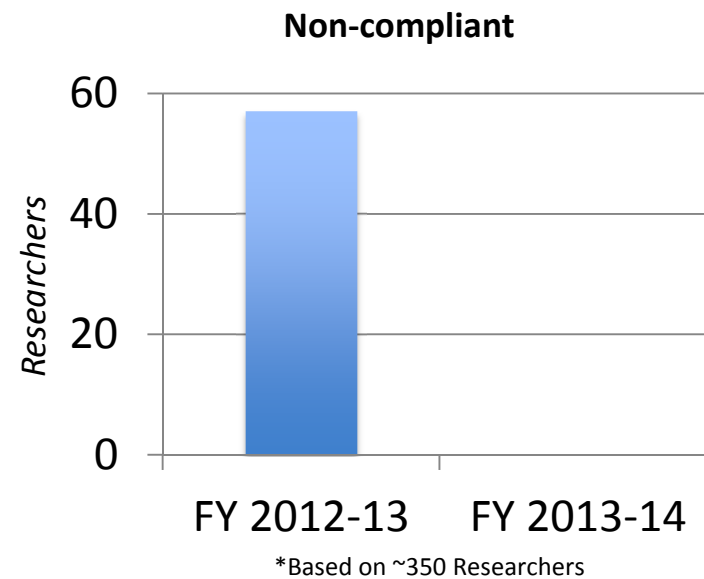
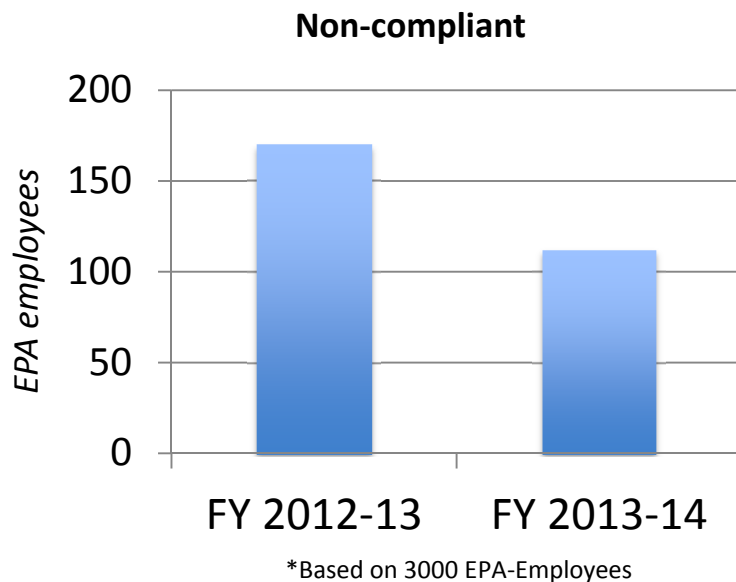
# Disclosure Data

- ECU Disclosures

- EPA faculty and non-faculty
- 6% down to 4% non-compliance

- Federal Disclosures

- Design, Conduct, or Reporting of federally funded research
- 16% down to 0% non-compliance



>> General Questions

Contact Information

1. Contact Information \*

Last Name \*

First Name \*

Dept Name \*

Title & Rank

Campus Address

Campus Telephone

Email \*

Role

Disclosing Person

Information on Activities Current and/or Anticipated in the Next Twelve Months

2. Do you or a family member receive personal compensation from, or have a current or pending equity interest (other than mutual fund holdings) in any business, organization or entity whose operations are related or potentially related to your administrative, instructional, operational or financial responsibilities at East Carolina? \*

Yes  No

3. Do you or a family member hold an executive position or serve on the board of directors or on a scientific or technical advisory board or any other board of a business or a not-for-profit organization that is engaged in an area related to your administrative, research, instructional, operational or financial responsibilities at East Carolina? \*

Yes  No

4. During the past twelve months, have you or a family member received any favors or gratuities or anything of monetary value from a person or business that is related or potentially related to your responsibilities at East Carolina, or in the next twelve months do you expect to do so? Exceptions are gifts of texts or payment for a modest meal. \*

Yes  No

5. Are you or a family member engaged in any other activities or relationships that could be perceived to have the potential for creating either a conflict or the appearance of a conflict with your East Carolina responsibilities? \*

Yes  No

\* Required.

To navigate the COI Disclosure Annual, press continue or any link in the Item List to your left.

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## **Conflict of Interest and Commitment**

*The Code of the University of North Carolina* affirms that the basic mission of the faculty is "the transmission and advancement of knowledge and understanding." Faculty employment entails the core responsibilities of teaching, scholarly research and publication, and other professional service to the institution and to society. Realization of those objectives is facilitated and encouraged by certain distinctive characteristics of employment within an academic community, which differs markedly from the conventional work-day and work-week employment models in most business and industrial settings.

Faculty members pursue their specialized professional interests in other contexts, collateral to their immediate University employment. They hold memberships in and attend meetings of professional associations and learned societies; they serve on review or advisory panels; they present lectures, papers, concerts and exhibits; they participate in seminars and conferences; they review and edit scholarly publications; and they participate in accreditation reviews. Faculty and non-faculty EPA employees ("Covered Employees") have opportunities to use their specialized competencies in secondary professional employment, as paid consultants to public and private agencies, and thereby contribute to the transfer and application of knowledge.

As relationships between Covered Employees and private industry, federal and state governments, and nonprofit agencies have grown in number and scope, there has been a corresponding increase in concern about conflicts of interest and commitment. While these Covered Employees are encouraged to engage in appropriate relationships with public and private agencies outside of the University, there is a need for commonly understood principles and corresponding procedures that will identify, address and manage potential conflicts that would detract from or interfere with a Covered Employee's dedication of unbiased primary professional loyalty, time, and energy to University teaching, research, and service.

All members of the University community are expected to avoid conflicts of interest and conflicts of commitment that have the potential to directly and significantly affect the University's interests or compromise their objectivity in carrying out their University Employment Responsibilities, including research, service and teaching activities and administrative duties, or otherwise compromise performance of University responsibilities, unless such conflicts are disclosed, reviewed and appropriately managed in accordance with the provisions of this Policy.

It is the policy of the University of North Carolina that activities undertaken by its faculty, staff and students in furtherance of the mission of the University shall be conducted in an ethical and transparent manner consistent with federal and state law and university policy.

### **I. Definitions**

A. *Conflict of Interest* relates to situations in which financial or other personal considerations, circumstances, or relationships may compromise, may involve the potential for compromising, or may have the appearance of compromising a Covered Employee's objectivity in fulfilling their University duties or responsibilities, including research, service and teaching activities and administrative duties. The bias that such conflicts may impart can affect many University responsibilities, including decisions about personnel, the purchase of equipment and other supplies, the selection of instructional materials for classroom use, the collection, analysis and interpretation of data, the sharing of research results, the choice of research protocols, the use of statistical methods, and the mentoring and judgment of student work. A Covered Employee may have a conflict of interest when he or she, or any member of that person's immediate family has a personal financial interest in an activity that may affect decision making with respect to his or her Employment Responsibilities. For the purposes of this Policy, a Covered Person's immediate family includes that person's spouse and dependent children. While a Conflict of Interest may result from nonfinancial interests or considerations, the overwhelming

[Supersedes Policy 300.2.2 originally entitled "Conflicts of Interest and Commitment Affecting Faculty and Non-Faculty EPA"]

majority of Conflicts of Interest result from a Financial Interest of a Covered Employee who is in a position to make a supervisory, academic, or administrative decision which may be compromised because of potential financial gain from a Financial Interest.

B. *Financial Interest* is defined as:

1. Payment for services to the Covered Employee not otherwise defined as institutional salary (e.g. consulting fees, honoraria, paid authorship);
2. Equity or other ownership interest in a publicly or non-publicly traded entities (e.g. stock, stock options, or other ownership interest); or
3. Intellectual property rights and interests upon receipt of income related to such rights and interest, held by the Covered Employee or members of his/her immediate family.

Income from investment vehicles, such as mutual funds or retirement accounts, in which the Covered Employee or member of his/her immediate family do not directly control the investment decisions and intellectual property rights assigned to the Institution and agreements to share in royalties related to such rights are excluded from the definition of Financial Interest. Covered Employees are required to disclose Financial Interests in a timely and accurate manner consistent with the implementing policies of the Constituent Institutions.

C. *Conflict of Commitment* relates to an individual's distribution of time and effort between obligations to University employment and participation in other activities outside of University employment. The latter may include such generally encouraged extensions of professional expertise as professional consulting (i.e. External Professional Activities for Pay). Such activities promote professional development and enrich the individual's contributions to the institution, to the profession, and to society. However, a conflict of commitment occurs when the pursuit of such outside activities involves an inordinate investment of time or is conducted at a time that interferes with the employee's fulfillment of University Employment Responsibilities.

D. *External Professional Activities for Pay* is defined as any activity that 1) is not included within one's University employment responsibilities 2) is performed for any entity, public or private, other than the University employer; 3) is undertaken for compensation; and 4) is based upon the professional knowledge, experience and abilities of the employee. Activities for pay not involving such professional knowledge, experience and abilities are not subject to the advance disclosure and approval requirements of Section III of this policy, although they are subject to the basic requirement that outside activities of any type must not result in the neglect of primary University duties, creation of Conflicts of Interest, involve inappropriate uses of the University name or resources, or include claims of University responsibility for the activity. External activities for pay of employees covered by the State Personnel Act are addressed in the State Personnel Act, Section 3 Employment and Records, Secondary Employment.

E. *University Employment Responsibilities* include "Primary Duties" and "Secondary Duties." Primary Duties consist of assigned teaching, scholarship, research, institutional service requirements, administrative duties and other assigned employment duties. Secondary Duties may include professional affiliations and activities traditionally undertaken by Covered Employees outside of the immediate University employment context. Secondary Duties may or may not entail the receipt of honoraria, remuneration (see additional regulations, *UNC Policy Manual*, 300.2.2.2 [R]) or the reimbursement of expenses, include membership in and service to professional associations and learned societies; membership on professional review or advisory panels; presentation of lectures, papers, concerts or exhibits; participation in seminars and conferences; reviewing or editing scholarly publications and books without receipt of

compensation; and service to accreditation bodies. These activities, which demonstrate active participation in a profession are encouraged, provided they do not conflict or interfere with the timely and effective performance of the individual's Primary University Duties or University policies.

F. *Covered Employee* is defined as any faculty or EPA non-faculty person employed by the University of North Carolina or a Constituent Institution, an affiliated entity, or other agency or unit of the University of North Carolina. The implementing policies of Constituent Institutions may further define Covered Employee to include additional classifications of personnel and students, which would further be considered Covered Individuals.

G. *Constituent Institution*, for the purposes of this policy, includes affiliated entities of the University of North Carolina, General Administration, and units associated with General Administration. Affiliated entities and other units of General Administration may implement Conflict of Interest policies consistent with this policy or adopt the policy of one of the constituent institutions.

H. *Department* means an academic department, a professional school without formally established departments, or any other administrative unit designated by the chancellor of an institution or by General Administration, for the purposes of implementing this policy. "Department Head" refers to the person with supervisory responsibility for the Covered Employee, whether in an academic or non-academic department.

I. *Inappropriate use or exploitation of University Resources* means using any services, facilities, equipment, supplies or personnel which members of the general public may not freely use for other than the conduct of Institutional Responsibilities. A person engaged in external professional activities for pay may not use University Resources in the course and conduct of externally compensated activities, except as allowed by the constituent institution's implementing policies and other applicable University policies. Under no circumstances may any employee use the services of another employee during University employment time to advance the externally compensated employee's professional activities for pay.

## II. Conflicts of Interest

Constituent Institutions shall develop detailed implementing policies and procedures that establish parameters of general applicability that will permit their institution and their employees to recognize potential Conflicts of Interest, and to institute basic procedures for disclosing Financial Interests and managing potential or actual Conflicts of Interest. Institutional policies shall require that a Covered Employee's professional activities and financial interests must be arranged to avoid circumstances that do or may prevent or limit objectivity in the performance of University Employment Responsibilities or that otherwise do or may adversely affect any University interests. The implementing policies and procedures of the Constituent Institutions will ensure compliance with prevailing Federal regulations. Institutions may develop separate policies to address specific federal and state requirements. In the event federal agencies or other external sponsors impose additional disclosure requirements on Constituent Institutions, disclosure to the sponsor must also include disclosure to the University.

### A. Avoiding conflicts of interest

Each constituent institution must adopt policies and procedures that:

1. effectively impart a clear understanding of permissible and impermissible conduct;

2. provide for disclosure of Financial Interests, review of disclosures in the context of University Employment Responsibilities and processes to manage or mitigate conflicts of interest;
3. provide for training of employees on its conflict of interest policy, the audience, content and frequency of which will be determined by the Constituent Institution's implementing policies and procedures; and
4. provide for compliance with applicable federal regulations.

Critical to the success of any program established to address Conflicts of Interest is employee understanding of the potential problems, so that individuals are equipped to avoid such conflicts on their own initiative. While in many situations the conflict of interest would be obvious to all, in other situations the potential difficulty would not be so apparent. Since concern about Conflicts of Interest appropriately embraces situations in which there is a potential for or appearance of conflict, as well as actual conflict, there may be differing views about what is or is not a problematic activity or affiliation. Thus, the faculty and administration of each Constituent Institution must establish basic definitions of activities and circumstances with a potential to create Conflicts of Interest and then must ensure that all affected employees are fully informed, on a regular and continuing basis, through training and distribution of institutional policies and procedures on individual Conflicts of Interest and Conflicts of Commitment.

Each Constituent Institution must establish procedures that elicit information in a timely manner about potential Conflicts of Interest related to the Covered Employee's University Employment Responsibilities. Designated administrative officials or faculty, as defined by the Constituent Institution's implementing policies and procedures shall analyze the disclosed financial interest in the context of the Covered Employee's University Employment Responsibilities and decide whether the activity or affiliation in question actually presents a Conflict of Interest and, if so, what safeguards or remedial actions should be taken. Covered Employees shall be required to supplement the information elicited by the Conflict of Interest questionnaire at any time during the academic year when a new Financial Interest might entail a Conflict of Interest. In each case a designated administrative officer would provide a final ruling, subject to any prescribed rights of appeal in the Constituent Institution's implementing policies and procedures.

In combination, the University's policy on Conflicts of Interest, the required disclosure process, and publicity and training should assist all Covered Employees avoid any difficulties recognizing and managing Conflicts of Interest.

Each Constituent Institution may adopt additional related internal policies, procedures, and guidelines consistent with this Policy.

The UNC Board of Governors' Policy on Conflict of Interest and Commitment, *UNC Policy Manual* 300.2.2, is effective August 24, 2012.

Each Constituent Institution shall submit to the President a copy of its institutional policies and procedures on individual Conflicts of Interest, including definitions of Conflicts of Interest, methods for publicizing the policy and training Covered Employees on institutional definitions and requirements, and procedures and questionnaires for disclosing relationships and circumstances that may raise questions about Conflicts of Interest. Any substantial modifications of the Constituent Institution policies and procedures for individual Conflicts of Interest should also be forwarded to the President after approval by the Constituent Institution.

### III. Conflicts of Commitment

[Supersedes Policy 300.2.2 originally entitled "Conflicts of Interest and Commitment Affecting Faculty and Non-Faculty EPA"]

Questions about conflict of commitment are more easily recognized and resolved than questions about Conflicts of Interests. Although full-time faculty and other non-faculty EPA employment is not amenable to precise, time-clock analysis and monitoring, administrators at the department and school levels regularly evaluate the work of employees within their units. The formal occasions for determining whether an individual is devoting sufficient time and effort to University employment include regular reviews of performance in connection with annual salary decisions and scheduled reviews incident to promotion, reappointment or tenure decisions. In addition, complaints from students, colleagues, or administrators about possible failures to meet assigned responsibilities may arise and require investigation. The issue, in each case, is whether the employee is meeting the requirements of the job. If presented with evidence that he or she is not meeting full-time responsibilities to the University, *The Code* prescribes that "neglect of duty" is a ground for disciplinary action, including the possibility of discharge. The following describe instances of activities that require specific monitoring to demonstrate compliance with policies.

A. External Professional Activities for Pay

The University of North Carolina and its Constituent Institutions seek to appoint and to retain, as employees, individuals of exceptional competence in their respective fields of professional endeavor. Because of their specialized knowledge and experience, these individuals have opportunities to apply their professional expertise to activities outside of their University employment, including secondary employment consisting of paid consultation or other service to various public and private entities. These practical compensated applications of their professional qualifications enhance capabilities in teaching, research, and administration. Thus, participation of employees in external professional activities for pay, typically in the form of consulting, is an important characteristic of academic employment that often leads to significant societal benefits, including economic development through technology transfer. However, External Professional Activities for Pay are to be undertaken only if they do not:

1. Create a Conflict of Commitment by interfering with the obligation of the individual to carry out all University Employment Responsibilities in a timely and effective manner;
2. Create a Conflict of Interest because of the individual's status as a Covered Employee of the University;
3. Involve any inappropriate use or exploitation of University resources;
4. Make any use of the name or marks of the University of North Carolina or any of its Constituent Institutions for any purpose other than professional identification; or
5. Claim, explicitly or implicitly, any University or institutional responsibility for the conduct or outcome of the External Professional Activities for Pay.

The *UNC Policy Manual*, 300.2.2.1[R], contains provisions established to monitor possible Conflicts of Commitment, including mandatory pre-approval at appropriate university levels of External Professional Activities for Pay. A faculty or non-faculty EPA employee who wishes to engage in External Professional Activity for Pay must adhere to these regulations to provide satisfactory assurances that the activity will not interfere with University Employment Responsibilities. These regulations may not apply to faculty and non-faculty EPA employees serving on academic year (9-month) contracts, if the External Professional Activity for Pay is wholly performed and completed outside of the contract service period and the activity does not conflict with the policies of the Constituent Institution or Board of Governors and is not conducted concurrently with a contract service period for teaching, research, or other services to the institution during a summer session.

In those instances when State-reimbursed travel, work time, or resources are used or when the activity can be construed as related to the Covered Employee's University Employment Responsibilities on behalf of the State, the employee shall not receive any financial consideration, including an honorarium. In these instances the employee may request that the honorarium be paid to the University. The honorarium may be retained by the employee only for activities performed outside of normal working hours, as defined by the institution, or while the employee is on earned paid or annual leave, and all expenses are the responsibility of the employee or a third party that is not a State entity. Third party support may need to be disclosed under the implementing policies and procedures for Constituent Institutions. In addition, senior academic and administrative officers may also be subject to special regulations regarding honoraria which require leave to be taken when External Professional Activities for Pay will take place during the regular work week. Please refer to the *UNC Policy Manual*, 300.2.2.2[R].

Instead of using earned paid or annual leave as set out above employees who are exempt from the Fair Labor Standards Act and who are out of work due to an External Professional Activity for Pay, or who wish to retain an honorarium, may be able to use periodic uncompensated leave rather than annual leave, provided the Constituent Institution implementing policies allow the use of uncompensated leave, and the appropriate Department Head approves.

External Professional Activities for Pay performed for another UNC Constituent Institution or agency of the State of North Carolina also must comply with applicable State policies governing dual employment and compensation, unless an exception to those State policies is expressly authorized by the chancellor or the President.

The Board of Governors has also established rules for monitoring and regulating the involvement of University employees in political candidacy and office-holding that could interfere with full-time commitment to University duties. Please refer to *UNC Policy Manual*, 300.5.1 et seq. for specific policy details.



PART VIII – PERSONNEL POLICIES AND PROCEDURES FOR THE FACULTY OF EAST CAROLINA UNIVERSITY

SECTION II

Policy of Conflicts of Interest and Commitment and External Activities of Faculty and Other Professional Staff

*(Text moved from former Appendix I and former Part VI)*

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  - C. External Professional Activities of Faculty and Other Professional Staff
- IV. Categories and Examples of Potential Conflicts
- V. Conflict of Interest Procedures
- VI. Review and Approval of Activities and Plans for Eliminating or Managing Conflicts
- VII. Institutional Conflict of Interest
- VIII. External Professional Activity for Pay Procedures
- IX. Enforcement of Policies

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I. Introduction, Applicability, and Responsibility for Compliance

All EPA faculty members and Non faculty EPA staff of East Carolina University are subject to revised policies concerning conflicts of interest and conflicts of commitment affecting University employment and external professional activities. This policy covers full-time faculty and EPA non-faculty employees, part-time faculty and EPA non-faculty employees, (those UNC employees who are not subject to the State Personnel Act – hereinafter referred to as ‘EPA employees’. This policy is based on policies and guidelines adopted by the UNC system Board of Governors, federal and state law, and federal agency sponsor requirements. Any questions regarding these procedures or the Board of Governors' policies upon which they are based should be directed to the ECU Office of Research Compliance Administration.

II. Definitions

- A. Business means any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, receivership, business or real estate trust, or any other legal entity organized for profit, not-for-profit, or charitable purposes. "Business" excludes University-related entities, which is inclusive of the University, and any private medical practice or any other entity controlled by, controlling, or under common control with the University or with which the University has a contractual relationship for the purpose of providing patient care.
- B. Conflict of commitment relates to an individual’s distribution of effort between obligations to his or her University employment and participation in activities outside of University employment. The latter may include such generally encouraged extensions of professional expertise as professional consulting. A conflict of commitment occurs when the pursuit of such outside activities involves an inordinate investment of time that interferes with the EPA employee’s obligations to students, to colleagues, and/or to missions of the University.

- C. Conflict of interest relates to situations in which financial or other personal considerations may compromise, may involve the potential for compromising, or may have the appearance of compromising an EPA employee's objectivity in fulfilling University duties or responsibilities, including research activities.
- D. "Executive Position" refers to any position that includes responsibilities for a material segment of the operation or management of a business, including Board membership.
- E. External professional activities for pay means any activity that 1) is not included within one's University employment responsibilities; 2) is performed for any entity, public or private, other than the University employer; 3) is undertaken for compensation; and 4) is based upon the professional knowledge, experience and abilities of the EPA employee. Activities for pay not involving such professional knowledge, experience and abilities are not subject to advance disclosure and approval requirements of this Policy, although they are subject to the basic requirement that outside activities of any type not result in neglect of primary University duties, conflicts of interest, inappropriate uses of the University name or resources, or claims of University responsibility for the activity.
- F. Department means an academic department, a professional school without formally established departments, or any other administrative unit designated by the chancellor of an institution or by the president for the office of General Administration, for the purposes of implementing this policy.
- G. The "Immediate Family" of a faculty or EPA non-faculty employee includes his or her spouse, dependent children and/or other dependent(s) as defined in the Internal Revenue Code.
- H. Inappropriate use or exploitation of University resources means using any services, facilities, equipment, supplies, or personnel that members of the general public may not freely use. A person engaged in professional activities for pay may use, in that connection, his or her office and publicly accessible facilities such as University libraries; however, an office shall not be used as the site for compensated appointments with clients, e.g., for counseling or instruction. Under no circumstances may a supervisory employee use the services of a supervised employee during University employment time to advance the supervisor's external professional activities for pay.
- I. "Participate" means to be part of the described activity in any capacity, including but not limited to serving as the principal investigator, co-investigator, research collaborator or provider of direct patient care. The term is not intended to apply to individuals who provide primarily technical support or who are purely advisory, with no direct access to the data (e.g., control over its collection or analysis) or, in the case of clinical research, to the trial participants, unless they are in a position to influence the study's results or have privileged information as to the outcome.
- J. Significant Financial Interest has the same meaning as in 42 C.F.R. 50.603 as it currently exists and as it may later be amended. This provision of the Code of Federal Regulations defines a Significant Financial Interest to mean: anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interests (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). The term does not include:
  1. Salary, royalties, or other remuneration from the applicant institution;
  2. Any ownership interests in the institution, if the institution is an applicant under the Small Business Innovation Research Program (SBIR);
  3. Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
  4. Income from service on advisory committees or review panels for public or nonprofit entities;
  5. An equity interest that when aggregated for the Investigator and the Investigator's spouse and dependent children, meets both of the following tests: Does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair

market value, and does not represent more than a five percent ownership interest in any single entity; or

6. Salary, royalties or other payments that when aggregated for the Investigator and the Investigator's spouse and dependent children over the next twelve months, are not expected to exceed \$10,000.
- K. "Sponsored Programs" means research, public service, training and instructional projects involving funds, materials, or other compensation from outside sources under grants, contracts, or cooperative agreements.
- L. "Technology" means any process, method, product, compound, drug, device, or any diagnostic, medical, or surgical procedure developed using University time, facilities, equipment, or funds whether intended for commercial use or not.
- M. University employment responsibilities include both "primary duties" and "secondary duties." Primary duties consist of assigned teaching, scholarship, research, institutional service requirements, and other assigned EPA employment duties. Secondary duties consist of professional affiliations and activities undertaken by EPA employees outside of the immediate University employment context that redound to the benefit of the profession and to higher education in general. Such endeavors, which may or may not entail the receipt of honoraria (See also UNC Policy Manual 300.2.2.2[R]) or the reimbursement of expenses, include membership in and service to professional associations and learned societies; membership on professional review or advisory panels; presentation of lectures, papers, concerts or exhibits; participation in seminars and conferences; reviewing or editing scholarly publications and books; and service to accreditation bodies. Such integral manifestations of one's membership in a profession are encouraged, as extensions of University employment, so long as they do not interfere with the timely and effective performance of the individual's primary University duties.

The goal of this policy is to ensure that all conflicts of interest or commitment are disclosed so that appropriate administrative interventions may eliminate, avoid, or manage them. These policies, however, are not intended to limit responsible external activities.

### III. Policies

#### A. Conflict of Interest

Employees shall avoid conflicts of interest that compromise, may involve the potential for compromising, or may have the appearance of compromising the EPA employee's objectivity in fulfilling University responsibilities, including research activities. Accordingly, outside activities and financial interests must be disclosed by EPA employees on an annual basis. This notwithstanding, EPA employees have a continuing obligation to timely update these disclosures as new external interests develop. Outside activities and financial interests should be arranged to avoid such conflicts.

#### B. Conflict of Commitment

Employees shall devote their primary professional loyalty, time, and energy to their University employment responsibilities, including research activities. Accordingly, EPA employees shall not engage in activities outside of their employment that involves an inordinate investment of time that interferes with the EPA employee's obligations to students, to colleagues, and/or to missions of the University. Such activities are unacceptable outside activities. Conflicts of commitment may also arise in connection with non-compensated activities and a conflict of commitment may exist notwithstanding that an EPA employee received no economic benefit from the outside activity. The issue, in each case, is whether the employee is meeting the requirements of the job (as such

responsibilities and requirements may be defined by applicable University policy and as may be further described in an individual's job description or appointment letter).

The policy on External Professional Activities of Faculty and Other Professional Staff should be used for these potential conflicts of commitment situations.

Although full-time faculty and other EPA employment is not amenable to precise, time-clock analysis and monitoring, administrators at the department and school levels are charged with the evaluation of the work of employees under their supervision. The formal occasions for determining whether an individual is devoting sufficient time and energy to University employment include regular reviews in connection with annual salary decisions and scheduled reviews incident to promotion, reappointment or tenure decisions and reviews of Notices of Intent to Engage in External Professional Activities for Pay.

#### IV. Categories and Examples of Potential Conflicts

Activities that may involve conflicts of interest can be categorized under four general headings:

Category I: consists of activities that appear to involve a conflict of interest but in, fact, do not.

Category II: consist of activities that present potential conflict of interest and must be reported, but that may be allowable with administrative approval.

Category III: consists of relationships that are generally not allowable because they involve potential conflicts of interest or they present obvious opportunities or inducements to favor personal interests over institutional interests. Before proceeding with such an endeavor, the EPA Employee must demonstrate that in fact his or her objectivity would not be affected and University interests otherwise would not be damaged. An approved conflict of interest management plan must be in place before any activities involving this category are initiated.

Category IV: consists of activities that have the potential for creating conflicts of interest that are prohibited by North Carolina and/or federal law and, therefore, may not be undertaken.

Provided below are representative, but not all-inclusive, examples of activities in each of these four categories. Please refer to Section above for important definitions.

Category V: Activities allowable, with no reporting required. The examples cited below involve activities external to University employment, and thus may present the appearance of a technical conflict, but they in fact do not have the potential for affecting the objectivity of the EPA employee's performance of University responsibilities; at most, some such situations could prompt questions about conflicts of commitment.

- a. An EPA Employee receiving royalties from the publication of scholarly works and other writings or for the licensure of patented inventions pursuant to the University's Patent and Copyright Policies (*Faculty Manual*, Part VII, Research Information).
- b. An EPA employee receiving nominal compensation, in the form of honoraria or expense reimbursement, in connection with service to professional associations, service on review panels, presentation of scholarly works, and participation in accreditation reviews. Senior Academic and Administrative Officers may also be subject to special regulations regarding honoraria which require leave to be taken when external activities for pay will take place during the regular work week (UNC Policy Manual, 300.2.2.2[R]).

- c. An EPA Employee having an equity interest in a corporation used solely for the individual's consulting activities provided such consulting activities are appropriately reported and approved in accordance with the policy on, External Professional Activities of Faculty and Other Professional Staff and the corporation is not directly or indirectly conducting any business or sponsoring any projects with the University.

Category VI: Activities requiring disclosure for administrative review.

1. Research Activities

- a. An EPA employee accepting support for University research under conditions that require research results to be held confidential, unpublished, or inordinately delayed in publication. Research conducted by faculty or students under any form of sponsorship must maintain the University's open teaching and research philosophy and must adhere to a policy that prohibits secrecy in research. Such conditions on publication must be in compliance with UNC Policy Manual, 500.1 and 500.2.
- b. Related persons working on the same funded or unfunded project.

2. External Activities

- a. An EPA Employee serving on the board of directors or scientific advisory board of an enterprise or business that provides financial support for University research, and the employee or a member of his or her immediate family may receive such financial support.
- b. An EPA Employee serving in an executive position in a for-profit or not-for-profit business which conducts research or other activities in an area related to the University duties of the employee.

3. Ownership

- a. An EPA Employee having a financial interest or a significant financial interest in a business that competes with the services provided by the University.
- b. An EPA Employee having significant equity or a Significant Financial Interest in a for-profit business which conducts research or other activities in an area related to the employee's University duties. An EPA Employee requiring students to purchase the textbook or related instructional materials of the employee or members of his or her immediate family, which produces compensation for the employee or family member.

4. Other

- a. An EPA employee receiving compensation or gratuities (other than occasional meals, gifts or desk copies of textbooks, and the like) from any individual or entity doing business with the University. This notwithstanding, see Category IV example (f).
- b. Engaging in any other activity that has the potential for creating a conflict of interest or commitment as defined herein.

Category VII: Activities or relationships that are generally not allowable.

1. Research Activities

- a. An EPA Employee participating in University research involving a technology owned by or contractually obligated (by license, option, or otherwise) to a business in which the individual or an immediate family member has a consulting relationship, has an ownership interest, or holds an executive position.
- b. An EPA Employee participating in University research which is funded by a grant or contract from a business in which the individual or member of his or her immediate family has an ownership interest and/or significant financial interest;
- c. An EPA Employee assigning students, postdoctoral fellows or other trainees to University research projects sponsored by a business in which the individual or a member of his or her immediate family has an ownership interest and/or significant financial interest.

## 2. External Activities

- a. Assuming an executive position in a not-for-profit business with which the University has a contractual relationship known to the individual and which is engaged in commercial or research activities in a field related to the individual's University responsibilities.
- b. An EPA Employee making referrals of University business to an external business or company in which the individual or a member of his or her immediate family has a financial interest, including a consulting relationship.
- c. An EPA Employee associating his or her own name with the University in such way as to profit financially by trading on the reputation or goodwill of the University. An example of a context in which such an association might occur is external professional activity for pay. Mere identification of the University as the employer of the individual and of the individual's position at the University is permitted by this section, provided that such identification is not used in a manner that implies sponsorship or endorsement by the University.
- d. An EPA Employee serving as an expert witness for pay in litigation which requires the disclosure of research data in a manner that will compromise the University's or a student's ability to publish.

## 3. Public Disclosure

- a. An EPA Employee publishing or formally presenting University sponsored research results, or providing expert commentary on a subject, without simultaneously disclosing any significant financial interest relating to such results or such subject.
- b. An EPA Employee making unauthorized use of privileged information acquired in connection with one's University responsibilities. See also Category IV activities.

## 4. Administrative Responsibilities

- a. An EPA Employee taking administrative action in the course and scope of University responsibilities that is beneficial to a business in which the individual or an immediate family member has a significant financial interest, including a significant consulting relationship. See also Category IV activities.
- b. An EPA Employee influencing the negotiation of contracts between the University and an outside organization with which the individual or an immediate family member has a significant financial interest, including a significant consulting relationship. See also Category IV activities.

## 5. Committee Participation

- a. An EPA Employee serving on a committee of a governmental agency or private entity during the consideration by such a committee of the regulation or application of a technology that is owned by or contractually obligated to a business in which that individual or immediate family has a significant financial interest, including a significant consulting relationship.

Category VIII: Activities that have the potential for creating conflicts of interest that are prohibited by North Carolina and federal law (including N.C. Gen. Stat. 14-234 and 14-234.1 as they currently exist and as may later be amended) and, therefore, may not be undertaken.

- (a) N.C.G.S. (a1)(4) defines "direct benefit from a contract" to mean where a state officer or employee or his or her spouse: (i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to contract with a state agency; (ii) derives any income or commission directly from the contract with a state agency; (iii) acquires any property under the contract with a state agency.
- (b) N.C.G.S. 14-234 (a1)((2) states that a public officer or employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract.

- (c) N.C.G.S. 14-234 (a1)((3) states in part that a public officer or employee is involved in making a contract if he or she participates in the development of specifications or terms or in the preparation or award of the contract.
- (d) North Carolina law prohibits a state officer or employee who is involved in making or administering a contract on behalf of a state agency from deriving a direct benefit from the contract (N.C.G.S. 14-234 (a)(1)).
- (e) North Carolina law prohibits a state officer or employee who receives a direct benefit from a contract with the state agency he or she serves, but who is not involved in making or administering the contract, from attempting to influence any other person who is involved in making or administering the contract. (N.C.G.S. 14-234 (a)(2))
- (f) North Carolina law prohibits a state officer or employee from soliciting or receiving any gift, reward, or promise of reward in exchange for recommending, influencing, or attempting to influence the award of a contract by the state agency he or she serves. (N.C.G.S. 14-234 (a)(3))
- (g) Contracts made in violation of N.C.G.S. 14-234 are void as a matter of law and anyone violating this statute may be prosecuted criminally.
- (h) N.C.G.S. 14-234.1 prohibits a State officer or employee from benefiting financially, or helping someone else benefit, from non-public information gained by the employee in his or her official capacity. Anyone violating this statute may be prosecuted criminally.
- (i) Note that the North Carolina Ethics Act (Ethics Act) also regulates Conflicts of Interest for "Covered Persons". Questions regarding the Ethics Act should be directed to the University Attorney.
- (j) Medicare Anti-Kickback Law. The Medicare Anti-Kickback law (42 U.S.C. 1320a-7b(b)) prohibits compensation from research sponsors that provide or supply healthcare services or products to researcher-physicians or hospitals for their participation in clinical research if such compensation is intended to induce physicians or hospitals to purchase drugs or services of the research sponsor that will be paid by Medicare or Medicaid.
- (k) False Claims Act. Researchers must certify in their grant applications that they are in compliance with statutory and regulatory requirements, including applicable statutes and regulations prohibiting conflicts of interest. Falsely certifying compliance could result in criminal prosecution and civil penalties under the False Claims Act (31 U.S.C. 3729, et seq.),

#### COI Procedures

EPA employee will be required to disclose annually relationships and circumstances that may raise questions about conflicts of interest and conflicts of commitment relating to University employment responsibilities, including, but not limited to sponsored research activities. All potential Category II, III, and IV relationships or financial holdings must be reported regardless of the dollar amounts involved. Category I activities and relationships are not required to be disclosed under this policy; however, other university reporting requirements may apply to these activities (see Section IV). Where there is some question whether an activity should be considered a Category I or II activity as described above, the EPA employee should include the activity in the disclosure for consideration by his/her supervisor.

Revisions or updates of the yearly disclosures are required between yearly disclosures whenever there is a significant change in the EPA employee's or his/her immediate family's affairs that may lead to or may be perceived to lead to a conflict with the EPA employee's university activities, e.g., the faculty member's spouse begins to receive consultant fees from a company that currently contracts with university for research services from the faculty member's laboratory.

Procedures: To facilitate disclosure and to ensure appropriate uniformity across the University, each individual will complete the "Annual Faculty/Professional Staff Disclosure Form." Each unit administrator will distribute this form annually to all faculty and professional staff (EPA non faculty) under his or her supervision and assure that completed forms are returned. Unit Administrators shall summarize the disclosure completed by EPA employees to the Office of Research Compliance Administration.

The purpose of this form is to identify employees' activities that may lead to actual or potential conflicts of commitment or interest so that appropriate administrative intervention may address the problems. The employee and the administrative supervisor are to complete and sign the annual disclosure form, which implies that the administrative supervisor has reviewed the form. No further action will be required if all questions are answered "no".

Further disclosure and review are required if questions elicit any "yes" responses on the Annual Faculty/Professional Staff Disclosure Form or on any mid-year revisions or updates of the annual form. The employee must then complete and sign the appropriate additional forms. Suggested provisions or plans for eliminating or managing conflicts should be included in these additional forms where indicated. Examples of some (but not all) possible provisions for conflict management plans are:

1. Public disclosure of the significant financial interests or external activities;
2. Monitoring of activities by disinterested university officials to assure that conflicts do not arise;
3. Cessation of the pertinent outside activities;
4. Divestiture of the pertinent financial interests; and
5. Severance of the relationships that create actual or potential conflicts.

Since these forms have direct bearing on the employment of individuals with the University, all disclosure forms (the annual form and accompanying forms) and associated documents will be maintained in the administrative office of the employee's unit in his/her personnel folder for a period of at least three years following termination of the pertinent activities.

#### VI. Review and Approval of Activities and Plans for Eliminating or Managing Conflicts.

The unit administrator (chair, dean, or the employee's supervisor in the case of a senior administrator) has the initial responsibility to review and approve or disapprove the disclosure forms filed with him or her by the EPA employees within that unit. The review shall follow the provisions of this Policy. The Unit administrator should be familiar with the definition of 'Significant Financial Interest' to differentiate between Category II and Category III activities and relationships. Category III activities are presumptively considered to be non-allowable.

The unit administrator may refer any question regarding an annual disclosure form to the next higher administrative level for review and decision and must refer to the next higher level for review and approval all annual disclosures (and updates/revisions) which require additional forms (as described in the annual disclosure form) for EPA employees involvement in possible Category II and III activities as described above.

If a potential conflict is determined to exist, written plans for eliminating or managing the conflict will be developed in consultations between the employee, the Office of Research Compliance Administration, and his/her supervisors (up to and including deans of academic units as appropriate) and presented to the Vice Chancellor for Research and Graduate Studies. For Category II through IV



Conflicts of Interest, the plan will also be submitted to the appropriate division's Vice Chancellor for informational review. It will then be presented to the ECU Research Ethics Oversight Committee (see below) for final approval. An adverse decision of the Committee to a proposed management plan may be appealed to the Chancellor. The supervisor of the EPA employee will be responsible for assuring the implementation and/or monitoring of the conflict management plan.

Documentation of all decisions on activities and associated conflict management plans will be maintained in the employee's personnel folder.

In order to fulfill the certification requirements of grant and contract funding agencies (e.g., the NIH and NSF), each unit administrator shall also provide annually to the Vice Chancellor for Research and Graduate Studies a list of all faculty members and EPA staff in the administrator's unit who have submitted approved current annual disclosure forms and, where needed, an indication when such approval required development of an acceptable conflict management plan. This list may be amended as needed during the year. The Vice Chancellor for Research and Graduate Studies or designee will use this information to report any perceived or potential COI to the sponsor or to certify to potential funding agencies that this Institution has a conflict of interest policy consistent with NIH and NSF guidelines and that to the best of our knowledge all provisions of the policy have been followed with respect to proposals submitted to the agencies by ECU faculty and staff.

If after initial review of any disclosure by the department head, dean, and vice chancellor, questions remain regarding ethical issues or if disagreement exists between the EPA employee and the administration regarding the permissibility of activities, or if the COI management involves more than disclosure and minor oversight, the situation may be referred to a faculty/administrative advisory committee for review of conflicts of interest and commitment. This committee, the Research Ethics Oversight Committee, will be chaired by the Vice Chancellor for Research & Graduate Studies. Appropriate individuals will be appointed members to the committee by the Vice Chancellor for Research and Graduate Studies. When the committee reviews conflict management plans, a representative of university attorney's office shall be present. Decisions by this committee will be presented to the Chancellor for his or her concurrence and, if approved, will become the University's final position. If the activity at issue involves external support (grant, contract or cooperative agreement), the Director of Sponsored Programs shall inform the sponsor in accordance to Sponsor policy and guidelines of the COI.

Whenever human subjects are involved in an activity presented to the University's Office of Research Compliance Administration (including approvals of conflict management plans), the University & Medical Center Institutional Review Board (UMCIRB) will be confidentially notified of the issue and the Committee's actions.

## VII. Institutional Conflict of Interest

East Carolina University, from time to time, forms relationships with profit-making entities (including the holding of equity interests) for mutual benefit. However, such relationships may put the University into actual or apparent conflict of interest situations when accepting grants or contracts from the profit making entities for research or other activities. (See exclusion at the end of this section for certain types of relationships.) To assure that these grants and contracts are performed with the highest level of integrity by University employees and to assure that the public maintains its trust in University activities, the following procedures shall be followed:

1. At the beginning of each calendar year, the Director, Office of Technology Transfer shall prepare a disclosure listing all profit-making entities in which the University has a significant financial interest. This disclosure shall be updated during the year as new relations develop and old ones terminate. This disclosure and its updates will be submitted to the Vice Chancellor for Research and Graduate Studies who shall distribute the disclosure to the Chancellor, the other Vice Chancellors and Deans, and the Research Ethics Oversight Committee. Copies of the disclosure and updates shall also be distributed to those university administrative offices charged with approving and administering grants and contracts and other regulatory committees (for example, Office of Sponsored Programs, Office of Grants and Contracts Administration and the UMCIRB).

2. Units submitting proposals for external funding to commercial entities may not be aware of possible institutional conflict of interest issues. Thus, the Office of Sponsored Programs shall have the primary responsibility of notifying Office of Research Compliance Administration, Vice Chancellor for Research and Graduate Studies and the submitting unit of the University's conflict of interest as part of its regular procedures for the review and approval of such applications. The Office of Research Compliance Administration or the Vice Chancellor or his designee shall then develop a plan to manage the institutional conflict of interest after consultation with the submitting unit and other relevant university offices. The conflict management plan shall be submitted to the Research Ethics Oversight Committee for review. The Committee may approve the plan (with or without mandatory changes) or disapprove the plan. University acceptance of grants and contracts related to a management plan is contingent upon approval of the management plan by the Committee. A negative decision of the Committee may be appealed to the Chancellor. An institutional conflict management plan may range from a simple disclosure of the University's interest in publications and reports emanating from the grant or contract to complete University divestiture of the financial interest. The institutional conflict of management plan shall be separate from and in addition to any conflict management plans for conflicts of interests of individuals (e.g., the principal investigator) involved in the grant or contract.

3. When considering an institutional conflict of interest management plan, the Research Ethics Oversight Committee shall a) include as voting members, one or more individuals from the general public who have no direct or indirect relationship with the University, i.e., the individuals and their spouses or other dependents must not be current employees or students of the University; and b) recuse from the deliberations of the Committee any ECU member of the Committee who has been involved in the negotiation, approval, or implementation of the relationship that is the basis of the actual or perceived conflict of interest. The general public members of the Committee should be individuals that have sufficient education or experience to understand both the issues before the Committee and the possible impacts of the Committee's decisions on the general public.

4. Arrangements for plan implementation and oversight shall explicitly be part of an institutional conflict management plan. Implementation and oversight will usually be the joint responsibility of the submitting unit and the Office of the Vice Chancellor for Research and Graduate Studies. However, other arrangements shall be made for plan implementation and oversight if, in the judgment of the Research Ethics Oversight Committee, such arrangements are necessary for the effective management of the conflict.

Excluded Relationships: A relationship with a profit making organization for the purposes of this institutional conflict of interest policy shall not include ordinary investments of the university's endowment that are managed by the Board of Trustees of the Endowment Fund or ordinary client-

vender relationships where the University contracts for specific goods or services from a profit-making organization.

#### VIII. External Professional Activity for Pay Procedures

1. An EPA Employee who plans to engage in external professional activity for pay shall complete the "Notice of Intent to Engage in External Professional Activity for Pay" (hereinafter referred to as "Notice of Intent") in a format as described in section 2 of this Part VIII. The Notice of Intent shall be filed with the head of the department in which the individual is employed. A separate "Notice of Intent" shall be filed for each such activity in which an employee proposes to engage. Unless there are exceptional circumstances, the "Notice of Intent" shall be filed not less than ten (10) calendar days before the date the proposed external professional activity for pay is to begin. The Notice of Intent Format: The format for giving notice of Intent should follow the sample notice form.
2. Approval of a "Notice of Intent" may be granted for a period not to exceed the balance of either 1) the fiscal year (in the case of twelve-month employees and employees with contract service periods that include the summer session) or 2) the academic year (in the case of nine (9) month employees with no summer session contract period) remaining as of the date of approval; if the approved activity will continue beyond the end of the relevant fiscal or academic year in which it was begun, an additional "Notice of Intent" must be filed at least ten days before engaging in such activity in the succeeding relevant year.
3. Except as set out in paragraph 5 below, the "Notice of Intent" shall be considered as follows: If, after a review of the "Notice of Intent" and consultation with the EPA employee, the unit head determines that the proposed activity is not consistent with this policy statement of the Board of Governors and East Carolina University, the EPA Employee shall be notified of that determination within ten (10) calendar days of the date the "Notice of Intent" is filed. In the event of such notification by the unit head, the EPA Employee shall not proceed with the proposed activity but may appeal that decision to the next higher administrator and then to the Chancellor or the Chancellor's designee. A decision on any such appeal shall be given to the EPA Employee within ten calendar days of the date on which the appeal is received. The decision of the Chancellor is final. Appeals shall be made in writing on the "Notice of Intent" form.
4. If question 8, question 9a, or question 9b on the Notice of Intent, above, is answered in the affirmative the procedure set out in paragraph 4 above shall be modified as follows: The decision of the unit head to approve the activity shall be reviewed promptly and approved or disapproved within ten (10) days of receipt by the next higher administrator, and appeal of a disapproval by that officer shall be to the Chancellor or the Chancellor's designee. In addition, the Vice Chancellor for Research and Graduate Studies must review the external activity for management of any Conflicts of Interest and notify the University and Medical Center Institutional Review Board if the EPA Employee is participating in a protocol involving human subjects at ECU to ensure compliance with applicable IRB laws and regulations.
5. Departmental summaries of all "Notices of Intent" filed and of actions taken in response to such "Notices of Intent" during the preceding fiscal year shall be submitted by unit heads to the Chancellor each July. As initiated by the UNC General Administration on or before September 1 of each year, the Chancellor will provide an annual summary report to the President.
6. If the external professional activity for pay is wholly performed and completed outside of the academic year by EPA employees serving on academic year contracts, said EPA Employees do not need to file Notices of Intent with their unit head provided that the activity does not conflict with this policy statement of East Carolina University and of the Board of Governors and is not conducted concurrently with a contract service period for teaching, research, or other services to

East Carolina University during a summer session.

7. University employees not complying with these procedures will be subject to disciplinary action. Unit heads are held responsible for proper reporting.

#### IX. Enforcement of the Policies

EPA Employees are under a clear obligation to adhere to the ECU policies and procedures to disclose and to remove or appropriately manage conflicts of interest or commitment. Breaches of the policy/procedures will be viewed as serious ethical violations by the persons involved. Possible breaches of the policy/procedure include, but are not limited to:

1. Furnishing false, misleading or incomplete information on the disclosure forms;
2. Failure to promptly update disclosure forms before the required annual update when a significant change in a person's financial or fiduciary status places the individual into an immediate potential conflict of interest or commitment situation;
3. Failure to comply with the procedures described above (e.g., refusal to respond to inquiries, responding with incomplete or knowingly inaccurate information, or otherwise);
4. Failure to remedy conflicts as determined by the Procedures; and
5. Failure to comply with a prescribed monitoring plan.

If a possible breach in the policy/procedures occurs, the appropriate dean shall consult with the faculty person and his chair. If no resolution is forthcoming, the dean shall refer the case to the appropriate vice chancellor. The vice chancellor shall consult with the vice chancellor for research and shall initiate an investigation and/or hearing as prescribed in Faculty Manual, Part VII and Part IX and apply sanctions as determined by university policies. Such sanctions may range from administrative intervention to dismissal from employment, all in accordance with applicable university policies.

(FS Resolution #10-36, March 2010)

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Mr. Tim Wiseman
Agenda Item	III.
Item Description	Enterprise Risk Management Report
Action Requested	Information
Disposition	
Notes	

## INFORMATION PAPER

SUBJECT: Enterprise Risk Management (ERM) Update for the BOT-A Committee November 2014 Meeting

1. Purpose. To advise BOT-A committee members of significant ERM and Chief Risk Officer (CRO) activities from the past two months and those planned or anticipated for the next two months.

2. Action Recapitulation:

a. Significant ERM/CRO Activities from the Past Two Months:

- University Youth Programs Task Force – ERM Co-Chair – Ongoing
- Re-Admissions Risk Case Reviews and University Behavioral Concerns Team Actions
- Quarterly ERM Committee Meetings (August and October)
- ERM Update to Academic Deans and Directors – 10/23
- University Risk Management and Insurance Association Annual Conference - Presented
- Participation ISO 31000 Risk Management Standard “Train the Trainer” Workshops
- Federal/Governmental ERM Summit – George Mason University - Attended
- ERM Consultations and Inquiries – Various Departments
  - *Drones/Unmanned Aerial Vehicles*
  - *Title IX/Sexual Assault Policies and Working Groups*
  - *Other Discussions with Internal Audit and University Counsel*

b. Significant ERM/CRO Activities Next Two Months:

- University Youth Programs Task Force – ERM Co-Chair – Ongoing
- Athletics Summer Camp Privatization and Camp Manual Post-Summer Evaluation
- Launch of '13-'14 ERM Risk Survey (off-year “lite” version) and Top Risk Review
- Articulation of a Risk Philosophy for ECU
- Implementation of an Awards/Recognition Program for Contributions to Risk Management
- ERM @ ECU 5 Year “Anniversary” Progress Review
- ERM Consultations/Research/Inquiries – Various Departments

3. Other: Continuing to upload presentations and references from numerous risk management forums to ECU’s enterprise risk management SharePoint site for use/reference by campus administrators and action officers.



ACTION OFFICER: Tim Wiseman  
 Assistant Vice Chancellor for ERM/Chief Risk Officer  
 252-737-2803  
 Spilman Bldg, Room 214

## Upcoming Significant ERM Actions

- University Youth Programs Task Force Ongoing
- ERM Update to Academic Deans and Directors Oct 2014
- ISO 31000 Training Aug and Oct 2014
- ERM Program – Assessment Ongoing/Oct 2014
- Review of '13-'14 ERM Top Risks and RMP's Fall 2014
- Launch of '14-'15 ERM Risk Survey Nov 2014
- RIMS Conference – Present Apr 2015
- Consultations & Special Projects Ongoing/Various
- ERM Metrics, Award Program & ERMC Charter Develop and Track
- Departmental/College Risk Assessments Support
- ERM Playbook and Tool Kit Develop

ECU Enterprise Risk Management

## Enterprise Risk Management Committee Meeting Themes

(As of 10/09/2014 – Subject to Change)

	ERMC	Date	Guest Speaker/Lead	Theme
2015	1 <sup>st</sup> Qtr	Feb 25	Risk Prioritization Exercise	Operational/ Strategic
	2 <sup>d</sup> Qtr	Apr 22	Guest Speaker: Mark Beasley, ERM Initiative (T)	Strategic
	3 <sup>rd</sup> Qtr	Jul 22	EH&S Topics/Panel	Operational
	4 <sup>th</sup> Qtr	Nov 12 (Thursday)	Communications	Reputational

Risk Categories: Strategic, Operational, Financial, Compliance, Reputational

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Ms. Stacie Tronto
Agenda Item	IV.A.
Item Description	Status of Annual Audit Plan
Action Requested	Information
Disposition	
Notes	



**Internal Audit  
Status of Annual Audit Plan  
As of 10/31/14**

**Assurance Services – Work-in Progress (44%):**

**4 Operational Reviews**

- Human Resources (Exit Conference and Issue Report)
- Purchasing Port (Exit Conference and Issue Report)
- Pharmacy Services
- Physical Therapy
- Construction Project
- Parking and Transportation
- Physical Therapy

**2 Compliance Reviews**

- NCAA Financial Aid
- Cash Counts

**2 Informational Technology Review**

- IT and Data Governance
- 2014 Disaster Recovery/Business Continuity Planning

**5 Investigations**

**2 Follow-Ups**

**Assurance Services – Completed (13%):**

**3 Investigations**

**2 Follow-Ups**

**Advisory Services:**

52 completed consultations/advisory services

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Ms. Stacie Tronto
Agenda Item	IV.B.
Item Description	Special and Ongoing Initiatives
Action Requested	Information
Disposition	
Notes	

**Management's Corrective Actions - FYE 2014**

	<b>Completed</b>	<b>Outstanding</b>	<b>% Complete</b>	<b>% Outstanding</b>	<b>*T/B FU On</b>
<b>Observations by Division:</b>					
Academic Affairs	0	0	0%	0%	1
Administration and Finance	0	0	0%	0%	11
Athletics	0	0	0%	0%	9
Chancellor	0	0	0%	0%	14
Health Sciences	5	3	63%	38%	28
Research and Graduate Studies	0	0	0%	0%	1
Student Affairs	0	0	0%	0%	3
University Advancement	0	0	0%	0%	0
<b>Total Observations</b>	<b>5</b>	<b>3</b>			<b>67</b>
<b>Total Percentages</b>	<b>63%</b>	<b>38%</b>			

\* Includes items followed up on but still outstanding.

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Ms. Stacie Tronto
Agenda Item	V.A.
Item Description	Status of Annual Audit Plan
Action Requested	Information
Disposition	
Notes	

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Ms. Stacie Tronto
Agenda Item	V.B.
Item Description	Management's Corrective Action
Action Requested	Information
Disposition	
Notes	

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Mark Copeland, Committee Chair
Agenda Item	VI.
Item Description	Other Business
Action Requested	Information
Disposition	
Notes	

**Audit Committee of the ECU Board of Trustees**

**November 20, 2014**

**CLOSED SESSION MOTION**

**I move that we go into Closed Session:**

- 1. to prevent the disclosure of confidential information under:**

**N.C. General Statutes:**

**§126-22 to §126-30 (personnel information);**

**§116-40.7 (UNC Internal Audit information); and**

**§143-748 (Internal Audit work papers for state agencies); and**

- 2. to consult with an attorney to preserve the attorney-client privilege between the attorney and the Committee.**

East Carolina University  
Board of Trustees  
November 20, 2014  
Audit Committee

Session	Audit
Responsible Person	Ms. Stacie Tronto
Agenda Item	VII.
Item Description	Closed Session
Action Requested	Information
Disposition	
Notes	