



Board of Trustees Audit, ERM, Compliance, and Ethics Committee Meeting
 September 14, 2017
 Agenda

- | | | |
|------|---|-------------|
| I. | Approval of July 27, 2017 Minutes | Action |
| II. | Enterprise Risk Management - Tim Wiseman | |
| | A. Overview of ERM and Top Ten Risks | Information |
| | B. ERM Update | Information |
| III. | Research Compliance - Ms. Norman Epley and Dr. Mike Van Scott | Information |
| | A. Conflict of Interest Update | Information |
| | B. Export Control Officer Update | Information |
| IV. | Internal Audit - Ms. Stacie Tronto | Information |
| | A. Internal Audit Activities and Key Performance Measures | Information |
| | B. Audit Management System Software | Information |
| V. | Other Business | |



Board of Trustees

Audit, ERM, Compliance, and Ethics Committee Meeting

September 14, 2017

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| Agenda Item: | I. Approval of July 27, 2017 Minutes |
| Responsible Person: | Kel Normann, Chair |
| Action Requested: | Approval |
| Notes: | N/A |

*****DRAFT*****

**Minutes from ECU BOT Audit, Enterprise Risk Management, Compliance, and Ethics Committee
July 27, 2017
East Carolina Heart Institute**

The Audit, Enterprise Risk Management, Compliance, and Ethics Committee (formerly named and still sometimes referred to as "Audit Committee") of the ECU Board of Trustees met in regular session on July 27, 2017 at 10:00am in the East Carolina Heart Institute on the campus of East Carolina University.

Committee members present included Kel Normann (Chair), Bob Plybon (Vice Chair), Max Joyner, Jason Poole, Vince Smith, and LaQuon Rogers.

Other board members present included Kieran Shanahan (Board Chair), Edwin Clark, and Vern Davenport.

Others present included Chancellor Cecil Staton, James Hopf, Donna Payne, Nick Benson, Ken DeVille, Michelle Evans, Norma Epley, Paul Zigas, Amanda Williams, Michelle Brooks, Tom Eppes, Crystal Baity, Alton Daniels, Megan Ayers, Stacie Tronto, and Wayne Poole.

Kel Normann, Chair of the Committee, convened the meeting at 10:00AM. 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 April 27, 2017 audit committee meeting.

Action Item: The minutes of the April 27, 2017 audit committee meeting were approved with no changes.

Ms. Stacie Tronto presented information on the **Committee's Jurisdiction and Responsibilities**

During the presentation Ms. Tronto reminded the committee that the UNC Board of Governors has specific, documented expectations for campus Audit Committees. Ms. Tronto stated that she will assist the committee in ensuring that all expectations and requirements are met.

The following individuals provided a brief overview of the respective offices that typically provide information and updates to the committee:

- Ms. Stacie Tronto – Office of Internal Audit and Management Advisory Services
- Mr. Tim Wiseman – Enterprise Risk Management
- Dr. Ken DeVille – Office of Institutional Integrity (Healthcare Compliance)
- Ms. Norma Epley – Office of Research Integrity and Compliance

(The presentation slides that were used for this information were from Module 5 of the Board of Trustees training materials.)

Mr. Davenport asked what impact Project Unify is expected to have on University medical research. Ms. Payne advised the committee that the details pertaining to research and the new entity are still being worked through. Ms. Epley stated that the hope is that new opportunities for research will be opened up. For example, ECU researchers may have opportunities to get into some rural communities where Vidant has a presence and take the research to the people of eastern NC. Mr. Davenport stated that he may pursue further information outside of this meeting. He stated that it will be very important to reconcile ECU's research goals with Vidant's goals and infrastructure.

Ms. Stacie Tronto presented the FY 2018 **Annual Audit Plan**.

Ms. Tronto presented the proposed annual audit plan, and provided background on the methodology that is used to determine the annual audit plan.

Action Item: The committee approved the annual audit plan.

Ms. Donna Payne Presented Information on Specific **Annual Review Requirements**

University Counsel Donna Payne presented an overview of two specific UNC system policies that are directly applicable to all board members.

1. *Duties, Responsibilities, and Expectations of Board Members, and*

*****DRAFT*****

**Minutes from ECU BOT Audit, Enterprise Risk Management, Compliance, and Ethics Committee
July 27, 2017
East Carolina Heart Institute**

2. Dual Memberships and Conflicts of Interest

These policies had been provided to all board members in the information packets prior to the meeting. Ms. Payne reminded the members that all are required to be familiar with these and to advise her office of any questions or concerns.

Other Business

Mr. Normann asked if there was any further business to bring before the committee. None was heard.

There being no further business, the Audit Committee meeting was adjourned at 10:50 AM.

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



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| Agenda Item: | II.A. Overview of ERM and Top Ten Risks |
| Responsible Person: | Tim Wiseman |
| Action Requested: | None - Informational Item |
| Notes: | N/A |



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| Agenda Item: | II.B. ERM Update |
| Responsible Person: | Tim Wiseman |
| Action Requested: | None - Informational Item |
| Notes: | N/A |

INFORMATION PAPER

SUBJECT: Enterprise Risk Management (ERM) Update for the BOT-Audit, Risk Management, Compliance and Ethics Committee September 2017 Meeting

1. Purpose. To advise BOT-ARMCE committee members of significant ERM 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:

- Coordination of Risk Management Plans for Top Risks
- Quarterly Enterprise Risk Management Committee Meeting and Actions (July)
- Crisis Policy Team – Emergency Management System Exercise
- UAS/Drones Advisory Committee Actions – Mandatory Insurance and Process Adjustments
- Presented: Risk Mgmt and Insurance Society National Webinar
- ERM Consultation and Assistance to NCCU
- FEMA Claims – Hurricane Matthew Damage - Ongoing
- ERM Training and New Personnel Orientations (Deans, BOT Members, Administrators)
- Enterprise Rent-a-Car Fleet Vehicle Transition – Insurance Coverage Coordination
- ERM Consultations/Research/Inquiries – Various Departments

b. Significant ERM/CRO Activities Next Two Months:

- Risk Management Plan Finalizations and “Off Year” ERM Cycle Activities
- Publish ERM Five Things Executive eNewsletter
- Quarterly Enterprise Risk Management Committee Meeting and Actions (Oct)
- Present: University Risk Management and Insurance Association Conference
- Present: ERM in Higher Education Update to UNC System Auditors Conference
- ERM Update to Chancellor and Chief of Staff
- September BOT Meetings

3. Other:

- ERM “Five Things” Newsletter Published in Early September – Copies Available
- Risk Management Month Activities Planning – November 2017



ACTION OFFICER: Tim Wiseman
Assistant Vice Chancellor for ERM & Military Programs
Spilman Bldg, Room 214, 252-737-2803



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| Agenda Item: | III.A. Conflict of Interest Update |
| Responsible Person: | Norman Epley Mike Van Scott |
| Action Requested: | None - Informational Item |
| Notes: | N/A |

Reporting Conflicts of Interest and Commitment

End of Fiscal Year 2016-2017 Results

Federal Compliance 100%

This includes all Principal Investigators and Key Personnel listed on the Grants.

University Compliance 98.25%

- 51 out of 2,900 total employees required to disclose have not done so:
 - 21 of the 51 are temporary employees
 - 4 of the 51 are retired
 - 4 of the 51 are no longer at ECU
 - 2 of the 51 are Vidant employees w/responsibilities at ECU
 - 2 of the 51 are student or Resident teachers
 - 7 of the 51 are 9 month employees
 - 3 of the 51 are non-faculty employees
 - 6 of the 51 are “hourly” employees
 - 2 of the 51 are permanent, part time employees

Corrective Actions / Plans for Fiscal Year 2017-2018

- At New Faculty Orientation this year we had those faculty who were not research-oriented disclose during the Research, Economic Development and Engagement (REDE) session
- Currently working with HR to develop a mechanism requiring disclosure at the time of hire for those individuals who are not permanent, full time employees.



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| Agenda Item: | III.B. Export Control Officer Update |
| Responsible Person: | Norman Epley Mike Van Scott |
| Action Requested: | None - Informational Item |
| Notes: | N/A |



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| Agenda Item: | IV.A. Internal Audit Activities and Key Permanence Measure's |
| Responsible Person: | Stacie Tronto |
| Action Requested: | None - Informational Item |
| Notes: | N/A |

Internal Audit Team Year in Review

July 2016 – June 2017



The Year in Numbers...

 Audit Plan Completion: 87.5%

 Audit Staff Direct Productivity: 75%

 Engagements Completed: 49

 Recommendations to Management: 56

 Recommendations Implemented: 92%

 Routine Consultations: 135

 Committees/Workgroups: 19

 Search Committees: 2



We did it...

- 👤 Remained very flexible – managed change
- 👤 Operationalized ProCard analytics
- 👤 Hired, oriented, and mentored audit intern
- 👤 Implemented online engagement survey
- 👤 Added a great new team member
- 👤 All auditors have achieved the CPA, CIA, CFE, and/or CISA designation
- 👤 We are problem solvers!!!



Yes, They Really Said It...

“I appreciate the professionalism of all involved and the important work of Internal Audit.”

“Mr. Kraus was very professional, courteous, and easy to work with. I learned much from the process. Thank you!”

“I am actually glad we were audited.”



Yes, They Really Said It...

“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]”

“I'm sure that we have the best IA group in the UNC system and also one that works extremely well with their customers!”



A High Performing Team...



Where we go from here...



Self-Assessment



Automated Workpapers Solution



Continued Progress on Data Analytics



Continued development of soft skills



Community Service Project



Thank YOU for a great year!!

It really is “an honor and privilege to serve here
with you.”





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| Agenda Item: | IV.B. Audit Management System Software |
| Responsible Person: | Stacie Tronto |
| Action Requested: | None - Informational Item |
| Notes: | N/A |



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| Agenda Item: | V. Other Business |
| Responsible Person: | Kel Normann, Chair |
| Action Requested: | N/A |
| Notes: | N/A |