



East Carolina University | Board of Trustees

Audit Committee Meeting | November 21, 2013

Agenda

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|------|--|---------------|
| I. | Approval of September 19, 2013 Minutes | Action |
| II. | Enterprise Risk Management Report—Mr. Tim Wiseman | Information |
| III. | Brody School of Medicine Compliance and HIPAA Report—Dr. Nicholas Benson | |
| A. | Compliance/HIPAA Workplan | Information |
| B. | Follow-Up HIPPA/Data Storage Review | Information |
| C. | Update on Search for CIIO | Information |
| IV. | Research Compliance Report—Ms. Norma Epley | Information |
| V. | Internal Audit Report—Ms. Stacie Tronto | |
| A. | Management Corrective Actions Goal | Action |
| B. | Reporting Relationship with Health Sciences and Research Compliance | Information |
| C. | Dashboard | Information |
| VI. | Other Business | |

East Carolina University | Board of Trustees Audit Committee Meeting | September 21, 2013

Session	Audit
Responsible Person	Mark Copeland
Agenda Item	I. Approval of September 19, 2013 Minutes
Item Description	
Comments	Action
Action Requested	Approval of Minutes
Disposition	
Notes	

DRAFT

**Minutes from ECU BOT Audit Committee
September 19, 2013
Mendenhall Student Center Great Room 3**

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

Others present: BOT Chair Robert Brinkley, Phyllis Horns, Ron Mitchelson, Donna Payne, Nicholas Benson, Tim Wiseman, Miraf Bisetegne, Norma Epley, Hiromi Sanders, Charlotte Price, Stacie Tronto, Wayne Poole, Kim Higdon, Penney Doughtie, Jeannine Hutson

Mark Copeland, Chair of the Audit Committee, convened the meeting at 9:00AM. 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 a conflict of interest. Hearing none, he asked for the approval of the minutes for the April 18, 2013 committee meeting.

Action Item: The minutes of the April 18, 2013 meeting were approved with no changes.

Stacie Tronto, Chief Audit Officer, provided the **Internal Audit update**.

- Ms. Tronto reviewed the detailed methodology for developing a risk-based annual audit plan. She stated that IIA standards require entities to develop a risk-based audit plan. She stated that the proposed plan has been reviewed with the Chancellor and Executive Council.
 - Ms. Payne noted that ECU Internal Audit has provided a significant amount of investigative assistance to another office at the University and that the office routinely assists other schools in the UNC system.
 - Mr. Copeland asked Ms. Tronto to advise the committee if staffing or resources are an issue. Mr. Copeland asked whether or not medical billing audits are ever performed. Dr. Benson stated that internal reviews are performed by the BSOM Compliance office, and that federal reviewers engage in audits on occasion. He noted that the University underwent numerous federal RAC reviews last year and has not had to pay the federal government anything to date.
 - Mr. Yeargen asked whether or not the foundations are ever reviewed in detail. Ms. Tronto stated that they are a part of the audit universe that is considered during the risk assessment/audit planning process, and that they are reviewed from a financial statement perspective by external auditors. Mr. Copeland stated that the external auditors have a different focus (i.e., financial statement materiality) than Internal Audit would, and asked Ms. Tronto to ensure that the foundations remain a part of the audit universe moving forward.
 - Mr. Yeargen asked how the IA activity is monitored, and whether or not auditors are rotated to different assignments. Ms. Tronto stated that auditor rotation is sometimes difficult since there is a great degree of specialization with the two IT auditors and two healthcare auditors. She stated that auditor rotation is not as much an issue with Internal Audit as it is with external audit since we are not reviewing the same departments or business processes annually. Mr. Copeland agreed.
 - **Action Item:** The proposed FY 2013-14 annual engagement plan was approved.
- **Action Item:** The Chief Audit Officer position description was approved as written. Ms. Tronto noted that it had not been previously formally approved.
- **Action Item:** The Internal Audit annual operating budget was approved. Ms. Tronto noted that the majority of the operating budget is the cost of training for the audit staff.
- Ms. Tronto reviewed the Internal Audit dashboard (for year ended June 30, 2013)
 - Completed 85% of the audit plan (target=80%)
 - Staff utilization rate was 79% direct audit hours (target=70%; raising target to 75% for the current year)

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Minutes from ECU BOT Audit Committee September 19, 2013 Mendenhall Student Center Great Room 3

- Management corrective actions were 91% complete (target=90%). After discussion, the committee members agreed that they would like to raise the target to 95%. Ms. Tronto will discuss this with the Chancellor and Executive Council and report back to the committee.
- Ms. Tronto advised that the annual Audit Committee and Audit Director certification Letters were submitted to UNC-GA in August.
- Ms. Tronto advised that new legislation has effected changes to the NC Internal Audit Act. Most significant change is that effective December 1, 2013, University system Internal Audit workpapers will enjoy the same confidentiality protections as all other state agencies' workpapers. The other noteworthy change is that it is now a class 2 misdemeanor to obstruct the work of an internal auditor.
- Ms. Tronto stated that the UNC GA Shared Services Initiative is moving forward, and is tied to the UNC System strategic plan. A committee of five members, chaired by Ms. Tronto, is reviewing metrics and best practices across the IA shops in the UNC system. ECU is piloting a shared services arrangement to provide forensic services to UNC Pembroke IA, and is working on a plan to provide some services to Elizabeth City State. UNC-GA still is considering different staffing models for Internal Audit shops, and the long-term effect on ECU is not known. Ms. Tronto stated that there are two other MOUs in place between schools, and that there has been some pushback from specific schools on sharing services and collaborating with one another.
 - Mr. Copeland and Mr. Brinkley expressed concerns about how this may impact ECU due to the potential strain on our IA resources, but also expressed pride that ECU is seen as a leader among the state's IA shops. The committee will continue to monitor the situation. The committee members agreed that the University should be compensated for any long term arrangements in which services are provided to other institutions.

Tim Wiseman, Assistant VC for Enterprise Risk Management, provided the **ERM update**.

- Mr. Wiseman updated the committee on the activities of the ERM office, which include providing assistance to the ERM offices at UNC-Greensboro and UNC-Charlotte. The formal 2013-14 risk assessment process will kick off in November. Mr. Wiseman referred the committee members to their handouts for additional details in the interest of time.
- Mr. Wiseman provided the committee members each with a packet of ERM-related information. Mr. Copeland urged each of the members to read through the information, and to consider what ERM information should be presented to the full board. Mr. Brinkley noted that the full board needs to have an understanding of ERM and their role in the process.
- Mr. Wiseman shared the methodology for developing the list of the top institutional risks, which includes surveys, discussion, likelihood and impact analysis, and roll-up of the numerous risks into the highest-weighted "risk areas".
- Mr. Wiseman reviewed the list of the top 10 risk areas for the 2012-13 academic year. Mr. Brinkley asked if there was any more specificity for the top two risks, both related to financial resources. Mr. Wiseman stated that there are specific inputs that fed into these risks, but there is not information on the specific impacts that would occur if resources are cut. Mr. Copeland requested that a separate conference call with this committee and/or the entire board be scheduled to review these top risks and their management plans.

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Minutes from ECU BOT Audit Committee September 19, 2013 Mendenhall Student Center Great Room 3

Dr. Nicholas Benson, Vice Dean, BSOM, updated the committee on the **BSOM Compliance** Office.

- Dr. Benson stated that he is functioning in a different capacity than in the past, with the added title of Associate Vice Chancellor for Healthcare Regulatory Affairs.
- Dr. Benson provided a summary of the external consultant's review of the BSOM Compliance Office. In general the report was positive and noted a "culture of collegial, collaborative, and productive compliance". Dr. Benson stated that there will be a conscious effort to ensure that compliance efforts will be collaborative and carried out in a spirit of partnership.
- Dr. Benson advised that the University's suite of HIPAA Privacy policies has been revised as required by changes in federal regulations. Interim policy approval has been obtained and the revisions have been published.
- Dr. Benson stated that the implementation of the new (significantly more complex) ICD-10 medical billing codes has a nationwide deadline of Oct 1, 2014. Dr. Benson introduced Ms. Charlotte Price, who is coordinating ECU's ICD-10 implementation. Benson stated that ECU is on track to meet the deadline.
- Dr. Benson briefed the committee on changes in BSOM Compliance Office. The former compliance officer departed approximately two months ago, and a search for an expanded role, Health Sciences Chief Institutional Integrity Officer, will launch soon. In addition, the HIPAA Privacy Specialist for research matters has been moved into the Office of Research Integrity and Compliance.
 - The committee asked Dr. Benson to consider how the new position will relate to the Office of Internal Audit. Dr. Benson stated that Ms. Tronto will be on the search committee, and that he and Ms. Tronto have worked closely throughout the years on compliance and audit matters. Mr. Copeland stated that it is best practice for there to be some formal relationship between audit and compliance offices. Dr. Benson, Ms. Tronto, and Dr. Mitchelson will discuss how best to ensure strong relationships and information sharing among the various compliance offices and Internal Audit.

Dr. Ron Mitchelson, Interim Vice Chancellor for Research and Graduate Studies, provided the **Research Compliance** Report.

- Dr. Mitchelson expanded on the restructured Office of Research Integrity and Compliance and provided an organizational chart showing the new reporting relationships. In addition to absorbing the HIPAA Privacy specialist for research matters, the Office of Research Compliance merged into this office, which is led by Ms. Normal Epley.
- Dr. Mitchelson advised that the office is charged with collaboratively working with researchers so that they can navigate the complex regulatory requirements and still accomplish the University's research mission.
- Dr. Mitchelson stated that the current online conflict of interest reporting system will be replaced with the UNC centralized reporting module within Ramses.
- Mr. Copeland and Ms. Tronto asked Ms. Epley to share copies of future audit, consulting, and investigation reports with the Office of Internal Audit.

At 10:32AM, the committee went into closed session to discuss confidential matters that are protected by state statute. At 10:47AM, the committee returned to open session.

Other Business – No other business was brought forward by anyone in attendance.

The Audit Committee meeting was adjourned at 10:48 AM.-----*Respectfully submitted by Wayne Poole*

East Carolina University | Board of Trustees Audit Committee Meeting | September 21, 2013

Session	Audit
Responsible Person	Mr. Tim Wiseman
Agenda Item	II. Enterprise Risk Management Report
Item Description	
Comments	Information
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Disposition	
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INFORMATION PAPER

SUBJECT: Enterprise Risk Management (ERM) Update for the BOT-A Committee November 2013 Meeting

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

2. Action Recapitulation:

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

- Re-Admissions Risk Case Reviews and University Behavioral Concerns Team Actions
- Quarterly ERM Committee Meeting (October) - Duke University Guest
- Risk Management Plans (Updating/Developing)
- ERM Stand Up Assistance to UNC-Charlotte
- ERM Consultations and Inquiries – Various Departments (Maritime Studies, Complaint Processes, etc.)
- University Risk Mgmt and Insurance Association Conference (Oct) – References Transfer
- Preparation of '13-'14 ERM Risk Survey
- SetOff Debt Collection Act Hearings - Multiple

b. Significant ERM/CRO Activities Next Three Months:

- Quarterly ERMC Meeting (Feb)
- Office Relocation Within Spilman (214 & 214A will be our new room numbers-late November)
- '12-'13 ERM Top Risks Management Plans Review – Executive Council
- Launch of '13-'14 ERM Risk Survey
- Continued Development of ERM Metrics/Measurements
- School of Dental Medicine with Risk Assessment Tool Development Assistance
- ERM Consultations/Research/Inquiries – Various Departments

3. Other:

- AVC for ERM is pursuing Associates in Risk Management + ERM (ARM-E) designation for professional development



ACTION OFFICER: Tim Wiseman
Assistant Vice Chancellor for ERM/Chief Risk Officer
252-737-2803
Spilman Bldg, Room 207B

Enterprise Risk Management Committee Meeting Themes

(As of 7/23/2013 – Subject to Change)

	ERMC	Date	Guest Speaker/Lead	Theme
2014	1 st Qtr	Feb 12	Attorney-Legal Services / News and Communications	Compliance / Reputational
	2 ^d Qtr	Apr 23	Risk Workshop / HR & Univ Policy Committee	Operational
	3 rd Qtr	July 23	A&F / Fin Svcs / IA	Financial
	4 th Qtr	Oct 22	Compliance Officer Panel	Compliance / IT

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

East Carolina University | Board of Trustees Audit Committee Meeting | September 21, 2013

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Responsible Person	Dr. Nicholas Benson
Agenda Item	III. Enterprise Risk Management Report A. Compliance/HIPAA Workplan
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Office of Compliance

5 FTE (2080hrs ea)

Description	Budgeted Hours	Revised Bud Hrs	%age of		Actual Hours	Variance	%age of		Current Status	Risk Ranking	Assigned
			Sub Total	Total Hours			Sub Total	Total Hours			
Office of Compliance Projects											
ICD-10 Implementation	40	128	2%	1%	0	128	0%	0%	Pending	High	ALL
Scheduled Provider Reviews	2496	3120	49%	30%	3094	26	48%	30%	In Progress	High	ML/KD
Internet Role-Based Annual Training	450	200	3%	2%	110	90	2%	1%	In Progress	High	LP
Policy and Procedure updates	40	120	2%	1%	45	75	1%	0%	In Progress	Medium	BS/MB
BSOM Code of Conduct update	16	16	0%	0%	0	16	0%	0%	Pending	Medium	MB
Contract reviews	0	200	3%	2%	0	200	0%	0%	New	Medium	MB
Total Compliance Project Hours	3042	3784	59%	36%	3205	535	50%	31%			
HIPAA Privacy Projects											
Telework Policy for ECU Physicians	16	16	0%	0%	0	16	0%	0%	Pending	High	MB
Guidelines for Email Communications with Patients	16	16	0%	0%	0	16	0%	0%	Pending	High	MB
NPP Revisions (9/13 compliance date)	16	14	0%	0%	14	0	0%	0%	Completed	High	MB
Internet Role-Based Annual Training	450	200	3%	2%	110	90	2%	1%	In Progress	High	LP
HIPAA policy updates for revised regulations	60	60	1%	1%	304	244	5%	3%	Completed	High	MB
Accounting of Disclosures Database	0	160	2%	2%	92	68	1%	1%	New	Medium	LP
Business Associate Agreement (BAA) Database	0	160	2%	2%	0	160	0%	0%	New	High	LP
Obtain new BAAs from vendors (9/23/14 deadline)	0	200	3%	2%	0	200	0%	0%	New	High	MB
BAA negotiations and reviews	0	200	3%	2%	0	200	0%	0%	New	Medium	MB
Patient requests - amendments, acting of disclosures, retrictions, complaints, etc.	0	300	5%	3%	0	300	0%	0%	New	High	MB
Total HIPAA Privacy Project Hours	558	1326	21%	13%	520	806	8%	5%			
Special Projects											
External Reviews	500	500	8%	5%	41	459	1%	0%	In Progress	High	ML/BS/KD/MB
Investigations and Consultations	876	500	8%	5%	188	312	3%	2%	In Progress	High	MB/BS
As Needed	300	300	5%	3%	24	276	0%	0%	In Progress	High	ALL
Total Special Project Hours	1676	1300	20%	13%	253	1047	4%	2%			
Total Project Hours	5276	6410	100%	62%	3978	2387	62%	38%			
Non-Project Hours											
Routine Tasks	728	1040	26%	10%	1584	544.00	40%	15%			ALL
Administration	624	662	17%	6%	1161	499.00	29%	11%			ALL
Leave/Holiday	2080	2080	52%	20%	824	1256.00	21%	8%			ALL
Professional Development	312	208	5%	2%	336	128.00	8%	3%			ALL
Total Non-Project Hours	3744	3990	100%	38%	3905	85	98%	38%			
TOTAL HOURS	9020	10400		100%	7883	2472		76%			

	# projects	% total projects
Completed	2	11%
Pending	4	21%
In Progress	7	37%
Cancelled or Deferred	0	0%
New	6	32%
Total projects	19	100%

East Carolina University | Board of Trustees Audit Committee Meeting | September 21, 2013

Session	Audit
Responsible Person	Dr. Nicholas Benson
Agenda Item	III. Enterprise Risk Management Report B. Follow-UP HIPPA/ Data Storage Review
Item Description	
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East Carolina University | Board of Trustees Audit Committee Meeting | September 21, 2013

Session	Audit
Responsible Person	Dr. Nicholas Benson
Agenda Item	III. Enterprise Risk Management Report C. Update on Search for CIO
Item Description	
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East Carolina University | Board of Trustees Audit Committee Meeting | September 21, 2013

Session	Audit
Responsible Person	Ms. Norman Epley
Agenda Item	IV. Research Compliance Report
Item Description	
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EAST CAROLINA UNIVERSITY

Office of Research Integrity & Compliance

4N-66A Brody Medical Sciences Building•

600 Moyer Boulevard • Greenville, NC 27834

Office 252-744-2914 • Fax 252-744-2284 • www.ecu.edu/irb

Activities of the Institutional Review Boards (for the review of proposed human research activities):

New submissions 2011-2012:	620	
New submissions 2012-2013:	762	22% increase
New submissions from students 2011-2012	284	
New submissions from students 2012-2013	377	46% increase
Request for continued approval 2011-2012	416	
Request for continued approval 2012-2013	638	53% increase
Request for changes to approved studies 2011-2012	607	
Request for changes to approved studies 2012-2013	838	38% increase
Submissions funded by “for-profit” industries in 2011-2012	28	
Submissions funded by “for-profit” industries in 2012-2013	39	39% increase
Submissions funded by public/non-profit funds in 2011-2012	592	
Submissions funded by public/non-profit funds in 2012-2013	723	22% increase

Services provided by ORIC staff:

Services* provided to investigators and research personnel in 2012-2013	8,624
Formal Presentations and Educational Trainings provided in 2012-2013	212

Alleged Non-Compliance investigator by ORIC:

Non-compliance in 2011-2012	2
Non-compliance reported to the appropriate federal agencies** in 2011-2012	2
Non-compliance in 2012-2013	2
Non-compliance found to be reportable to federal agencies in 2012-2013	0

*Services include private and group consultations; unannounced walk-ins, scheduled visits by investigators and/or research staff, interpretation of federal regulations, state laws, and institutional policies, assistance in entering information into the electronic submission system, pre-review of protocols, submission documents, and informed consent documents

**Reportable non-compliance is that which is determined by the IRB to be serious and continuing

East Carolina University | Board of Trustees Audit Committee Meeting | September 21, 2013

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Responsible Person	Ms. Stacie Tronto
Agenda Item	V. Internal Audit Report A. Management Corrective Actions
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**East Carolina University | Board of Trustees
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Session	Audit
Responsible Person	Ms. Stacie Tronto
Agenda Item	V. Internal Audit Report B. Reporting Relationship with Health Sciences and Research Compliance
Item Description	
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East Carolina University | Board of Trustees Audit Committee Meeting | September 21, 2013

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Agenda Item	V. Internal Audit Report C. Dashboard
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Internal Audit Dashboard

Completion of Audit Plan: Completed vs. Planned Audits

<i>Status of Audit Plan</i>	<i>Number of Audits</i>	<i>Percent of Total Plan</i>
Completed	7	15%
In Process	18	38%
Pending	23	48%
Total	48	100%

Goal = 80%

Staff Utilization: Direct vs. Indirect Hours

Direct Hours	71%
Indirect Hours	29%

Goal = 75%

Consultations

	<i>Number</i>	<i>% of Audit Plan</i>
Consultations	55	15%

Management's Corrective Actions

<i>Observations by Division:</i>	<i>Completed</i>	<i>Outstanding</i>	<i>% Complete</i>	<i>% Outstanding</i>
Academic Affairs	NA	NA	NA	NA
Administration and Finance	NA	NA	NA	NA
Athletics	NA	NA	NA	NA
Chancellor	4	1	80%	20%
Health Sciences	NA	NA	NA	NA
Research and Graduate Studies	NA	NA	NA	NA
Student Life	NA	NA	NA	NA
University Advancement	NA	NA	NA	NA
Total Observations	4	1		
Total Percentages	80%	20%		

Goal = 90%

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