



East Carolina University | Board of Trustees Meeting Audit Committee Meeting | February 19, 2015 Agenda

- | | | |
|------|--|-------------|
| I. | Approval of November 20, 2014 Minutes | Action |
| II. | Enterprise Risk Management Report - Mr. Tim Wiseman | |
| | A. ERM Update - Information Paper | Information |
| | B. ERM Five Year Progress Report | Information |
| | C. S&P Higher Education Outlook | Information |
| III. | Health Sciences Compliance Report – Dr. Nicholas Benson and Dr. Ken DeVille | |
| | A. Using the Office of Civil Rights Audit Instrument to Evaluate ECU Compliance with the HIPAA Privacy Regulations | Information |
| IV. | Internal Audit Report – Ms. Stacie Tronto | |
| | A. Dashboard | Information |
| | B. EthicsPoint | Information |
| V. | Other Business | |
| VI. | Closed Session | |

East Carolina University
Board of Trustees
Audit Committee
February 19, 2015

Session	Audit
Responsible Person	Mark Copeland, Chair
Agenda Item	I.
Item Description	Approval of November 20, 2014 minutes
Comments	
Action Requested	Approval
Disposition	
Notes	

**Minutes from ECU BOT Audit Committee
November 20, 2014
Mendenhall Great Room #3**

The Audit Committee of the ECU Board of Trustees met in regular session on November 20, 2014 at 8:30am in Mendenhall Student Center on the campus of East Carolina University. Committee members present included Mark Copeland (Chair), Carol Mabe, Terry Yeargan, Robert Brinkley, and Danny Scott.

Other board members present included Bob Plybon.

Others present included Chancellor Steve Ballard, Rick Niswander, Phyllis Horns, Ron Mitchelson, Chris Dyba, Chris Locklear, Donna Payne, Nicholas Benson, Tim Wiseman, Ken DeVille, Norma Epley, Hiromi Sanders, Dan Sweat, Bob Wilson, Steve Duncan, Michelle Brooks, Brian Jowers, Mike Van Scott, Jeannine Hutson, Meghan Ayers, Alton Daniels, Amanda Danielson, Stacie Tronto, Wayne Poole

Mark Copeland, Chair of the Audit Committee, convened the meeting at 8:30AM. 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 September 18, 2014 audit committee meeting.

Action Item: The minutes of the September 18, 2014 audit committee meeting were approved with no changes.

Dr. Hiromi Sanders updated the Committee on Research Compliance efforts.

Dr. Sanders updated the committee on the newly implemented conflict of interest (COI) reporting system. This is a UNC-level application that is also in place at some sister institutions. To date, the response to the new system has been very positive. Of approximately 3000 faculty and EPA non-faculty employees, approximately 250 have reported potential conflicts of interest that are being managed. Approximately 4% of the employees required to submit the COI disclosure did not do so during FY 2013-14; this is down from 6% non-compliance the prior year.

Mr. Copeland asked if anyone reviews (for accuracy and completeness) a sample of the disclosures on which no potential conflicts are reported. Dr. Sanders stated that this is not currently done. Dr. Van Scott stated that they do periodically hear from department chairs who know of faculty members' activities and want to be sure they are properly disclosed and managed.

Mr. Scott asked what the ramifications are of employees failing to submit the disclosure data. Dr. Sanders and Dr. Van Scott stated that for internal reporting that is not federally mandated, there are no consequences. However, for federal disclosures, the loss of the federal funding ensures compliance. Ms. Epley advised that the Office of Research Compliance and Integrity is working with senior management and faculty senate to more clearly define COI terms and to determine appropriate ramifications of failure to submit disclosures. Mr. Scott and the committee members stated that this is a significant issue and needs to be addressed timely. Ms. Tronto stated that while there remain opportunities for improvement, employee disclosures of COI has come a long way over the past few years.

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

Mr. Wiseman provided an update on the University Youth Programs Task Force, which he co-chairs; there are approximately 60 known youth programs are offered on campus. The task force has been charged with reviewing the recommendations made by Internal Audit and advising the Executive Council on implementation approaches and best practices.

Within the next two months, the ERM risk survey and "top risk" review will begin for this year; Mr. Wiseman will also begin crafting an overall "Risk Philosophy" for the University's senior management. Mr. Copeland asked Mr. Wiseman to provide an ERM "Five Year Anniversary" progress review at the next meeting.

**Minutes from ECU BOT Audit Committee
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Mr. Wiseman briefed the committee on a high-level review of controls related to Academic Integrity which the Chancellor requested in light of the recent Wainstein report at UNC-Chapel Hill. The objective of this review was to identify the controls that are in place with regard to student athletes' academic integrity. In summary, Mr. Wiseman stated that the University's controls appear to be solid; no significant gaps were noted.

Ms. Tronto stated that each semester, a working group (Internal Audit, Registrar, Athletics) reviews registration data to identify and investigate courses whose population is $\geq 20\%$ student athletes. Other controls are also in place, and Ms. Nita Boyce (Athletics) has requested an operational audit of the Student Development area.

Mr. Scott commended the University for its proactive approach and noted that the University has been monitoring this for three or four years. The committee members agreed that overall the University appears to be well-positioned in this area. Mr. Wiseman stated that additional steps to consider are: reviewing the role of Graduate Assistants, an external review of degree programs and the ratio of student athletes in various programs, and a review of the University's Academic Integrity regulations.

Dr. Nick Benson and Dr. Ken DeVille provided the **Health Sciences Compliance** update

Dr. DeVille updated the committee on changes and results related to the provider billing review process. He stated that HS Compliance reviews 36 providers / 360 charts per month; this is nearly a 100% increase from two years ago; this is with a staff of three reviewers and one manager overseeing their work. Reviews are now completed retrospectively (after the charges are sent to the payer). Dr. DeVille stated that the average provider score is 91%. While the national average is 95%, the scoring criteria ECU applies are more stringent than the criteria applied to calculate the national average score. ECU deducts for any error, whereas the national criteria include a deduction only for errors that impact the patient/payer billing.

Dr. DeVille stated that HS Compliance has begun reviewing relevant topics/areas listed on the Department of Health and Human Services OIG workplan for the first time ever. This is an important way to reduce exposure to items that OIG may identify if they were to conduct an audit. In the last two months, the office has reviewed place of service and sleep studies.

Dr. DeVille stated that HS Compliance is also initiating reviews of Clinical Trials billing and Dental billing – he hopes to fill one additional position in order to fully implement these new programs.

Ms. Tronto expressed a high degree of confidence in Dr. DeVille and his staff in HS Compliance, noting the close working relationship between her office and Dr. DeVille's office and the value of the dotted-line relationship between the two.

Ms. Stacie Tronto provided the **Internal Audit** update.

Ms. Tronto updated the committee on the status of the annual audit plan – 20% of the planned projects are complete and another 40% are in progress as of this date. Ms. Tronto stated that reports will be issued soon from the large integrated audits of HR and Purchasing processes. Both of these were good audits with some recommendations but overall strong controls in place.

Ms. Tronto advised that management's implementation of corrective actions from Internal Audit recommendations so far this FY is 63% complete (target is 95%). The outstanding items are related to one grant program in Health Sciences, and management is actively engaged in addressing these timely.

Other Business – Mr. Copeland asked if anyone had other business for the committee. No other business was brought forward by anyone in attendance.

**Minutes from ECU BOT Audit Committee
November 20, 2014
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Closed Session – At 9:12 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 motion was seconded by Mr. Scott and unanimously approved.

The Committee returned to open session and continued work on the agenda at 9:49 AM.

There being no further business, the Audit Committee meeting was adjourned at 9:49 AM.

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

East Carolina University
Board of Trustees
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Responsible Person	Tim Wiseman, Enterprise Risk Management
Agenda Item	II. a.
Item Description	ERM Update – Information Paper
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INFORMATION PAPER

SUBJECT: Enterprise Risk Management (ERM) Update for the BOT-A Committee February 2015 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
- Prepared and Delivered ECU ERM Information Packets to Board of Governors Audit Committee Members
- Athletics Summer Camp Privatization and Camp Manual Post-Summer Evaluation
- Launched '14-'15 Top Risk Survey
- One-on-One Risk Interviews with Senior Leaders, Risk Committee Members, Deans and Directors
- Instructing for ISO 31000 Risk Management Standard/ERM Intro Workshops (Austin, TX)
- ERM Consultations and Inquiries – Various Departments

b. Significant ERM/CRO Activities Next Two Months:

- Quarterly Enterprise Risk Management Committee Meeting and Actions (Feb)
- Evaluation of Risk Survey Results and Prioritization Exercise with Risk Committee
- University Youth Programs Task Force – ERM Co-Chair – Ongoing
- Instructing for ISO 31000 Risk Management Standard/ERM Implementation Workshop (Baltimore, MD)
- Presenting on ECU's ERM Program at the Risk Mgmt and Insurance Association (RIMS) Conference (April)
- ERM Consultations/Research/Inquiries – Various Departments

3. Other: Five-year milestone ERM program implementation presentation is attached.



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

Upcoming Significant ERM Actions

- One-on-One Risk Interviews w/ Key Leaders Completing
- Youth Programs Task Force Actions Jan-May 2015
- Evaluation of '14-'15 ERM Risk Survey Results Jan-Mar 2015
- ERM Presentation at RIMS Conference April 2015
- Risk Prioritization Exercise Feb 2015
- '14-'15 Top Risks Presentations to EC and BOT-A April-May 2015
- Quarterly ERMC Meetings Feb & May 2015
- Development/Refinement of Risk Mgmt Plans May-July 2015
- Consultations & Special Projects Ongoing/Various
- ERM Regional Workshop (ECU Host) Concept Development
- Departmental/College Risk Assessments Support

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 st Qtr	Feb 25	Risk Prioritization Exercise	Operational/ Strategic
	2 ^d Qtr	Apr 8	Guest Speaker: Mark Beasley, ERM Initiative (T)	Strategic
	3 rd Qtr	Jul 29	EH&S Topics/Panel	Operational
	4 th Qtr	Oct 21	Communications	Reputational

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

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Enterprise Risk Management Implementation Foundations and Reflections of a University Chief Risk Officer at the Five Year Milestone

Tim Wiseman

Assistant Vice Chancellor for Enterprise Risk Management
East Carolina University



UNIVERSITY RISK MANAGEMENT &
INSURANCE ASSOCIATION

ECU Location – Home of the Pirates



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ECU's ERM Environment

- Public versus private institution
- Heritage and traditions
- Demographics and location/proximity
- Independent or part of a system
- Research, medical campus, vision/objectives, interface with society & community
- Size and scale
- Budget and capital projects
- “Nonprofit”
- Shared governance
- Academic core
- Increased regulation and federal/state oversight

Main University Risk Categories:

- Strategic
- financial
- Operational
- Compliance
- Reputational -> Overarching



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Tone at the Top

- Board of Trustees Audit Committee
- “Chancellor’s View” Fall/Winter 2009:
 - Our goal at East Carolina University is to have the best possible systems for controlling our risks and for internal auditing.
 - Enterprise risk management is a holistic, comprehensive approach to risk identification and prioritization ultimately leading to better governance, strategic decision making, resource allocation and stewardship.

Tone at the Top – *Continued*

- A mature ERM program is proactive and prevention oriented. It does not replace or interfere with our necessary internal auditing functions, but rather is complementary and reinforcing.
- The enterprise approach strives to develop a mindset that makes people at multiple levels ask: “Who else needs to know?” and “Whom haven't I told?”
- Enterprise risk management is a strategic enabler for ECU Tomorrow.
- Done right, ERM will allow us to be good stewards of our resources and may reduce reportable audit findings as we self-identify areas of concern and mitigate the risks before vulnerability is exploited.

Enterprise Risk Management at ECU

Our Mission: Provide leadership and management experience to better identify and manage the university's strategic, financial, operational, regulatory compliance, and reputational risks holistically as an enterprise.

ECU's ERM Approach:

- Work through the Enterprise Risk Management Committee in a decentralized fashion to accomplish ERM goals
- Improve risk measurement to support strategic decision making, risk mitigation efforts, and resource allocation
- Use pre-existing risk identification and internal control processes to the greatest extent possible
- Raise institutional awareness of existing and emerging risks and their relative potential effects on the institution as a whole
- Provide training and relevant information on ERM to enhance the internal controls and risk management mindset of ECU employees, students, and other stakeholders

ERM Road Map

Phase 1: Building the Case for ERM

1. Understand the institution's plans, environment, and culture
2. Determine the status of your existing risk management processes
3. State your goals and objectives
4. Present the case
5. Obtain top-level commitment, support, and participation

Phase 2: Building an ERM Foundation

6. Name a project leader
7. Plan your project and incorporate a timeline
8. Select or design an ERM Framework that best fits the institution's goals and campus culture
9. Create a cross-functional Risk Council
10. Create a mission and goals statement for the Risk Council
11. Develop a risk vocabulary and definitions

Phase 3: Implementation

12. Develop a risk portfolio
13. Assess your risks: validate and prioritize
14. Assign ownership and take action

Phase 4: Sustaining Your ERM Program

15. Assess results
16. Review and realign risk treatments with available resources
17. Meet and Report
18. Do not neglect traditional risk management functions
19. Review any ERM framework you have followed
20. Develop institution-wide systems for communicating (ongoing)

ERM Road Map

GREEN: Completed
ORANGE: In-Progress/Partially Completed
BLACK: Future Action

Phase 1: Building the Case for ERM

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2. Determine the status of your existing risk management processes
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Phase 2: Building an ERM Foundation

6. Name a project leader
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10. Create a mission and goals statement for the Risk Council
11. **Develop a risk vocabulary and definitions**

Phase 3: Implementation

12. Develop a risk portfolio
13. Assess your risks: validate and prioritize
14. **Assign ownership and take action**

Phase 4: Sustaining Your ERM Program

15. Assess results
16. Review and realign risk treatments with available resources
17. Meet and Report
18. Do not neglect traditional risk management functions
19. Review any ERM framework you have followed 
20. **Develop institution-wide systems for communicating (ongoing)**



Estimated progress point to date – **56 months (2013)**

ERM Milestones

2009	2010	2011	2012	2013	2014
<ul style="list-style-type: none"> • CRO Hired • Risk Committee Established • Senior Leader Expectations Published • ERM Training (TXAMU Visit) 	<ul style="list-style-type: none"> • 1st ERM Survey • Board Audit Committee Inclusion • Implementation Road Map and Strategy Introduced • SharePoint Site Established 	<ul style="list-style-type: none"> • Hosted NC ERM in Higher Ed Symposium • Standardized ERM Briefing Formats • Risk Identification Workshop for Academic Deans and Directors • ERM Involvement on Crisis Policy Team 	<ul style="list-style-type: none"> • Migrated ERM Survey to Qualtrics • ERM Workshop on Health Sciences Campus • Office Calls with Executive Council Members • Introduced Risk Reviews Format • Risk Survey Results Briefed to Leadership • Formal ERMC Appointments • ERM on Key Committees 	<ul style="list-style-type: none"> • Risk Working Groups • Risk Mgmt Process Owners • ERM Training Sessions – Webinar Series • Robust Risk Presentation to Executive Council and Board Audit Committee • CRO Professional Development • ERM in Chancellor Goals/Assessment 	<ul style="list-style-type: none"> • Risk Assessment Tool Development • 2-Year ERM Cycle Model Adopted • Enhanced ERM Materials “Push” to Full Board • ERM Form Development • Connection with College of Business Risk Management Faculty/ Program



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Two Year ERM Activities Model

Year	Primary Activities	Focus
Even "On" Year (example: '12-'13)	<ul style="list-style-type: none"> • Full ERM Risk Survey • Full Risk Prioritization Exercise • Reset • BOT & EC Presentations and Involvement • Risk Management Plans Creation (or Updates) 	<ul style="list-style-type: none"> • Engaging Key Sensors • Assessment Process (Rigor and Detail) • Risk Register Update • Fresh Look at Current and Anticipated Risk Environment
Odd "Off" Year (Example: '13-'14)	<ul style="list-style-type: none"> • Smaller Scale Re-Prioritization/Re-Validation Exercise • Departmental Workshops • Interviews and Sensing Sessions • Presentation to Other Key Committees/Groups 	<ul style="list-style-type: none"> • Risk Management Plans Update/Adjustment • "By Exception" Reviews • Select Risk Management Project Work • ERM "Maturity" Assessments • Education



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Risk Assessments

- Conducted Bi-Annually (previously annually)
- Includes Risk Committee Members, Deans and Directors, Executive Council Members
- Done by Automated Survey Tool (Qualtrics)
- Results Consolidated into Risk Register and Categorized
- Risk Committee Prioritizes/Scores Risks
- Heat Map Created
- Briefed to Senior Leaders and BOT-Audit Committee



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Risk Assessments (Continued)

- Working Groups Established to Develop/Refine Risk Management Plans
- Executive Council Member(s) Assigned as Risk Management Process Owners for Each Top Risk
- Plans Presented/Reviewed by Executive Council
- Resource Adequacy Evaluated – Decision Support



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ERM Allies, Partners, Advocates, and Resources

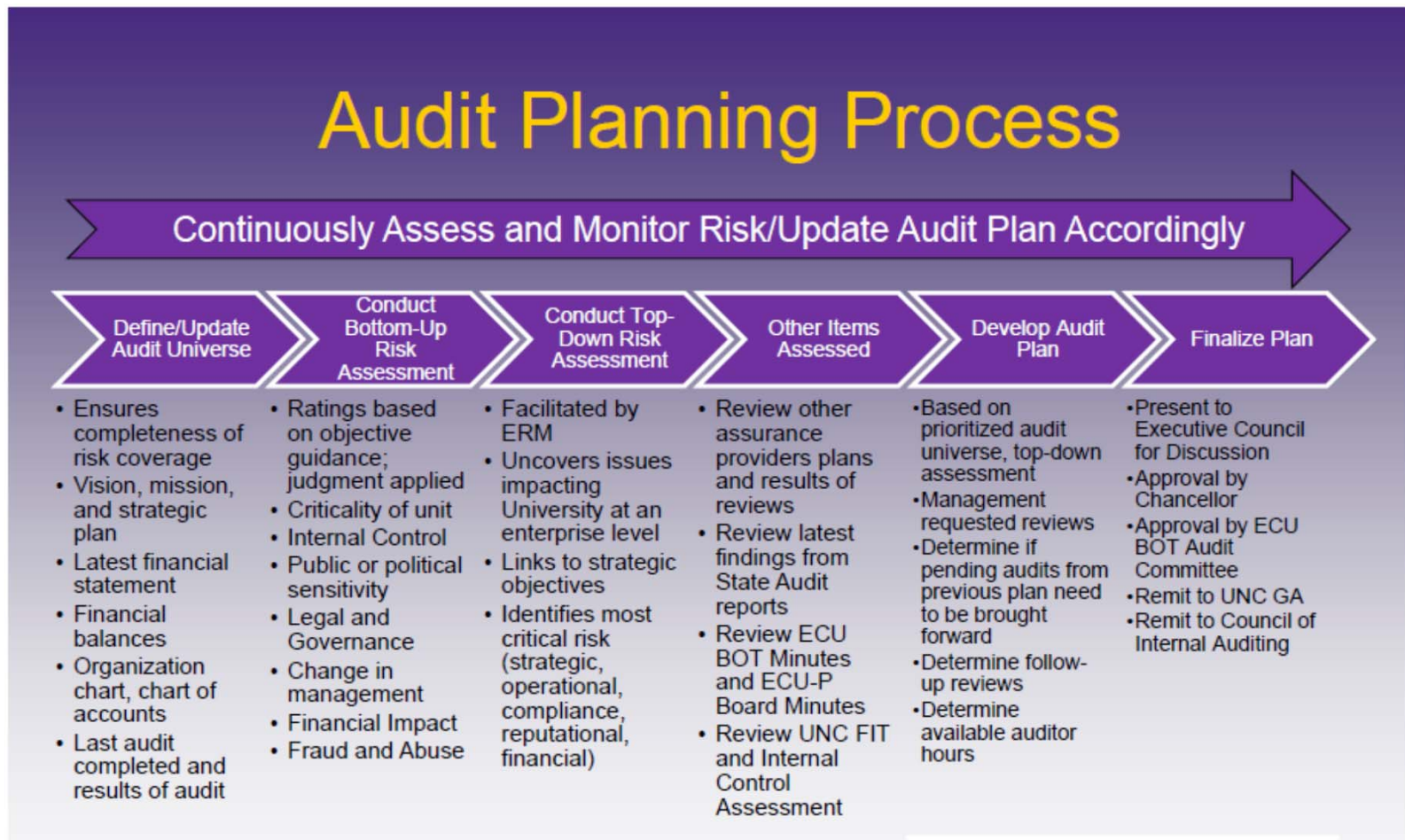
- Internal Audit
- Internal Control Program
- Environmental Health and Campus Safety
- University Safety and Concerns Committee
- Identity Theft Prevention Committee
- Compliance Offices
- Board of Trustee Expertise
- Task Forces or Working Groups
- Other Pre-existing Entities

Integrate, Integrate, Integrate and take advantage of bi-products and spin-offs from other initiatives



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ERM and the Audit Planning Process

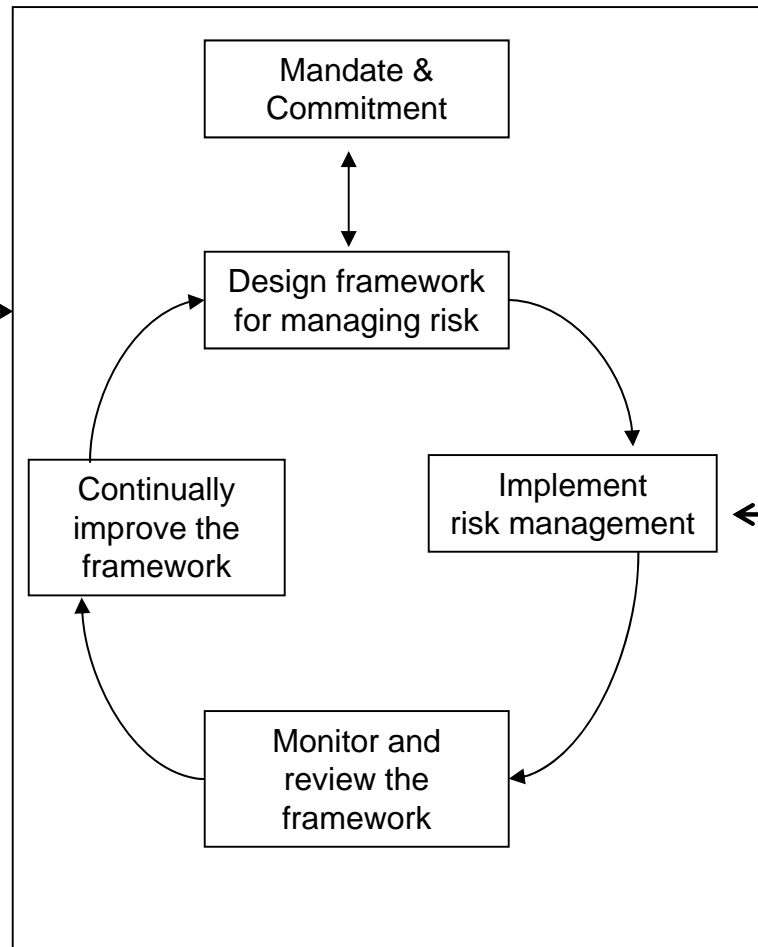


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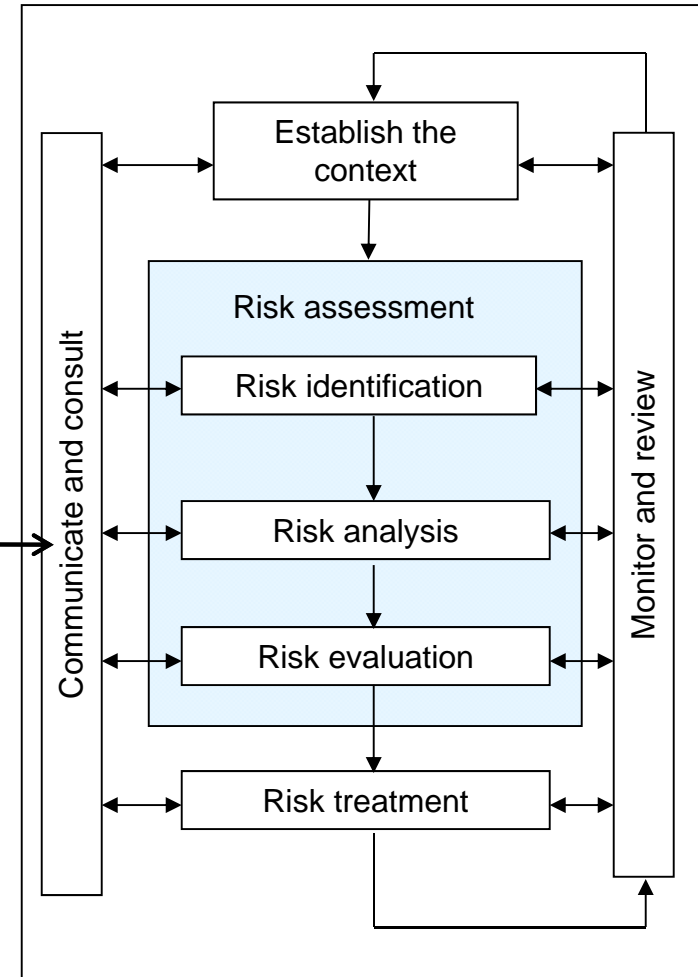
Principles

- Creates value
- Integral part of organizational processes
- Part of decision making
- Explicitly addresses uncertainty
- Systematic, structured & timely
- Based on best available info
- Tailored
- Takes human & cultural factors into account
- Transparent & inclusive
- Dynamic, iterative & responsive to change
- Facilitates continual improvement & enhancement of the organization

Framework



RM Process



From ANSI/ASSE/ISO 31000



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ERM Successes

<ul style="list-style-type: none"> • Risk Committee 	<ul style="list-style-type: none"> • Interview/Survey Balance
<ul style="list-style-type: none"> • Relationship with Counsel and IA 	<ul style="list-style-type: none"> • Board and Senior Leader Support
<ul style="list-style-type: none"> • Collaboration and Partnership 	<ul style="list-style-type: none"> • SharePoint Reference Library
<ul style="list-style-type: none"> • ERM Orientation Packets 	<ul style="list-style-type: none"> • Consultation "Niche"
<ul style="list-style-type: none"> • Weekly and Quarterly Reports 	<ul style="list-style-type: none"> • Early Wins (MCA's, Deposits, Etc.)
<ul style="list-style-type: none"> • Establishing an ERM "Rhythm" 	<ul style="list-style-type: none"> • Increasing Inclusion in Consultations and Evaluation Actions



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ERM Challenges

<ul style="list-style-type: none"> • Acceptance of the ERM (and Risk Officer) Role and Function 	<ul style="list-style-type: none"> • Measuring and Demonstrating Tangible Value
<ul style="list-style-type: none"> • Allocating Time to Training vs Recordkeeping vs Promoting/Marketing vs Analysis 	<ul style="list-style-type: none"> • Mid-Level Management Buy-In
<ul style="list-style-type: none"> • Departmental Adoption of ERM Principles and Practices 	<ul style="list-style-type: none"> • Continuous “Re-Introduction”
<ul style="list-style-type: none"> • Maintaining Distance but not Being Aloof 	<ul style="list-style-type: none"> • Establishing and Maintaining Trust – Combating Departmental Defensiveness
<ul style="list-style-type: none"> • Merging ERM with Ongoing Initiatives 	<ul style="list-style-type: none"> • Getting ERM Included Early Enough in Decision-Making and Strategic Planning



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Road Ahead

ERM Program Trajectory Options

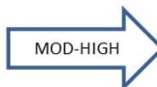


Outcomes vs. Resources

Resource Level



Best Practice Champion/Thought Leader and Practitioner – Fully Enabled C-Suite Status with Staff and Dedicated IT RMIS Platform. Influence Extends Beyond ECU’s Boundaries.



Consolidated Risk Mgmt “Center of Excellence” - Under One Roof



ERM Integrator – Multiple Organizational Levels (Workshops, Tools, Analysis, Visibility-Enhanced)



Strategic Planning and Decision-Making Integration/ERM Best Practice Champion



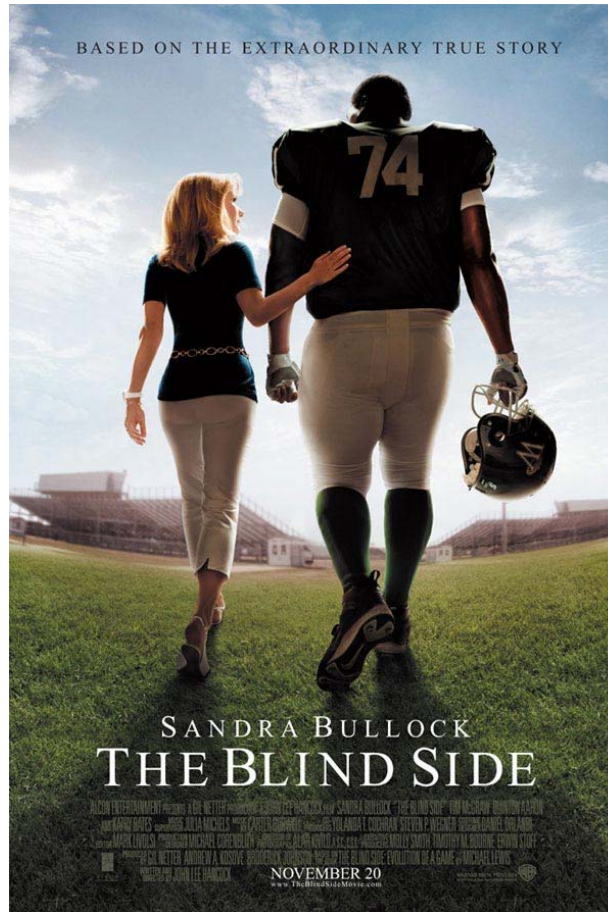
Semi-Passive – Present, but Second Tier. “Bull Pen” Call up as Needed. ERM References Custodian. Risk “sensor”.



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ERM – Protecting the Blind Side



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Agenda Item	II.C.
Item Description	S & P Higher Education Outlook
Comments	
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RatingsDirect®

Upping The Ante: Costs Of Luring Top Students Keeps The Outlook Negative On U.S. Not-For-Profit Higher Education Sector

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Higher Education: Essential Or Optional?

Hot topics for the coming year

Rating Changes Skewed Negative Last Year

General Economic Outlook

Upping The Ante: Costs Of Luring Top Students Keeps The Outlook Negative On U.S. Not-For-Profit Higher Education Sector

Standard & Poor's Ratings Services' 2015 outlook for the U.S. not-for-profit higher education sector remains negative as colleges and universities struggle to balance the demands of their expenditures while addressing student affordability and access. We believe this tug-of-war in an increasingly competitive market will continue to compress overall operating performance and put an additional strain on these institutions' financial resources, especially those whose credit characteristics are already at the cusp of a lower rating.

Higher Education: Essential Or Optional?

With the cost of attendance and the amount of student borrowing steadily increasing, the debate about whether higher education is truly essential for individual success has intensified during the past few years. Some argue that increasingly complex and technical careers have made an undergraduate degree mandatory and graduate study nearly essential, while others point to cases of college dropouts as self-made millionaires to suggest that college is unnecessary. We believe the issue is much more nuanced than the headlines would suggest.

Overview

- The 2015 outlook for the U.S. not-for-profit higher education sector is negative.
- Colleges and universities will struggle to balance their own rising costs with student affordability.
- As competition grows, management strength will be key to determining these institutions' success and credit quality

In our opinion, "higher education" is a term as broad as "transportation": The types of post-secondary institutions (technical schools, community colleges, specialty schools, research universities, etc.) are akin to various modes of transportation (cars, buses, bicycles, trains, walking, etc.). Just as a person may require transportation to get from home to work each day, we believe higher education is generally necessary for a person's long-term success and earning potential. However, to continue the analogy, if gas prices rise or the cost of insurance, automobiles, or parking becomes prohibitive, a person may opt to exchange their car for another mode of transportation. Similarly, should the cost-benefit ratio of one type of higher education become unattractive, a student may opt for a different type of college, degree, or career to meet their needs. For example, a cost-conscious student may choose to forego a smaller, more expensive liberal arts college for the more economical public university closer to home.

Consequently, while we believe the demand for higher education overall is sound and that the need for post-secondary education will increase over time, the viability of individual institutions will depend on how well they can demonstrate their value and respond to potential students' needs. This is especially important considering that for many colleges, competition has now expanded beyond the immediate peer group to include other types of institutions or modes of

education. It is our belief that colleges or universities that are unable to distinguish themselves in the market through their reputation or offerings will have to compete for students purely on price, which will weaken demand and possibly cut into their enrollment over time.

A buyer's market

This competitive landscape is beneficial to students but financially challenging for colleges. Although tuition continues to increase (but at a slower rate than historically), the cost of educating students also continues to rise: Institutions face an expensive contest to attract and retain the best students. Students have become more demanding. In lieu of dormitories with shared rooms and bathrooms down the hall, they are now asking for residence halls with private rooms and various amenities. And instead of basic gyms or swimming pools, many colleges are now building beautiful student recreation centers with the latest workout equipment, including upgrades such as climbing walls. Students and parents want increased student services, educational experiences, and facilities while expecting schools to keep the cost of attendance at a minimum. And as expenses continue to increase, institutions are finding it difficult to increase revenue at a commensurate pace as facility constraints, which limit enrollment growth and financial-aid demands, confine the potential for increased net tuition revenue.

Other expenses are mounting

In addition to the challenges with meeting their core mission to recruit, retain, educate, and graduate students, other ancillary demands -- including risk management and compliance requirements -- consume valuable time and resources and put additional operational and financial pressure on these institutions.

Risk management: Beyond the general risk management planning that most colleges and universities have been doing for the past several years, recent events have increased the focus on topics such as student safety and on-campus violence, National Collegiate Athletic Association (NCAA) violations, and cyber security.

Compliance and reporting: Increased reporting requirements from a variety of constituents, including state and federal governments, accrediting bodies, the NCAA, research funders, and bondholders, are necessitating substantial investments in tracking and reporting resources. While the institutions can use some of these data to better market themselves to students, make financial projections, or improve outcomes, most of it serves only to remain in compliance or reduce exposure to lawsuits.

Management is key

As the higher education sector continues to evolve and face new and intensifying challenges, we believe institutions with astute and nimble leadership will be best positioned to successfully navigate this changing landscape. We expect to see a growing number of leadership changes due to both the aging of current senior leadership teams and strategic initiatives that may require different expertise and skills than an institution's current management possesses.

Hot topics for the coming year

Beyond the more general issues we discussed above, we believe the following could be increasingly important credit factors for many institutions:

- Liquidity strategies;
- Increasing capital pressures, and how to fund them;

- Enterprise risk management;
- Outsourcing, including privatized housing and public private partnership (P3) arrangements;
- Leadership transitions;
- Managing shrinking health care margins and increased expenses related to the Affordable Care Act;
- Tracking and reporting data for institutional use and compliance requirements;
- Focus on optimizing overall debt profile composition instead of increasing debt overall; and
- Driving net tuition revenue growth through better use of financial-aid dollars rather than tuition increases.

Rating Changes Skewed Negative Last Year

Rating changes

Table 1

History Of Higher Education Rating Changes									
	2014*	2013	2012	2011	2010	2009	2008	2007	2006
Upgrades	7	12	12	26	26	19	23	14	27
Downgrades	30**	19	16	17	4	7	5	5	8
Totals	37	31	28	43	30	26	28	19	35
Downgrade to upgrade ratio	4.3 to 1	1.6 to 1	1.3 to 1	0.7 to 1	0.2 to 1	0.4 to 1	0.2 to 1	0.4 to 1	0.3 to 1

* As of Dec. 31, 2014. ** includes multiple downgrades for University of Puerto Rico, NC Board of Governors Pooled Bonds, Thomas M Cooley Law School, University of Northern Iowa, and Thomas Jefferson School of Law.

While the absolute number of rating changes in 2014 was on par with that of 2013, the ratio of downgrades to upgrades increased for the fourth consecutive year. Even when excluding the multiple downgrades for University of Puerto Rico, North Carolina Board of Governors, Thomas Cooley Law School, and Thomas Jefferson School of Law, downgrades still outpaced upgrades at a record pace.

Outlook revisions

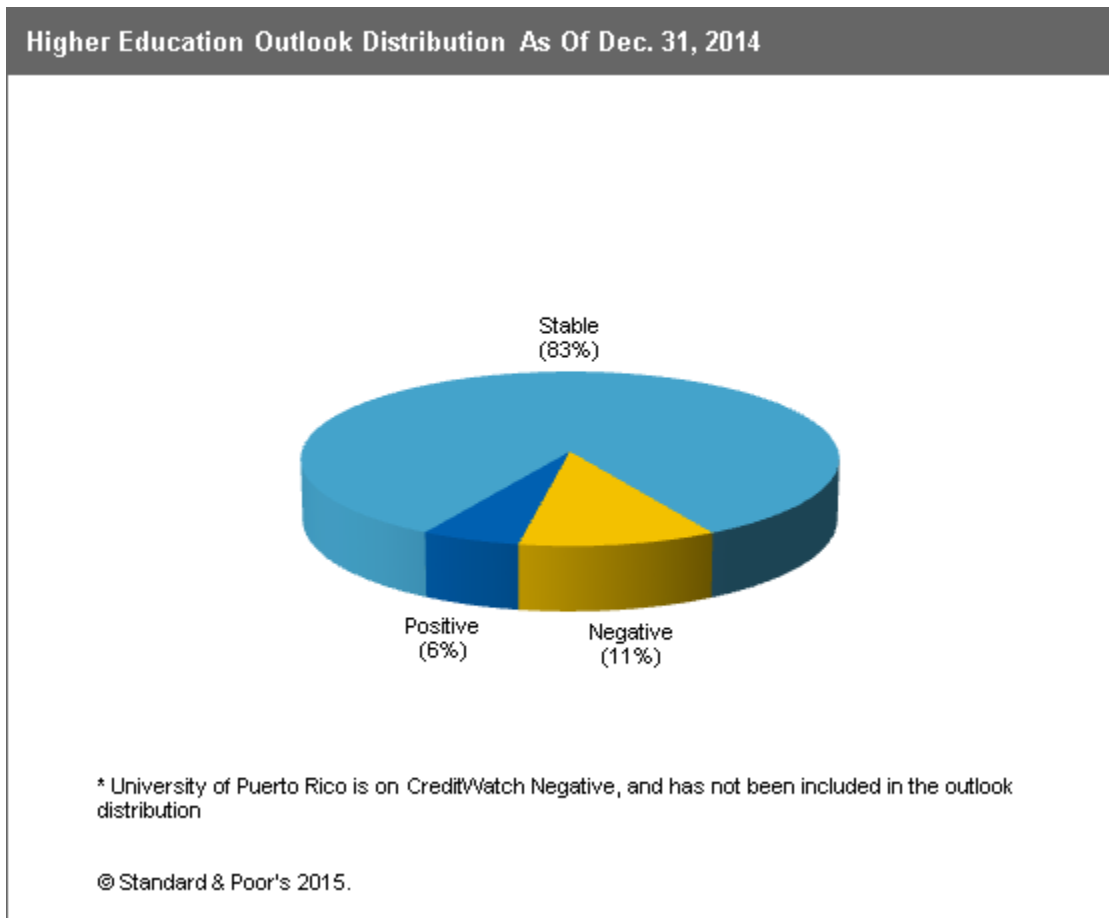
Table 2

History Of Outlook Revisions Since The Great Recession					
	2014*	2013	2012	2011	2010
Positive	24	17	20	25	16
Negative	30	33	14	13	28
Total	54	50	34	38	44

* As of Dec. 31, 2014.

A slightly different picture emerges when looking at outlook revisions, however. Although 2014 was a high-water mark in terms of the number of outlook revisions, the ratio of negative to positive revisions improved from 2013 levels, to 1.25 from 1.9. The current number of institutions with negative outlooks (11%) is still more than double that of institutions with positive outlooks (5%), while 84% of all rated institutions have stable outlooks. Though negative and positive outlooks each increased in 2014 (from 9% and 4% in 2013, respectively), we expect outlook revisions to be modestly more positive in fiscal 2015 given the robust endowment returns for fiscal 2014, better-than-expected operating margins, and moderate debt issuance.

Chart 1



The road ahead

As we look at the rating changes and outlook distributions for 2014, a few interesting patterns emerge:

- The outlooks on all four rated standalone law schools are negative, and a fifth such school (Thomas Jefferson School of Law) defaulted in 2014.
- Other notable ratings with negative outlooks include those on five Illinois public universities (Western Illinois University [WIU], Eastern Illinois University [EIU], Illinois State University [ISU], Governors State University, and Northeastern Illinois University [NEIU]), a handful of private colleges and universities in Pennsylvania and New York, and one 'AAA' rated institution (Washington University).
- A full 19 of the 49 ratings with negative outlooks are private universities in the 'BBB' rating category.
- Ratings with positive outlooks are evenly split between public and private universities and include three specialty schools (Wisconsin Medical College, New York Chiropractic College, and California College of the Arts).
- Two states (Alabama and Kentucky) also demonstrate that public universities can have mixed credit quality despite receiving support, and that the larger, comprehensive flagship schools tend to outperform smaller, regional public universities. In Alabama, the University of Alabama is rated 'AA-/Positive', while Alabama State University is rated 'BBB+/Negative'. In Kentucky, the University of Kentucky is rated 'AA-/Positive', while Northern Kentucky University and Western Kentucky University are rated 'A+/Negative'.

Rating distribution for 2014
 Chart 2

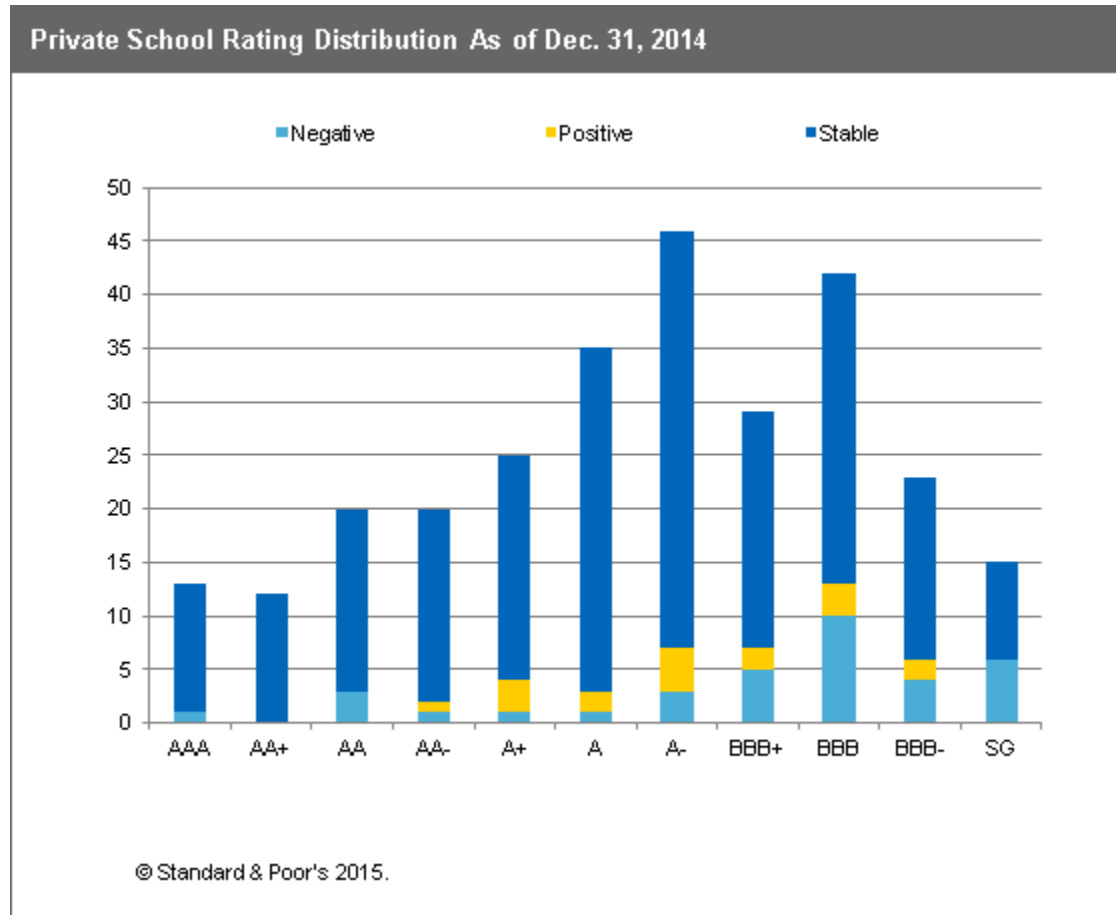
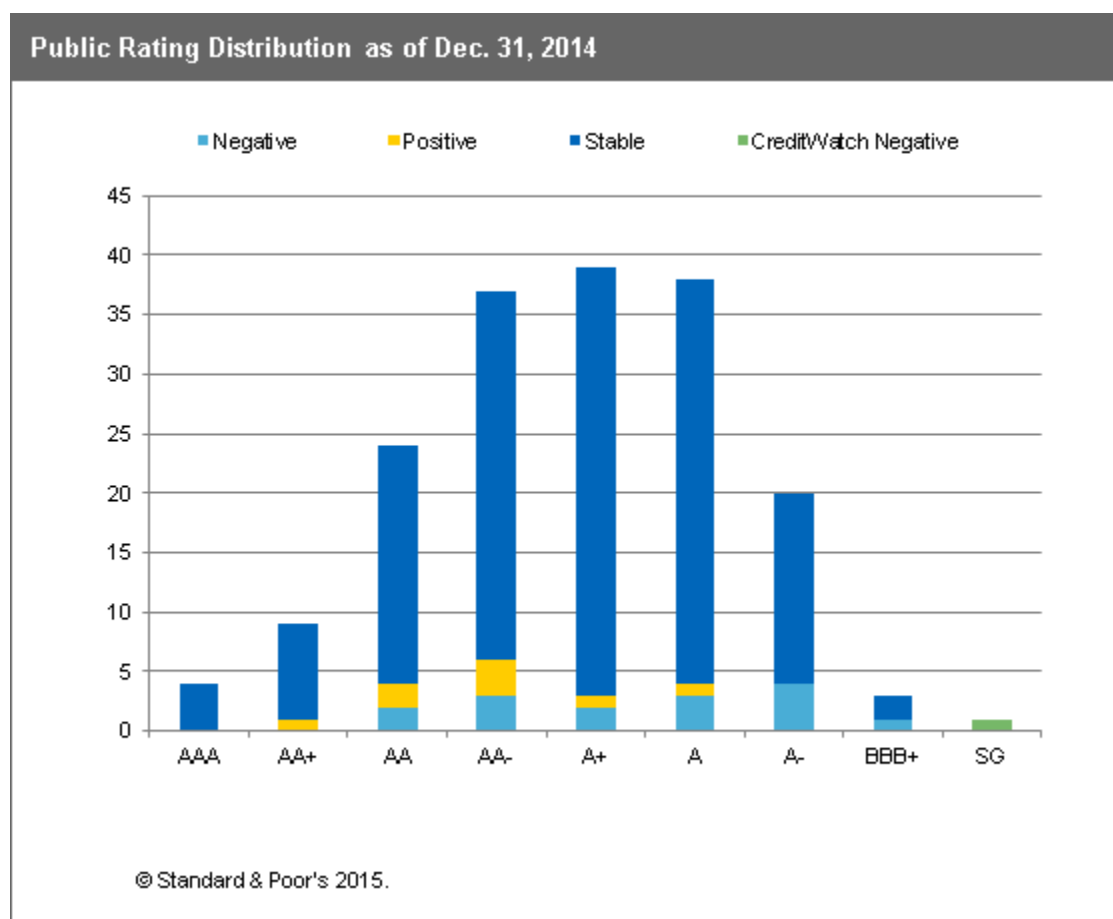


Chart 3



Despite the rating and outlook changes during 2014, our rating distribution remains roughly consistent with that of 2013, with public university ratings in a bell curve distribution with a median rating of 'A+', and private university ratings more evenly distributed, with a median rating of 'A'. For both public and private universities, most of the negative outlooks can be found at the lower end of the rating distribution. Thomas Jefferson School of Law defaulted on its debt in the fall of 2014, the first private university default in nearly 12 years. Our lowest-rated university is currently Franklin Pierce University in New Hampshire, at 'CCC/Negative'.

General Economic Outlook

Table 3

Standard & Poor's Economic Outlook As of November 2014													
	-- 2014 --			-- 2015 --		-- Percent change --							
	Q2	Q3e	Q4e	Q1e	Q2e	2009	2010	2011	2012	2013	2014e	2015e	2016e
Real GDP	4.59	3.24	2.80	2.98	2.90	(2.78)	2.53	1.60	2.32	2.22	2.21	3.02	2.70
Federal Govt. Purchases, \$2009	(0.89)	(0.23)	(0.55)	(0.84)	(0.84)	5.67	4.35	(2.69)	(1.78)	(5.69)	(2.66)	(0.70)	(0.80)

Table 3

Standard & Poor's Economic Outlook As of November 2014 (cont.)													
CPI	3.03	1.10	0.52	1.67	1.98	(0.32)	1.64	3.14	2.07	1.46	1.72	1.55	1.55
Unemployment Rate	6.23	6.07	5.96	5.93	5.84	9.28	9.63	8.93	8.07	7.35	6.23	5.82	5.69
S&P 500 Index	1,900.37	1,975.95	1,983.03	2,006.61	2,038.38	946.73	1,139.31	1,268.89	1,379.56	1,642.51	1,923.41	2,046.87	2,106.77

(1) Quarterly Percent Change represents annualized growth rate; Annual percent change represents average annual growth rate from a year ago. (2) Quarterly levels represent average during the quarter; Annual levels represent average levels during the year. (3) Quarterly levels of Housing Starts and Unit Sales of Light Vehicles are in annualized millions.

We believe general economic trends only moderately influence the higher education sector because college attendance for most students is a long-term goal that families prepare for and plan on for years. That said, economic forces certainly affect the type of institution selected, the length of time to graduation, the amount of student debt, and the ability to pay for tuition. And for part-time or nontraditional students in particular, it can influence their ability and willingness to attend college at all.

We project that the consumer price index will rise 1.7% in 2015, which will moderate expense growth and revenue projections for the sector. (See "U.S. State And Local Government Credit Conditions Forecast: Economic Growth Is Tinged By Questions Of Sustainability", published Oct. 15, 2014, on RatingsDirect.) We also expect investments to continue to appreciate, as measured by the S&P 500 index. This is important for the higher education sector, given its reliance on investment earnings and endowment appreciation. Because many institutions use a 5% annual endowment draw, investment returns would need to exceed 6.4% (5% draw plus 1.4% inflation) to preserve sustainable investment levels.

Also in 2015, we expect federal government spending to decrease by 0.7%, which may hurt research grant and contract awards and could also affect Pell Grant program awards.

Our projections also indicate that the national unemployment rate will improve to 5.8%. College enrollment typically runs countercyclical to the economy because some people return to school after a job loss or to retrain. However, after multiple years of high unemployment, most of these students have now graduated and are unlikely to enroll for another degree. We believe an improved employment rate would help the sector because working students or families of students would be better able to afford tuition.

Table 4

Organization	State	-- Rating change --		-- Outlook change --		Action	Date
		To	From	To	From		
Loyola University	LA	A	AA+	Stable	Stable	Rating lowered from 'AA+'	January
University of Chicago	IL	AA	AA	Negative	Stable	Rating affirmed; outlook revised from stable	January
University of Puerto Rico	PR	BBB-	BBB-	Watch Neg	Negative	Rating affirmed	January
Ferris State University Board of Trustees	MI	A	A	Positive	Stable	Rating affirmed; outlook revised from stable	January
Polytechnic Institute of New York University	NY	AA-	BBB-	Stable	CW Positive	Rating raised from 'BBB-'; outlook revised from Watch Positive	January

Table 4

List Of Rating Or Outlook Actions In 2014 (cont.)							
University of Nebraska System	NE	AA	AA	Positive	Stable	New sale; rating affirmed; outlook revised from stable	January
Eastern Illinois University	IL	A-	A-	Negative	Stable	Rating affirmed; outlook revised from stable	February
Cedar Crest College	PA	BB+	BBB-	Stable	Negative	Rating lowered from 'BBB-'; outlook revised from negative	February
New York Institute of Technology	NY	BBB+	BBB+	Negative	Stable	Rating affirmed; outlook revised from stable	February
University of North Carolina at Charlotte	NC	AA-	AA-	Negative	Stable	New sale; rating affirmed; outlook revised from stable	February
University of the Sacred Heart	PR	BBB	BBB	Negative	Stable	Rating affirmed; outlook revised from stable	February
University of Puerto Rico	PR	BB+	BBB-	Watch Neg	Watch Neg	Rating lowered from 'BBB-'	February
University of Kentucky	KY	AA-	AA-	Positive	Stable	Rating affirmed; outlook revised from stable	February
Colorado College	CO	AA-	AA-	Positive	Stable	Rating affirmed; outlook revised from stable	March
The Board of Governors of the University of North Carolina (2005A)	NC	A	A+	Stable	Watch Neg	Rating downgrade	March
University of Puerto Rico	PR	BB+	BB+	Negative	Watch Neg	Rating affirmed; positive outlook revision	March
Delaware State University	DE	A	A+	Stable	Stable	Rating lowered	April
Illinois State University	IL	A+	A+	Negative	Stable	New sale: rating affirmed; negative outlook revision	April
Judson College	AL	BB+	BB+	Negative	Stable	Rating affirmed; negative outlook revision	April
Mercyhurst University	PA	BBB	BBB	Negative	Stable	Rating affirmed; negative outlook revision	April
University of Scranton	PA	A	A	Negative	Stable	Rating affirmed; negative outlook revision	April
Georgetown University	DC	A-	A-	Stable	Negative	Rating affirmed; positive outlook revision	April
Mount St Marys University	MD	BB+	BB+	Stable	Negative	Rating affirmed; positive outlook revision	April
MCPHS University	MA	A+	A	Positive	Positive	Rating raised	April
Texas Lutheran University	TX	BBB	BBB	Negative	Stable	New sale: rating affirmed; negative outlook revision	May
University of Kansas	KS	AA	AA	Negative	Stable	New sale: rating affirmed; negative outlook revision	May
Pittsburg State University	KS	A-	A	Stable	Stable	Rating lowered	May
Vermont State College	VT	A	A+	Negative	Stable	Rating lowered	May
Regent University	VA	BBB	BBB+	Negative	Negative	Rating lowered	May
Thomas M Cooley Law School	MI	BBB-	BBB	Negative	Negative	Rating lowered	May
Butler University	IN	BBB+	BBB+	Positive	Stable	Rating affirmed; positive outlook revision	May
Winston-Salem State University	NC	A-	A	Stable	Stable	Rating lowered	May
University of North Carolina at Greensboro	NC	A	A+	Stable	Negative	New sale; rating lowered	May

Table 4

List Of Rating Or Outlook Actions In 2014 (cont.)							
Albany Law School	NY	BBB	BBB	Negative	Stable	Rating affirmed; negative outlook revision	June
Haverford College	PA	AA	AA	Negative	Stable	Rating affirmed; negative outlook revision	June
Merrimack College	MA	BBB-	BBB-	Negative	Stable	New sale; rating affirmed; negative outlook revision	June
New Mexico State University	NM	AA	AA	Negative	Stable	New sale; rating affirmed; negative outlook revision	June
Pacific Lutheran University	WA	BBB	BBB	Negative	Stable	Rating affirmed; negative outlook revision	June
Rider University	NJ	BBB+	BBB+	Negative	Stable	Negative outlook revision	June
University of Puerto Rico	PR	BB+	BB+	Watch Negative	Negative	Rating affirmed; placed on CreditWatch negative	June
Boston University	MA	A	A	Positive	Stable	Rating affirmed; positive outlook revision	June
Georgian Court University	NJ	BBB-	BBB	Stable	Negative	Rating lowered	June
Pennsylvania College of Technology	PA	A	A	Stable	Negative	Rating affirmed; positive outlook revision	June
University of Arizona	AZ	AA-	AA	Stable	Negative	New sale; rating lowered	June
Michigan State University	MI	AA+	AA	Stable	Positive	New sale; rating raised	June
Trustees of Boston University	MA	A	A	Positive	Stable	Rating affirmed; positive outlook revision	June
Texas State University System Board of Regents	TX	AA	AA-	Stable	Stable	Rating upgrade	June
Western Michigan University	MI	A	A	Stable	Negative	Rating affirmed; positive outlook revision	June
University of Pittsburgh	PA	AA+	AA	Stable	Positive	New sale; rating raised	June
Franklin Pierce University	NH	CCC	B	Negative	Stable	Rating lowered	July
New York Law School	NY	BBB	A-	Negative	Negative	Rating lowered	July
Washington University	MO	AAA	AAA	Negative	Stable	Rating affirmed; negative outlook revision	July
University of Toledo	OH	A	A+	Stable	Negative	Rating lowered	July
University of Puerto Rico	PR	BB	BB+	Negative	NM	Rating lowered removed from Watch Neg	July
Sacred Heart University	CT	BBB+	BBB	Stable	Positive	Rating raised	July
University of North Dakota	ND	AA-	A+	Stable	Positive	Rating raised	July
Florida Gulf Coast University Financing Corporation	FL	A-	A-	Negative	Stable	Rating affirmed; negative outlook revision	August
University of Northern Iowa	IA	A+	A+	Negative	Stable	Rating affirmed; negative outlook revision	August
The Board of Governors of the University of North Carolina (2006B)	NC	A-	A	Stable	Negative	Rating downgrade	August
Thomas M Cooley Law School	MI	BB+	BBB-	Negative	Negative	New sale; rating lowered	August
University of North Carolina at Pembroke	NC	A-	A	Stable	Negative	Rating lowered	August
Kean University	NJ	A-	A-	Stable	Negative	Rating affirmed; positive outlook revision	August
Meredith College	NC	BBB	BBB	Stable	Negative	Rating affirmed; positive outlook revision	August

Table 4

List Of Rating Or Outlook Actions In 2014 (cont.)							
Stevens Institute of Technology	NJ	BBB+	BBB+	Positive	Stable	Rating affirmed; positive outlook revision	August
West Virginia University	WV	A	A+	Stable	Stable	New sale; rating lowered	August
Valley City State University	ND	A-	A-	Stable	Negative	Rating affirmed; positive outlook revision	August
Eastern University	PA	BBB-	BBB-	Negative	Stable	Rating affirmed; negative outlook revision	September
Hawaii Pacific University	HI	BB+	BB+	Negative	Stable	Rating affirmed; negative outlook revision	September
Thomas Jefferson School of Law	CA	CC	B+	Watch Negative	Negative	Rating lowered	September
Wisconsin Medical College	WI	A+	A+	Positive	Stable	Rating affirmed; positive outlook revision	September
Dowling College	NY	B-	B	Negative	Negative	Rating lowered	October
University of Wyoming Trustees	WY	AA-	AA-	Stable	Positive	Rating affirmed; negative outlook revision	October
Rensselaer Polytechnic Institute	NY	A-	A-	Negative	Stable	Rating affirmed; negative outlook revision	October
Molloy College	NY	BBB	BBB+	Stable	Stable	Rating lowered	October
Duquesne University	PA	A-	A-	Positive	Stable	Rating affirmed; positive outlook revision	October
McDaniel College	MD	BBB+	BBB+	Stable	Negative	Rating affirmed; positive outlook revision	October
Thomas Jefferson School of Law	CA	D	CC	NM	NM	Rating lowered	November
California College of the Arts	CA	BBB-	BBB-	Positive	Stable	Rating affirmed; positive outlook revision	November
Iona College	NY	BBB	BBB	Stable	Negative	Rating affirmed; positive outlook revision	November
Rhodes College	TN	A+	A+	Positive	Stable	Rating affirmed; positive outlook revision	November
Delaware State University	DE	A-	A	Stable	Stable	Rating lowered	November
Baylor College of Medicine	TX	A-	A-	Positive	Stable	Rating affirmed; positive outlook revision	November
Southern New Hampshire University	NH	BBB	BBB	Positive	Stable	Rating affirmed; positive outlook revision	November
Sweet Briar College	VA	BBB	BBB	Negative	Stable	Rating affirmed; negative outlook revision	November
Alabama State University	AL	BBB+	A-	Negative	Negative	Rating lowered	December
University of Northern Iowa	IA	A	A+	Stable	Negative	Rating lowered	December
Transylvania University	KY	A+	A+	Negative	Stable	Rating affirmed; negative outlook revision	December
Wayne State University	MI	AA-	AA-	Negative	Stable	Rating affirmed; negative outlook revision	December
University of Puerto Rico	PR	BB	BB	CW Negative	Negative	Rating affirmed; placed on CreditWatch negative	December
Yeshiva University	NY	BBB	A	Negative	Stable	Rating lowered	December
Waynesburg University	PA	BBB	BBB+	Stable	Negative	Rating lowered	December

All things considered, we believe that despite the likely stronger national economy this year, the not-for-profit higher

education sector will likely see more negative rating actions than positive in 2015 as institutions attempt to keep tuition affordable while adding or improving amenities to draw and retain students. These institutions' ability to balance those factors in an increasingly competitive market will determine the direction of the ratings.

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East Carolina University
Board of Trustees
Audit Committee
February 19, 2015

Session	Audit
Responsible Person	Dr. Nick Benson, Vice Dean, Brody School of Medicine Dr. Ken DeVille, Chief Integrity Officer
Agenda Item	III. A.
Item Description	HIPPA Audit Protocol
Comments	
Action Requested	Information
Disposition	
Notes	

Using the Office of Civil Rights Audit Instrument to Evaluate ECU Compliance with the HIPAA Privacy Regulations

February 19, 2015
Board of Trustees Audit Committee

Kenneth DeVille, Ph.D., J.D.
Office of Institutional Integrity
Division of Health Sciences

Office of Civil Rights HIPAA Privacy AUDIT

- The Office of Civil Rights (OCR) plans to randomly audit 350 covered entities from October 2014 to June 2015 to determine how well the entities satisfy the HIPAA regulations.
- The Office of Institutional Integrity used OCR's Audit Protocol and reviewed each element to determine how well the institution would fare in an audit of:
 - Privacy Rule practices (patient notice and access);
 - Breach Notification practice (risk analysis and risk management).

HIPAA Privacy Audit Protocol

- Section (Regulation Number)
- Established Performance Criteria
- Key Activity
- Audit Procedures
- Implement-action specification
- HIPAA Compliance Area (Privacy or Breach)

HIPAA Privacy Audit Protocol

- For the Office's working papers, we added two columns to the OCR's audit instrument as part of our review:
- 1. A "Satisfied (Y/N)" column to indicated whether or not ECU satisfied the requirements.
- 2. A "Comments" column.
 - It is indicated how ECU satisfies the requirement under consideration or what ECU needs to do to meet the specific requirement.
 - It is also indicated whether there is a policy, form, informal procedure, etc., in place that help meet the specific requirement under consideration.

Example (Breach)

Section	Established Performance Criteria	Key Activity	Audit Procedures	Implement- action Specification	HIPAA Compliance Area	Satisfied (Y/N)	Comments
§164.404 (c)(1)	Elements of the notification required by paragraph (a) of this section shall include to the extent possible: (A) a brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known; (B) a description of the types of unsecured protected health information that were involved in the breach (Such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved); (C) any steps the individual should take to protect themselves from potential harm resulting from the breach; (D) a brief description of what the covered entity is doing to investigate the breach, to mitigate harm to individuals, and to protect against further breaches; and (E) contact procedures for individuals to ask questions or learn additional information which should include a toll-free number, an email address, website, or postal address. (2) The notification required by paragraph (a) of this section shall be written in plain language.		Inquire of management to determine if there is a standard template or form letter for breach notification. Verify that, if any breaches have occurred, the notification to the individuals included the required elements		Breach	Y	Content is outlined in the regulation: HIPAA. Notification in the Event of a Breach of Unsecured Protected Health Information. Can provide a copy of the standard letter which includes the required elements.

Example (Breach)

Section	Established Performance Criteria	Key Activity	Audit Procedures	Implement- action Specification	HIPAA Compliance Area	Satisfied (Y/N)	Comments
§164.404 (c)(1)	Elements of the notification required by paragraph (a) of this section shall include to the extent possible: (A) a brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known; (B) a description of the types of unsecured protected health information that were involved in the breach (Such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved); (C) any steps the individual should take to protect themselves from potential harm resulting from the breach; (D) a brief description of what the covered entity is doing to investigate the breach, to mitigate harm to individuals, and to protect against further breaches; and (E) contact procedures for individuals to ask questions or learn additional information which should include a toll-free number, an email address, website, or postal address. (2) The notification required by paragraph (a) of this section shall be written in plain language.		Inquire of management to determine if there is a standard template or form letter for breach notification. Verify that, if any breaches have occurred, the notification to the individuals included the required elements		Breach	Y	Content is outlined in the regulation: HIPAA. Notification in the Event of a Breach of Unsecured Protected Health Information. Can provide a copy of the standard letter which includes the required elements.

● Drawn verbatim from OCR's Audit Instrument

Results and Conclusions

- ECU's policy, procedure and practice in regards to the HIPAA Privacy Regulations and the Breach Notification Rule matches the expectation of the OCR Audit Protocol in almost every category.
- Office of Integrity's review only identified three minor areas that require revision, or addition, to ECU policy, procedure or practice.
- Work on those revisions and additions is underway now.
- Office plans to repeat the process of matching the current OCR Privacy Protocol with ECU policy, procedure and practice every five years.

East Carolina University
Board of Trustees
Audit Committee
February 19, 2015

Session	Audit
Responsible Person	Stacie Tronto, Chief Audit Officer
Agenda Item	IV. A.
Item Description	Internal Audit Dashboard
Comments	
Action Requested	Information
Disposition	
Notes	

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>	Goal = 80%
Completed	16	36%	
In Process	15	33%	
Pending	14	31%	
Total	45	100%	

Staff Utilization: Direct vs. Indirect Hours

Direct Hours	67%	Goal = 75%
Indirect Hours	33%	

Consultations

	<i>Number</i>	<i>% of Audit Plan</i>
Consultations	79	12%

Management's Corrective Actions

<i>Observations by Division:</i>	<i>Completed</i>	<i>Outstanding</i>	<i>% Complete</i>	<i>% Outstanding</i>
Academic Affairs	1	0	100%	0%
Administration and Finance	1	0	100%	0%
Athletics	NA	NA	NA	NA
Chancellor	NA	NA	NA	NA
Health Sciences	5	3	63%	37%
Research and Graduate Studies	NA	NA	NA	NA
Student Life	3	0	100%	0%
University Advancement	NA	NA	NA	NA
Total Observations	10	3		
Total Percentages	77%	23%		

As of 01/24/15

Goal = 90%

East Carolina University
Board of Trustees
Audit Committee
February 19, 2015

Session	Audit
Responsible Person	Stacie Tronto, Chief Audit Officer
Agenda Item	IV. B.
Item Description	Internal Audit Report - EthicsPoint
Comments	
Action Requested	Information
Disposition	
Notes	

East Carolina University
Board of Trustees
Audit Committee
February 19, 2015

Session	Audit
Responsible Person	
Agenda Item	V.
Item Description	Other Business
Comments	
Action Requested	
Disposition	
Notes	

East Carolina University
Board of Trustees
Audit Committee
February 19, 2015

Session	Audit
Responsible Person	
Agenda Item	VI.
Item Description	Closed Session
Comments	
Action Requested	
Disposition	
Notes	

Audit Committee of the ECU Board of Trustees

February 19, 2015

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.**