

**Minutes from the Audit, Risk Management, Compliance, and Ethics Committee  
July 9, 2020 – ONLINE and PHONE MEETING**

The Audit, Risk Management, Compliance, and Ethics Committee of the ECU Board of Trustees met online and via phone on July 9, 2020.

Committee members present: Vince Smith (Chair), Jason Poole (Vice Chair), Bob Plybon, Leigh Fanning, Jim Segrave, Max Joyner, and Tom Furr.

Other board members present: BOT Chair Vern Davenport, BOT Vice Chair Fielding Miller, Angela Moss, Van Isley, Scott Shook, and Tucker Robbins

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Vince Smith, Chair of the Committee, convened the meeting at 8:30 AM. Following introductory comments by BOT Chair Vern Davenport, Mr. Smith read the conflict of interest provisions as required by the State Government Ethics Act. Mr. Smith asked if anyone would like to declare or report an actual or perceived conflict of interest. None were reported.

Mr. Smith asked for the approval of the minutes of the April 2, 2020 committee meeting.

**Action Item:** The minutes of the April 2, 2020 committee meeting were approved with no changes.

**Review of Operational Metrics**

The committee reviewed the operational metrics related to Internal Audit, Healthcare Compliance, and Athletics Compliance. Through June 30, Internal Audit exceeded its KPIs by completing over 90% of the annual audit plan and achieving a 76.5% auditor productivity rate. For the 2020 fiscal year, University management completed 94.6% of the audit recommendations that were followed up on by Internal Audit. Trustee Poole asked if Internal Audit will be following back up on those areas that did not timely resolve their audit recommendations. Wayne Poole stated that yes, Internal Audit remains engaged with these areas, and will submit follow-up reports to the Audit Committee.

Athletics Compliance exceeded the standard for rules education sessions. Healthcare compliance exceeded the expectations in the number of education sessions and the number of provider documentation reviews that were conducted. For the year, the healthcare providers achieved a 90.7% pass rate on documentation reviews, surpassing the goal of 90%.

Research Compliance reported that 100% of the required employees submitted their annual conflict of interest disclosures.

**Action Items**

Mr. Wayne Poole presented the University's annual audit plan for the fiscal year 2021. Mr. Poole stated that this plan was developed in consultation with the various compliance offices and University management and was approved by Chancellor Mitchelson. The plan is flexible and will change during the year, especially as the continuing impacts of the pandemic are more fully understood.

**Action Item:** Trustee Jason Poole moved that the proposed annual audit plan be approved as presented in the Board materials. Trustee Bob Plybon seconded the motion. The committee approved the proposed plan via roll call vote, and that action did not require full Board approval.

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**Informational Items**

**Office of Internal Audit – Mr. Wayne Poole**

Mr. Poole provided the annual certifications addressing the compliance of the Internal Audit function and the Audit Committee with the requirements of the UNC System. Mr. Poole stated that all requirements for the 2020 fiscal year were met, and he will submit the documents after receiving my signature.

Mr. Poole briefed the committee on the status of the annual financial statement audit, and the audit of IT controls that is being conducted by the Office of the State Auditor.

**Enterprise Risk Management – Dr. Sara Thorndike**

Dr. Thorndike briefed the committee on the status of the University's ERM program and shared the current top risks list. Dr. Thorndike advised that the ERM Committee is currently working through the bi-annual risk identification and assessment process and intends to provide the University's new top risks list to the Board this fall. The process has changed significantly with this cycle, and the process now incorporates the input of more subject matter experts and allows for deeper discussion of the University's risks.

Mr. Poole briefed the committee on the results of the recent ERM Maturity Assessment that was completed by Internal Audit. Mr. Poole told us that the University's ERM function clearly complies with the requirements outlined in UNC System policy, and that the program exhibits the characteristics of a program that is classified as "defined".

**Other Business**

There being no further business, the Committee meeting was adjourned at 8:56 AM.

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

## **Athletics & Advancement Committee Highlights July 9, 2020**

Mr. Jon Gilbert reported that May and June were strong months. The initial goal for season ticket sales was 16,000 but due to Covid-19 the goal was reduced to 10,000 and happy to report that total sales are at 10,600. At this time the plan is to not sell single game tickets which will help with the reduced capacity anticipated due to Covid-19.

Mr. Dyba shared that he is very pleased with East campus fundraising figures for FY 2020. Over \$23M was raised. The \$5M that was discussed earlier did not come to fruition but it remains on the table. West campus did not hit their goals. Mr. Dyba is meeting with leadership to discuss the unfreezing of the president position for the Medical and Health Sciences Foundation.

Mr. Dyba shared that Mary Ann Best will now chair the Investment Committee on the ECU Foundation Board, replacing Kel Normann.

Pirate Nation Gives was a very successful day that celebrated giving to the university with marketing energy and focus on what's transpiring in our world right now.

The ECU Board of Visitors presented a slate of new officers: Linda Hofler, Chair; Wanda Montano, Vice Chair and Shirley Carraway, Treasurer.

Mr. Gilbert reported that 270 individuals have been tested for Covid-19 and 16 have returned positive.

Athletic finances had a projection of a \$7.5M deficit this year and next year an anticipated \$5.5M deficit. In March the deficit increased to \$11-12M for this year; however, Pirate Nation answered the call and a decrease from the NCAA and the AAC athletics may get us closer to the \$7.5M deficit opposed to the \$11-12M. Next year's projection is still \$11M - all of which is contingent on multiple factors this fall.

Athletics instituted many efforts that helped in the reduction of expenses this year which include the reduction of 4 sports, eliminating summer school except for those students that need it for eligibility or sequencing, eliminated vacant positions, reduction in his salary and furloughed the entire staff for five days. These efforts equal nearly \$4.6M.

In the coming year there is an anticipated reduction of \$4.7M in revenue from decreased student fees, football, pirate club, NCAA, AAC, sports marketing and concessions. This is all contingent on fans in the stands.

Expenses for next year include:

- ESPN contract \$5M
- Spring sports extra year of eligibility 290K
- Positions for ESPN streaming \$165K
- Fully funding of lacrosse scholarships \$120K
- Covid sanitation \$100K

Mr. Gilbert shared that the Pirate Club finished strong, they were \$1M shy of their goal but all things considered he was pleased.

Scholarship support for our student athletes is \$8.4M, the Pirate Club contributes \$4.9M and the remaining \$3.5M from the institution and athletic fundraising. He emphasized the need for institutional support.

Mr. Gilbert addressed stadium capacity for the fall and said we are still waiting for directive; 50% capacity will allow 24,577 people in the stadium and 25% will allow 12,289.

#### Closed Session

Two separate motions were made and passed unanimously to approve the naming opportunities for recommendation to the full board later today with the agreement to remain confidential so that proper recognition and celebration can be done later.

A motion was made and passed unanimously to approve the athletic personnel matter for recommendation to the full board later today.

**University Affairs Meeting – Board of Trustees**  
**July 9, 2020**  
**Virtual Meeting**

**BOT Members Attending:** Leigh Fanning (interim chair), Max Joyner, Vince Smith and Tucker Robbins

Meeting started at 10:15am.

Ms. Fanning opened the meeting at 11:00am by reading the conflict of interest statement as well as the Jurisdiction Review and Conduct Statement for University Affairs.

Meeting from the April 2020 UA meeting were approved without dissent

■ **Metrics**

■ **Academic Affairs – Grant Hayes**

- Projecting the enrollment numbers for the fall was harder due to COVID. We, like all other schools, saw delays in the student's next steps will fall in enrollment. We are on point right now to welcome a very healthy freshman class. We had the most freshman applications in ECU history with more the 22,500 applications. We have had fewer numbers of transfer applications and admits during this time as we just couldn't recruit at community colleges. We are only down about 60 transfer enrollment deposits, which we hope will improve. Fall 2020 enrollment in the colleges are all on target with the exception of just a few high demand programs. Our total enrollment is trending toward being up about 6% at this point.

■ **Research – Mike Van Scott**

- COVID is impacting our June/July numbers because we aren't see our normal expenditures as usual. We think we will be trending ok but expect a tail off by the end of the summer.

■ **Student Affairs – Virginia Hardy**

- We feel pretty good with our housing contract commitments, but we do expect to lose some students due to cancellations. These folks are believing that they are doing this because their classes are all online. We hope that they will be back on campus in the spring. As of July 6<sup>th</sup>, we have 5,579 folks with paid contracts which would put us at capacity.
- For Counseling, we are seeing higher than normal numbers especially with our counselors are doing teletherapy sessions. Students in summer sessions can still get their counseling sessions, but folks not enrolled in the summer can still get some services, but they have to pay \$100 to continue to get services. SGA and SA are working together to see if we can do more to help them.

■ **Return to Campus Highlights**

■ **Academic Affairs – Grant Hayes**

- Fall semester begins on August 10<sup>th</sup> to lower the risk to the community. We are eliminating Fall Break and ending the semester the day before Thanksgiving. We are trying to eliminate too much travel to and from campus. Spring 2021 will start in mid-January and Spring Break is cancelled again to reduce risks for travel. We are doing two 7.5-week blocks for the fall and spring to give us more flexibility to adjust our academic delivery depending on the pandemic impacts. The Office of Faculty Excellence continues to help faculty with course design and online delivery enhancements. Classroom capacities are being adjusted based on social distancing standards in place. Courses with attendance over 50 students will be moved online to meet the standards. Attendance records will be kept and assigned seating will be utilized.

■ **Student Affairs – Virginia Hardy**

- We will be a bit different in the residence halls such as with the move-in process. We will do this in two waves starting July 22 and run for two weeks. We are having students come in, move in and set up their room, get their keys and then they will leave campus. Each student will get a specific date to return to the hall to start the semester. There will not have visitation in the halls this fall and will not have in-person programming in the halls for the fall.
- For students that test positive or are exposed we have an RFP out to be able to move them off campus to receive the necessary services and health treatments. They will still be able to participate in classes online. The dining halls will be reduced to about 25-50% capacity with social distancing in place. Self-serving areas will be removed, and all items will be given to students from Aramark staff. We will close a few retail spaces to help with management. We will have an app where students can order food in advance and then pick it up at two locations. Seating in the student center will be less so we are providing more space in one of the ballrooms for people to sit. For those students moved off-campus due to illness we provide them with food from Aramark too.
- The Rec Center will open if the governor permits. If not, we will have alternative options to offer programs. Student Activities will have some programs of less than 50 people, but most of the programs will be virtual. The same goes for Greek Life too.
- Transit will have a different look this fall. They will have a one-way entrance and one way exit from each bus. Some routes will be longer which will reduce the number of routes we are offering. Many Pirate Express routes will not run in the fall due to safety and limited drivers. All people on the buses will be required to wear masks.

■ **Research – Mike Van Scott**

- As we review our processes for students going out to do research, we have seen that these environments are pretty controlled, and we are taking special safety precautions and adding responsibility to all involved to be safe. We have committees and planning groups working on plans to stand up the research options again. Part of that is to evaluate when we may need to cease or alter plans

for students. There are multiple phases of review and approval at ECU depending on the level of impact to COVID exposure or persons exposed/positive. All programs will be monitored and logged into our inventory. This will help us track each site and helps us keep a tab on who is where and what they are doing and can help us identify hot spots should they arise. There is also a whistleblower option as well for those wanting to report improper actions or activities.

■ Questions from Board

- How will we handle refunds if we have to go online? Right now we don't have a definitive decision made at this point and we will get guidance from the UNC System to ensure that decision is system-wide.
- For those living on campus and have all classes online, can those students move off campus for the fall? Yes, that is an option for students fully online and we have cancelled those contracts.

Meeting Adjourned at 11:07 am



**East Carolina University | Board of Trustees  
Finance & Facilities | Virtual/Main Campus Student Center | July 9, 2020  
Highlights**

Finance and Facilities Committee met on July 9, 2020.

**I. MINUTES**

- A. The Committee approved the minutes from the April 2, 2020 meeting.

**II. REVIEW OF OPERATIONAL METRICS**

**III. ACTION ITEMS**

- A. Sara Thorndike, VC for Administration & Finance, requested approval of the Utility Easement to Greenville Utilities Commission.

**IV. INFORMATION ITEMS**

- A. Sara Thorndike, VC for Administration & Finance, provided the Comprehensive Budget Report.
- B. Sara Thorndike, VC for Administration & Finance, provided the Approved Report of EHRA Employee Salary Adjustments.
- C. Sara Thorndike, VC for Administration & Finance, provided the Pension Report.
- D. Bill Bagnell, Associate VC for Campus Operations, provided information on the Designer Selections since the last Board Meeting.
- E. Bill Bagnell, Associate VC for Campus Operations, updated the Committee on Capital Projects.
- F. Jon Barnwell, Chief of Police, provided the Campus Safety Update.

**V. OTHER**

Meeting adjourned at 12:10 pm.



**Health Sciences Committee**  
**July 9, 2020**

- Minutes from the April 2, 2020 meeting were approved.
- Dr. Mark Stacy reviewed the Health Sciences Division metrics that were selected for the dashboard. For ECU Physicians' financial performance to budget, we were on track for a very good year however decreased charges March through May will result in significant revenue hits in the August – October time period. Although this fiscal year ended in good financial standing, we will see challenges in the first two quarters of FY21. For total wRVUs, across the practice wRVUs are ahead of last year through Feb and were on track to get close to a very aggressive annual productivity goal. In Jan & Feb wRVUs were significantly impacted by the loss of a dermatologist and decreased trauma surgery volume. March began the COVID disruption with many issues being experienced nationally. Although face to face volumes are picking up, it may take a couple of months to reach/exceed pre-COVID levels. A percentage of patients are still using telephone and video for their visits. Patient experience continues to be above 90% despite the difficult environment. This speaks volumes about our staff who essentially redesigned patient flow and care delivery in a matter of weeks if not less while maintaining a patient-centered and patient friendly environment. We've seen a significant jump in the number of published manuscripts since the beginning of the calendar year. We've contracted for 25% time of a scientific writer to assist faculty in their publishing efforts.
- Dr. Mark Stacy provided a brief Health Sciences Division update in which he discussed the current state with regard to COVID-19. In looking at a 29-County Region Report Card for NC, it would be the 40<sup>th</sup> most populous state with NC being the 14<sup>th</sup> largest and ENC being the 39<sup>th</sup> largest in cumulative cases. Students are beginning to return to campus and to re-enter the clinical environment. We are working diligently with our clinical agencies for fall semester and most are accommodating our requests for students to return in the fall. We are being careful to ensure that our learners are in a safe environment that requires appropriate PPE and adheres to other guidelines that promote safety. Lost revenues and additional expenditures due to COVID have totaled \$12,817,000 through May 31<sup>st</sup>. We have received some federal assistance and we are in the process of applying for additional funds.
- Dr. Paul Bolin and Dr. Paul Cook of the Department of Internal Medicine of the Brody School of Medicine presented a front line's perspective of COVID-19. Physicians from East Carolina University's Brody School of Medicine and Vidant Health are performing a clinical procedure that uses antibodies from people who have recovered from COVID-19 to treat patients suffering from the novel coronavirus. Additional studies for COVID treatment are also in process. We have been assertive in responding to opportunities to participate in these trials and in several cases are the most active site in the country.
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**Health Sciences Committee  
July 9, 2020**

**ECU BOT Health Sciences Committee Action:**

**Action Items from closed session to be announced in open session:**

*Request – The Board approve the following motions:*

I move that:

- The Board approve the initial appointment with tenure for Dr. Thomas A. Sporn in the Brody School of Medicine as presented in board materials and recommend this item to the full board for approval.
- The Board approve the initial appointment with tenure for Dr. Wenjian Zhang in the School of Dental Medicine as presented in board materials and recommend this item to the full board for approval.