

AGENDA
Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

- I. Approval of Minutes – September 10, 2020
- II. Review of Operational Metrics
- III. Action Items
 - A. Changes to the Annual Audit Plan (Mr. Wayne Poole)
- IV. Informational Items
 - A. Enterprise Risk Management update (Dr. Sara Thorndike)
 - B. External Assessment for the Office of Internal Audit (Mr. Wayne Poole)
 - C. Review of Selected Recent Internal Audits (Mr. Wayne Poole)
 - D. Healthcare Compliance update (Ms. Michelle DeVille)
- V. Closed Session
- VI. Other Business



Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item: I. Approval of Minutes – September 10, 2020

Responsible Person: Vince Smith
Committee Chair

Action Requested: Action

Notes:

**Minutes from the Audit, Risk Management, Compliance, and Ethics Committee
September 10, 2020 – Main Campus Student Center and Online MEETING**

The Audit, Risk Management, Compliance, and Ethics Committee of the ECU Board of Trustees met online and in person on September 10, 2020.

Committee members present: Vince Smith (Chair), Jason Poole (Vice Chair), Tom Furr, Van Isley, and Tucker Robbins.

Other board members present: BOT Chair Vern Davenport, BOT Vice Chair Fielding Miller, Bob Plybon, Leigh Fanning, and Scott Shook

Vince Smith, Chair of the Committee, convened the meeting at 9:00 AM. 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 July 9, 2020 committee meeting.

Action Item: The minutes of the July 9, 2020 committee meeting were approved with no changes.

Review of Operational Metrics

The committee reviewed the operational metrics related to Internal Audit, Healthcare Compliance, Research Compliance, and Athletics Compliance. For the current year to date, Internal Audit is ahead of schedule on audit plan completion, and slightly below the metric for the auditor productivity rate due to scheduled vacation time. Management has completed or made satisfactory progress on 100% of the audit recommendations that Internal Audit followed up on during July and August.

Athletics Compliance and Healthcare Compliance are exceeding their metrics for the number of compliance education sessions. Healthcare compliance is exceeding the metric for the number of provider documentation reviews that have been completed. For the year to date, healthcare providers have an 89.6% pass rate, slightly below the 90% benchmark.

Action Items

There were no action items for consideration by the committee.

Informational Items

Office of Internal Audit – Mr. Wayne Poole

Mr. Poole stated that the annual report of Internal Audit activities for the 2020 fiscal year was provided to the committee in the Board Materials.

Enterprise Risk Management – Dr. Sara Thorndike

Dr. Thorndike briefed the committee on the ongoing risk identification and assessment exercise. Dr. Thorndike reported that the ERM Committee has identified a list of 23 risks, and a survey has been distributed to employees, students, and other constituents, including this board, for input. Dr. Thorndike reported that the updated top risks list will be presented to the Chancellor’s Cabinet in October and to the Board in November.

Annual Conflict of Interest Report – Dr. Mary Farwell

Dr. Farwell briefed the committee on the annual conflict of interest disclosures required of University employees. Dr. Farwell reported that 100% of the employees who are required to submit disclosures did so during the 2019-2020 reporting year.

**Minutes from the Audit, Risk Management, Compliance, and Ethics Committee
September 10, 2020 – Main Campus Student Center and Online MEETING**

Title IX Regulations Update – Ms. LaKeshia Forbes and Ms. Malorie Yeaman

Ms. Forbes reminded the committee that the US Department of Education has issued a 2,000-page update to the Title IX rules applicable to the University. The new rules went into effect in August and the University has adjusted its regulations and processes so that they comply with the new federal requirements. Ms. Forbes and Ms. Yeaman briefed the committee on some of the key procedural changes and how they are being implemented at ECU. Ms. Forbes also advised the committee that there will be training modules for Board of Trustees members to complete, and we should expect more information on that training in the coming weeks.

Closed Session

At 9:28AM, Trustee Isley made a motion to go into Closed Session in order to protect the confidentiality of internal audit workpapers and other information that is considered confidential pursuant to applicable NC general statutes. The motion was seconded by Trustee Poole and approved unanimously.

The committee returned to open session at 9:42AM.

Other Business

There being no further business, the Committee meeting was adjourned at 9:43 AM.

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



Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item: II. Review of Operational Metrics

Responsible Person: Wayne Poole
Director of Internal Audit

Action Requested: Information

Notes:



Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item: III.A. Action Items – Changes to
Annual Audit Plan

Responsible Person: Wayne Poole
Director of Internal Audit

Action Requested: None

Notes:

**East Carolina University
Office of Internal Audit
Annual Engagement Plan
By Type
FY 2021**

Project Description		Budgeted Hours	% of Total	Division
Integrated/Operational Audits:				
Data Analytics Review of Financial Aid	WIP	300	1.8%	AA
Unpaid Adjunct Faculty Members	WIP	120	0.7%	AA, HS
SoDM Revenue Cycle Analytics	WIP	100	0.6%	HS
ECUP Telehealth Billing	OP	300	1.8%	HS
Health Sciences HR Processes	OP	300	1.8%	AF, HS
Campus Living	OP	300	1.8%	SA
Automated Journal Voucher Process	OP	240	1.4%	AF
Greenphire, Research Participants, and Student Award Payments	OP	240	1.4%	ALL
Controls over Parking Garage Revenue	OP	240	1.4%	AF
Controls over Business Incubator Space and New Ventures	OP	240	1.4%	REDE
Counseling Center Capacity and Operations	OP	240	1.4%	SA
University Owned Mobile Phones and Stipends (rev 1)	ADD	200	1.2%	ALL
Total Integrated/Operational Audit Hours		2820	16.8%	
Compliance Audits:				
I-9 Employment Eligibility Process (rev 1)	OP, CX	0	0.0%	
Use of Federal and State COVID-19 Funding	OP	240	1.4%	ALL
University Affiliated Entities Contract Compliance	OP	240	1.4%	UA, AT
Total Compliance Audit Hours		480	2.9%	
Information Technology Audits:				
IT Disaster Recovery and Resiliency	OP	240	1.4%	AF
Data Center Security and Environmental Controls	OP	240	1.4%	AF
SoDM Information Systems/axiUm	OP	240	1.4%	HS
Controls over Canvas LMS	OP	240	1.4%	AA, AF
Non-IT-Classified System Admins (rev 1)	ADD	100	0.6%	AF
Total Information Technology Audit Hours		1060	5.7%	
Investigative Reviews:				
Hotline Allegations Triage	OP	100	0.6%	ALL
Investigative Reviews - Already In Progress	WIP	200	1.2%	
Investigative Reviews - Not Yet Received/Started	OP	2000	11.9%	
Total Investigative Audit Hours		2300	13.7%	
Follow-Up Reviews:				
Action Plan Tracking and Follow-Up	OP	350	2.1%	ALL
Kronos and Time/Leave Records (A19020)	OP	120	0.7%	ALL
SoDM Clinics and Revenue Cycle (A18024/F20029/J18013)	OP	240	1.4%	HS
Grants and Contracts (AICFR) (F20009)	OP	240	1.4%	REDE
OSA IT Recommendations	OP	120	0.7%	AF
Total Follow-Up Review Audit Hours		1070	6.4%	
Consultations/Management Advisory Services				
Routine and Unplanned Consultations	OP	660	3.9%	ALL
Routine Data Analytics Support for Clients	OP	300	1.8%	ALL
University Committees, Workgroups, Education, and Client Relations	OP	300	1.8%	ALL
ProCard Analytics for Chrome River	OP	240	1.4%	AF, ALL
Americorps External Audits	WIP	40	0.2%	AA
Student Athlete Course Clustering	OP	60	0.4%	AA
OnCore Clinical Trials Management System Controls	OP	60	0.4%	HS

OP=Original Plan
WIP=Work in Progress July 1
ADD=Added since July 1
CX=Cancelled
PPD=Postponed

**East Carolina University
Office of Internal Audit
Annual Engagement Plan
By Type
FY 2021**

Project Description		Budgeted Hours	% of Total	Division
ERM Program Support	OP	100	0.6%	AF, ALL
Distributed IT Workgroup	OP	60	0.4%	ALL
Total Consultation Hours		1820	10.8%	
Other/Special Projects:				
Coordinate and Assist with External Audits, SBI Reports, Routine Mtgs	OP	1200	7.1%	ALL
Audit Software Admin and Maintenance	OP	200	1.2%	NA
Student Intern Program	OP	120	0.7%	NA
Required IIA External Quality Assurance Review (QAR)	OP	240	1.4%	CH
Coordinate OSA IT Controls Audit	WIP	60	0.4%	AF
Risk Assessment/Audit Planning 2020-2021	WIP	20	0.1%	ALL
Risk Assessment/Audit Planning 2021-2022	OP	100	0.6%	ALL
Implement EnCase Additional Capabilities	OP	200	1.2%	CH
Fraud Risk Assessment	OP	300	1.8%	ALL
Total Other/Special Project Hours		2440	14.5%	
Total Direct Audit Hours		11990	71%	
Administration		1800	10.7%	NA
Leave/Holiday		2300	13.7%	NA
Professional Development		700	4.2%	NA
Total Indirect Audit Hours:		4800	29%	
Grand Total Audit Hours		16790	100%	

Original Plan Approved by Interim Chancellor Ron Mitchelson on June 12, 2020

Original Plan Approved by ECU BOT Audit, Risk, Compliance, and Ethics Committee on July 9, 2020

OP=Original Plan
WIP=Work in Progress July 1
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Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item: IV. A. Enterprise Risk Management update

Responsible Person: Sara Thorndike
Vice Chancellor for Administration and Finance

Action Requested: Information

Notes:

**Enterprise Risk Management
Top University Risks
Board of Trustees
November 2020**



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ERM Process

- ERM process was revamped this year with help of Internal Audit
- Still two-year cycle
- Much more ERM Committee involvement, collaboration, and discussion
- Committee met multiple times over summer and fall to discuss new process and approach to identify and recommend risks
- Committee divided up into 10 groups to evaluate risks in specific categories and to recommend top 5 risks in each of those categories
- Each group presented their top 5 risks to the full Committee
- There was some risk overlap so top risks were summarized into 23 risks that were included in the survey that was sent out to a broad group of campus stakeholders – faculty, staff, students, leadership
- Responders rated those 23 risks using objective scales and criteria for likelihood and impact

ERM Process

- Results indicated there was a clear rating “divide” between risks 12 and 13 so Committee met and combined two risks so top 12 could be included in top 10 risks
- Committee agreed remaining risks (secondary risks) should be shared
- Committee reviewed comments from responders that included feedback and emerging risks
- Committee decided to include broad statement on how impact and uncertainty associated with COVID affects all risks
- Executive Council and Chancellor approved recommended top risks in October

ERMC Advisory Group and Risk Management Process Owner Matrix

2020-2022 Cycle Top Risks

Risk	Advisory Teams	Sponsors	Updates
University <u>Financial Sustainability</u>, including Athletics <ul style="list-style-type: none"> • Sustainable revenues from all sources (enrollment, auxiliaries, appropriations) • Magnified by current economic conditions 	Cabinet Finance	VCAF	
University <u>Workforce Challenges</u> <ul style="list-style-type: none"> • Recruiting and retaining qualified and diverse faculty and staff, including healthcare professionals • Retaining institutional knowledge for long-term success and sustainability • Inconsistent compensation increases • Faculty and staff wellness, stress, and burnout concerns, which are impacting the morale and effectiveness of the workforce 	Cabinet Human Resources	VCAF	
External and Internal <u>Cyber Threats</u> to the confidentiality, integrity, and availability of systems and data, including, but not limited to, ransomware attacks and technology that is not owned by the university (cloud providers, external vendors, personal devices)	ITCS	VCAF	
<u>Financial Sustainability of Clinical Healthcare and Dependence on External Relationships</u> for healthcare delivery	Chancellor, VCAF, VCHS	VCHS	
<u>Senior Leadership Transition</u> , consistency and stability at the top, and impact on university's reputation, culture, strategy, goals, and sharing of information across divisions	Cabinet	Chancellor	
<u>Patient, Employee, and Student Health and Safety</u> , including athletics	Safety Committee	VCHS, VCAF, VCSA, AD	
<u>Student Recruitment and Retention</u> in an increasingly competitive market, magnified by reputation/perception challenges outside eastern NC	Strategic Enrollment Planning Team	Provost, VCHS	
<u>Governance Relationships</u> and the impact on ECU's reputation, budget, and support	Cabinet BOT Advocacy Committee	Chancellor	
<u>Sustainability of Academic and Student Support Programming and Services and Ability to Meet Student Needs and Parent and Societal Expectations</u> , especially in current environment	Academic Council Dean of Students	Provost, VCSA	
<u>Maintaining Campus Infrastructure</u> , including routine and deferred maintenance and hiring of external contractors/service providers	Campus Operations	VCAF	

The ERM Committee discussed the impacts of COVID-19 on operations and risks. While these risks existed prior to the pandemic, they are magnified in the current uncertain environment. Unforeseen challenges and liabilities affect nearly every aspect of university strategy, operations, decision-making, and governance.

ERMC Advisory Group and Risk Management Process Owner Matrix

2020-2022 Cycle Secondary Risks

- Legal liability issues related to or resulting from COVID-19, including, health and safety, student access, and employment matters (EEOC, ADA, etc...)
- ECU's reputation and visibility in large urban areas/competitive markets and with financial supporters
- Business continuity planning that could be insufficient to prevent an operational failure from a disaster or other significant event(s)
- Inability to sustain innovation and economic development due to resource constraints, impacting the engagement with and positive outcomes for eastern NC
- Significant changing regulatory compliance requirements, including healthcare billing, HIPAA, research, athletics, Title IX, personnel, and privacy
- Technology backup, recovery, and continuity and coordination of priorities between IT and functional management
- Lack of dedicated identification and monitoring of sponsored program expenditures and tracking of institutional metrics for externally funded research amplified by inadequate interfaces between information systems used for research
- Affiliated Entities' risk of noncompliance with operating agreements, misalignment with the university's mission, and potential for reputational damage
- Social unrest that could result in unsafe conditions, property damage, or reputational damage (could be related to students, employees, or the general public)
- Conflicts of interest in clinical research and care, could result in loss of external funding and reputational damage
- Employment and equal opportunity compliance, including workplace harassment, discrimination, ADA accommodations, and mental health needs



Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item: IV. B. External Assessment for the
Office of Internal Audit

Responsible Person: Wayne Poole
Director of Internal Audit

Action Requested: Information

Notes:



Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item: IV. C. Review of Selected Recent
Internal Audits

Responsible Person: Wayne Poole
Director of Internal Audit

Action Requested: Information

Notes:



Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item: IV. D. Healthcare Compliance update

Responsible Person: Michelle Deville
Chief Integrity Officer, ECU HIPAA
Privacy Officer and ECU HIPAA Security Officer

Action Requested: Information

Notes:

Office of Institutional Integrity

East Carolina University

Mission: The Office of Institutional Integrity is committed to maintaining the highest standards of ethics, honesty, and integrity. OII supports and enhances the University as it conducts operations in an ethical and law-abiding manner. The office encourages a culture of compliance among employees, faculty, students, and agents by functioning within applicable state and federal healthcare laws and regulations.

Focus and Guidance: Office of Inspector General; Office for Civil Rights; state & federal statutes; ECU policies, procedures; and industry standards.

Routine Activities:

- Monitor Office of Inspector General work plan in relation to billing documentation compliance
- HIPAA Privacy & Security compliance and investigations, breach notifications
- Clinical trials research billing reviews
- Oversee patient chart access logs for health care components
- Pharmacy prescription reviews
- Review any university protected health information system requests for use or transmission
- Review ECU Physicians contracts for regulatory compliance requirements
- Review ECU HIPAA Business Associate Agreements for 3rd party relationships
- Education (Cornerstone/Canvas annual requirements, orientation, ad hoc)
- All compliance investigations (HIPAA, billing and documentation, anonymous concerns)
- Facilitate various compliance committees and workgroups across Health Sciences Division

Activities Fall 2020:

- Monitor, prepare, and implement CMS Fee Schedule Changes for all ECU clinics
- Monitor, implement, and educate on recent updates due to public health emergency regarding billing documentation, HIPAA, telemedicine requirements and waivers
- Finalize ECU HIPAA risk management plan and Office for Civil Rights audit tools
- HIPAA compliance walkthroughs in all ECU patient care clinics
- Implement phase 2 pharmacy prescription reviews within ECUP and SoDM
- Implement a new ECU healthcare compliance policy manual
- HIPAA random auditing on patient disclosure requests and privacy practices
- Implement new compliance software application for OII

Michelle C. DeVille, MPA, CHC, CHPC
Chief Integrity Officer
HIPAA Privacy & Security Officer
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Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item: V. Closed Session

Responsible Person: Wayne Poole
Director of Internal Audit

Action Requested:

Notes:



Audit, Risk Management, Compliance, and Ethics Committee
November 5, 2020

Agenda Item:

VI. Other Business

Responsible Person:

Wayne Poole
Director of Internal Audit

Action Requested:

Notes: