AGENDA
Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

I.   Approval of Minutes – February 10, 2022

II.   Review of Operational Metrics

III. Action Items
    A. FY 2023 Annual Audit Plan (Mr. Wayne Poole)

IV.   Informational Items
    A. Enterprise Risk Management Update (Ms. Stephanie Coleman)
    B. Employee Workforce Risks and Resources (Ms. Kitty Wetherington)
    C. Healthcare Compliance Update (Ms. Michelle DeVille)
    D. University Code of Conduct Update (Mr. Wayne Poole)

V.   Closed Session

VI.   Other Business

Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

Agenda Item: I. Approval of Minutes – February 10, 2022

Responsible Person: Mr. Vince Smith
                                                        Committee Chair

Action Requested: Action

Notes:

Minutes from the Audit, Risk Management, Compliance, and Ethics Committee
February 10, 2022 – 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 February 10, 2022.

Committee members present: Vince Smith (Chair), Angela Moss (Vice Chair), Tom Furr, Jeff Roberts, and Chandler Ward.

Vince Smith, Chair of the Committee, convened the meeting at 1:10 PM. 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. None were reported.

Mr. Smith asked for the approval of the minutes of the November 11, 2021 committee meeting.

Action Item: The minutes of the November 11, 2021 committee meeting were approved with no changes.

Review of **Operational Metrics**

Mr. Wayne Poole reviewed the operational metrics related to Internal Audit, Healthcare Compliance, Research Compliance, and Athletics Compliance.

Internal Audit is on pace to exceed the audit plan completion metric. Auditor productivity is slightly lower than the expectation, due to holidays and illnesses, but Internal Audit expects to meet the target by year-end. The completion rate for management resolving audit recommendations remains high.

The Athletics Compliance and Healthcare Compliance measures are all in the "green" for the year to date.

Action Items

Mr. Poole presented proposed changes to the fiscal year 2022 annual audit plan. One engagement, a follow-up on previous School of Dental Medicine recommendations, was proposed to be postponed until FY 2023 since an outside consultant has been engaged by management to help re-design business processes in the area.

Action: Trustee Ward made a motion to approve the proposed changes as presented in the board materials. Trustee Roberts seconded the motion and it passed unanimously.

Informational Items

Enterprise Risk Management – Ms. Stephanie Coleman
Ms. Coleman presented the University's top enterprise risks matrix, which includes the responsible senior management official for each risk. The matrix includes communications and steps that have been taken on each risk. The matrix also includes information on secondary risks and emerging risks.

Ms. Coleman briefed the committee on the risk identification and prioritization exercise which is currently underway. This process includes staff, faculty, students, administration, and Board members, and will result in the register of top risks and emerging risks being updated. The updated risk register will be reviewed by the Chancellor and Executive Council, shared with this committee at the next meeting, and sent to the UNC System Office by the end of April.

Research Compliance – Dr. Mary Farwell and Ms. Julie Cole
Dr. Farwell and Ms. Cole briefed the committee on a compliance monitoring program that was recently implemented for sponsored research projects. The program focuses on monitoring financial compliance for externally funded grants and contracts and has resulted in better management of these programs. This is a critical program with the rise in external funding over the last six years and the need to continue growing this

source of funding. The committee asked several questions, including the need for additional compliance resources and how ECU ranks in the UNC System in terms of annual external research funding.

Office of Internal Audit – Mr. Wayne Poole
Mr. Poole briefed the committee on recently completed internal audits, including the audit of the University Payroll process and audits related to employee timekeeping. The committee asked several questions about employee timekeeping and risks related to remote work. Mr. Smith also directed the committee members' attention to a recent audit of Clinical Trials and asked that all committee members read that report.

Mr. Poole also briefed the committee on the status of the University-Wide Code of Conduct, which is being developed as directed by Chancellor Rogers because of audit recommendations. The document is currently being vetted and will come before this Board for approval when it's ready.

Closed Session

At 1:50 PM, Trustee Jeff Roberts made a motion to go into Closed Session to protect the confidentiality of personnel information, internal audit workpapers, and other information that is considered confidential pursuant to applicable NC general statutes. The motion was seconded and approved unanimously.

Other Business

The committee returned to open session at 2:10 PM.
There was no other business to discuss, and the committee meeting was adjourned at 2:10 PM.

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

Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

Agenda Item: II. Review of Operational Metrics

Responsible Person: Mr. Wayne Poole
Director of Internal Audit

Action Requested: Information

Notes:

KPI	Measurement	Prior Year	Target	Variance	July	August	September	October	November	December	January	February	March	April	May	June	Total
Audit Plan Completion (Internal Audit)	Percent of projects on annual plan that are completed	88.9%	80%	Plan	6.6%	6.6%	6.6%	6.6%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	80.0%
				Actual	6.6%	8.5%	5.4%	10.8%	7.0%	7.1%	9.7%	5.3%	7.1%				67.5%
				+/-	0.0%	1.9%	-1.2%	4.2%	0.3%	0.4%	3.0%	-1.4%	0.4%				
				YTD +/-	0.0%	1.9%	0.5%	4.9%	5.2%	5.6%	8.6%	7.2%	7.6%				
Auditor Productivity (Internal Audit)	Direct Audit & Consult hrs vs. Total hours	76.9%	75%	Plan	75.0%	75.0%	75.0%	75.0%	75.0%	69.0%	76.0%	76.0%	76.0%	76.0%	76.0%	76.0%	75.0%
				Actual	74.2%	79.4%	77.0%	82.2%	74.5%	59.4%	75.3%	78.0%	76.7%				75.1%
				+/-	-0.8%	4.4%	2.0%	7.2%	-0.5%	-9.6%	-0.7%	2.0%	0.7%				
				YTD +/-	-0.8%	1.0%	1.1%	2.6%	2.0%	-1.1%	-0.7%	-0.2%	0.1%				
Management Corrective Actions Completion Rate (Internal Audit)	Percent of recommendations resolved when IA follows up	97.0%	95%	Plan	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
				Actual	100.00%	100.00%	66.70%	100.00%	100.00%	100.00%	100.00%	83.30%	100.00%				97.00%
				+/-	5.00%	5.00%	-28.30%	5.00%	5.00%	5.00%	5.00%	-11.70%	5.00%				
				YTD %	5.00%	5.00%	-0.90%	0.80%	1.90%	2.50%	2.80%	1.20%	2.00%				100.00%
Number of Rules Education Sessions (Athletics Compliance)	Number of sessions spent educating athletes, staff & others	358	180	Plan	15	15	15	15	15	15	15	15	15	15	15	15	180
				Actual	16	30	22	30	25	19	38	23	42				245
				+/-	1	15	7	15	10	4	23	8	27				
				YTD +/-	1	16	23	38	48	52	75	83	110				
Number of NIL Education and Consultation Sessions (Athletics Compliance)	Sessions spent educating athletes, staff & others (NIL-specific)	NA	24	Plan	2	2	2	2	2	2	2	2	2	2	2	2	24
				Actual	9	9	6	3	2	6	5	5	13				58
				+/-	7	7	4	1	-	4	3	3	11				
				YTD +/-	7	14	18	19	19	23	26	29	40				
Number of Education Sessions (Healthcare Compliance)	Number of sessions spent educating providers and staff	1091	1008	Plan	84	84	84	84	84	84	84	84	84	84	84	84	1008
				Actual	103	89	97	99	90	82	89	91	101				841
				+/-	19	5	13	15	6	-2	5	7	17				
				YTD +/-	19	24	37	52	58	56	61	68	85				
Number of Provider Documentation Reviews (Healthcare Compliance)	Number of providers whose doc. accuracy was reviewed	625	540	Plan	45	45	45	45	45	45	45	45	45	45	45	45	540
				Actual	53	46	66	50	53	47	54	48	54				471
				+/-	8	1	21	5	8	2	9	3	9				
				YTD +/-	8	9	30	35	43	45	54	57	66				
Pass Rate Results of Healthcare Provider Documentation Reviews (Healthcare Compliance)	Percent of reviewed providers receiving a passing score	92.2%	90%	Plan	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
				Actual	97.1%	95.8%	93.8%	88.6%	89.2%	87.9%	91.9%	91.7%	94.4%				92.1%
				+/-	7.1%	5.8%	3.8%	-1.4%	-0.8%	-2.1%	1.9%	1.7%	4.4%				
				YTD +/-	7.1%	6.6%	5.6%	3.7%	2.6%	1.8%	1.8%	1.8%	2.1%				
Employee COI Disclosure Rate (Research Compliance)	Percent of employees who submitted req'd disclosure	99.96%	100%	Plan										90.0%	5.0%	5.0%	100.0%
				Actual													
				+/-													
				YTD +/-													

Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

Agenda Item: III.A FY 2023 Annual Audit Plan

Responsible Person: Mr. Wayne Poole
                                                    Director of Internal Audit

Action Requested: Approval

Notes:

FY 2023 Annual Audit Plan

Office of Internal Audit and Management Advisory Services

ECU

Annual Audit Planning Process – Why?

- Required to comply with IIA Standard 2010
- Required to submit to UNC System Office/BOG
- Determine the priorities of the Internal Audit team based on assessment of risks that may affect ECU's ability to accomplish its objectives
- Coordinate with all compliance and risk units to avoid duplication and ensure key risks are covered

Annual Audit Planning Process – How?

Continuously Assess and Monitor Risk / Update Audit Universe and Plan

Define/Update Audit Universe	Conduct Bottom-Up Risk Assessment	Conduct Top-Down Risk Assessment	Other Items Assessed	Develop Audit Plan	Finalize Plan
• Ensures completeness of risk coverage • Vision, mission, and strategic plan • Latest financial statement • Financial balances • Organization charts, chart of accounts • Recent internal and external audits completed and results	• Ratings based on objective guidance; judgment applied • Criticality of unit • Internal Control • Public or political sensitivity • Legal and regulatory requirements • Changes in management • Financial Impact • Fraud and Abuse	• Facilitated by ERM • Uncovers issues impacting University at an enterprise level • Links to strategic objectives • Identifies most critical risk (strategic, operational, compliance, reputational, financial)	• Review other ECU compliance and assurance providers' plans & reviews • Review latest findings from State Audit reports • Review UNC KPIs and Internal Control Assessments • Discuss with VCs and key management personnel • Review industry literature for emerging risks and hot topics	• Based on prioritized audit universe, top-down assessment • Include management requests • Determine if pending audits from previous plan need to be brought forward • Determine follow-up reviews • Determine available auditor hours	• Share with Vice Chancellors • Approval by Chancellor • Approval by ECU BOT Audit Committee • Submit to UNC SO • Submit to NC Council of Internal Auditing

ECU

Annual Audit Planning Process – Result

- A work plan/list of priorities for the IA team

- Includes hours for unplanned consultations and investigative audits – based on historical trends

- Flexible; can and will change as new priorities emerge

- Changes will be brought to the Chancellor and BOT/Audit Committee for approval

Annual Audit Planning – Next Steps

- Chancellor approved in April 2022

- BOT/Audit Committee approval sought

- Submit to required external agencies

- CAO will keep Chancellor and BOT/Audit Committee apprised of progress and desired changes throughout the year

ECU

Protecting the Pirate Treasure

Project Description		Budgeted Hours	% of Total	Key Risk	Strategy/ Mission	Division
Integrated/Internal Controls/Operational/Performance Audits:						
Automated Journal Entries	WIP	260	1.6%	X		AF
Campus Living	WIP	80	0.5%	X	X	SA
Procurement and Contracting	OP	300	1.8%	X		AF
SoDM Patient Revenue Cycle	OP	300	1.8%	X	X	AA
Campus Rec and Wellness	OP	300	1.8%		X	SA
Succession Planning and Readiness	OP	300	1.8%	X	X	ALL
Sponsored Programs Subrecipient Monitoring	OP	300	1.8%	X		AA
Campus Safety Systems	OP	300	1.8%	X		AF
New Teacher Support Program	OP	300	1.8%		X	AA
Flex and Remote Work - Oversight and Accountability	OP	300	1.8%	X	X	ALL
Employee Supplemental Pay	OP	300	1.8%	X		ALL
		3040	**18.3%**			
Compliance Audits:						
GLBA Safeguards Rule	OP	300	1.8%	X		AF
Athletics Camps and Clinics	OP	300	1.8%	X		AT
Athletics Team Policies	OP	160	1.0%	X		AT
		760	**4.6%**			
Information Technology Audits:						
Employee Enterprise Account Terminations	OP	200	1.2%	X		AF
IT Controls - College of Engineering and Technology	OP	300	1.8%	X		AA
IT Controls - School of Dental Medicine	OP	300	1.8%	X		AA
Outward Facing Servers	OP	300	1.8%	X		AF
		1100	**6.6%**			
Investigative Reviews:						
Hotline Allegations Triage	OP	140	0.8%			ALL
Investigative Reviews - Already In Progress	WIP	200	1.2%			
Investigative Reviews - Not Yet Received/Started	OP	1300	7.8%			
		1640	**9.9%**			
Follow-Up Reviews:						
Action Plan Tracking and Follow-Up	OP	600	3.6%			ALL
IT Vulnerability Management	OP	120	0.7%	X		AF
Conflict of Interest Management Plans	OP	120	0.7%	X		AA
MCNC ISO-27002 Recommendations	OP	120	0.7%	X		AF
Campus Living Hiring Process	OP	80	0.5%	X		SA
		1040	**6.3%**			
Consultations/Management Advisory Services						
Routine and Unplanned Consultations	OP	700	4.2%			ALL
Routine Data Analytics Support for Clients	OP	400	2.4%			ALL
University Committees, Workgroups, Education, and Client Relations	OP	400	2.4%			ALL
ERM Program Support	OP	100	0.6%			AF
Student Athlete Course Clustering	OP	60	0.4%			AA
Youth Programs/Minors on Campus Consult	OP	200	1.2%			SA
University Policy Process	OP	100	0.6%			CH
		1960	**11.8%**			
Other/Special Projects:						
External Audits, SBI Reports, Routine Mtgs	OP	1200	7.2%			ALL
Audit Software Admin and Maintenance	OP	200	1.2%			NA

OP=Original Plan
WIP=Carry over from prior year
ADD=Added since July 1
CX=Cancelled
PPD=Postponed

Project Description		Budgeted Hours	% of Total	Key Risk	Strategy/ Mission	Division
Student Intern Program	OP	120	0.7%			NA
Increase EnCase Forensic Capabilities	WIP	100	0.6%			NA
Risk Assessment/Audit Planning 2023-2024	OP	100	0.6%			ALL
Required IA Self-Assessment	OP	240	1.4%			CH
University Code of Conduct	WIP	40	0.2%			CH
UNCAA Conference Host 2022	WIP	200	1.2%			CH
		2200	13.2%			
Total Direct/Chargeable Hours		**11740**	**71%**			
Administration		1800	10.8%			NA
Leave/Holiday		2300	13.8%			NA
Professional Development		800	4.8%			NA
Total Indirect Hours:		**4900**	**29%**			
Grand Total Hours		**16640**	**100%**			

Original Plan Approved by Chancellor Rogers on April 12, 2022

Original Plan Approved by ECU Board of Trustees on

OP=Original Plan
WIP=Carry over from prior year
ADD=Added since July 1
CX=Cancelled
PPD=Postponed

Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

Agenda Item: IV. A. Enterprise Risk Management Update

Responsible Person: Ms. Stephanie Coleman
Vice Chancellor for
Administration and Finance

Action Requested: Information

Notes:

East Carolina University Enterprise Risk Management
2022-2024 Cycle Top Risks (as of March 2022)

Risk	Advisory Team(s)	Sponsor(s)	Updates
University workforce challenges: Recruiting and retaining qualified and diverse faculty and staff, including healthcare professionals; Retaining institutional knowledge for long-term success and sustainability; Competitive compensation; Faculty and staff wellness, stress, and burnout concerns; Morale and effectiveness of the workforce. Employee flexibility and remote work are key ways to mitigate these challenges, but these opportunities present risks related to cybersecurity, tax, export controls, compliance, and accountability of University assets.	Cabinet, Human Resources	VCAF	
University financial sustainability: The ability to maintain sustainable revenues from all sources (enrollment, auxiliaries, appropriations), understanding the impacts of the new funding model, and the impact of economic conditions during the period covered by this risk assessment	Cabinet, Finance	VCAF	
Student recruitment and retention in an increasingly competitive market, magnified by reputation/perception challenges outside eastern NC	Strategic Enrollment Planning Team	Provost	
Cyber threats (from external and internal sources) to the confidentiality, integrity, and availability of data and information systems	CIO, CISO	VCAF	
Position vacancies in key areas resulting in weakening of internal controls	Cabinet, Internal Audit	All VCs	
Student crisis management, including food/housing insecurity, mental and physical health, and other urgent needs	Cabinet, Student Affairs	VCSA	
Maintaining campus infrastructure, including routine and deferred maintenance, and hiring of external contractors/service providers	Campus Operations	VCAF	
Continuing senior leadership transitions and reorganization, consistency and stability at the top, and impact on university's reputation, culture, strategy, goals, and sharing of information across divisions and units	Cabinet	Chancellor	
Clinical Healthcare: financial sustainability, dependence on external relationships for healthcare delivery, and risks related to the ECU Health integration	BSOM Dean	Chancellor, BSOM Dean	
Significant changing regulatory compliance requirements, including healthcare, HIPAA, research, foreign influence/research security, DoD cybersecurity requirements, athletics, Title IX, personnel, pandemic relief funding, equal opportunity, and privacy	Legal Affairs, Internal Audit, Compliance Offices	Chancellor, VC Legal Affairs	

East Carolina University Enterprise Risk Management
2022-2024 Cycle Secondary Risks
(These were considered by the ERM Committee but are not presently considered "top risks")

- ECU's reputation and visibility in large urban areas/competitive markets and with financial supporters (donors, legislators)
- Governance relationships and the impact on ECU's reputation, budget, and support *(in the top 10 during our previous risk cycle)*
- Sustainability of academic and student support programming and services and ability to meet student needs and parent and societal expectations, especially in the current environment *(in the top 10 during our previous risk cycle)*
- Technology backup, recovery, and continuity and coordination of priorities between IT and functional management
- Increased risk in academic integrity issues with the number of remote students and exams
- Legal liability issues specifically related to or resulting from COVID-19, including health and safety, student access, long-term accommodations, and employment matters (EEOC, ADA, etc.)
- Inability to sustain innovation and economic development due to resource constraints, impacting the engagement with and positive outcomes for eastern NC
- Business continuity planning that could be insufficient to prevent an operational failure from a disaster or other significant event(s)
- Lack of dedicated identification and monitoring of sponsored program expenditures and tracking of institutional metrics for externally funded research amplified by inadequate interfaces between the information systems used for research
- Conflicts of interest in research and patient care, which could result in loss of external funding and reputational damage
- 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)

East Carolina University Enterprise Risk Management
Emerging Risks as of March 2022

- Inability to sustain extramural research and sponsored programs due to resource constraints, impacting faculty scholarship, discoveries and advances, faculty recruitment and retention, and student engagement.
- Responding to the changing demographics of our students. Adult learners' needs will be different than traditional college-aged students. Adult learners will not be as interested in student affairs services such as clubs, organizations, activities, etc., or perhaps athletics. The University will need to right-size these and other services to meet the needs of our different student populations.

Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

Agenda Item: IV. B. Employee Workforce Risks and Resources

Responsible Person: Ms. Kitty Wetherington
                                                Associate Vice Chancellor
                                           & Chief Human Resources Officer

Action Requested: Information

Notes:

Faculty & Staff Assistance Program

- Confidential Counseling
- Legal Support & Resources
- Financial Information & Services
- Work-Life Balance Solutions

ECU Mindful

- Life XT Mindfulness Coaching Sessions
- Book Club- Start Here: Master the Lifelong Habit of Wellbeing
- On-demand Learning Courses

UNC System Employee Engagement Survey

- Third Iteration of the Survey in the 2017 UNC System Strategic Plan
- Pulse survey
- Analysis and action planning scheduled for Summer 2022

Audit, Risk Management, Compliance, and Ethics Committee

April 28, 2022

Agenda Item: IV. C. Healthcare Compliance Update

Responsible Person: Ms. Michelle DeVille
Chief Integrity Officer
ECU HIPAA Privacy Officer
ECU HIPAA Security Officer

Action Requested: Information

Notes:

Office of Institutional Integrity

KPI Summary CY 2021

- Total Education Sessions: 1125

    (Includes provider documentation, NEO/online trainings, HIPAA education, ad-hoc)

- Total Providers Reviewed (documentation reviews): 629

- Provider Pass Rate: 92.2%

Exceptional documentation review scores considering national public health emergency, and the continuous CMS telehealth and routine documentation revisions.

External & Special Compliance Reviews CY 2021

Total Patient Charts Reviewed: 1,888

1) External Audits: 5 audits/27 charts

2) Special Audits: 13 audits/1631 charts

3) OIG Audits: 10 audits/230 charts

ECU ®

Additional Compliance Reviews CY 2021

1,771 patient chart reviews

1) Benchmark : 280 patient charts
2) Clinical Trials: 703 patient charts/47 errors
3) Controlled Substance : 788 patient charts/no errors

ECU Data Compliance: HIPAA

OII monitors 233 ECU HIPAA systems

- CY 2021:
  - Total HIPAA investigations CY 2021: 325
  - Total HIPAA violations CY 2021: 29

- Completed various walk-throughs in clinical areas, monitoring of HIPAA standards, and education
- Focus for 2022: Random audit reviews on access management & workforce clearance procedures/termination procedures

ECU Data Compliance: Identity Theft Protection

Identity Theft Protection Committee

- Oversee compliance of the North Carolina Identity Theft Protection Act at ECU with respect to the collection, segregation, disclosure, and security of SSN's

- Membership consists of 10 individuals ECU-wide

- 2022:
  - ITP University Regulation
  - Create inventory system
  - Education

QUESTIONS?

Office of Institutional Integrity

Website: https://institutional-integrity.ecu.edu

Email: INTEGRITYCOMPLIANCE@ECU.EDU

Michelle C. DeVille, MPA, CHC, CHPC
Chief Integrity Officer
ECU HIPAA Privacy & Security Officer
devillem18@ecu.edu

Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

Agenda Item: IV. D. University Code of Conduct Update

Responsible Person: Mr. Wayne Poole
                                                Director of Internal Audit

Action Requested: Information

Notes:

Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

Agenda Item: V. Closed Session

Responsible Person: Mr. Wayne Poole
Director of Internal Audit

Action Requested:

Notes:

Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022

Agenda Item: VI. Other Business

Responsible Person: Mr. Wayne Poole
                                                            Director of Internal Audit

Action Requested:

Notes: