

AGENDA
Audit, Risk Management, Compliance, and Ethics Committee
September 15, 2022

- I. Approval of Minutes – April 28, 2022
- II. Review of Operational Metrics (FY 2022 and FY 2023)
- III. Action Items
 - A. None
- IV. Informational Items
 - A. Internal Audit Update (Mr. Wayne Poole)
 - Charters and Annual Report
 - Self-Assessment Results
 - B. Enterprise Risk Management Update (Ms. Stephanie Coleman)
 - C. Healthcare Compliance Update (Ms. Michelle DeVille)
 - D. Recent Internal Audits (Mr. Wayne Poole)
 - E. Athletics Compliance/NIL (no discussion; review Board materials)
- V. Closed Session
- VI. Other Business



Audit, Risk Management, Compliance, and Ethics Committee
September 15, 2022

Agenda Item: I. Approval of Minutes - April 28, 2022

Responsible Person: Mr. Vince Smith
Committee Chair

Action Requested: Action

Notes:

**Minutes from the Audit, Risk Management, Compliance, and Ethics Committee
April 28, 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 April 28, 2022.

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

Vince Smith, Chair of the Committee, convened the meeting at 1:15 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 February 10, 2022 committee meeting.

Action Item: The minutes of the February 10, 2022 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. All measures are in the “green” for the year to date.

Action Items

Mr. Poole presented the proposed fiscal year 2023 annual audit plan and discussed how the plan was developed. He advised that the plan has been approved by Chancellor Rogers.

Action: Trustee Roberts made a motion to approve the proposed annual audit plan as presented in the board materials. Trustee Furr seconded the motion and it passed unanimously.

Informational Items

Enterprise Risk Management – Ms. Stephanie Coleman

Vice Chancellor Coleman briefed the committee on the risk identification and prioritization exercise which was recently completed. This process included staff, faculty, students, and administration and resulted in the register of top risks and emerging risks being updated. Ms. Coleman presented the updated risk register, which has been accepted by the Chancellor and Executive Council and is required to be submitted to the UNC System Office.

University Workforce Risks and Resources – Ms. Sara Lilley

Ms. Lilley provided an update on employee well-being and assistance programs. These programs are valuable tools in managing the risks related to the University workforce. Workforce challenges are the top risk in the enterprise risk register.

Healthcare Compliance/Office of Institutional Integrity – Ms. Michelle DeVille

Ms. DeVille provided an update on the recent activities of the Office of Institutional Integrity. These activities include healthcare billing compliance, HIPAA compliance, and other ECU data compliance responsibilities.

Update on University Employee Code of Conduct – Mr. Wayne Poole

Mr. Poole briefed the committee on the status of the draft University-wide Employee Code of Conduct. This policy is intended to address a gap between ECU’s compliance infrastructure and the federal guidelines for organizational compliance programs. Mr. Poole advised that feedback has been received from the Faculty Senate and from other employee groups. The feedback is being incorporated into the document. Mr. Poole advised that the Faculty Senate wishes to review the document again when they resume business in the Fall of



**Minutes from the Audit, Risk Management, Compliance, and Ethics Committee
April 28, 2022 – Main Campus Student Center and Online Meeting**

2022. Because of the compliance implications, Committee Chair Vince Smith requested that the document be brought to the Board of Trustees for review and approval at the July 2022 meeting.

Closed Session

At 1:46 PM, Trustee Burt 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 by Trustee Roberts and approved unanimously.

Other Business

The committee returned to open session at 2:27 PM.
There was no other business to discuss, and the committee meeting was adjourned at 2:27 PM.

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



Audit, Risk Management, Compliance, and Ethics Committee
September 15, 2022

Agenda Item: II. Review of Operational Metrics

Responsible Person: Mr. Wayne Poole
Director of Internal Audit

Action Requested: Information

Notes:



CEO Tracking Sheet
Fiscal Year - 2022

Audit, Risk Management, Compliance & Ethics Committee

KPI	Measurement	Prior Year	Target	Variance	July	August	September	October	November	December	January	February	March	April	May	June	Total			
					Plan	Actual	+ / -	YTD +/-	Plan	Actual	+ / -	YTD +/-	Plan	Actual	+ / -	YTD +/-	Plan	Actual	+ / -	YTD +/-
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%	6.7%	80.0%		
				Actual	6.6%	8.5%	5.4%	10.8%	7.0%	7.1%	9.7%	5.3%	7.1%	7.4%	4.1%	11.9%	90.9%			
				+ / -	0.0%	1.9%	-1.2%	4.2%	0.3%	0.4%	3.0%	-1.4%	0.4%	0.7%	-2.6%	5.2%				
				YTD +/-	0.0%	1.9%	0.5%	4.9%	5.2%	5.6%	8.6%	7.2%	7.6%	8.3%	5.7%	10.9%				
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%	76.0%	75.0%		
				Actual	74.2%	79.4%	77.0%	82.2%	74.5%	59.4%	75.3%	78.0%	76.7%	76.4%	77.3%	81.4%	75.8%			
				+ / -	-0.8%	4.4%	2.0%	7.2%	-0.5%	-9.6%	-0.7%	2.0%	0.7%	0.4%	1.3%	5.4%				
				YTD +/-	-0.8%	1.0%	1.1%	2.6%	2.0%	-1.1%	-0.7%	-0.2%	0.1%	0.2%	0.4%	0.8%				
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%	95.00%		
				Actual	100.00%	100.00%	66.70%	100.00%	100.00%	100.00%	100.00%	83.30%	100.00%	100.00%	100.00%	100.00%	97.40%			
				+ / -	5.00%	5.00%	-28.30%	5.00%	5.00%	5.00%	5.00%	-11.70%	5.00%	5.00%	5.00%	5.00%				
				YTD %	5.00%	5.00%	-0.90%	0.80%	1.90%	2.50%	2.80%	1.20%	2.20%	2.20%	2.30%	2.40%				
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	15	180		
				Actual	16	30	22	30	25	19	38	23	42	22	17	19	303			
				+ / -	1	15	7	15	10	4	23	8	27	7	2	4				
				YTD +/-	1	16	23	38	48	52	75	83	110	117	119	123				
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	2	24		
				Actual	9	9	6	3	2	6	5	5	13	5	3	6	72			
				+ / -	7	7	4	1	-	4	3	3	11	3	1	4				
				YTD +/-	7	14	18	19	19	23	26	29	40	43	44	48				
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	84	1008		
				Actual	103	89	97	99	90	82	89	91	101	92	93	97	1123			
				+ / -	19	5	13	15	6	-2	5	7	17	8	9	13				
				YTD +/-	19	24	37	52	58	56	61	68	85	93	102	115				
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	45	540		
				Actual	53	46	66	50	53	47	54	48	54	54	50	52	627			
				+ / -	8	1	21	5	8	2	9	3	9	9	5	7				
				YTD +/-	8	9	30	35	43	45	54	57	66	75	80	87				
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%	90.0%		
				Actual	97.1%	95.8%	93.8%	88.6%	89.2%	87.9%	91.9%	91.7%	94.4%	91.7%	91.2%	88.6%	91.7%			
				+ / -	7.1%	5.8%	3.8%	-1.4%	-0.8%	-2.1%	1.9%	1.7%	4.4%	1.7%	1.2%	-1.4%				
				YTD +/-	7.1%	6.6%	5.6%	3.7%	2.6%	1.8%	1.8%	1.8%	2.1%	2.1%	2.0%	1.7%				
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												94.8%	3.9%	1.30%	100.00%	
				+ / -																
				YTD +/-													4.8%	3.7%	0.00%	



Audit, Risk Management, Compliance, and Ethics Committee
September 15, 2022

Agenda Item: III. Action Items

Responsible Person: Mr. Wayne Poole
Director of Internal Audit

Action Requested:

Notes: There are no action items from committee at this time



Audit, Risk Management, Compliance, and Ethics Committee
September 15, 2022

Agenda Item: IV. A. Internal Audit Update

- Charters and Annual Report
- Self-Assessment Results

Responsible Person: Mr. Wayne Poole
Director of Internal Audit

Action Requested: Information

Notes:



Audit, Enterprise Risk Management, Compliance, and Ethics Committee Charter

Purpose

The purpose of the Audit, Enterprise Risk Management, Compliance, and Ethics Committee (hereafter referred to as Committee) is to assist the East Carolina University Board of Trustees in fulfilling its oversight responsibilities for (1) the integrity of the University's financial statements, (2) the University's compliance with legal, regulatory, and ethical requirements, (3) the performance of the University's internal audit function, (4) the University's compliance with the Best Financial Practices Guidelines adopted by the UNC Board of Governors in November of 2005, and (5) the University's Information and IT Security programs. The Committee has jurisdiction over internal audit, enterprise risk management, compliance, information security, conflicts of interest, and ethics.

Organization

The Committee shall be a standing committee of the ECU Board of Trustees. Each Committee member must be independent of management and free of any relationship that would impair such independence.

If practicable, at least one member of the Committee should be a financial expert. A financial expert is someone who has an understanding of generally accepted accounting principles and financial statements; experience in applying such principles; experience in preparing, auditing, analyzing, or evaluating financial information; experience with internal controls and procedures for financial reporting; and an understanding of the audit committee function. If feasible, the role of financial expert will be rotated on an annual basis.

Meetings

The Committee shall meet at least four times a year and hold additional meetings as circumstances require. The Committee will invite representatives of management, auditors, legal counsel, and others to attend meetings and provide pertinent information as necessary. The Committee will receive reports regarding internal audit, enterprise risk management, compliance, conflicts of interest, and ethics. It will also hold private meetings with the Chief Audit Officer if deemed necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes of the meetings will be prepared.



Audit, Enterprise Risk Management, Compliance, and Ethics Committee Charter

Duties and Responsibilities

The following shall be the principal duties and responsibilities of the Committee as prescribed by the UNC BOG Best Financial Practices Guidelines:

- Meet at least quarterly during the year.
- Review the results of the annual financial audit with the North Carolina State Auditor or his/her designated representative.
- Discuss the results of any other audit performed and report/management letter (i.e. information system audits, investigative audits, etc.) issued by the North Carolina State Auditor with either the State Auditor or his/her staff, the Chief Audit Officer, or appropriate campus official.
- For any audit finding contained within a report or management letter issued by the State Auditor, review the institution's corrective action plan and receive a report once corrective action has taken place.
- Discuss the results of any audit performed by independent auditors and, if there were audit findings, review the institution's corrective action plan and receive a report once corrective action has taken place.
- Review all audits and management letters of University Associated Entities as defined in section 600.2.5.2[R] of the UNC Policy Manual.
- Receive regular reports from the Chief Audit Officer that, at a minimum, reports material (significant) reportable conditions, the corrective action plan for these conditions and a report once these conditions have been corrected.
- Ensure that the Chief Audit Officer reports to the Chancellor with a clear, recognized reporting relationship to the chair of the Committee.
- Receive, review, and approve the annual audit plan for the internal audit department.
- Ensure that all internal audits were conducted in accordance with professional standards.
- Receive and review an annual summary of audits performed by the internal audit department.
- Ensure the Chief Audit Officer forwards copies of both the approved audit plan and summary of internal audit results to UNC System Office in the prescribed format.



Audit, Enterprise Risk Management, Compliance, and Ethics Committee Charter

Other Committee Responsibilities

- Review and concur in the appointment, replacement, or dismissal of the Chief Audit Officer and the compensation package.
- Review and assure the internal audit function has appropriate budget and staff resources.
- Review and accept internal audit reports when issued.
- Periodically review and revise the internal audit charter and the committee's charter as needed.
- Resolve disagreements between internal audit and management concerning audit findings and recommendations.

This version approved by the Committee by formal vote on September 9, 2021.



Internal Audit Charter

Mission and Scope of Work

The mission of the Office of Internal Audit and Management Advisory Services (OIAMAS) is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight.

The scope of work of the OIAMAS is to determine whether the organization's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the organization's control process.
- Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.

Opportunities for improving management control and the organization's image may be identified during audits. They will be communicated to the appropriate level of management.

Accountability

The Chief Audit Officer, in the discharge of his/her duties, shall be accountable to the East Carolina University Board of Trustees through the Audit, Enterprise Risk Management, Compliance, and Ethics Committee (hereafter referred to as Committee) and the Chancellor to:

- Provide assessments on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.



Internal Audit Charter

- Periodically provide information on the status and results of the annual audit plan and the sufficiency of the internal audit department resources.
- Coordinate internal activities with other monitoring functions such as risk management, compliance, IT and information security, legal, ethics, environmental, and external audits.

Independence and Objectivity

The internal audit activity should be free from interference in determining the scope of internal auditing, performing work, and communicating results. To provide for the independence of the OIAMAS, its personnel report to the Chief Audit Officer, who reports administratively to the Chancellor and functionally to the Committee. The Chief Audit Officer shall have full and independent access to the Chancellor and the Committee.

Functional oversight by the Committee includes:

- Approve the annual internal audit plan and monitor progress quarterly.
- Review and accept internal audit reports when issued.
- Periodically review and revise the internal audit charter as needed.
- Confirm and assure the independence of the internal audit function.
- Review and concur in the appointment, replacement, or dismissal of the Chief Audit Officer and the compensation package.
- Review and assure the internal audit function has appropriate budget and staff resources.
- Meet privately with the Chief Audit Officer as deemed necessary.
- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing*.
- Resolve disagreements between internal audit and management concerning audit findings and recommendations.

Administrative oversight by the Chancellor includes day-to-day oversight such as approval of Chief Audit Officer annual leave and travel.

Responsibility

The Chief Audit Officer and staff of OIAMAS have responsibility to:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Chancellor and the Committee for review and approval as well as periodic updates.

Internal Audit Charter

- Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by management, the Chancellor, the Vice President of Compliance and Audit Services of the UNC System, external auditors, and the Committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the Internal Audit Charter.
- Evaluate and assess significant functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to management, the Chancellor and the Committee summarizing results of audit activities.
- Keep the Chancellor and the Committee informed of emerging trends and successful practices in internal auditing.
- Provide a list of significant measurement goals and results to the Chancellor and the Committee.
- Conduct investigations of alleged misuse of University resources and assist with other investigations as requested by the Chancellor, University Counsel, and/or others as appropriate.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization.
- Serve as a liaison between University management and external auditors.
- Provide assurance services¹ to the Chancellor and the Committee.
- As appropriate, provide consulting and advisory services² to management that add value and improve the governance, risk management, and control processes without the internal auditor assuming management responsibility.
- Establish a quality assurance program by which the Chief Audit Officer monitors and continually improves the operation of internal audit activities.
- Ensure the requirements are met with regard to internal audit activities as set forth by UNC Board of Governors, UNC System Office, North Carolina General Statutes, and the North Carolina Council of Internal Auditing.

¹ Assurance services involves an objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system, or other subject matter. The nature and scope of the assurance services are determined by the internal auditor.

² Consulting and advisory services are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client.



Internal Audit Charter

Authority

The Chief Audit Officer and the staff of OIAMAS are authorized to:

- Have unrestricted access to all functions, records, property, and personnel in accordance with North Carolina General Statutes.
- Allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish audit objectives.
- Provide consulting services to management as deemed appropriate.

The Chief Audit Officer and the staff of OIAMAS are not authorized to:

- Perform any operational duties for the organization or its affiliates.
- Initiate or approve accounting transactions external to OIAMAS.
- Direct the activities of any organization employee not employed by OIAMAS, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

Standards of Internal Auditing

The internal audit profession is covered by the International Professional Practice Framework of The Institute of Internal Auditors. This framework includes mandatory elements consisting of Core Principles, the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing*. The OIAMAS will meet or exceed these mandatory requirements of the profession.

Revised Version Approved by the BoT Audit Committee on September 9, 2021.

Pirate Auditors

**Office of Internal Audit and
Management Advisory Services**

FY 2022 Annual Report

Our Core Values...

Selflessness

Ownership

Unity

Larger Purpose

Pirate Auditor Facts

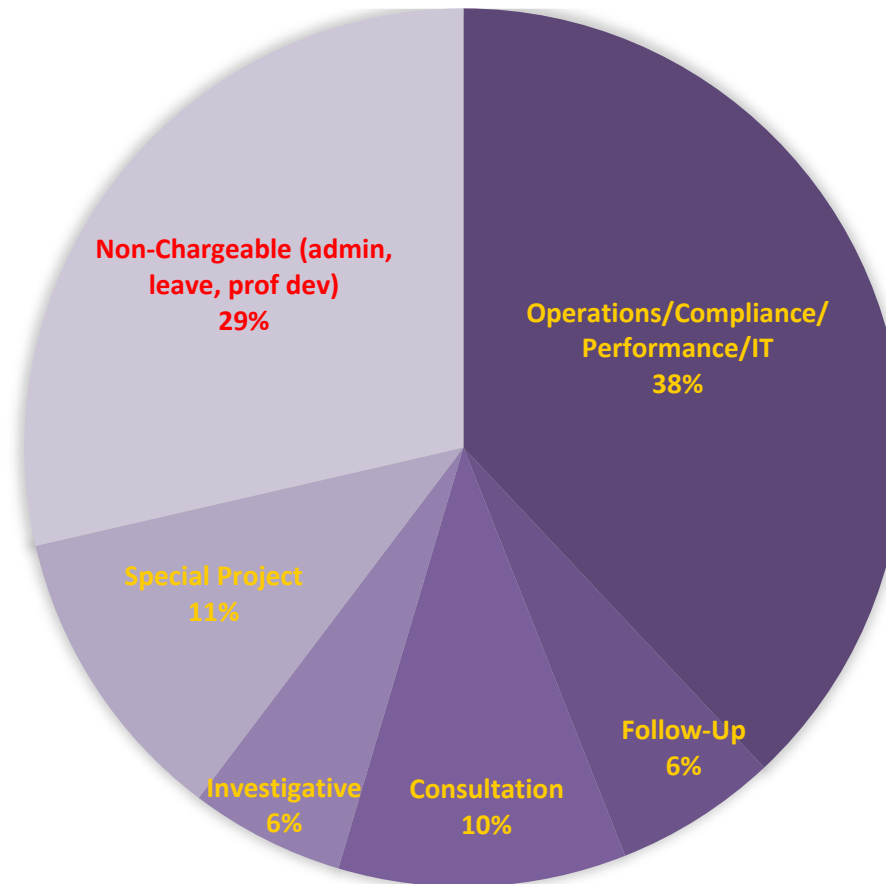
- Eight FTEs + One intern
 - CAO, six auditors/supervisors, one program specialist
- Eight advanced degrees (MSA, MBA)
- 11 professional certifications (CPA, CIA, CFE, CISA, CHC, CHRC)
- Over 110 years combined audit experience

FY 2022 by the Numbers

- Audit Plan Completion: **90.9%** (target is $\geq 80\%$)
- Auditor Productivity (chargeable hours): **75.8%**
(target is $\geq 75\%$)
- Projects completed: 50
- Formal (reportable) recommendations: 93
- Monetary recovery and cost savings ID'd:
\$91,755* (other recommendations will increase efficiency and save costs over time; not yet quantifiable)
- Hotline Triage: **23**
- Consultations: **102**
- Committees/Workgroups: **18**

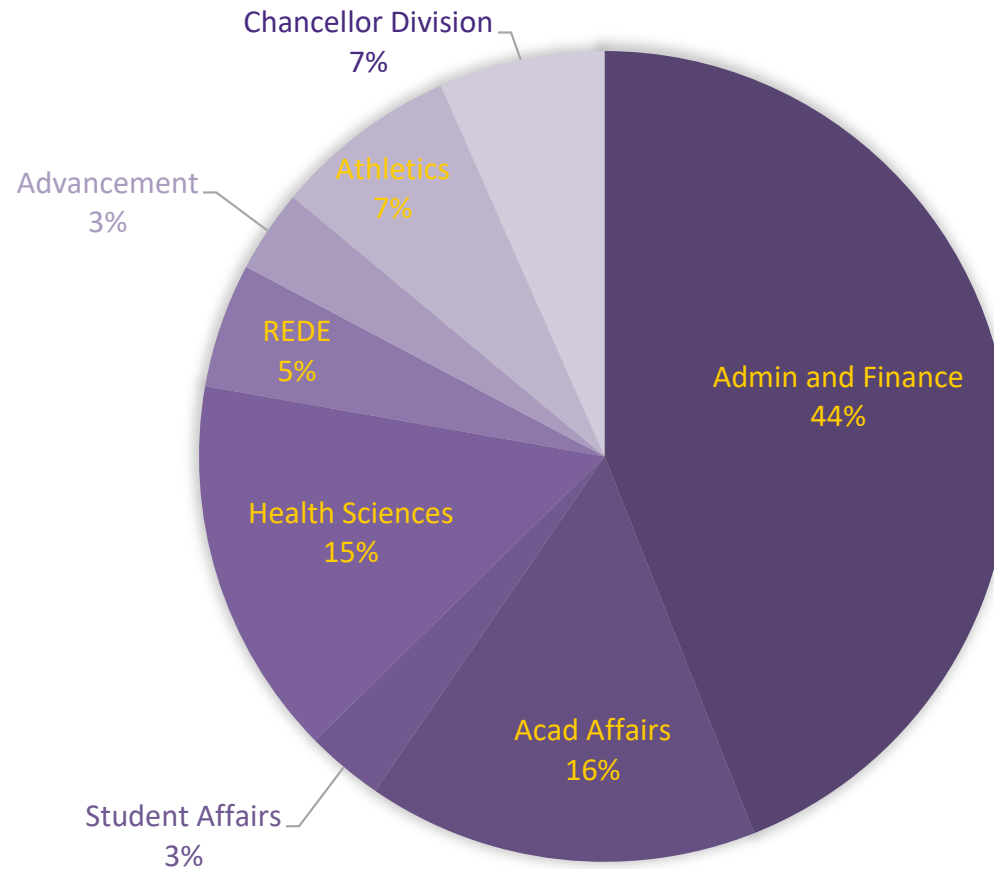
How we spent our time

Total Annual Hours by Project Type (Entire team – all positions)



Who We Served –

Percentage of chargeable time by Division



Key Accomplishments

- Executed a very ambitious audit plan
- Covered high risk and high opportunity areas (pandemic relief funding, cybersecurity, healthcare, research, expenses/resources/fiscal responsibility)
- Assisted numerous external auditors
- Led development of University-wide Code of Conduct
- Helped facilitate the ERM Committee
- Developed new analytics tools for management
- Continued our strong relationships with other ECU compliance professionals

Committees & Service to the University

Just a small sample...

- ERM Committee coordination
- AICFR
- HIPAA
- Data Stewardship
- Data Analytics Workgroup
- Flexible and Remote Work Committee
- PCI Compliance
- Research Compliance
- BSOM Compliance
- SACS Accreditation workgroups
- Youth Programs Advisory Board
- University Policy Committee

Service to the State & Profession

Just a small sample...

- Statewide workgroup on IA productivity measures
- UNC Auditors Association
- Guest lecturers for ECU College of Business students

Education and Outreach to Campus

(Internal controls, risk, compliance, fraud, the role of IA)

- Financial Services Workshop
- New Deans and Directors Orientation
- Materials for New Employee Orientation
- Intro to IA for CoB Accounting Students

Community Service and Support

- Ronald McDonald House of ENC
- ALS Association
- Humane Society of Eastern Carolina
- United Way of Pitt County
- Greenville Community Shelters

Disclosures (per IIA Standards)

During FY 2022 we have the following to report:

- No impairments to IA's independence or objectivity
- No instances where a specific engagement did not conform to the *Standards*
- No instances of management acceptance of risks that must be reported to the Board of Trustees

Feedback from our Clients...

“Thank you and your team for the great work we have all become accustomed to each and every day.”

Feedback from our Clients...

“You and your team do impressive work.”

Feedback from our Clients...

“Your team has to become an expert in so many things around this institution...and you really are experts. We really appreciate your input.”

Feedback from our Clients...

“Please know that I have so enjoyed working with you and your staff. We have a great partnership and have worked through many items of concern along the way.”

Feedback from our Clients...

“[The auditor] listened, showed empathy, was pleasant to work with, and truly wanted to help us improve. I was surprised. Thank you!”

Feedback from our Clients...

“I appreciate the professionalism of your team and their suggestions throughout the process.”

Feedback from our Clients...

“We have enjoyed working with you to further understand and strengthen [our program]. Thank you for being a great resource on campus and making auditing enjoyable”

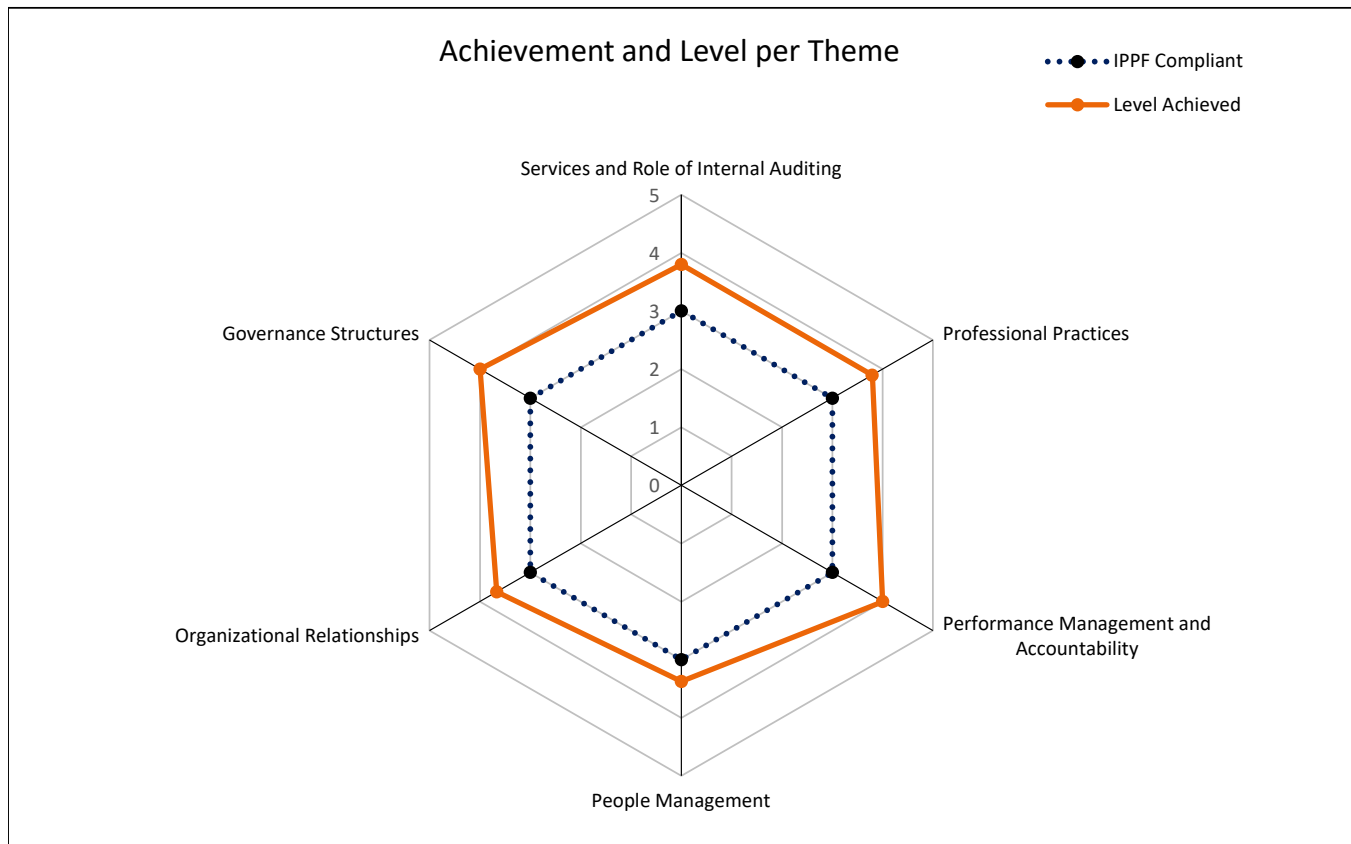
Feedback from our Clients...

“We are grateful for your team’s patience and understanding throughout the process...It was nice to work with such a helpful and responsive group.”

Pirate Auditors

*Serving with excellence and
the SOUL of a championship team!*

Theme	IPPF Compliant	Level Achieved
Services and Role of Internal Auditing	3	3.8
Professional Practices	3	3.8
Performance Management and Accountability	3	4.0
People Management	3	3.4
Organizational Relationships	3	3.7
Governance Structures	3	4.0



DASHBOARD PER TOPIC

Theme	Topic	Level achieved
Services and Role of Internal Auditing	Assurance services	3.6
	Consulting services	4.0
Professional Practices	Audit plan	3.8
	Quality Assurance	3.8
Performance Management and Accountability	Internal Audit Function Plan	4.0
	Reporting	4.0
People Management	Professional Development	3.8
	HR Planning	3.0
Organizational Relationships	Organizational Relationships	3.7
Governance Structures	Management and oversight of the IA activity	3.5
	Access and awareness	4.5



Audit, Risk Management, Compliance, and Ethics Committee
September 15, 2022

Agenda Item: IV. B. 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 September 2022)**

Risk	Advisory Team(s)	Sponsor(s)	Updates
<p>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.</p> <p>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.</p>	Cabinet, Human Resources	VCAF	Update to Audit Committee Apr 2022. Various institutional and UNC System initiatives in progress.
<p>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</p>	Cabinet, Finance	VCAF	Recurring financial updates to Finance and Facilities Committee.
<p>Student recruitment and retention in an increasingly competitive market, magnified by reputation/perception challenges outside eastern NC</p>	Strategic Enrollment Planning Team	Provost	Continuous efforts and recurring updates to University Affairs Committee.
<p>Cyber threats (from external and internal sources) to the confidentiality, integrity, and availability of data and information systems</p>	CIO, CISO	VCAF	Numerous reviews and mitigation efforts underway. Briefing for Audit Committee Sep 2022.
<p>Position vacancies in key areas resulting in weakening of internal controls</p>	Cabinet, Internal Audit	All VCs	Reviewed during annual self-assessment of internal controls and as part of internal audits.
<p>Student crisis management, including food/housing insecurity, mental and physical health, and other urgent needs</p>	Cabinet, Student Affairs	VCSA	
<p>Maintaining campus infrastructure, including routine and deferred maintenance, and hiring of external contractors/service providers</p>	Campus Operations	VCAF	
<p>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</p>	Cabinet	Chancellor	
<p>Clinical Healthcare: financial sustainability, dependence on external relationships for healthcare delivery, and risks related to the ECU Health integration</p>	BSOM Dean	Chancellor, BSOM Dean	
<p>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</p>	Legal Affairs, Internal Audit, Compliance Offices	Chancellor, VC Legal Affairs	Regulatory Compliance Workgroup formed per Chancellor's direction, Aug 2022. Update to BOT Sep 2022.

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 September 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.
- **Monitoring the monkeypox situation and any other public health and safety issues that arise with the return of students to campus.**



Audit, Risk Management, Compliance, and Ethics Committee
February 10, 2022

Agenda Item: IV. C. Healthcare Compliance

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

Action Requested: Information

Notes:

Office of Institutional Integrity

- **OII Reporting Structure**
- **Status of ECU Health and OII Compliance Activities**
 - **Co-Chair, ECU Health Corporate Audit & Compliance Steering Committee**
 - **Privacy Shared Services**
(Investigations, Education, Policies)
 - **Compliance Shared Services**





Audit, Risk Management, Compliance, and Ethics Committee
September 15, 2022

Agenda Item: IV. D. Recent Internal Audits

Responsible Person: Mr. Wayne Poole
Director of Internal Audit

Action Requested: Information

Notes:



Audit, Risk Management, Compliance, and Ethics Committee
September 15, 2022

Agenda Item: IV. E. Athletics Compliance/NIL

Responsible Person: Mr. Wayne Poole
Director of Internal Audit

Action Requested: Information

Notes: (no discussion; review Board materials)



Audit, Risk Management, Compliance, and Ethics Committee
September 15, 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
September 15, 2022

Agenda Item: VI. Other Business

Responsible Person: Mr. Wayne Poole
Director of Internal Audit

Action Requested:

Notes: