

AGENDA
Audit, Risk Management, Compliance, and Ethics Committee
February 15, 2024

- I. Approval of Minutes – November 30, 2023
- II. Review of Operational Metrics
- III. Action Items – NONE
- IV. Informational Items
 - A. Enterprise Risk Management Update (Ms. Stephanie Coleman)
 - B. Office of Institutional Integrity Update (Ms. Michelle DeVille)
 - C. Athletics Compliance Update (Ms. Alex Keddie)
 - D. University Policy Process (Mr. Wayne Poole)
 - E. Recent Internal Audits (Mr. Wayne Poole)
- V. Closed Session
- VI. Other Business



AGENDA ITEM

- I. Approval of Minutes.....Vince Smith, Committee Chair

Situation: Approval of the minutes from the most recent committee meeting.

Background: N/A

Assessment: N/A

Action: This item requires a vote by the committee.

**Minutes from the Audit, Risk Management, Compliance, and Ethics Committee
November 30, 2023 – Main Campus Student Center and Online Meeting**

The Audit, Risk Management, Compliance, and Ethics Committee of the ECU Board of Trustees met in person on November 30, 2023.

Committee members present: Vince Smith (Chair), Vanessa Workman, Tom Furr, Jeff Roberts, and Javier Limon.

Trustee Vince Smith, Chair of the Committee, convened the meeting at 1:00 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 September 28, 2023 committee meeting minutes.

Action Item: The minutes of the most recent committee meeting were approved with no changes.

Action Items

The committee had no other action items.

Operational Metrics Review

The committee reviewed the operational metrics related to Internal Audit and Compliance, which were presented by Chief Audit Officer Wayne Poole. For fiscal year 2024, all metrics are in the green for the year to date through October. The committee was reminded that the metrics reflect a sample of the proactive efforts at the University, which are aimed at ensuring a strong culture of compliance. Mr. Poole reminded the committee that these metrics reflect only a small portion of the daily ongoing compliance and audit activities.

Action Item

The committee approved three proposed changes to the annual audit plan, as presented by Wayne Poole. Trustee Limon made the motion to approve the changes. The motion was seconded and passed unanimously. This does not require action by the full Board.

Informational Items

Enterprise Risk Management – Ms. Stephanie Coleman

Vice Chancellor Coleman shared the matrix of top risks and briefed the committee on the recent activities of the ERM Committee. She noted one wording change on the risk related to Student Crisis Management. She also provided information on an emerging risk that is being monitored, related to Artificial Intelligence and its potential impacts on academic integrity, student outcomes, research, and data privacy and security. Ms. Coleman also briefed the committee on the ongoing ADA (Americans with Disabilities Act) self-evaluation at the University, which covers policies, facilities, and programs.

University Policy Process Update – Mr. Wayne Poole

Mr. Poole updated the committee on the previous recommendations to streamline the University’s policy development process, make it more efficient, and bring it in line with the UNC Code. The new process and the software that will be used to manage it are being piloted beginning December 1. The regulation outlining the revised process will be posted for comment by University students and employees from December 1 through January 31. The process is expected to be fully live soon after the open comment period ends.

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External Audit Update – Mr. Wayne Poole

Mr. Poole briefed the committee on the status of the University’s required external audits for fiscal year 2023.

- The University’s annual financial statement audit performed by the State Auditor is complete. The State Auditor issued a clean report with no findings.
- The annual financial audits of the University’s affiliated entities are partially complete.
 - The audits of ECU Foundation and the Medical and Health Sciences Foundation have been published with no findings.
 - The audits of the Pirate Club and Alumni Association will be published soon. At this point the University is not aware of any concerns or findings related to these two entities.

Recent Internal Audits – Mr. Wayne Poole

Mr. Poole briefed the committee on one recent internal audit engagement, related to the School of Dental Medicine patient revenue cycle.

Closed Session

At 1:35 pm, Trustee Roberts made a motion that the committee go into closed session to discuss items that are not public record and are protected by applicable state law. The motion was seconded and unanimously approved.

The committee returned to open session at 2:18 pm.

Other Business

There was no other business to discuss, and the committee meeting was adjourned at 2:18 PM.

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



AGENDA ITEM

II. Operational Metrics Wayne Poole, Chief Audit Officer

Situation: Presentation of the metrics that are monitored by this committee.

Background: Each committee of the Board receives regular updates on metrics pertaining to their area of oversight. This committee receives metrics related to audit and compliance activities.

Assessment: Metrics for FY 2024 year to date are generally on track.

Action: This item is for information only.



AGENDA ITEM

III. Action Items Vince Smith
Committee Chair

Situation: The University’s annual audit plan, charter, and certain other items must be approved by the BOT Audit Committee, to include any changes to the plan. At this meeting there are no items coming to the committee that require action or approval.

Background: N/A

Assessment: N/A

Action: This item is for information only.

AGENDA ITEM

IV.A. Enterprise Risk Management (ERM) Update Stephanie Coleman
Vice Chancellor for Administration and Finance

Situation: Regular update to the committee on the University’s top enterprise risks and emerging risks.

Background: This committee oversees ERM. The ERM function is owned by University senior management and is tightly integrated with Internal Audit, which develops and executes the annual risk-based audit plan.

Assessment: Ms. Coleman will update the committee on the current risk matrix, any recent events and changes that impact the risk landscape, and/or activities and updates from the University’s ERM Committee.

Action: This item is for information only.

**East Carolina University Enterprise Risk Management
2022-2024 Cycle Top Risks (as of November 2023)**

Risk	Advisory Team(s)	Sponsor(s)
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 crisis management, including basic necessities, mental and physical health, and other urgent needs <i>(revised Nov 2023)</i>	Cabinet, Student Affairs	VCSA
Student recruitment and retention in an increasingly competitive market, magnified by reputation/perception challenges outside eastern NC	Strategic Enrollment Planning Team	Provost and All VC's
Cyber threats (from external and internal sources) to the confidentiality, integrity, and availability of data and information systems	CIO, CISO	VCAF
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
Clinical Healthcare: financial sustainability, dependence on external relationships for healthcare delivery, and risks related to the ECU Health integration	BSOM Dean	Chancellor, BSOM Dean
Position vacancies in key areas resulting in weakening of internal controls	Cabinet, Internal Audit	All VCs
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

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

- 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.
- Artificial intelligence – the rising availability and use of which presents opportunities in higher education, but also increases risks related to academic integrity, research, data privacy and security, and student educational outcomes. (*Added Nov 2023.*)

AGENDA ITEM

IV.B. Office of Institutional Integrity Update..... Michelle DeVille
Chief Integrity Officer

Situation: This committee is responsible for oversight of regulatory compliance at the University and periodically receives updates from the various compliance officers.

Background: The Office of Institutional Integrity was previously housed in the former Division of Health Sciences. In 2023 the office was organizationally moved and now reports to the Vice Chancellor for Legal Affairs and General Counsel. The office is responsible for healthcare compliance efforts, including healthcare billing reviews and HIPAA Privacy and Security (excluding ECU Health). The office also manages the University's Privacy Incident Response program, chairs the University Data Stewards Committee, and performs other compliance-related duties.

Assessment: Ms. Michelle Deville will update the committee on the office's current purview and priorities.

Action: This item is for information only.

Office of Institutional Integrity



Office of Institutional Integrity

OII independently monitors, educates, and investigates matters related to compliance, including the flexibility to design and coordinate internal investigations (E.g., responding to reports involving: compliance, HIPAA privacy or security concerns, suspected regulatory violations)

OII makes recommendations for process/policy changes and corrective actions. Our office encourages employees and students to report suspected fraud and other improprieties without fear of retaliation.

New Initiative: First ever Privacy Incident Response Plan (PIR), approved by Chancellor in October 2023.



OII Focus and Guidance

- Office of Inspector General Work Plan and Updates
- Office for Civil Rights: HIPAA
(Privacy, Security, and Breach Notification Rules)
- Other State and Federal Statutes (Various Fraud and Abuse Laws, NC Identify Theft Protection Act, Various Federal Privacy Laws)
- Center for Medicare and Medicaid Services (CMS)
- ECU Best Practices, Policies, Procedures, Regulations
- Industry Standards



Priority Workplan Items

- Complete annual HIPAA system risk assessments & risk analyses for the annual ECU HIPAA enterprise annual assessment.
- Revise clinical trials billing compliance program
- Data Governance initiatives/workgroups (artificial intelligence, shadow systems, education)
- Implement changes regarding the finalized HIPAA Privacy Rule (Notice of Privacy Practices, policies, education, etc.)
- Complete various reviews across campus regarding Office for Civil Rights audit items for HIPAA privacy and security
- Standardize procedures and centralize (within OII) chart access audits for all colleges/schools
- Finalize approval/publish ECU's Identity Theft Protection Act regulation
- Review and ensure OII is meeting Office of Inspector General's Compliance Program Guidance (published Nov 2023)
- Continue to develop ECU's Privacy Incident Response Plan (monitor pending GLBA & HIPAA final Rules in relation to incident response)
- Implement first-ever ECU Student Health Services and Center for Counseling and Student Development Compliance Committee & Workplan
- Revise/publish ECU's HIPAA and Compliance Regulations including 2 Manuals (70+ Rules/Policies)



Questions?





AGENDA ITEM

IV.C. Athletics Compliance Update Alex Keddie
Senior Associate AD for Compliance

Situation: This committee oversees the University’s regulatory compliance efforts and periodically receives updates from the various compliance offices.

Background: The landscape of intercollegiate athletics is rapidly changing, presenting challenges and risk for all institutions. NCAA regulations are constantly in flux, and issues such as Name, Image and Likeness (NIL), the student athlete transfer portal, and sports wagering laws and regulations make the vigilance of University management and the Board critically important.

Assessment: Ms. Keddie will update the committee on recent compliance-related changes and current high priority efforts of the Athletics Compliance team.

Action: This item is for information only.

College Athletics Sports Wagering & NIL Update

BOT Meeting

February 2024



Sports Wagering – NCAA Rules

- **NCAA sports wagering rules apply to ECU athletics staff, coaches, student-athletes, and anyone with direct / indirect oversight of ECU Athletics (e.g., Chancellor, FAR).**
- **These individuals are not permitted to wager on any sport sponsored by the NCAA. This includes amateur, collegiate, or professional sports.**
 - **Examples of sports wagering include, but are not limited to, the use of a bookmaker or parlay card; Internet sports wagering; auctions in which bids are placed on teams, individuals or contests; and pools or fantasy leagues in which an entry fee is required and there is an opportunity to win a prize.**
- **These individuals cannot knowingly provide information to individuals involved in gambling or engage in activities designed to influence an outcome of a game (e.g., point shaving, bench a player).**

Sports Wagering – State of North Carolina

- The state of North Carolina passed a sports wagering bill in June 2023 with an effective date of January 2024.
- The North Carolina State Lottery Commission voted March 11, 2024, as the official start date for legal sports betting in North Carolina.
- The lottery commission determined anyone over 21 years of age will be allowed to legally wager on sports, if they have an account with an officially licensed operator in the state.

Sports Wagering – Continued Education & Enforcement

- **We continue to educate coaches, staff, student-athletes, and campus constituents.**
- **We have advised athletics staff and student-athletes to not sign-up for gambling apps no matter what state they are in.**
- **The North Carolina gaming commission will work with the athletic department and NCAA Enforcement (when necessary).**
 - **There are active sports wagering cases at various institutions involving student-athletes and coaches, in which the gaming commission notified the institution and the NCAA.**
- **Student-athletes who violate NCAA sports wagering rules will be ineligible for competition and may lose a year of eligibility, subject to appeal to the Committee on Student-Athlete Reinstatement.**

Name, Image, & Likeness (NIL) Update

- In January 2024, the NCAA released their first Football Major Infractions Case related to NIL.
- In January 2024, the NCAA council adopted NIL student-athlete protection proposals. The effective date is August 1, 2024.
 - Defines NIL in the NCAA Manual
 - Requires NIL Disclosure Forms from Student-Athletes
 - Requires NIL Disclosure Process for Prospects
 - Requires Institutions to Submit NIL Disclosure Forms to the NCAA
 - Requires Institutions to have a Comprehensive NIL Education Program
- In April 2024, the NCAA is reviewing NIL institutional involvement proposals.
 - This is still a work in-progress, and we do not have an effective date for this yet.

Any questions?



AGENDA ITEM

IV.D. University Policy Process Update..... Wayne Poole
Chief Audit Officer

Situation: The committee will hear an update on recommended changes to the University Policy vetting and approval process.

Background: Last fiscal year, Internal Audit completed a consultation on the University Policy Process and made recommendations to make the process more efficient, reduce cost, and better align ECU’s process with the UNC Code. The Chancellor and this committee directed that work proceed to implement process and policy changes. Committee Chair Smith asked for regular updates on this progress.

Assessment: Mr. Poole will update the committee on the progress to date, and next steps. In short, the new process has been developed and piloted, and after reviewing/incorporating campus feedback, will be submitted to the Chancellor and Executive Council for approval in the coming weeks.

Action: This item is for information only.



AGENDA ITEM

IV.E. Recent Internal Audits..... Wayne Poole
Chief Audit Officer

- Situation:** The committee receives a briefing at each meeting on selected internal audit engagements that have been closed.
- Background:** Committee Chair Smith and Vice Chair Workman selected the engagements to be discussed at this meeting.
- Assessment:** Mr. Poole will present background and results of the selected engagements.
- Action:** This item is for information only.



AGENDA ITEM

V. Closed Session Wayne Poole
Chief Audit Officer

Situation: The committee will need to discuss certain ongoing or completed audit issues or other issues under the committee’s purview that are not a matter of public record due to their content.

Background: This committee is responsible for receiving reports of all internal and external audits.

Assessment: The committee will receive a briefing on the relevant issues.

Action: The closed session business is for information only.



AGENDA ITEM

VI. Other Business Wayne Poole
Chief Audit Officer

Situation: Other items to be brought to the committee if applicable.

Background: N/A

Assessment: Other items to be brought to the committee if applicable.

Action: This item is for information only.

Other items to be brought to the committee if applicable.