

RISK MANAGEMENT, AUDIT & COMPLIANCE COMMITTEE OF THE BOARD OF TRUSTEES
North Carolina Agricultural and Technical State University
Greensboro, NC

November 16, 2018

MINUTES

The Risk Management, Audit & Compliance Committee of the Board of Trustees convened on Friday, November 16, 2018 at 12:00 noon in the Alumni-Foundation Event Center, Executive Board Room. Judge Paul Jones called the meeting to order.

Roll Call revealed the following:

Present: Judge Paul Jones
Mr. Tim King

Others Present: Ms. Angela Ealey, Internal Audit Director
Ms. LaShonna Frederick, Recorder
Ms. Erin Hill Hart, Chief of Staff
Mr. Tom Jackson, VC for Information Technology Services/CIO
Dr. Kathy Murphy, Interim General Counsel

Absent: Ms. Venessa Harrison
Ms. Donna James
Ms. Laura Meagher, Chairperson

Judge Paul Jones acknowledged the absence of a quorum for today's meeting. Hence, the approval of the minutes for the last meeting held September 21, 2018 was tabled to the next scheduled meeting - February 22, 2019.

Judge Jones yielded the meeting to Ms. Angela Ealey for the internal audit update.

Internal Audit Update

The first item of the internal audit update was the internal audit charter revision. Since the Committee did not have a quorum, the discussion was tabled to the next scheduled meeting.

Dashboard

Ms. Ealey discussed the dashboard, which covered the period September 1, 2018 to October 31, 2018. During that period, the Office of Internal Auditing (OIA) completed two audits. Those reports were emailed to the committee members.

- First Quarter Review of the Statewide Federal Compliance Audit Procedures Follow-Up Audit
This was a follow-up to an Office of the State Auditor audit finding. There were no audit issues for this audit.
- Review of the University's Change Management Process Follow-Up Audit
Audit issues were noted with this follow-up audit. There are procedures in place related to change management, but not all employees are following the procedures. The OIA made recommendations to correct the issues. Information Technology Services had some higher risk items to take care of before making corrective action on the OIA's reported items. They are working with a consultant to address the issues.

The OIA currently has two financial audits and two investigative audits in process. There are no items to inform the Committee or Board about in closed session related to these audits in process.

Quality Assurance Review

A review team consisting of auditors outside of the University will conduct a review of our office to validate that we are conforming to the internal auditing standards and applying the Code of Ethics. The team will make recommendations on how the OIA can improve its internal audit activity. This quality assurance review happens every five years. The review team is made up of qualified internal auditors from other North Carolina state agencies. The quality assurance review is slated to start by February.

Judge Jones yielded the meeting over to Dr. Kathy Murphy for the Enterprise Risk Management update.

Risk Management & Compliance Update

Dr. Murphy provided the risk matrix to the committee members. She reminded the Committee that the university is in the final stages of this round and set of risks. The risks in the matrix were grouped according to the responsible persons and coded green, yellow, and red. The risk categories were faculty/staff retention and recruitment, rapid enrollment growth, campus safety, compliance, emergency preparedness, reputation/social media, and legislative policies. The mitigation strategies for the risks were identified in this cycle. The Committee was given the opportunity to review the document and examine the individual risks identified under each category. Dr. Murphy discussed the items in the matrix and highlighted some of the risks in the different categories. The next update will be given to the Committee in April.

Judge Jones thanked Dr. Murphy for the update and yielded the meeting to Mr. Tom Jackson.

Information Security Update

Mr. Jackson gave the Committee background information on the initial information security policy and the recent revisions that were made to it. The initial policy was approved last April. Small changes were made to the policy to make it simpler and easier to follow. The following changes were made: data definitions were added (confidential, sensitive, controlled, and public data); an Executive Security Review Team was established to handle security incidents that have special legal, policy, and notification requirements or pose elevated risk to the University; and certain regulatory references (FERPA) were added.

Mr. Jackson also told the Committee that the University is proposing an acceptable use policy. This is a new policy that outlines the acceptable uses of information resources on the campuses. The University has a network usage policy with similar language. The acceptable use policy sets forth the expectations and responsibilities for access and use of information resources.

Mr. Tim King applauded the university for getting these policies in place. He wanted to know how close we were from a completion standpoint of having all of the policies in place that we should have. A discussion ensued about the policies required by the UNC System Office, policy gaps that the university is attempting to fill, and the policies that the OIA has discovered that the University does not have but should have. Dr. Murphy added that this is an ongoing effort.

Mr. Jackson brought the discussion back to the next item, the IT Development Initiative. The IT Development Initiative was developed to address the audit issues noted during the 2017 State IT audit. Mr. Jackson briefly talked about the standards, policies, security, IT information security assessment, and the status of each of those areas. He also talked about the ITS organization and where he was with filling the vacant positions.

The Committee could not enter closed session due to the lack of a quorum.

With no further business, the meeting ended at 12:48 pm.

Recorded by:

LaShonna Frederick