

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

November 22, 2019

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**MINUTES**

The Risk Management, Audit & Compliance Committee of the Board of Trustees convened on Friday, November 22, 2019 at 12:00 noon in the Alumni-Foundation Event Center, Executive Board Room. Mr. William Dudley called the meeting to order.

Roll Call revealed the following:

Present:                    Mr. William Dudley  
                                  Ms. Venessa Harrison  
                                  Judge Paul Jones

Others Present:        Ms. LaShonna Frederick, Interim Internal Audit Director  
                                  Ms. Erin Hill Hart, Chief of Staff  
                                  Ms. Melissa J. Holloway, General Counsel  
                                  Mr. Tom Jackson, VC for Information Technology Services/CIO  
                                  Mr. Marcus Worsley, Recorder

A motion for the approval of the minutes of the meeting held on September 27, 2019 was offered by Judge Paul Jones and seconded by Ms. Venessa Harrison. The motion was unanimously carried, and the minutes were approved.

Mr. Dudley yielded the meeting to Ms. LaShonna Frederick for the Internal Audit Update.

**Internal Audit Update**

*External Purchasing Compliance Review*

The NC Division of Purchase and Contract performed a purchasing compliance review of the university's purchasing process to determine compliance with North Carolina laws and regulations in regards to purchasing. This review is performed every three years. There were two findings. The university responded to those findings and developed a corrective action plan to address the deficiencies that were noted.

*Dashboard – Internal Audit Activity*

Ms. Frederick discussed the internal audit activity for the period September 1, 2019 to October 31, 2019. The OIA completed one audit since the last committee meeting. The report was distributed to the committee. The committee did not have any questions about the completed audit. There were three audits and four investigations in progress.

*University of North Carolina Auditors Association Fall Conference Co-Host*

The internal audit shops at North Carolina A&T State University and UNC-Greensboro co-hosted the University of North Carolina Auditors Association Fall Conference. It was held October 14-15, 2019 at UNC-Greensboro. Some of the session topics included fraud, Clery Act compliance, conflict of interest, auditing culture and values, teambuilding, and communication.

There were no questions. Mr. Dudley thanked Ms. Frederick for the update and yielded the meeting over to Ms. Melissa Holloway, General Counsel, for the Enterprise Risk Management/Compliance Update.

**Enterprise Risk Management /Compliance Update**

Ms. Holloway told the Committee that the Board of Trustees approved the compliance program and statement of ethical conduct in February 2018. The compliance program was established to maintain A&T's reputation for integrity and high standards in the educational and business community. This supplements our established risk management program.

Compliance efforts will focus on four major categories - (1) laws applied as a condition of funding that promotes government interests in research, (2) laws applied as a condition of funding that promotes specific agendas (e.g. FERPA, Pell), (3) laws of general application such as EEO, and (4) laws that regulate colleges and universities based on tax-exempt status.

There are several key elements of our compliance program. A high-level position will have oversight authority and have a reporting relationship to the Chancellor and the Business Affairs and RMAC Committees. The university has a number of specific policies, procedures, and regulations. There is also a code of ethical conduct. Our compliance training and education programs need to be expanded. There will be a compliance communications plan. These elements will fall under the role of the Compliance Officer.

Compliance includes a variety of legal and operational obligations. The focus will be on legal obligations with reporting and filing deadlines and then move beyond that with the day-to-day legal standards. There was also a review of DORED that included an internal review by the Office of Internal Auditing, an external review performed by a consultant, as well as discussions with Legal Affairs about needed policies in that area. There are also things in progress – compliance calendars, Title IX resources and toolkits. A policy review matrix and a Policy Advisory Committee is in progress. The Office of Legal Affairs' website will be updated to provide real-time information to the campus. There will also be training. The Office of Legal Affairs will continue to serve on a number of compliance committees.

As part of this program, the Office of Legal Affairs has done significant policy reviews. There are thirty-four new policies since the adoption of this program. Seventy-five policies have been revised and that includes a substantial review of the Faculty Handbook. There are about fifteen new policies in progress and four in review.

After there were no questions, Mr. Dudley yielded the meeting to Mr. Tom Jackson, Vice Chancellor for Information Technology Services/CIO, for the Information Technology Services Update.

### **Information Technology Services Update**

Mr. Jackson updated the Committee on how the university has been preparing for the State IT audit. The university has not had an IT audit in nine years and is waiting for a return visit from an assessment two years ago. After the auditors' visit, Mr. Jackson came up with the IT Development Initiative to address some of the IT issues. There are four major elements in the initiative – ISO standards, information security management, compliance and organization. The overall strategy in being prepared is to identify our risks, address the risks, and show progress. There is still work to do in some of the areas.

The security education program was launched October 30, 2019 for staff. There are three modules. Over 150 employees completed the security education training in the first week.

Staffing and leadership are two areas that the State IT auditors looked into when they were last here. Most of the IT positions have been filled. There is one position that has not been filled since the ITS reorganization. A discussion ensued as to what the job expectations, salary and training for this position entailed. Mr. Jackson told the committee that this position is critical to the university and needs to be filled with the right person, a change agent.

The road map for FY20 is based on the information security assessments completed in FY19. The areas of greatest risk will be the focus. Mr. Jackson has identified twenty-one projects, which will take about eighteen months to complete. Most of them are technical. The next steps will be to continue developing standards and processes, and continue the current projects that were discussed earlier.

There were no questions or further discussion.

### **Other Business**

Due to one of the UNC System constituent institutions being in the news media recently, Mr. Dudley asked Ms. Holloway to comment on Clery Compliance. Ms. Holloway stated that the constituent institution underreported Title IX, sexual assault and misconduct cases. She gave the Committee background information on what Clery is; the university's reporting responsibilities; and the associated risks. Ms. Holloway also told the Committee that the university hired a new Clery Compliance Coordinator that has a wealth of experience.

With no further business, Judge Jones made the motion to adjourn the meeting and it was seconded by Ms. Harrison. The meeting ended at 12:55 pm.

Recorded by:

*LaShonna Frederick*