

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

September 24, 2021

MINUTES

The Risk Management, Audit & Compliance Committee of the Board of Trustees (BOT) convened on Friday, September 24, 2021 at 12:03 pm. The meeting was held via Zoom. Chair William Dudley called the meeting to order and reminded all members of the committee that the meeting would be conducted pursuant to the recent amendments to the Open Meetings Act, which establishes that all votes be taken by roll-call vote. The Chair also advised committee members that all chats, instant messages, texts, and other written communication between members of the BOT regarding public business during a remote meeting are deemed public record.

Chair Dudley read the conflict of interest statement reminding the committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of such. The Chair asked the Committee members if there were any conflicts or appearances of conflicts of interest and there were none noted.

Roll Call revealed the following:

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

Others Present: Ms. Sheena Cobrand, Deputy General Counsel
Ms. LaShonna Frederick, Recorder
Ms. Erin Hill Hart, Chief of Staff
Ms. Melissa J. Holloway, General Counsel & VC for DLARC
Mr. Tom Jackson, VC for Information Technology Services/CIO
Ms. Mindy Sanders, Director of Internal Auditing
Mr. Marcus Worsley, Auditor

The committee members present constituted a quorum.

Chair Dudley called for a motion to approve the minutes of the meeting held on April 30, 2021. The motion was offered by Judge Paul Jones and seconded by Ms. Venessa Harrison. The motion was unanimously carried, and the minutes were approved by roll call vote.

Chair Dudley yielded the meeting to General Counsel Melissa Holloway for the Delegated Authority presentation.

Delegation of Authority

Ms. Melissa Holloway, General Counsel and Vice Chancellor for Legal Affairs, Risk and Compliance, began by providing background information related to delegated authority. The UNC-Board of Governors, which is the policy-making body for the constituent institutions, has delegated some authority to the Board of Trustees (BOT). The roles and responsibilities of the BOT are outlined in The Code of the Board of Governors of the University of North Carolina. The university was tasked with amending and restating in detail all delegations of authority by October 1st.

Ms. Holloway presented the delegated authority flow chart and amended table to the committee. There are certain responsibilities assigned to the committee in areas pertaining to auditing, enterprise risk management, information technology governance, and information security program. The delegation of authority resolution will be presented during the full BOT meeting.

There were no questions or comments. Chair Dudley thanked Ms. Holloway for her hard work on this matter and yielded the meeting to Mindy Sanders, Director of Internal Auditing.

Internal Audit Update

FY 2020-21 Internal Assessment

Ms. Mindy Sanders provided a summary of the results of the internal assessment and the dashboard of the Self-Assessment Maturity Model (SAMM). The objectives of the assessment were to: assess conformance with the Internal Auditing Standards (Standards) and Code of Ethics; evaluate the effectiveness in carrying out its mission; and identify opportunities to enhance internal audit processes and provide more value to the university. SAMM, which has to be completed annually, was developed by the NC Office of State Budget & Management. The results of the SAMM showed that the Office of Internal Auditing (OIA) generally conforms to the Standards and Code of Ethics.

FY 2020-21 Annual Report

Ms. Sanders briefly went over the FY 2020-21 annual report for the OIA. Some of the productivity details in the annual report will be presented in the Summary of Internal Audit Activity for the year. Other items included in the annual report are an overview of the internal audit function, personnel, and service to state and profession.

FY 2020-21 Dashboard & Summary of Internal Audit Activity

The summary of internal audit activity included the period of July 1, 2020 to June 30, 2021. The OIA completed four scheduled audits and five investigations, resulting in twelve audit findings. The OIA will perform follow-up work this fiscal year for those findings. As of June 30, 2021, there were five audits and five investigations in process. The annual report also highlights this information.

The activity period since the last committee meeting was April 16, 2021 to August 31, 2021. There were two audits and one investigation completed during this period. The results were sent to the committee members. There were three audits and six investigations in process.

Charters – Office of Internal Auditing & Risk Management, Audit & Compliance Committee

As a result of the internal assessment, the OIA made some revisions to the OIA charter, as well as the Risk Management, Audit & Compliance (RMAC) Committee charter. Ms. Sanders presented the most notable changes made to both charters. The OIA charter revisions reflected the newly created Division of Legal Affairs, Risk and Compliance and changes in reporting structure. The RMAC Committee charter revisions were made based on the results of the internal assessment. Both charters and the red line versions noting the proposed changes were provided to the committee members. Chair Dudley called for a motion to approve the OIA Charter as presented by Ms. Sanders. Ms. Venessa Harrison made a motion to approve the OIA charter. It was seconded by Judge Paul Jones and approved by roll call vote. Chair Dudley called for a motion to approve the RMAC Committee Charter as presented by Ms. Sanders. Ms. Venessa Harrison made a motion to approve the RMAC Committee charter. It was seconded by Judge Paul Jones and approved by roll call vote.

FY 2021-22 Annual Audit Plan

The FY 2021-22 annual audit plan was developed based on risks that were identified through the risk assessment process. Other factors considered when developing the audit plan were staffing and resource limitations. Ms. Sanders presented the audit plan in detail to the committee. Chair Dudley called for a motion to approve the FY 2021-22 annual audit plan. Ms. Venessa Harrison made a motion to approve the audit plan. It was seconded by Judge Paul Jones and approved by roll call vote.

There were no comments or questions, so Chair Dudley thanked Ms. Sanders for the thorough and timely update and yielded the meeting over to Ms. Melissa Holloway, General Counsel, for the Divisional Overview.

Divisional Overview – Legal Affairs, Risk and Compliance

Ms. Holloway presented an overview of the new Division of Legal Affairs, Risk and Compliance. The Division consists of the Office of Legal Affairs, Office of Compliance and Enterprise Risk Management, the Title IX Office, and the Office of Internal Auditing. Ms. Holloway shared with the committee the Division's organizational alignment, mission, organizational chart, personnel, roles of each office, and the benefits of the reorganization.

There were no questions. Chair Dudley thanked Ms. Holloway for the overview and yielded the meeting to Mr. Tom Jackson, Vice Chancellor for Information Technology Services/CIO, for the Annual Information Security Report.

Annual Information Security Report

Mr. Tom Jackson presented the annual information security report. The presentation included the various security requirements that the university must comply with; results of the information security assessments completed in 2019 to assess the maturity of unit operations; status of the information security project roadmap; additional information security projects (completed, in-process, and pending); external and internal information technology audits and their status; penetration tests and vulnerability scans; and PCI data security standard remediation. There were no comments or questions.

With no further business, Chair Dudley called for a motion to adjourn the meeting. Judge Jones made the motion. It was seconded by Ms. Harrison and approved by roll call vote.

The meeting was adjourned at 1:10 pm.

Respectfully Submitted by:

LaShonna Frederick