

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

November 10, 2023

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**MINUTES**

The Risk Management, Audit & Compliance Committee of the Board of Trustees (BOT) convened on Friday, November 10, 2023 at 12:00 pm in the Alumni-Foundation Event Center, Executive Board Room. Chair William Dudley called the meeting to order.

Chair Dudley asked the committee members to read the conflict-of-interest statement and reminded them 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. Mark Copeland, Trustee  
                                  Mr. William Dudley, Chair  
                                  Ms. Gina Lofton, Trustee  
                                  Judge Paul Jones, Trustee

Others Present:        Ms. LaShonna Frederick, Recorder  
                                  Ms. Erin Hart, Chief of Staff  
                                  Ms. Melissa J. Holloway, General Counsel & VC for DLARC  
                                  Mr. Tom Jackson, VC for Information Technology Services  
                                  Mr. Kevin Thomas, Director of Internal Auditing

The committee members present constituted a quorum.

Chair Dudley called for a motion to approve the minutes of the meeting held on September 22, 2023. The motion was offered by Trustee Paul Jones and seconded by Trustee Mark Copeland. The motion was unanimously carried, and the minutes were approved.

Chair Dudley yielded the meeting to Mr. Kevin Thomas, Director of Internal Auditing, for the Internal Audit Update.

**Internal Audit Update**

*Dashboard - Summary of Internal Audit Activity*

The internal audit activity period was September 1, 2023 to October 31, 2023. The Office of Internal Auditing (OIA) completed two special projects – the University of North Carolina Auditors Association (UNCAA) Conference and the Annual Audit Plan process and submission to the state. There are two follow-up audits, an advisory and consulting engagement, and a couple of investigative audits in process.

There were two updates. The UNCAA Conference hosted by the university was very successful. The conference showcased the university and helped build networks. The conference concluded with a sendoff from the Blue & Gold Marching Machine Drumline. The OIA received a lot of positive feedback about the conference. The downside to hosting the conference was that our audit shop spent over 200 hours as of November 1<sup>st</sup>, which impacted the direct vs. indirect hours. The networking opportunities will pay dividends in the long run. Ms. Melissa Holloway added that peers across the UNC System institutions have never been to our campus. Kevin and LaShonna wanted to showcase our campus and roll out the red carpet for them. They did just that.

The second update was that the OIA purchased auditing software and is currently in the process of implementing it. The expected month for full implementation is March 2024.

There were no questions, so Chair Dudley thanked Mr. Thomas for the update and yielded the meeting over to Ms. Melissa Holloway, General Counsel and Vice Chancellor for Legal Affairs, Risk, and Compliance for the Division Overview.

Ms. Holloway discussed the work the Division of Legal Affairs, Risk, and Compliance (DLARC) does across the university to build a culture of compliance. DLARC was created in 2021 and consists of the Office of Legal Affairs, Title IX, Compliance, Enterprise Risk Management, and the Office of Internal Auditing. Ms. Holloway described each department and the type of work that it does. Along with the ERM discussion, Ms. Holloway presented the UNC System risk register, as well as the UNC System campus risk register. The risk registers contain the risks that have been identified by the UNC System Office and the UNC System institutions. Cybersecurity & IT infrastructure and Talent Management remain at the top of both registers.

Next, Ms. Holloway discussed the DLARC Blueprint, which is the divisional implementation plan. The FY 2023-24 priorities have five goals: contract and agreement management, staff development and support, training and development, policy and procedure development, and legal and compliance support.

Since there were no questions, Chair Dudley thanked Ms. Holloway for the update and yielded the meeting over to Mr. Tom Jackson, Vice Chancellor for Information Technology Services for the Annual Information Security Report.

Mr. Jackson discussed the information security requirements that the university has to comply with – federal, state, UNC, contractual, and campus requirements. The university, as well as the UNC System Office, operates under ISO 27002 standards, NIST 800-171 and PCI Data Security Standards. Trustee Lofton posed a question related to the handling of classified controlled information and a discussion ensued on what the university is doing pertaining to this type of information.

Mr. Jackson went on to discuss the risk assessments conducted in 2019 and 2022 and the information security project roadmap created to address the areas of improvement noted during the assessments.

Other topics discussed were recent information technology audits, penetration tests and vulnerability scans, PCI Data security, significant incidents that have occurred, and the focus areas for this fiscal year.

With no further business, Chair Dudley called for a motion to adjourn the meeting. Trustee Jones made the motion. It was seconded by Trustee Loftin.

The meeting adjourned at 1:06 pm.

Respectfully Submitted by:

*LaShonna Frederick*