FAYETTEVILLE STATE UNIVERSITY

COMMITTEE ON LEGAL, AUDIT, RISK AND COMPLIANCE
Wednesday, March 27, 2024
11:20 a.m.

AGENDA

Call to Order	Glenn Adams, Committee Chair
Welcome and Opening Remarks	Glenn Adams
Roll Call	Karen Bussey
Approval of Minutes	December 13, 2023

Action Items:

A. Risk, Compliance and Equity   Elizabeth Hunt
Assistant Vice Chancellor for Risk and Compliance

Informational Items:

B. Internal Audit Update   Jesse Chroman
Director of Internal Audit

C. Police and Public Safety   Roberto Bryan
Associate Vice Chancellor for Police and Public Safety/Police Chief

D. Information Technology Update   Hector Molina
Vice Chancellor for Information Technology Services and Chief Information Officer

Committee members: Glenn Adams, Warren McDonald, John McFadyen, Frederick Nelson, Jerry Gregory, Kimberly Jeffries Leonard

Staff Liaison: Wanda Jenkins
Board Professional: Tamara Davis
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For further information, please contact:
Wanda Jenkins
General Counsel and Vice Chancellor for Legal, Audit, Risk and Compliance
910.672.1145

COMMITTEE ON LEGAL, AUDIT, RISK, AND COMPLIANCE

Wednesday, December 13, 2023

11:05 AM

The Legal, Audit, Risk, and Compliance (LARC) Committee of the Fayetteville State University Board of Trustees convened Wednesday, December 13, 2023, in the Rudolph Jones Student Center, Multi-Purpose Room 242, and via Microsoft Teams. The meeting was called to order at 11:07 a.m., by Chair Glenn Adams.

ROLL CALL

The following Trustee members were in attendance: Mr. Glenn Adams, Dr. Warren McDonald, Mr. John McFadden, Mr. Frederick Nelson, Mr. Jerry Gregory, and Dr. Kimberly Jeffries Leonard

APPROVAL OF MINUTES

It was moved by Trustee Warren McDonald and seconded by Trustee Frederick Nelson that the September 27 minutes be approved, as distributed. The motion carried.

LARC UPDATE

Vice Chancellor Jenkins introduced Assistant Vice Chancellor for Risk and Compliance Elizabeth Hunt. AVC Hunt discussed recent and upcoming compliance-focused events and training. The training will include mandatory Annual Compliance and Ethics training, reporting and corrective action, and guidance on the University's Ethical Conduct policy. The Office of Equity and Compliance will offer individual training for each department, focus on high-risk compliance and ethics topics, and offer guidance on reporting concerns. Lastly, student group training regarding Title IX and Conduct will be offered in partnership with Student Affairs and the Office of Title IX.

Vice Chancellor Jenkins introduced Associate Vice Chancellor/Police Chief Roberto Bryan. Chief Bryan discussed the Clery Act and other laws governing campus safety. The first act discussed was the Higher Education Opportunity Act of 2008, which requires higher education institutions to disclose additional information about the security and fire safety policies and standards in their Annual Security Report. The second act discussed was the Violence Against Women Reauthorization Act of 2013. This act requires higher institutions to collect and report statistics, establish disciplinary proceedings, and ensure training awareness regarding sexual assault, domestic violence, dating violence, and stalking. Chief Bryan shared four slides showing collected data and statistics. The first slide showed a decline in FSU's four-year comparison of reported rape/fondling, robbery, aggravated

assault, burglary, and motor vehicle theft. The second slide showed FSU's 2023 arrests and referrals compared to WSSU, NCCU, NCA&T, and ECSU. The third slide showed FSU's statistics on arrests for liquor law violations, drug-related violations, and weapon possession compared to our counterparts (WSSU, NCCU, NCA&T, and ECSU). The last slide showed FSU's traffic-enforced statistics that reflected traffic stops, citations, arrests, and searches compared to WSSU, NCCU, NCA&T, and ECSU.

Chairwoman Kimberly Jeffries Leonard voiced the following questions to Chief Bryan regarding traffic stops:

Question: It was mentioned that over 400 of the 545 citations were written on Murchison Rd. Is Murchison Rd part of Fayetteville State's campus?

Response: Yes Ma'am

Question: Are you saying some of this is due to new officers learning how to perform traffic stops? Because the numbers are extremely high. Help me make it make sense.

Response: Since I've been here, we have hired seven brand-new rookie officers. Now that we have city-wide jurisdiction, we are able to patrol beyond FSU's campus.

Chancellor Allison requested an updated data report to reflect traffic stops made on campus and off campus.

Vice Chancellor Jenkins introduced Mr. Jesse Chroman, the University's new Director of Internal Audit. Mr. Chroman shared with the Committee his past experience in internal auditing. Mr. Chroman discussed changes to the Internal Audit Charter and the Legal, Audit, Risk and Compliance Committee Charter.

ACTION ITEMS

The following 2 action items were recommended by the Legal, Audit, Risk, and Compliance Committee to the full Board for approval:

Action Item LARC-1 – Proposed Revisions to the Internal Audit Charter
As required by North Carolina General Statutes, the North Carolina Council of Internal Auditing, and the standards prescribed by The Institute of Internal Auditors, the internal audit function necessitates drafting a charter to outline its respective role and responsibilities as well as provide guidance in the performance of assigned duties. The Director of Internal Audit is proposing that the current Internal Audit Charter be updated.

Trustee Warren McDonald made a motion to approve changes to the Internal Audit charter, and Trustee Fred Nelson seconded the motion. The motion carried.

Action Item LARC-2 – Proposed Revisions to the Board of Trustees LARC Committee Charter

As required by North Carolina General Statutes, the North Carolina Council of Internal Auditing, and the standards prescribed by The Institute of Internal Auditors, it is necessary for the Board of Trustees LARC Committee to have a charter that outlines the Committee's role and responsibilities as well as to provide guidance in the performance of its assigned duties. The Director of Internal Audit is proposing that the current LARC Committee Charter be updated.

Trustee Warren McDonald made a motion to approve changes to the LARC Committee Charter, and Trustee Fred Nelson seconded the motion. The motion carried.

ADJOURNMENT

The LARC Committee adjourned at approximately 12:04 p.m.

Respectfully Submitted,

Glenn Adams, *Chair*
Tamara Davis, *Recorder*

UNC System Risk Register Requirements

UNC Policy 1300.7 - *University Enterprise Risk Management and Compliance* requires the UNC System to develop, implement, evaluate, and monitor a University system-wide enterprise risk management process. This process requires each campus to annually collect, analyze and present to the UNC System Office the campuses' top 5 risks.

COMMENT FROM BRYAN HECKLE,
UNC SYSTEM OFFICE DIRECTOR OF ERM

"Last year, we revised the risk register template to gather additional information. We will keep the same format this year and ask that you take some time to review these risks with your risk owners to make any revisions to your top 5 and share any emerging risks that you see on the horizon. You and your campus staff have a unique perspective of your campus and the risks you face, our goal in this process is to continue to find ways to coordinate with our constituents where possible to minimize our exposure and maximize our opportunities."

2023 RISK REGISTER

Risk Categories	Major Risk	Risk Title	Description
Financial	Student Retention	**Enrollment**	The new funding formula prioritizes overall four-year graduation rate.
Financial	Property	**New Construction**	Multiple new construction projects occurring within this fiscal year.
Operational	Cyber Security	**Cyber Security**	Compliance with ITTS security policies and procedures; protection of university data.
Healthy & Safety	Mental Health	**Campus Safety & Mental Health**	Student and employee mental health is a top safety concern.
Operational	Talent Management	**Employee Retention**	Recruit and retain the most highly qualified employees

MITIGATION ACTIVITIES*

- Student conduct outreach and training
- Updated Title IX trainings
- Hiring of a Student Affairs case manager
- Contracting with after-hours telehealth counselors
- New suicide prevention training
- Created a Matriculation Institute
- Hired an Environmental Safety Manager
- Began a cyber security awareness campaign
- Updated ITS policies and procedures

- Purchased vulnerability (risk-management) software
- Established a data governance committee
- Began mandatory supervisor EEO training
- Hired a University Ombuds
- Enhanced professional development opportunities
- Developed equity investigation procedures
- Purchased campus security equipment (LPRs, drones)

Not an exhaustive list

2024 RISK REGISTER

Risk Categories	Major Risk	Risk Title	Description
Healthy & Safety	Mental Health	**Campus Safety & Mental Health**	Campus safety: Student and employee mental health
Financial	Student Retention	**Enrollment**	Performance based funding adjustments.
Financial	Financial	**Procurement Compliance**	State/UNC System procurement processes
Operational	Cyber Security	**Cyber Security**	Security policies and data protection
Legal, Regulatory & Compliance	Public Safety	**Protection of Minors on Campus**	Protection of Minors on Campus

Please discuss significant achievements of the ERM program at your Institution.

The FSU Risk and Compliance Committee continues to improve the processes for identifying, monitoring and managing risks. In the past year, the committee worked with the owner of each of the top 5 risks to develop and maintain specific risk management plans. The committee also works with campus leadership to identify emerging risks and anticipate forthcoming legal or regulatory changes, such as the upcoming Title IX regulations.

2024 RISK REGISTER REVIEW AND APPROVAL

- ➢ **Risk Committee Risk Register updates.**

- ➢ **Cabinet/Chancellor review and approval.**

- ➢ **FSU Board of Trustees review and approval.**

- ➢ **Risk Register submission to UNC System Office by June 7, 2023.**

- ➢ **UNC System Office will compile the data and report the system's top risks**

Subject: Review and Approval of 5 Major Risks

Background: UNC Policy 1300.7-University Enterprise Risk Management and Compliance requires the UNC System to develop, implement, evaluate, and monitor a system-wide enterprise risk management process. This process requires each campus to annually collect, analyze and present to the Chancellor and Board of Trustees for approval the campuses' top 5 risks.

Motion: Move that the top 5 risks, as presented, be approved.

OFFICE OF INTERNAL AUDIT

Jesse Chroman

Director of Internal Audit

NOTICE TO COMMITTEE

Situation: The University's Internal Audit Function is required to have a Peer Review (external examination) prior to June 2024.

Background: North Carolina General Statutes 143-746(d) necessitates compliance with the standards prescribed by The Institute of Internal Auditors. Standard 1312 prescribes that external assessments must be conducted at least once every five years and that the board be informed of the frequency of assessments.

Assessment: Resulting from vacancy within the Director of Internal Audit position, University Management and the Director of Internal Audit have agreed additional time is required to gather and generate the necessary work product which will be sufficient for review by the qualified examiners. The Internal Audit function will rectify this lapse in compliance within calendar year 2024 by utilizing the Council of Internal Auditing's Peer Review Program to ensure an examination is performed and a report is issued by December 2024.

Action: No action is required by the Board. However, please note that further communications will be forthcoming concerning the progress and nature of the Peer Review.
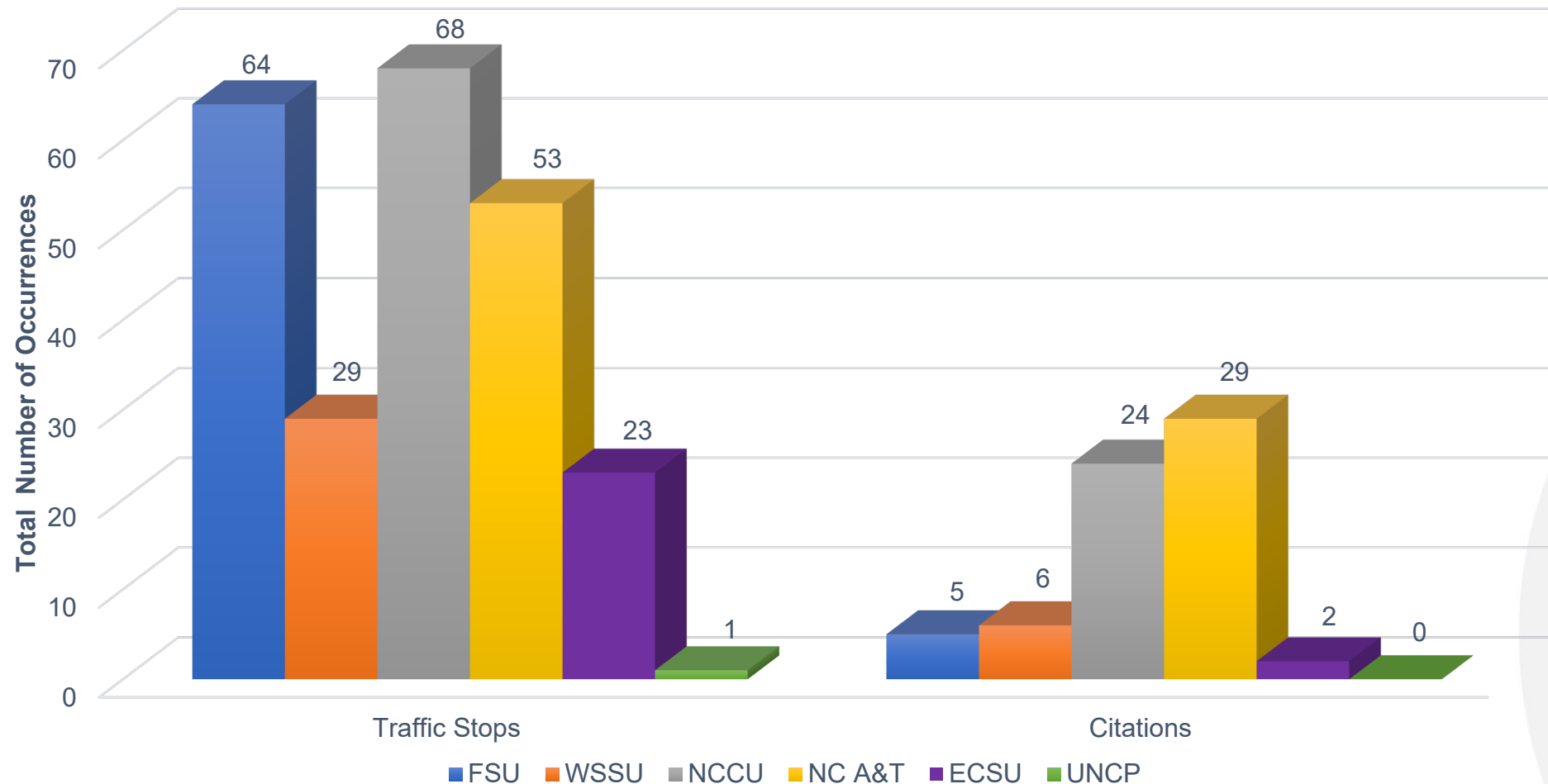
TRAFFIC ENFORCEMENT STATISTICS
COMPARISON TO PEER UNIVERSITIES
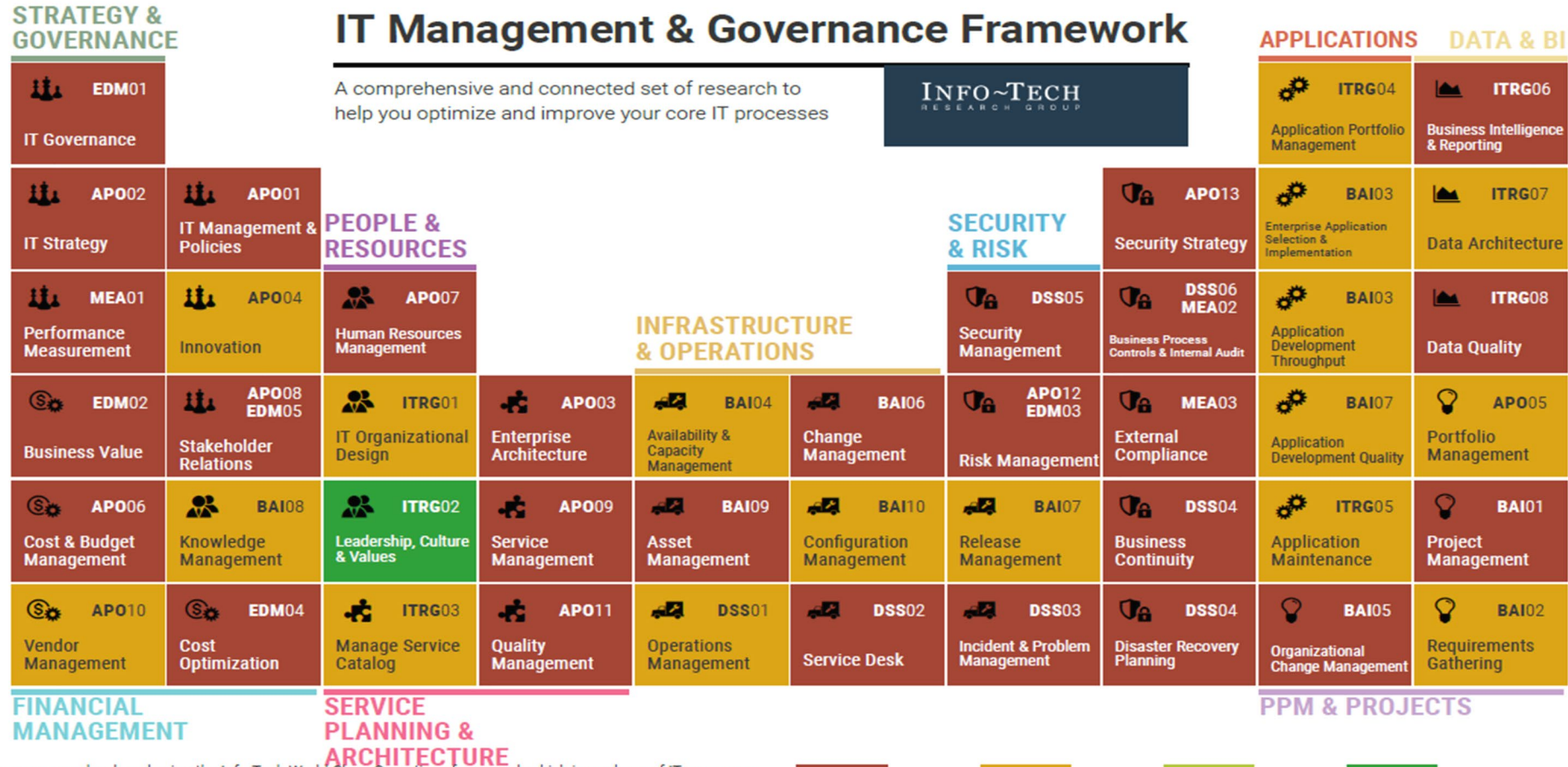
Reporting Period December 2023 – February 2024

DIVISION OF INFORMATION TECHNOLOGY

Hector M. Molina
March 27, 2024

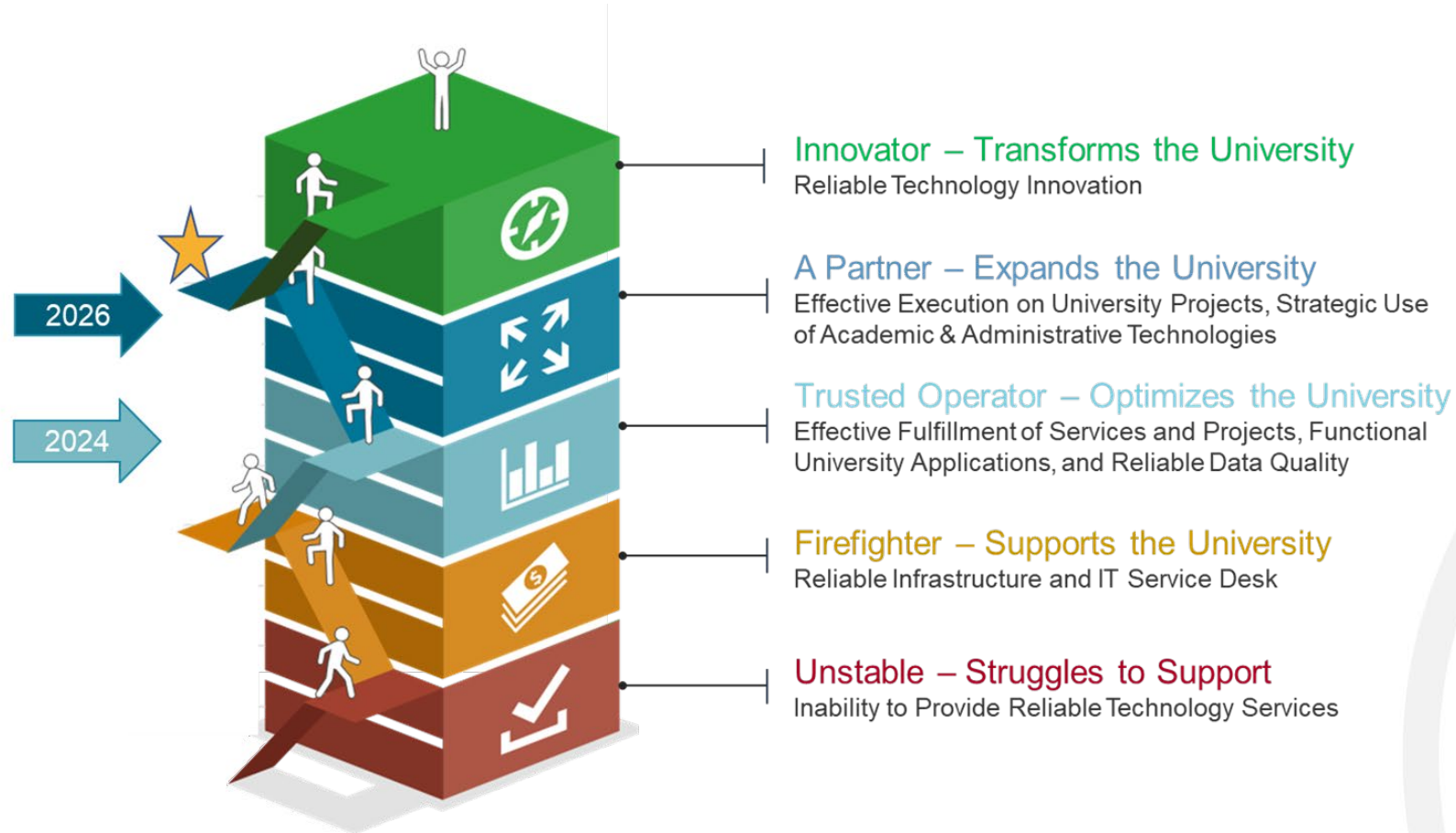# WHERE WE STARTED

IT Management & Governance Framework

Notable Projects | Immersive Learning Studio

- Enhanced Learning Experience
- Remote Learning Opportunities
- Interactive/Experiential Learning
- Career Readiness

➢ Target Completion – June '24
➢ Investment = $150,000$^{+/-}$

Notable Projects | Network Infrastructure Improvements

Adobe Stock | 144719316

- High-Speed Data Transmission
- Reliability
- Security
- Consistent Performance

➢ Target Completion – April '25
➢ Investment = $3,186,000$^{+/-}$

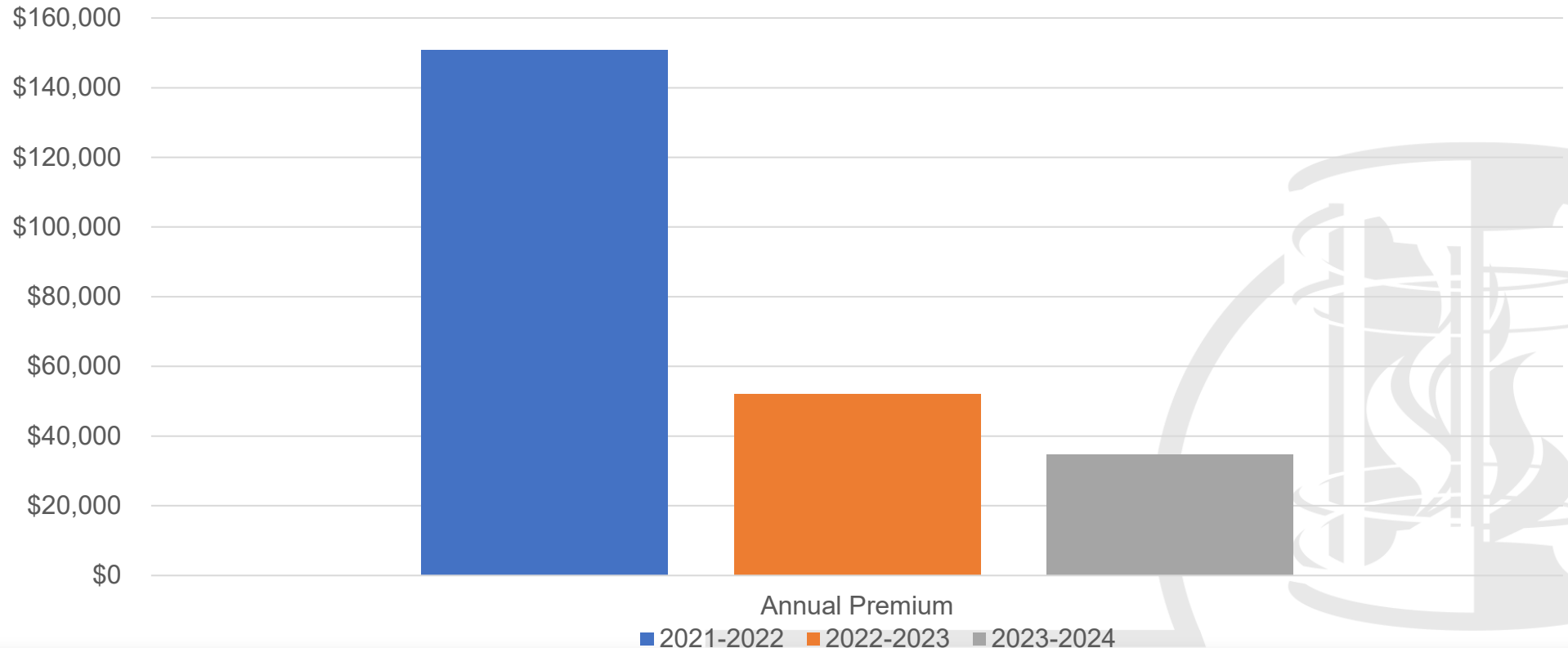# Notable Projects | Classroom Modernization

- **Flexibility**: seamless transition between in-person and remote learning
- **Increased Access**: participate in classes regardless of location or physical presence
- **Resource Optimization**: simultaneous in-person and remote teaching
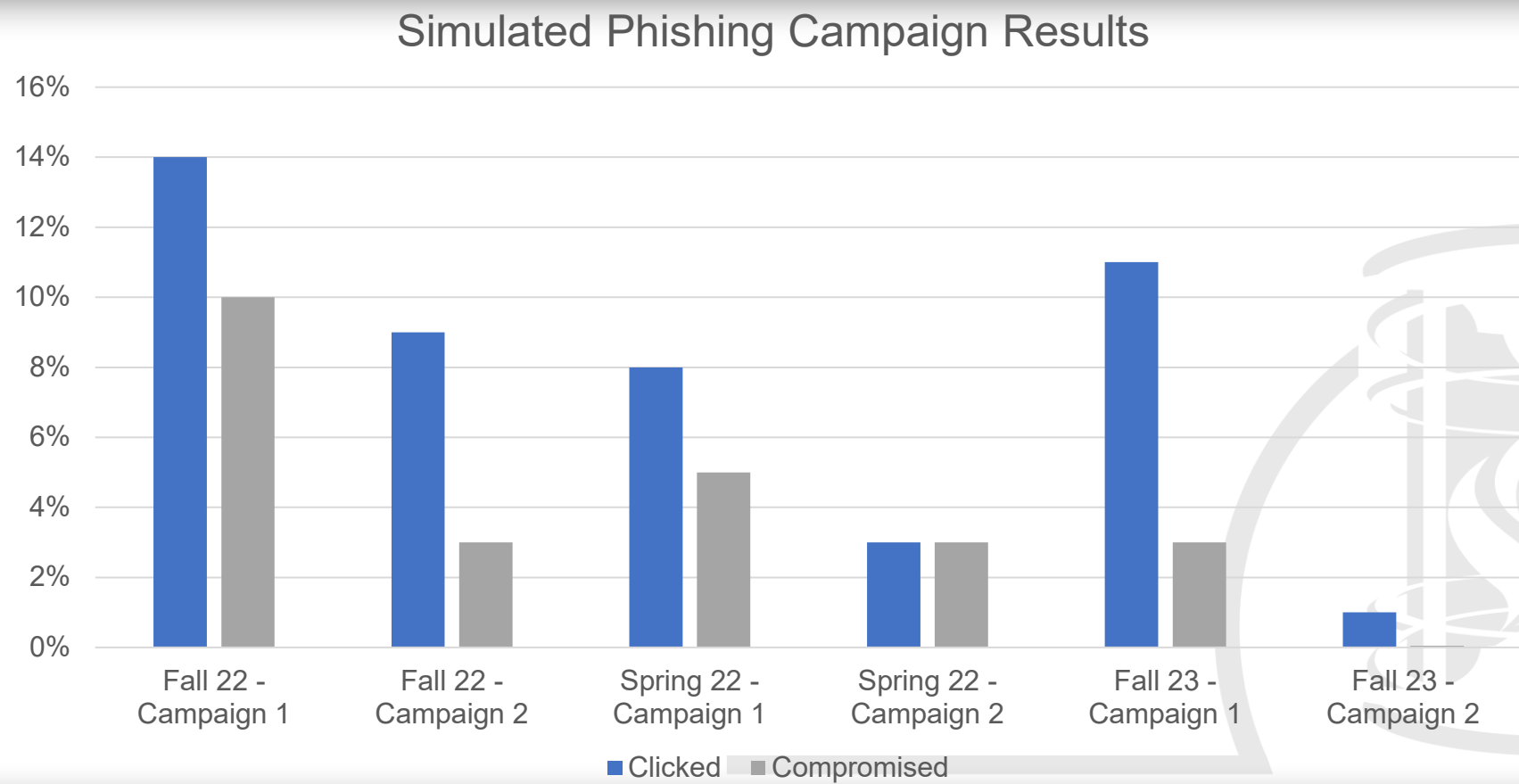
❖39 Rooms Completed / 28 Scheduled

➢ Target Completion – December '25
➢ Investment = $4,355,000

Agenda Item LARC-1

Executive Summary

MEETING DATE:	March 27, 2024
COMMITTEE:	Legal, Audit, Risk, and Compliance
SUBJECT	Review and Approval of 5 Major Risks
BACKGROUND:	UNC Policy 1300.7-University Enterprise Risk Management and Compliance requires the UNC System to develop, implement, evaluate, and monitor a system-wide enterprise risk management process. This process requires each campus to annually collect, analyze and present to the Chancellor and Board of Trustees for approval the campuses' top 5 risks.
MOTION:	Move that the top 5 risks, as presented, be approved.

Supporting Documents(s) Included: Power Point summary presentation.

Reviewed by: Wanda L. Jenkins
General Counsel and VC for Legal, Audit, Risk and Compliance
Date: 3/19/2024