



**Board of Trustees
Committee Meeting
Rudolph Jones Student Center
Room 242**

**Committee on Legal, Audit, Risk and Compliance
Wednesday, September 27, 2023
11:30 am**

AGENDA

Call to Order	Glenn Adams, Committee Chair
Welcome and Opening Remarks	Glenn Adams
Roll Call	Karen Bussey
Approval of Minutes	June 7, 2023

Information Item:

There are no information items to be presented at this committee meeting.

Action Item:

A. 2023-24 Audit Plan (Draft)	Wanda Jenkins <i>General Counsel and VC for LARC</i>
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Committee members: Glenn Adams, Warren McDonald, John McFadyen, Frederick Nelson
William Warner

Staff Liaison: Wanda Jenkins
Board Professional: Tamara Davis

For further information, please contact:
Wanda Jenkins
General Counsel and Vice Chancellor for Legal, Audit, Risk and Compliance
910.672.1145



Board of Trustees Meeting Minutes DRAFT

COMMITTEE ON LEGAL, AUDIT, RISK, AND COMPLIANCE

Wednesday, June 7, 2023

11:45 a.m.

The Committee on Legal, Audit, Risk, and Compliance of the Fayetteville State University Board of Trustees convened Wednesday, June 7, 2023, at 11:45 a.m. in the Rudolph Jones Student Center, Multi-Purpose Room 242 and via Microsoft Teams. The meeting was called to order at 11:45 a.m., by Chair Glenn Adams.

ROLL CALL

The following trustees were in attendance in person: Chair Glenn Adams, Dr. Warren McDonald, John McFadden, Mr. William Warner, and Mr. Frederick Nelson

APPROVAL OF MINUTES

It was moved by Trustee Warren McDonald and seconded by Trustee William Warner that the minutes for March 22, 2023, be approved. The motion carried.

LEGAL, AUDIT, RISK, AND COMPLIANCE UPDATES

Vice Chancellor Jenkins introduced the Director of Compliance, Equity, and Risk Management Elizabeth Hunt to discuss the topic of Enterprise Risk Management. The UNC Policy 1300.7 (University Enterprise Risk Management and Compliance) requires each constituent institution to establish an enterprise risk management process that aligns with the institution's programs, activities, and management systems, as well as supports the institution's strategic and other goals. The enterprise risk management processes established at each constituent institution must include components and appropriate procedures for identifying risks that impact the constituent institution's goals; developing plans to monitor and mitigate risks; providing periodic updates to the chancellor and the board of trustees; and reporting significant enterprise risks to the president and, with the president's guidance, to the Board of Governors.

Ms. Hunt informed the Board of Trustees that the following processes were utilized to identify risks. Fayetteville State University's Compliance and Enterprise Risk Management (CERM) Committee reviewed the 2023 Risk Register Template, Guide, and Database. Each division leader reviewed and rescored their 2022 Risk Survey results. The Director of Compliance, Equity, and Risk met with CERM Committee members to update and approve the 2023 Risk Registry.

Mrs. Hunt informed the Board that the University's top five risks that will be reported to the System Office on June 14, 2023, are Student Retention, Property (construction projects), Cyber Security, Mental Health, and Employee Retention.

Mrs. Hunt discussed the plans of the Department of Compliance, Equity, and Risk Management to present the Risk Registry to the Board of Trustees for approval. After board approval, the report will be submitted to the UNC System Office. The CERM Committee will continue to monitor the risk management plans regularly. Lastly, The CERM Committee will present updates to the Board of Trustees on monitoring and mitigation activities.

ADJOURNMENT

The Committee on Legal, Audit, Risk, and Compliance adjourned at approximately 11:57 a.m.

Respectfully submitted,

Glenn Adams, Chair
Tamara Davis, *Recorder*

BOARD OF TRUSTEES LEGAL, AUDIT, RISK, AND COMPLIANCE COMMITTEE MEETING

**Wanda L. Jenkins
General Counsel and Vice Chancellor
September 27, 2023**

DIVISION GOALS – FY24



Strategic Priority 3 | Invigorate our Campus Community

Goal 1: Establish an Office of Equity within the Division of Legal, Audit, Risk and Compliance. Create a centralized structure within the University which will allow employees, students and third parties to file complaints of unlawful discrimination, harassment and/or related retaliation. The Office will also oversee the University's investigation into, response to and resolution of all such complaints.

Strategic Priority 5 | Advance our University

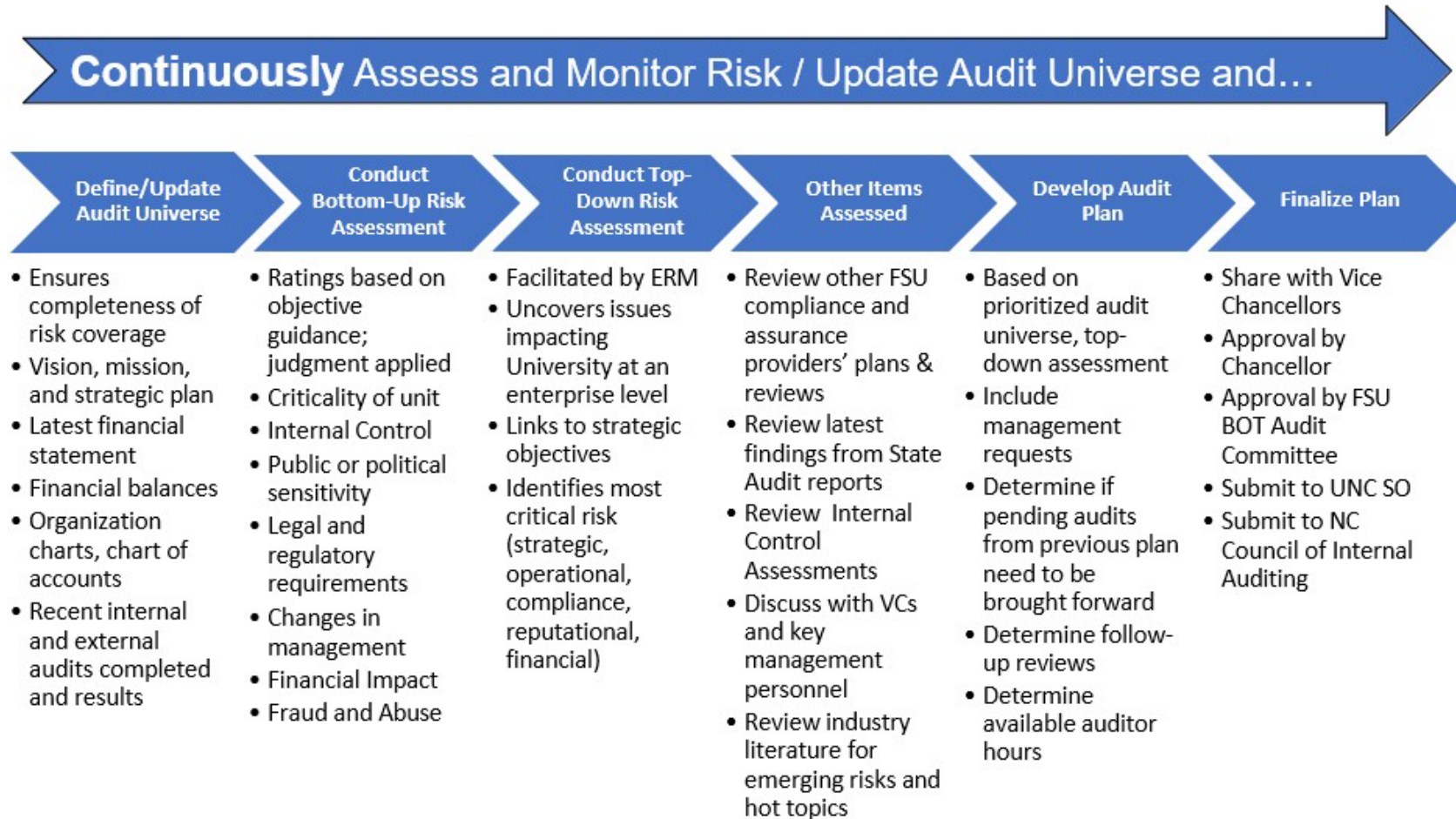
Goal 2: Create a culture of risk awareness, through policy implementation and training where all employees understand and consider risk in their decision-making.

Annual Internal Audit Plan FY2023-2024

Annual Audit Planning Process – Why?

- Required to comply with NCGS § 143-746. Internal auditing required. Specifically:
 - (b) Internal Audit Standards. – Internal audits shall comply with current Standards for the Professional Practice of Internal Auditing issued by the Institute for Internal Auditors or, if appropriate, Government Auditing Standards issued by the Comptroller General of the United States. Each agency head shall annually certify to the Council that the audit plan was developed and the audit reports were conducted and reported in accordance with required standards.
- IIA Standard 2010.A1 states:
 - The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.
- Required to submit plan to UNC System Office and NC Council of Internal Auditing
- Determines the priorities of Internal Audit based on assessment of risks that may affect FSU's ability to accomplish its objectives.
- Coordinate with all compliance and risk units to avoid duplication of effort and ensure key risks are covered.

Annual Audit Planning Process – How?



Annual Audit Planning Process – Result

- A workplan/list of priorities for Internal Audit based on risks and the number of hours available
- Includes hours for unplanned consultations and investigative audits
- Flexible; can and will change as new priorities emerge

Project Description	Budgeted Hours	% of Total	Risk
Integrated/Internal Controls/Operational/Performance Audits:			
Purchasing	300	14.4%	High
Human Resources	300	14.4%	High
	600	28.8%	
Compliance Audits:			
Purchasing - Contracts - Continuous Monitoring	12	0.6%	Med
	12	0.6%	
Information Technology Audits:			
	0	0.0%	
Investigative Review s:			
Unplanned Investigations	500	24.0%	
	500	24.0%	
Follow-Up Review s:			
Follow -ups as Deemed Necessary	60	2.9%	
	60	2.9%	
Consultations/Management Advisory Services			
Unplanned Routine Consultations	80	3.8%	
Banner Steering Committee	12	0.6%	
External Audit Assistance	20	1.0%	
Internal Control Committee	12	0.6%	
	124	6.0%	
Other/Special Projects:			
Audit Software/Workpaper Implementation	160	7.7%	
Quality Assurance and Improvement Program	132	6.3%	
Annual Risk Assessment and Audit Plan Development	40	1.9%	
External Reporting Requirements (UNC System Office, CIA, OSBM)	20	1.0%	
Internal Control Questionnaire	16	0.8%	
	368	17.7%	
Total Direct/Chargeable Hours	1664	80.0%	
Indirect Hours:			
Administration	120	5.8%	
Leave/Holiday	256	12.3%	
Professional Development	40	1.9%	
Total Indirect Hours:	416	20%	
Grand Total Hours	2080	100%	

Questions?