



**Compliance, Audit, Risk Management and Legal Affairs Committee (CARL)  
November 30, 2021  
MINUTES**

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**MEMBERS PRESENT:** Mona Edwards (Chair), Ernest Grant, Betsy Oakley, Dean Priddy, Linda Sloan

**MEMBERS ABSENT:** Anita Bachmann

**OTHERS PRESENT:** Chancellor Franklin Gilliam; Cathy Akens, Vice Chancellor for Student Affairs; Jerry Blakemore, General Counsel; Kristen Bonatz, Deputy General Counsel; Donna Heath, Vice Chancellor for Information Technology Services; Tina McEntire, Vice Chancellor for Enrollment Management; Bob Shea, Vice Chancellor for Finance and Administration; Debbie Storrs, Provost and Executive Vice Chancellor; Don Skeen, Director of Internal Audit; Zach Smith, Assistant Vice Chancellor for Emergency and Risk Management; Waiyi Tse, Chief of Staff; Kelly Harris, Associate Chief of Staff and Assistant Secretary to the Board of Trustees; and other members of the administration, staff, and general public.

**PROCEEDINGS:**

Chair Edwards called the meeting to order at 10:15 a.m.

The Chair reminded the Committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and advised that any conflict of interest or appearance thereof with respect to any matter before the Board of Trustees or the Committee needed to be raised at that time. None were identified.

Quorum was confirmed through roll call.

**Approval of the Minutes of the September 28, 2021 Meeting**

Chair Edwards called for a motion to approve the minutes of the September 28, 2021 meeting as presented. Ernest Grant made the motion, which was seconded by Dean Priddy. On roll call vote, the motion carried unanimously.

## **Discussion Items:**

### **Audit Review for Board of Trustees (CARL-1)**

Before proceeding with agenda item CARL-1, Chair Edwards announced that Don Skeen, Director of Internal Audit, would be retiring on February 1. She acknowledged and thanked him for his many years of service to the University.

Mr. Skeen then reviewed with the Committee a summary of a recently completed internal audit of the University's compliance with state reporting requirements related to misuse or theft of state property. He described the scope of the audit and informed the Committee that it was a clean audit, with no exceptions found.

Skeen then reported on the results of three external audits. The first two external audits were affiliated entity audits for the year ended June 30, 2021, conducted by Bernard Robinson & Company. The entities audited were The Endowment Fund of The University of North Carolina at Greensboro, The University of North Carolina at Greensboro Investment Fund, Inc., The UNCG Excellence Foundation, Inc., Capital Facilities Foundation, Inc., and SERVE, Inc. The third external audit was the University's comprehensive annual financial audit for the year ended June 30, 2021, conducted by the North Carolina State Auditor's Office. Mr. Skeen informed that Committee that all three external audits were clean audits, with no exceptions found.

### **Update on Responses to External Quality Assurance Review Recommendations (CARL-2)**

Mr. Skeen also reminded the Committee of the findings and recommendations from a recent external quality assurance review of the internal audit function that were discussed at the Committee's September meeting and provided the Committee with an update on the actions being taken to address them. Notable recommendations that are being addressed include enhancements to the internal audit charter, expansion of the internal audit manual, which will include several new sections as well as standard workpapers and templates, a checklist to confirm compliance with the manual, and a client survey form; and the development of a risk-based audit planning process.

### **Higher Education Emergency Relief Fund (HEERF III) Spending (CARL-3)**

Vice Chancellors Bob Shea and Tina McEntire provided the Committee with an overview of the various federal and state funding that the University has received related to the COVID-19 pandemic. The focus of their presentation was on how funds from the third allocation of federal Higher Education Emergency Relief Funds (HEERF III) will be distributed.

Vice Chancellor Shea advised that our total HEERF III allocation is approximately \$54.4 million, which includes an additional allocation to the University as a minority serving institution. He noted that half of that total amount is required by law to be spent directly on students and the other half will be spent on institutional needs other than students, in accordance with the legal and legislative requirements for spending those funds.

Vice Chancellor McEntire then reviewed with the Committee the spending of the student portion of the HEERF III funding. She informed the Committee that to date, 54% of the student funds have been spent on awards to graduate, undergraduate, and Beyond Academics students. McEntire also discussed the University's spending plan for the remaining student funds, which includes funding for initiatives to improve retention, such as assisting students with outstanding balances, providing rescue grants to avoid cancellation, and supporting students who are not on pace; and to encourage former students who "stopped out" during the pandemic to return.

#### Title IX Update (CARL-4)

Chair Edwards informed the Committee that agenda item CARL-4, the Title IX update, was being tabled and would be taken up at a future meeting.

#### **Action Item:**

#### Approve Internal Audit Charter Revisions (CARL-5)

Chair Edwards informed the Committee that agenda item CARL-5, approval of revisions to the Internal Audit charter, was being tabled and would be taken up at a future meeting.

#### **Information Item:**

#### Institutional Risk Management Annual Update (CARL-6)

Chair Edwards noted that the Committee was provided with information related to the University's annual submission of its top five risks to the System Office.

Chair Edwards invited Vice Chancellor Shea to comment on the annual risk management submission. Before doing so, he informed the Committee that Zach Smith, who has been serving as the University's Director of Emergency Management since 2016, will be assuming responsibility for the University's risk management function in addition to his current responsibilities, and that his title will be changed to Assistant Vice Chancellor for Emergency and Risk Management. Vice Chancellor Shea then proceeded with a review of the University's top five risks submitted to the System Office, which were (1) enrollment growth, (2) campus safety, (3) university compliance, (4) IT infrastructure, and (5) business model sustainability. He also noted that there were three additional risks considered but not included: deferred maintenance, collaborative partnerships, and recruitment and retention of key faculty and staff. Shea then reviewed the System Office aggregate top five risks across all 17 schools, which were (1) enrollment, (2) campus safety and security, (3) compliance with laws, rules and regulations, (4) information technology/cybersecurity/data security, and (5) financial stability, sustainability, and deferred maintenance. Shea also mentioned two other risks from the System Office aggregate that were just outside of the top five – human resources and talent management, and issues surrounding athletics and brand marketing management.

With no further business before the Committee, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kelly Harris".

Kelly Harris  
Assistant Secretary to the Board of Trustees