



**Compliance, Audit, Risk Management and Legal Affairs (CARL) Committee**  
**March 22, 2022**  
**10:15 am**

**DRAFT MINUTES**

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**MEMBERS PRESENT:** Mona Edwards (Chair), Anita Bachmann, Dr. Ernest J. Grant, Betsy Oakley

**MEMBERS ABSENT:** Dean Priddy, Linda Sloan

**OTHERS PRESENT:** Chancellor Franklin Gilliam; Cathy Akens, Vice Chancellor for Student Affairs; Jerry Blakemore, General Counsel; Kristen Bonatz, Deputy General Counsel; Murphie Chappell; Title IX Coordinator; Jeanne Madorin, Associate Vice Chancellor for Human Resources; Kathy Qualls, Interim Director of Internal Audit; Bob Shea, Vice Chancellor for Finance and Administration; Jody Smith, Executive Associate Athletic Director and Senior Woman Administrator; Debbie Storrs, Provost and Executive Vice Chancellor; 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 and staff.

**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 November 30, 2021 Meeting**

Chair Edwards called for a motion to approve the minutes of the November 30, 2021 meeting as presented. Trustee Ernest Grant made the motion, which was seconded by Trustee Betsy Oakley. On roll call vote, the motion carried unanimously.

## **Discussion Items:**

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

Chair Edwards welcomed Kathy Qualls to the meeting and thanked her for serving as Interim Director of Internal Audit following Don Skeen's retirement in February.

Ms. Qualls then reported on the results of the two internal audits completed since the November 30, 2021 CARL Committee meeting. The first was the annual NCAA mandated submission of financial data detailing the operating revenues, expenses, and capital relating to the University's athletics program. She described the scope of the work, which begins with the University's Internal Audit Department producing the required financial data. From there, RSM US LLP, a qualified independent accountant, prepares the Agreed-Upon Procedures report regarding the financial data, which is an annual requirement for NCAA Division I members. Qualls reported that there were no exceptions in the report.

The second internal audit was of the University's compliance with federal laws related to employment eligibility; specifically, the evaluation of the internal controls related to the filing of Form I-9 for new employees, which is used to verify identity and authorization for individuals to be lawfully employed in the United States. Qualls described the scope of the audit and reported that it resulted in one minor finding, which was that a small percentage (approximately 2.0%) of I-9 forms reviewed were not completed within three days of hire, as required. Jeanne Madorin, Associate Vice Chancellor for Human Resources, advised the Committee that this minor finding was likely the partial result of remote working necessitated by the pandemic. In response to this finding, the Human Resources Department has since implemented a new electronic system to track the status of I-9 form filings.

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

Ms. Qualls also provided an update on the Internal Audit Department's efforts to address the recommendations from the External Quality Assurance Review (QAR) of the internal audit function. The recommendations that continue to be addressed include enhancing the Internal Audit Charter, updating and expanding the internal audit policy manual, and ensuring that the next audit plan is risk-based. These recommendations are in progress and will be finalized when a new Director of Internal Audit is hired.

### **Title IX Update (CARL-3)**

Murphie Chappell, Title IX Coordinator, provided the Committee with an overview of the activities and priorities of the Title IX Office, including its procedures for the intake and handling of sex-based discrimination cases, challenges with funding the Title IX Office, and the services provided to students by both the Title IX Office and the Campus Violence Response Center (CVRC). Given the evolution of the Title IX Office and the CVRC since their inception several years ago, the University has transitioned the CVRC to the Division of Student Affairs to better coordinate the services each provides and is transitioning the Title IX Office to the Office of

General Counsel to capitalize on the synergy between the various regulatory functions within the Office of General Counsel.

Ms. Chappell also advised the Committee that a draft of a new Title IX rule is expected within the next few months, and the Office of General Counsel will have an opportunity to provide comments on the draft rule.

**Action Item:**

**Acknowledge Receipt of Report from State Auditor (CARL-4)**

Chair Edwards noted that the North Carolina Office of the State Auditor completed the University's annual financial statement audit for the fiscal year ended June 30, 2021, and although the report was issued by the State Auditor's Office on November 10, 2021, the exit conference was not held until December 3, 2021. Chair Edwards called for a motion to acknowledge receipt of the report from the State Auditor's Office. Trustee Betsy Oakley made the motion, which was seconded by Trustee Ernest Grant. On roll call vote, the motion carried unanimously.

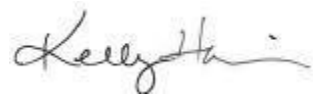
**Information Item:**

**NCAA Compliance Review (CARL-5)**

As an information item, the Committee was provided with materials regarding an update on the activities of the University's Name, Image and Likeness Working Group and an NCAA compliance update.

With no further business before the Committee, the meeting was adjourned at 11:15 a.m.

Respectfully submitted,



Kelly Harris  
Assistant Secretary to the Board of Trustees