



**Compliance, Audit, Risk Management and Legal Affairs (CARL) Committee
August 27, 2024
10:15 a.m.**

DRAFT MINUTES

COMMITTEE MEMBERS PRESENT: Anita Bachmann (Committee Chair), George Hoyle, Dale Phipps, Dean Priddy

COMMITTEE MEMBERS ABSENT: Margaret Benjamin

OTHERS PRESENT: Chancellor Franklin Gilliam; Tim Sessoms, Trustee; Jerry Blakemore, Vice Chancellor for Institutional Integrity and General Counsel; Kristen Bonatz, Deputy General Counsel; Casey Forrest, Chief Information Security Officer; Donna Heath, Vice Chancellor for Information Technology Services; Bob Shea, Vice Chancellor for Finance and Administration; Katherine Skinner, Director of Internal Audit; 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 Bachmann called the meeting to order at 10:15 a.m. She 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.

Action Item:

CARL-1 Consent Agenda

Chair Bachmann noted the items on the Committee's consent agenda, which were approval of: (1) the minutes of the Committee's April 9, 2024, meeting; (2) the 2024-2025 CARL Committee Work Plan; and (3) the 2024-2025 Internal Audit Work Plan, Resource Plan, and Budget Plan. Materials for each of the consent agenda items were included in the Committee's pre-meeting materials.

There being no requests to remove any of the items from the consent agenda to the regular agenda, Chair Bachmann invited a motion to approve the consent agenda. Trustee Phipps made the motion, which was seconded by Trustee Hoyle. The motion carried unanimously.

Discussion Items:

CARL-2 Internal Audit Report

Director of Internal Audit Katherine Skinner provided a status update on the Quality Assessment Review, which is in its final stage of completion. The independent team that conducted the review is working on the final report and it is expected to be ready prior to the next meeting of the Committee. She will provide the Chancellor and the Committee with a copy of the report upon receipt. Skinner indicated that there may be a recommendation related to post-audit surveys, but she does not anticipate any adverse findings or recommendations.

Skinner also reported that the annual Weatherspoon Art Museum inventory audit has been completed. The results of the audit were that inventory reports are accurate, and there are no findings or recommendations. Skinner reported that the staff of the Weatherspoon has identified additional ways to provide enhanced protection for the Museum's assets, which continue to have normal growth in value each year.

Internal Audit also recently completed two internal consulting engagements. These are collaborative engagements with University departments where Internal Audit provides advice and guidance with respect to compliance with laws, regulations, and policies, or implementation of controls to improve the effectiveness or efficiency of operations.

The first engagement was with Procurement Services, with the objective of assessing potential risks of noncompliance with Statewide procurement laws and regulations. Internal Audit determined that the risk of non-compliance is low because strong controls are in place.

The second engagement was with Information Technology Services (ITS) to assist with monitoring and documenting corrective actions related to the May 2022 state audit. Internal Audit reported that corrective actions to address all findings have been implemented and documented, and ITS is continuing to monitor IT security risks to ensure they are identified and remediated in a timely manner.

CARL-3 Information Technology Services Update

Vice Chancellor Donna Heath informed the Committee that Casey Forrest has been promoted to Associate Vice Chancellor for Enterprise Infrastructure. A committee consisting of senior IT leadership has begun a search for a new Chief Information Security Officer.

Casey updated the Committee on Information Technology Services projects. Among other topics, he reported that:

- “Bad actor” activity, such as malware and phishing attempts, has normalized since its uptick at the beginning of the year;
- A Memo of Completion for the corrective actions from the State Auditor's May 2022 audit report has been submitted to the State Auditor's Office;
- ITS is conducting reviews to ensure distributed technology staff (IT employees who don't report directly to ITS) are in compliance with security controls;

- The North Carolina National Guard Cyber Security Response force will conduct a simulated cyber-attack in September to check for vulnerabilities in the University's systems;
- ITS is planning for its annual cyber security seminar for UNCG students in October, which will cover cyber security basics, digital footprint, and the risks of social media; and
- ITS will be conducting quarterly simulated phishing campaigns beginning in September that will help University faculty and staff to recognize and avoid phishing threats.

Information Items:

CARL-4 Information Items

The Committee was provided with a summary of 2023-2024 audit activities versus the work plan and a memorandum regarding the new Title IX rule as informational items.

With no further business before the Committee, the meeting was adjourned at 11:00 a.m.

Respectfully submitted,

Kelly Harris
Assistant Secretary to the Board of Trustees