AGENDA
ECU Board of Trustees
Audit Committee Meeting
Mendenhall Student Center
November 18, 2010

I. Approval of September 16, 2010 Minutes  Action

II. Closed Session  Discussion

III. Internal Audit Report
   a. Approval of Changes to 2010-2011 Annual Audit Plan  Action
   b. Dashboard/Metrics Update  Information
   c. Quality Assurance Review Proposal  Information
   d. IIA Standards Summary/Internal Assessment Process  Information
   e. Spotlight on IIA Standards:
      - (1300-1322) Internal Audit Staff Stats
      - (1200-1230) Core Competencies

IV. Enterprise Risk Management Report  Information

V. Other Business
Chairman Butler convened the meeting at 10:35 a.m. and read the conflict of interest provisions as required by the State Government Ethics Act. Mr. Butler asked if anyone would like to declare a conflict of interest. Hearing none, he asked for the approval of the minutes for the April 15, 2010 Audit Committee meeting. The minutes of the April 15, 2010 Audit Committee meeting were approved with no changes.

Chairman Butler introduced and welcomed a special guest from the UNC Board of Governors, Clarice Goodyear. Next, Chairman Butler asked for the BSOM Compliance Office report.

Dr. Paul Cunningham, Dean for Brody School of Medicine (BSOM), was in attendance at the meeting and made opening remarks regarding the BSOM and compliance. Dr. Nick Benson, Vice Dean for BSOM introduced the new Chief Compliance Officer, Ms. Micki Jernigan. Dr. Benson explained how they changed the title from Director of Compliance to Chief Compliance Officer as this represented how the compliance function had matured at the Brody School of Medicine. Ms. Jernigan gave a synopsis of her background and stated that the compliance program had evolved from a manager and a coder to a much more mature office and she planned to grow the program even more with regard to monitoring and auditing.

Next, Dr. Benson explained how the question had been raised at a previous Audit Committee meeting regarding billing errors at the Brody School of Medicine. He explained how CMS and the Office of the Inspector, DHHS expects all providers of medical services to carefully and systematically monitor billing practices to identify areas needing correction. In order to be compliant with these requirements, the BSOM has implemented a “chart” review process to monitor billing practices. As a result of this process, the BSOM Compliance Office has uncovered billing errors that occurred 6 to 9 years ago and the BSOM is required to refund the providers monies due.

At 10:50am, a motion was made and approved to go into closed session. Ms. Goodyear stated that she had conferred with legal counsel at UNC GA and was told that it was at the discretion of each committee chair as to whether a Board of Governor member remained in closed session. Chairman Butler stated he had no problems with Ms. Goodyear remaining in closed session.
At 11:10am, the Audit Committee went back into open session. Question was asked of Ms. Jernigan as to what types of items she would be reporting to the Audit Committee. The Audit Committee stated they would like to see some type of dashboard report on compliance activities.

Ms. Tronto, Director of Internal Audit, was asked to introduce the next agenda item, which was the approval of the annual audit plan. Committee members asked if Internal Audit had enough resources to complete the audit plan. Ms. Tronto explained how the audit plan was developed based on a formula that took into account the number of internal auditors and available audit hours. Ms. Tronto also explained that the Chancellor had approved the addition of a healthcare auditor to the Internal Audit staff and we were in the process of recruiting for that position. Next, Ms. Tronto discussed the Internal Audit dashboard report. Year-end benchmarks show the number of audit findings for the past four years by category. For each category, ECU has either stayed the same or reduced the number of audit findings. The performance measurement regarding the completion of the audit plan was discussed. The goal for Internal Audit is to complete 80% of the audit plan and that goal was accomplished for FYE 2010. The productivity ratio for Internal Audit was 72%, which exceeded the goal of 70%. The final benchmark discussed was management’s corrective actions. The Audit Committee and the Chancellor had set a goal of 90%, which was met for FYE 2010. Some discussion ensued regarding whether this percent should be increased and it was decided to leave at 90% for now.

Mr. Tim Wiseman, Assistant Vice Chancellor for ERM, reported on the activities of Enterprise Risk Management. He introduced the article that was included in the board handouts regarding the “Holistic Review of Risk” and updated the Committee on the status of the theme schedule. Mr. Wiseman then gave a synopsis of his duties, which includes: (1) 25% ERM foundational work, (2) 30% targeted inquiry work, (3) 15% external work and networking, and (4) 30% housekeeping and committees.

Mr. John Chin, Director of Research Compliance, updated the Committee on the results of the conflict of interest reporting. Approximately 1% did not respond; 6% have disclosed a conflict (33% of these are textbooks, 20% is consulting/external work, 14% is board service, and 9% intellectual property related). Next year conflict of interest reporting will be online and Mr. Chinn will be doing more training. Mr. Chinn also stated that he is also screening export control issues.

With there being no further business, the Audit Committee meeting was adjourned at 12:00pm.

Respectfully submitted by Stacie Tronto
## East Carolina University
### Office of Internal Audit
#### Annual Engagement Plan
##### By Type
##### FY 2010-2011
##### Changes to Original Plan as of 10/29/10

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Status</th>
<th>Budgeted Hours</th>
<th>%age of Total</th>
<th>Risk Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operational Audits:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dining WIP</td>
<td>WIP</td>
<td>500</td>
<td>6%</td>
<td>High</td>
</tr>
<tr>
<td>Housing WIP</td>
<td>WIP</td>
<td>546</td>
<td>6%</td>
<td>High</td>
</tr>
<tr>
<td>Continuing Studies WIP</td>
<td>WIP</td>
<td>100</td>
<td>1%</td>
<td>High</td>
</tr>
<tr>
<td>Student Pay Process WIP</td>
<td>CYP</td>
<td>400</td>
<td>4%</td>
<td>High</td>
</tr>
<tr>
<td>BSOM Coding/Billing Review AYP</td>
<td>AYP</td>
<td>400</td>
<td>4%</td>
<td>High</td>
</tr>
<tr>
<td>College of Education REAP Review AYP</td>
<td>AYP</td>
<td>200</td>
<td>2%</td>
<td>High</td>
</tr>
<tr>
<td>Travel Process CYP</td>
<td>CYP</td>
<td>400</td>
<td>4%</td>
<td>High</td>
</tr>
<tr>
<td>University Collections Process CYP</td>
<td>CYP</td>
<td>500</td>
<td>6%</td>
<td>High</td>
</tr>
<tr>
<td>Invoice/Receipting Process CYP</td>
<td>CYP</td>
<td>500</td>
<td>6%</td>
<td>High</td>
</tr>
<tr>
<td>YE Testing 2010/2011 (Inventory, Petty Cash, Fixed Assets, Certs) CYP</td>
<td>CYP</td>
<td>200</td>
<td>2%</td>
<td>High</td>
</tr>
<tr>
<td><strong>Total Operational Audit Hours</strong></td>
<td></td>
<td>3746</td>
<td>41%</td>
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<tr>
<td><strong>Compliance Audits:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Loan Program AYP</td>
<td>AYP</td>
<td>90</td>
<td>1%</td>
<td>Medium</td>
</tr>
<tr>
<td>Reporting of Misuse Per State Statute CYP</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td><strong>Total Compliance Audit Hours</strong></td>
<td></td>
<td>130</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td><strong>Information Technology Audits:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disaster Recovery 2009-2010 WIP</td>
<td>WIP</td>
<td>10</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>Follow-Up 2010-2011 OSA-IT Findings AYP</td>
<td>AYP</td>
<td>100</td>
<td>1%</td>
<td>High</td>
</tr>
<tr>
<td>3rd Follow-Up State IT Audit CYP</td>
<td>CYP</td>
<td>12</td>
<td>0%</td>
<td>High</td>
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<tr>
<td>Disaster Recovery 2010-2011 CYP</td>
<td>CYP</td>
<td>100</td>
<td>1%</td>
<td>High</td>
</tr>
<tr>
<td>Decentralized IT System Controls CYP</td>
<td>CYP</td>
<td>300</td>
<td>3%</td>
<td>High</td>
</tr>
<tr>
<td><strong>Total Information Technology Audit Hours</strong></td>
<td></td>
<td>522</td>
<td>6%</td>
<td></td>
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<tr>
<td><strong>Special Reviews:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Reviews - Pending (1000) CYP</td>
<td>CYP-B</td>
<td>370</td>
<td>4%</td>
<td>Medium</td>
</tr>
<tr>
<td>SBTDC Travel Expense CYP-B</td>
<td>CYP-B</td>
<td>100</td>
<td>1%</td>
<td>Medium</td>
</tr>
<tr>
<td>Faculty Member Computer Use CYP-B</td>
<td>CYP-B</td>
<td>40</td>
<td>0%</td>
<td>Medium</td>
</tr>
<tr>
<td>Fiscal Mismanagement/Conflict of Interest CYP-B</td>
<td>CYP-B</td>
<td>20</td>
<td>0%</td>
<td>Medium</td>
</tr>
<tr>
<td>ECUF/Financial Services Review CYP-B</td>
<td>CYP-B</td>
<td>240</td>
<td>3%</td>
<td>High</td>
</tr>
<tr>
<td>Housing - Use of Resources CYP-B</td>
<td>CYP-B</td>
<td>150</td>
<td>2%</td>
<td>High</td>
</tr>
<tr>
<td>SHS - Use of Resources CYP-B</td>
<td>CYP-B</td>
<td>80</td>
<td>1%</td>
<td>High</td>
</tr>
<tr>
<td>OAP Resources CYP-B</td>
<td>WIP</td>
<td>40</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>BSOM Use of Resources WIP</td>
<td>WIP</td>
<td>20</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>CDL Review WIP</td>
<td>WIP</td>
<td>100</td>
<td>1%</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>Total Special Review Audit Hours</strong></td>
<td></td>
<td>1160</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

**Budget Status:**
- **BF** = Brought Forward From Previous Year's Plan
- **AYP** = Added to Current Year Plan
- **CYP** = Current Year Plan
- **CYP-B** = Current Year Plan (Budgeted under Special Reviews - Pending)
- **WIP** = Work-In-Progress
### Follow-Up Reviews:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Status</th>
<th>Budgeted Hours</th>
<th>%age of Total</th>
<th>Risk Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-admission of Student (L08020)</td>
<td>WIP</td>
<td>20</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>O/S Observations Radiation Oncology (N07015/F10042)</td>
<td>CYP</td>
<td>25</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>O/S Observations Accounts Payable (A07020/F10023)</td>
<td>CYP</td>
<td>10</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>University Policy Manual and Training (L08031/F10060)</td>
<td>CYP</td>
<td>10</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>Graduate School (A09013)</td>
<td>CYP</td>
<td>80</td>
<td>1%</td>
<td>High</td>
</tr>
<tr>
<td>Dental Clinic (L10018)</td>
<td>CYP</td>
<td>50</td>
<td>1%</td>
<td>High</td>
</tr>
<tr>
<td>UNC FIT Financial Aid (A10017)</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>UNC FIT Grants and Contracts (A10037)</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>UNC FIT Monitoring Visit External Report</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>High</td>
</tr>
<tr>
<td>NCSEAA Financial Aid External Report</td>
<td>CYP</td>
<td>100</td>
<td>1%</td>
<td>High</td>
</tr>
<tr>
<td>Employee Entry/Exit Process (L08052)</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>Medium</td>
</tr>
<tr>
<td>Recreation and Leisure Studies (L10001)</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>Medium</td>
</tr>
<tr>
<td>International Affairs (L09004)</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>Medium</td>
</tr>
<tr>
<td>College of Nursing (L10012)</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>Medium</td>
</tr>
<tr>
<td>Athletics Procard and Cell Phone (L10033)</td>
<td>CYP</td>
<td>40</td>
<td>0%</td>
<td>Medium</td>
</tr>
<tr>
<td>Math Grant (L10045)</td>
<td>CYP</td>
<td>20</td>
<td>0%</td>
<td>Medium</td>
</tr>
<tr>
<td>Telecommunications - ECU PD (L10011)</td>
<td>CYP</td>
<td>20</td>
<td>0%</td>
<td>Medium</td>
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</tbody>
</table>

**Total Follow-Up Review Audit Hours**: 655 hours

### Other/Special Projects:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Status</th>
<th>Budgeted Hours</th>
<th>%age of Total</th>
<th>Risk Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultations**</td>
<td>CYP</td>
<td>1300</td>
<td>14%</td>
<td>High</td>
</tr>
<tr>
<td>Continuous Auditing/Monitoring</td>
<td>WIP</td>
<td>960</td>
<td>11%</td>
<td>High</td>
</tr>
<tr>
<td>Fraud Risk Assessment</td>
<td>WIP</td>
<td>300</td>
<td>3%</td>
<td>High</td>
</tr>
<tr>
<td>Internal Audit 2011 Quality Assurance Review</td>
<td>CYP</td>
<td>200</td>
<td>2%</td>
<td>High</td>
</tr>
<tr>
<td>Risk Assessment 2011/2012</td>
<td>CYP</td>
<td>100</td>
<td>1%</td>
<td>High</td>
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</table>

**Total Other/Special Project Hours**: 2860 hours

### Total Audit Hours:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Status</th>
<th>Budgeted Hours</th>
<th>%age of Total</th>
<th>Risk Ranking</th>
</tr>
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<tbody>
<tr>
<td><strong>Total Audit Hours</strong></td>
<td></td>
<td>9073</td>
<td>100%</td>
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</table>
### Completion of Audit Plan: Completed vs. Planned Audits

<table>
<thead>
<tr>
<th>Status of Audit Plan</th>
<th>Number of Audits</th>
<th>Percent of Total Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed</td>
<td>10</td>
<td>21%</td>
</tr>
<tr>
<td>In Process</td>
<td>13</td>
<td>27%</td>
</tr>
<tr>
<td>Pending</td>
<td>25</td>
<td>52%</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Staff Utilization: Direct vs. Indirect Hours

- Direct Hours: 75%
- Indirect Hours: 25%

### Management's Corrective Actions

<table>
<thead>
<tr>
<th>Observations by Division</th>
<th>Number Completed</th>
<th>Number Outstanding</th>
<th>% Completed</th>
<th>% Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Administration and Finance</td>
<td>1</td>
<td>0</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Athletics</td>
<td>1</td>
<td>0</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Chancellor</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Health Sciences</td>
<td>4</td>
<td>0</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Research &amp; Graduate Studies</td>
<td>1</td>
<td>0</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Student Life</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>University Advancement</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Observations</strong></td>
<td><strong>7</strong></td>
<td><strong>0</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Percentages</strong></td>
<td><strong>100%</strong></td>
<td><strong>0%</strong></td>
<td></td>
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</tr>
</tbody>
</table>

As of 10/29/10
Solicitation RFP No. 56-1011-07-RFP

Bidder/Offeror: ________________________________

THIS PAGE IS TO BE FILLED OUT AND RETURNED WITH YOUR BID. FAILURE TO DO SO MAY SUBJECT YOUR BID TO REJECTION.

ATTENTION

Federal Employer Identification Number or alternate identification number (e.g., Social Security Number) is used for internal processing, including bid tabulation.

Enter ID number here: ________________________________

Pursuant to N.C.G.S. 132-1.10(b) this identification number shall not be released to the public.

This page will be removed and shredded, or otherwise kept confidential, before the procurement file is made available for public inspection.
REQUEST FOR PROPOSALS

TITLE: Internal Auditing and Advisory Services

USING AGENCY: East Carolina University
Greenville, NC  27858

ISSUE DATE: October 20, 2010

ISSUING AGENCY: Department of Materials Management
East Carolina University
200 E. First Street, Building 141
Greenville, NC  27858-4353

Sealed Proposals subject to the conditions made a part hereof will be received until 3:00 p.m., November 3, 2010 for furnishing services described herein.

SEND ALL PROPOSALS DIRECTLY TO EAST CAROLINA UNIVERSITY AT THE ADDRESS SHOWN ABOVE.

IMPORTANT NOTE: Indicate firm name (“Technical Proposal” or “Cost Proposal”) (if applicable), and RFP number on the front of each sealed proposal envelope or package, along with the date for receipt of proposals specified above.

Bids submitted via telegraph, facsimile (FAX) machine, telephone, and electronic means, including but not limited to e-mail, in response to this Request for Proposals will not be acceptable.

Direct all inquiries concerning this RFP to: East Carolina University
Department of Materials Management
200 East First Street, Greenville, NC 27858
Attention: Bobby G. Griffin, Assistant Director of Contractual Services
Phone: 252-328-6434, Fax: 252-328-4172
E-mail address griffinb@ecu.edu

NOTE: Questions concerning the specifications in this Request for Proposals will be received until October 28, 2010. A summary of all questions and answers will be posted on the internet as an addendum, located under the RFP # being modified. It is the offeror’s responsibility to assure that all addenda have been reviewed and, if need be, signed and returned. http://www.pandc.nc.gov/divforms.htm

In the event of a mandatory pre-bid meeting/site visit, a parking permit may be acquired by contacting ECU Department of Parking and Transportation, located at 305 E. Tenth Street, Greenville, NC, at 252-328-6294 between the hours of 7:30AM to 4:30AM, Monday through Friday. Parking on campus is by permit only; however, an alternative option is meter parking for up to two hours at limited locations. Attendees who come by the Parking and Transportation Office and ask for a pre-bid permit will be sold a Departmental Guest Permit for $1.00. Parking will be assigned in proximity to the pre-bid location. Individuals with disabilities, who require accommodations under the American with Disabilities Act (ADA), should contact the Department of Disabilities Support Services at 252-737-1016 prior to the meeting date. (N/A)
I. Purpose

The Office of Internal Audit and Management Advisory Services is seeking an objective and independent contractor to conduct an external quality assessment of the ECU Internal Audit function to: (1) evaluate the efficiency and effectiveness of the internal audit activity, (2) offer potential “best practice” applications to improve efficiency and effectiveness of the internal audit function, and (3) determine compliance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

II. Background

Internal Auditing is defined as “an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.” Based on this definition, today’s internal audit activity must broaden the services provided to management and the board to include not only traditional assurance services but also to educate and provide feedback with regard to risk management and corporate governance.

The Office of Internal Audit and Management Advisory Services is required by N.C.G.S § 143-746 to, “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.” Currently, we follow the IIA’s *Standards*.

The Institute of Internal Auditors is recognized as the internal audit profession’s leader in certification, education, research, and technological guidance and has championed the development of a guidance framework to assist today’s internal audit practitioner by prescribing practices to ensure the highest quality results. This guidance framework includes the *International Standards for the Professional Practice of Internal Auditing*. The *Standards* state, “External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.”

III. Scope of Services

To provide a review of the internal audit function such as audit universe creation, risk assessment process, client interaction, audit process, work paper standards, report writing, and follow-up tracking to identify opportunities and offer recommendations to improve the audit function and add value to management. Review should specifically include but not be limited to the following:

1. Benchmark ECU’s internal audit function with leading-edge companies and/or other Universities and provide performance measures.
2. Provide an opinion as to whether the internal audit function is in compliance with the IIA *Standards* and Code of Ethics.
3. Review of organizational structure and resources of internal audit function (i.e. size of staff, salaries, training budget, etc.) to determine whether resources are adequate to ensure the proper audit coverage.
4. Review of information technology audit function.
5. Review of how the internal audit function interacts with other monitoring functions such as
   compliance officers, external auditors, privacy officers, IT security officer, environmental health
   and safety, and enterprise risk management, etc.
6. Review of interaction with senior management, Board of Trustees, and clients to include their
   perception of internal audit and what changes they would like to see.
7. Review of quarterly and annual reports provided to Board of Trustees and suggestions for
   improvement.

IV. Methodology and Qualifications

The IIA’s Quality Assessment Manual, 6th edition should be used in performing this assessment.
Further, the review team should be comprised of a current or former chief auditing executive
preferably with higher education experience in an organization that is comparable with East
Carolina University. Further, the bios of each team member should be submitted to the Director of
Internal Audit for review and approval.

V. Deliverables and Timeline

A written report that provides the internal audit function’s compliance with the standards,
benchmarking data, and recommendations for improvements. The assessment and report should
be completed by June 30, 2011.
THE PROCUREMENT PROCESS

The following is a general description of the process by which a firm will be selected to provide services.

1. Request for Proposals (RFP) is issued to prospective contractors.

2. A pre-proposal conference and/or deadline for written questions are set. (See cover sheet of this RFP for details.)

3. Proposals in one (1) original and (two) (2) copies will be received from each offeror in a sealed envelope or package. Each original shall be signed and dated by an official authorized to bind the firm. Unsigned proposals will not be considered.

4. All proposals must be received by East Carolina University not later than the date and time specified on the cover sheet of this RFP.

5. At that date and time the package containing the proposals from each responding firm will be opened publicly and the name of the offeror and cost(s) offered will be announced. Interested parties are cautioned that these costs and their components are subject to further evaluation for completeness and correctness and therefore may not be an exact indicator of an offeror's pricing position.

6. At their option, the evaluators may request oral presentations or discussion with any or all offerors for the purpose of clarification or to amplify the materials presented in any part of the proposal. However, offerors are cautioned that the evaluators are not required to request clarification; therefore, all proposals should be complete and reflect the most favorable terms available from the offeror.

7. Proposals will be evaluated according to completeness, content, and experience with similar projects, ability of the offeror and its staff, and cost. Award of a contract to one offeror does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was deemed to provide the best value to East Carolina University.

In addition to any other evaluation criteria identified in the State agency's solicitation document, the agency shall, for purposes of evaluating proposed or actual contract performance outside of the United States, consider the following factors to ensure that any award will be in the best interest of the State:

- Total cost to the State
- Level of quality provided by the vendor
- Process capability across multiple jurisdictions
- Protection of the State's information and intellectual property
- Availability of pertinent skills
- Ability to understand the State's business requirements and internal operational culture
- Risk factors such as the security of the State's information technology
- Relations with citizens and employees
- Contract enforcement jurisdictional issues

8. Offerors are cautioned that this is a request for offers, not a request to contract, and East Carolina University reserves the unqualified right to reject or award any and all offers when such rejection or award is deemed to be in the best interest of East Carolina University.
PROPOSAL REQUIREMENTS

The response to this RFP shall consist of the following sections:

1. Executive Summary
   The executive summary shall consist of the proposal cover letter highlighting the contents of this proposal, and bearing the authorized representative’s signature.

2. Corporate Background and Experience
   This section shall include background information on the organization and should give details of experience with similar projects. A list of references (including contact persons and telephone numbers) for which similar work has been performed shall be included.

3. Financial Statement
   The offeror's most recent audited financial statement or similar evidence of financial stability shall be provided.

4. Project Organization
   This section must include the proposed staffing, deployment and organization of personnel to be assigned to this project. The offeror shall provide information as to the qualifications and experience of all executive, managerial, legal, and professional personnel to be assigned to this project, including resumes citing experience with similar projects and the responsibilities to be assigned to each person.

5. Technical Approach
   This section shall include, in narrative, outline, and/or graph form the offeror's approach to accomplishing the tasks outlined in the Scope of Work section of this RFP. A description of each task and deliverable and the schedule for accomplishing each shall be included.

6. Outsourcing
   The Vendor must detail the manner in which it intends to utilize resources or workers located outside of the United States, and the State of North Carolina will evaluate the additional risks, costs and other factors associated with such utilization to make the award for this proposal as deemed by the awarding authority to be in the best interest of the State.

For any proposed or actual utilization or contract performance outside of the United States, the offeror’s proposal must include:

   a) The location of work performed under a state contract by the vendor, any subcontractors, employees, or other persons performing the contract.
   b) The corporate structure and location of corporate employees and activities of the vendors, its affiliates or any subcontractors.

   The State may initiate proceedings to debar a vendor from participation in the bid process and from contract award as authorized by North Carolina law, if it is determined that the vendor has refused to disclose or has falsified any information provided herein.

7. Cost Proposal
   The Cost Proposal shall be submitted in a separate, sealed package and contain:

   Personnel costs (including hourly rates and total hours)
   Travel and Subsistence Expenses
   Subcontractor Costs (if any)
   Other Costs (e.g., office expenses)

   TOTAL COST A total not to exceed cost representing the maximum amount for all work to be performed must be clearly indicated under this heading.
COST PROPOSAL/EXECUTION OF PROPOSAL

By submitting this proposal, the potential contractor certifies the following:

This proposal is signed by an authorized representative of the firm.

It can obtain insurance certificates as required within 10 calendar days after notice of award.

The cost and availability of all equipment, materials, and supplies associated with performing the services described herein have been determined and included in the proposed cost.

All labor costs, direct and indirect, have been determined and included in the proposed cost.

The offeror has attended the (mandatory?) conference/site visit and is aware of prevailing conditions associated with performing these services (if applicable).

The offeror can and will provide the specified performance bond or alternate performance guarantee (if applicable).

The potential contractor has read and understands the conditions set forth in this RFP and agrees to them with no exceptions.

Therefore, in compliance with this Request for Proposals, and subject to all conditions herein, the undersigned offers and agrees, if this proposal is accepted within _____ days from the date of the opening, to furnish the subject services for a cost not to exceed $________________.

OFFEROR: ____________________________________________________________

ADDRESS: ____________________________________________________________

CITY, STATE, ZIP: ______________________________________________________

TELEPHONE NUMBER: _________________________________________________

E-MAIL ADDRESS: ______________________________________________________

Principal Place of Business if different from above (See General Information on Submitting Proposals, Item 19.):

________________________________________________________________________

Will any of the work under this contract be performed outside the United States?  ____ Yes  ____ No

BY: __________________________ TITLe: __________________________ DATE: ______________

(Signature)

___________________________________________

(Typed or printed name)

HISTORICALLY UNDERUTILIZED BUSINESSES

"Historically Underutilized Businesses (HUBs) consist of minority, women and disabled business firms that are at least fifty-one percent owned and operated by an individual(s) of the aforementioned categories. Also included in this category are disabled business enterprises and non-profit work centers for the blind and severely disabled." http://www.doa.state.nc.us/doa/hub/welcome.htm

Are you a Historically Underutilized Business (i.e., minority, woman or disabled-owned business)?  Yes____ No____

If applicable, specify classification. __________________________

THIS PAGE MUST BE SIGNED AND INCLUDED IN YOUR PROPOSAL.

Unsigned proposals will not be considered.
Please read and complete the items listed below. This page is to be completed and returned with your bid. Failure to do so may subject your bid to rejection.

1. **Historically Underutilized Businesses**

   “Historically Underutilized Businesses (HUBs) consist of minority, women and disabled business firms that are at least fifty-one percent owned and operated by an individual(s) of the aforementioned categories. Also included in this category are disabled business enterprises and non-profit work centers for the blind and severely disabled.” [http://www.doa.state.nc.us/doa/hub/welcome.htm](http://www.doa.state.nc.us/doa/hub/welcome.htm)

   Are you a Historically Underutilized Business (i.e., minority, woman or disabled-owned business)? Yes____ No____

   If applicable, specify classification_____________________________

2. **HIPAA Compliance (Health Insurance Portability and Accountability Act)**

   As part of your engagement, will you have access to any patient information for those patients of ECU Physicians or University Health Systems of Eastern Carolina? Yes_____ No_____

3. **FERPA Compliance (Family Educational Rights and Privacy Act)**

   As part of your engagement, will you have access to any student education records or personal identifying information of students of East Carolina University? Yes _____ No _____

4. **Data Security**

   As part of your engagement, will you have access to or be the recipient of any electronic data, documents, files, or other materials housed by East Carolina University? Yes _____ No _____

5. **Recycled Content**

   If the products offered herein contain any recycled content, indicate the material and content percentage:

   Material _______________________________________________________ Percentage %:_________________

   If the packaging contains any recycled content, indicate here the material and content percentage:

   Material _______________________________________________________ Percentage %:_________________

6. **Checklist:**

   Has the execution page been signed by an authorized representative of your company? _____

   Have you included all model numbers, brands and indicated delivery? _____

   Have you noted warranty and service criteria as indicated? _____

   Have you included references, phone numbers and addresses? _____

   Have you noted that the terms and conditions of this bid document take precedent and that any exceptions taken or attached will not be considered? _____

   If an addendum has been issued by this office prior to bid opening, have you attached a signed completed copy? _____ If no, did you submit under separate cover? _____

7. **Parking/Special Accommodations – Please Read Carefully**

   **Parking:**
   In the event of a mandatory pre-bid meeting/site visit, a parking permit may be acquired by contacting ECU Department of Parking and Transportation, located at 305 E. Tenth Street, Greenville, NC, at 252-328-6294 between the hours of 7:30AM to 4:30AM, Monday through Friday. Parking on campus is by permit only; however, an alternative option is meter parking for up to two hours at limited locations. Attendees who come by the Parking and Transportation Office and ask for a pre-bid permit will be sold a Departmental Guest Permit for $1.00. Parking will be assigned in proximity to the pre-bid location.

   **Mandatory Pre-bid/Site Visits:**
   Mandatory pre-bid meeting/site visits will begin promptly at the time stated on the bid document. If you are not present at the time the meeting begins, you will not be allowed to submit a bid. There will be no exceptions to this rule. Please allow adequate time for parking.

   **Special Accommodations:**
   Individuals with disabilities, who require accommodations under the American with Disabilities Act (ADA), should contact the Department of Disabilities Support Services at 252-737-1016 prior to the meeting date.
Compliance/Change in Law. By entering into this Agreement, the parties specifically intend to comply with all applicable laws, rules, and regulations, including but not limited to (i) the federal anti-kickback statute (42 U.S.C. 1320a-7(b)); and (ii) the Limitation on Certain Physician Referrals, also referred to as the “Stark Law” (42 U.S.C. 1395nn) and related safe harbor regulations. Accordingly, no part of any consideration paid hereunder is a prohibited payment for the recommending or arranging for the referral of business or the ordering of items or services; nor are the payments intended to induce illegal referrals of business. In the event that any part of this Agreement is determined to violate federal, state, or local laws, rules, or regulations, the parties agree to negotiate in good faith revisions to the provision or provisions which are in violation. In the event the parties are unable to agree to new or modified terms as required to bring the entire Agreement into compliance, either party may terminate this Agreement on sixty (60) days written notice to the other party.

Debarment Certification. By signing this Agreement, [OTHER PARTY] hereby represents and warrants the following: (1) that [OTHER PARTY] has not been debarred, excluded, suspended or otherwise determined to be ineligible to participate in federal health care programs (collectively, “Debarment” or “Debarred,” as applicable); and (2) that [OTHER PARTY] agrees to immediately notify the Director of Compliance at Brody School of Medicine in the event that [OTHER PARTY] (a) receives notice of action or threat of action with respect to its Debarment during the term of this Agreement; or (b) becomes Debarred. Upon receipt of such notice from [OTHER PARTY], this Agreement shall automatically terminate without further action or notice.

DEFICIT REDUCTION ACT COMPLIANCE. To the extent it is required by 42 U.S.C. 1396a(a)(68), as it relates to the provision of services under this Agreement, [CONTRACTOR] adopts and acknowledges having received written policies of East Carolina University regarding compliance with the federal False Claims Act, 31 U.S.C.3729-3733, administrative remedies for false claims and statements, 31 U.S.C. Chapter 38, state laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such federal and state false claims laws, as well as detailed information regarding East Carolina University’s policies and procedures for detecting and preventing fraud, waste, and abuse.

Family Educational Rights and Privacy Act (FERPA) Compliance

[CONTRACTOR] acknowledges that it is under the direct control of [SCHOOL] with respect to the use and maintenance of education records it may receive while performing under this Agreement. [CONTRACTOR] agrees to hold confidential (in accordance with state, federal laws and specifically as provided for under FERPA) all information (including any and all electronic files) it receives, and acknowledges that it is subject to and will comply with the re-disclosure requirements of 34 CFR 99.33(a) as it governs the use of education records provided by [SCHOOL] for performance of services under this Agreement. [CONTRACTOR] agrees it will re-disclose personally identifiable information from an education record to another party only where necessary to perform services under this Agreement and only on the condition that the party to whom the information is re-disclosed will not disclose the information to any other party without the prior written consent of the individual whose information is being disclosed. [CONTRACTOR] agrees that it will instruct those to whom personally identifiable information from an educational record is re-disclosed that they may use the information only for the purpose the re-disclosure was made. In addition, as it relates to the provision of services under this Agreement, [CONTRACTOR] acknowledges having received and adopts the written policies of [SCHOOL] regarding compliance with FERPA.
East Carolina University Data Security Standards

a) Care of Information: Vendor agrees to adhere to security industry best practices to safeguard and protect any data, documents, files, and other materials received from the State or the Agency during performance of any contractual obligation from disclosure, loss, destruction or erasure. When confidential information is shipped, the delivery shall be verified. All confidential information shall be encrypted when stored on portable devices or transmitted across wireless or public networks, including transmissions such as file transfer protocol (FTP) and electronic mail. Encryption algorithms for the transmission of confidential data must meet industry security standards. Upon the written request of State or, in any event, upon termination of the business relationship between the parties, Recipient shall surrender to State, return to State or destroy all materials in the possession, or under the reasonable control, of Recipient that contain Confidential Information, including any reports, analyses, memoranda and other materials that were prepared by Recipient, or its advisors, and that include or were based on the Confidential Information. Upon the return or destruction of such materials, Recipient agrees to certify, in writing, that all of the foregoing materials have been surrendered to the other party or destroyed in accordance with this Agreement.

b) Vendor warrants that all its employees and any approved third party Vendors or subcontractors are subject to a non-disclosure and confidentiality agreement enforceable in North Carolina. Vendor will, upon request of the State, verify and produce true copies of any such agreements. Production of such agreements by Vendor may be made subject to applicable confidentiality, non-disclosure or privacy laws; provided that Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the N.C. Public Records laws in NCGS §132-1 et. seq. The State may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the State for Vendor’s execution. The State may exercise its rights under this subparagraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes including, but not limited to 26 USC 6103 and IRS Publication 1075, (Tax Information Security Guidelines for Federal, State, and Local Agencies), HIPAA, 42 USC 1320(d) (Health Information Portability and Accountability Act), any implementing regulations in the Code of Federal Regulations, and any future regulations imposed upon East Carolina University pursuant to future statutory or regulatory requirements.

c) Nondisclosure: Vendor agrees and specifically warrants that it, its officers, directors, principals and employees, and any subcontractors (collectively, “Representatives”), shall hold all information received during performance of this Contract in the strictest confidence and shall not disclose the same to any third party without the express written approval of the State. Vendor agrees to make no use of any Confidential Information except such use as is required in the evaluation of the potential and/or ongoing business transactions between the parties. Vendor limits access to any Confidential Information to those Representatives who (i) have a need-to-know such Confidential Information for the purpose of evaluating and conducting the business transaction (potential or otherwise) between the parties, (ii) have been advised of the confidential and proprietary nature of the Confidential Information and of the obligations set forth in this Agreement; and (iii) have agreed to be bound by the provisions hereof; and be responsible for any breach of this Agreement by its Representatives.
GENERAL INFORMATION ON SUBMITTING PROPOSALS

1. EXCEPTIONS: All proposals are subject to the terms and conditions outlined herein. All responses shall be controlled by such terms and conditions and the submission of other terms and conditions, price lists, catalogs, and/or other documents as part of an offeror's response will be waived and have no effect either on this Request for Proposals or on any contract that may be awarded resulting from this solicitation. Offeror specifically agrees to the conditions set forth in the above paragraph by signature to the proposal.

2. CERTIFICATION: By executing the proposal, the signer certifies that this proposal is submitted competitively and without collusion (G.S. 143-54), that none of our officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and that we are not an ineligible vendor as set forth in G.S. 143-59.1. False certification is a Class 1 felony.

3. ORAL EXPLANATIONS: East Carolina University shall not be bound by oral explanations or instructions given at any time during the competitive process or after award.

4. REFERENCE TO OTHER DATA: Only information which is received in response to this RFP will be evaluated; reference to information previously submitted shall not be evaluated.

5. ELABORATE PROPOSALS: Elaborate proposals in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal are not desired.

In an effort to support the sustainability efforts of the State of North Carolina we solicit your cooperation in this effort.

It is desirable that all responses meet the following requirements:

- All copies are printed double sided.
- All submittals and copies are printed on recycled paper with a minimum post-consumer content of 30% and indicate this information accordingly on the response.
- Unless absolutely necessary, all proposals and copies should minimize or eliminate use of non-recyclable or non reusable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three-ringed binders, glued materials, paper clips, and staples are acceptable.
- Materials should be submitted in a format which allows for easy removal and recycling of paper materials.

6. COST FOR PROPOSAL PREPARATION: Any costs incurred by offerors in preparing or submitting offers are the offerors' sole responsibility; East Carolina University will not reimburse any offeror for any costs incurred prior to award.

7. TIME FOR ACCEPTANCE: Each proposal shall state that it is a firm offer which may be accepted within a period of 45 days. Although the contract is expected to be awarded prior to that time, the 45 day period is requested to allow for unforeseen delays.

8. TITLES: Titles and headings in this RFP and any subsequent contract are for convenience only and shall have no binding force or effect.

9. CONFIDENTIALITY OF PROPOSALS: In submitting its proposal the offeror agrees not to discuss or otherwise reveal the contents of the proposal to any source outside of the using or issuing agency, government or private, until after the award of the contract. Offerors not in compliance with this provision may be disqualified, at the option of East Carolina University, from contract award. Only discussions authorized by the issuing East Carolina University are exempt from this provision.

10. RIGHT TO SUBMITTED MATERIAL: All responses, inquiries, or correspondence relating to or in reference to the RFP, and all other reports, charts, displays, schedules, exhibits, and other documentation submitted by the offerors shall become the property of East Carolina University when received.

11. OFFEROR'S REPRESENTATIVE: Each offeror shall submit with its proposal the name, address, and telephone number of the person(s) with authority to bind the firm and answer questions or provide clarification concerning the firm's proposal.

12. SUBCONTRACTING: Offerors may propose to subcontract portions of the work provided that their proposals clearly indicate what work they plan to subcontract and to whom and that all information required about the prime contractor is also included for each proposed subcontractor.

13. PROPRIETARY INFORMATION: Trade secrets or similar proprietary data which the offeror does not wish disclosed to other than personnel involved in the evaluation or contract administration will be kept confidential to the extent permitted by NCAC T01:05B.1501 and G.S. 132-1.3 if identified as follows: Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL". Any section of the proposal which is to remain confidential shall also be so marked in boldface on the title page of that section. Cost information may not be deemed confidential. In spite of what is labeled as confidential, the determination as to whether or not it is shall be determined by North Carolina law.
14. **HISTORICALLY UNDERUTILIZED BUSINESSES:** Pursuant to General Statute 143-48 and Executive Order #77, East Carolina University invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled.

15. **DECLINE TO OFFER:** Any firm which receives a copy of the RFP but which declines to make an offer is requested to send a written “Decline to Offer” to the issuing office. Failure to respond as requested may subject the firm to removal from consideration on future requirements.

16. **PROTEST PROCEDURES:**

   A party wanting to protest a contract award handled by East Carolina University must submit a written request for a protest meeting to the Director of Materials Management, which must be received in the Department of Materials Management within thirty (30) consecutive calendar days from the date of the protested contract award. This letter must contain specific sound reasons and any supporting documentation for why the party is protesting the award or the protest will be promptly rejected. If the Director of Materials Management can render a decision based on the facts without a meeting, a written response with a decision will be rendered within ten (10) consecutive calendar days of the receipt of the protest letter. If not, the Director of Materials Management will schedule a meeting with the protesting party to hear their complaint. This meeting will be held within thirty (30) consecutive calendar days after receipt of the written protest. The Director of Materials Management will respond to the protesting party in writing with a decision within thirty (30) consecutive calendar days from the date of the protest meeting.

   If the protesting party is not agreeable to the decision of the Director of Materials Management, they may appeal to the Associate Vice Chancellor for Administration and Finance, following the same procedure as described above. A final appeal may be made, by the protesting party, to the Vice Chancellor for Administration and Finance following the same procedures.

   **Note:** Contract award notices are sent only to those actually awarded contracts and not to every person or firm responding to the solicitation. All protests will be handled pursuant to the North Carolina Administrative Code, Title 1, Department of Administration, Chapter 5, Purchase and Contract, Section 5B.1519. For orders awarded by the Secretary of Administration (over $250,000), please see Protest Information at [http://www.doa.state.nc.us/PandC/protests.pdf](http://www.doa.state.nc.us/PandC/protests.pdf) for more information.

17. **TABULATIONS:** The Division has implemented an Interactive Purchasing System (IPS) that allows the public to retrieve bid tabulations electronically from our Internet web site: [http://www.state.nc.us/pandc/](http://www.state.nc.us/pandc/). Click on the IPS BIDS icon, click on Search for Bid, enter the RFP number, and then search. Tabulations will normally be available at this web site not later than one working day after opening. Lengthy tabulations may not be available on the Internet and requests for these verbally or in writing cannot be honored.

18. **VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM:** Vendor Link NC allows vendors to electronically register free with the State to receive electronic notification of current procurement opportunities for goods and services available on the Interactive Purchasing System. Online registration and other purchasing information are available on our Internet web site: [http://www.state.nc.us/pandc/](http://www.state.nc.us/pandc/).

19. **RECIPIROCAL PREFERENCE:** G.S. 143-59 establishes a reciprocal preference law to discourage other states from applying in-State preferences against North Carolina's resident offerors. The “Principal Place of Business” is defined as the principal place from which the trade or business of the offeror is directed or managed.
1. **GOVERNING LAW**: This contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina.

2. **SITUS**: The place of this contract, its situs and forum, shall be North Carolina, where all matters, whether sounding in contract or tort, relating to its validity, construction, interpretation and enforcement shall be determined.

3. **INDEPENDENT CONTRACTOR**: The Contractor shall be considered to be an independent contractor and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with the University.

4. **KEY PERSONNEL**: The Contractor shall not substitute key personnel assigned to the performance of this contract without prior written approval by the University’s Contract Administrator. The individuals designated as key personnel for purposes of this contract are those specified in the Contractor’s proposal.

5. **SUBCONTRACTING**: Work proposed to be performed under this contract by the Contractor or its employees shall not be subcontracted without prior written approval of the University’s Contract Administrator. Acceptance of an offeror’s proposal shall include any subcontractor(s) specified therein.

6. **PERFORMANCE AND DEFAULT**: If, through any cause, the Contractor shall fail to fulfill in timely and proper manner the obligations under this agreement, the University shall thereupon have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items under this contract prepared by the Contractor shall, at the option of the University, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials. Notwithstanding, the Contractor shall not be relieved of liability to the University for damages sustained by the University by virtue of any breach of this agreement, and the University may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the University from such breach can be determined.

In case of default by the Contractor, the State may procure the services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The State reserves the right to require performance bond or other acceptable alternative guarantees from successful offeror without expense to the State.

In addition, in the event of default by the Contractor under this contract, the State may immediately cease doing business with the Contractor, immediately terminate for cause all existing contracts the State has with the Contractor, and de-bar the Contractor from doing future business with the State.

Upon the Contractor filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Contractor, the State may immediately terminate, for cause, this contract and all other existing contracts the Contractor has with the State, and de-bar the Contractor from doing future business with the State.

Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

7. **TERMINATION**: The University may terminate this agreement at any time by days notice in writing from the University to the Contractor. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the University, become its property. If the contract is terminated by the University as provided herein, the Contractor shall be paid for services satisfactorily completed, less payment or compensation previously made.

8. **AVAILABILITY OF FUNDS**: Any and all payments to the Contractor are dependent upon and subject to the availability of funds to the University for the purpose set forth in this agreement.

9. **CONFIDENTIALITY**: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the University.

10. **CARE OF PROPERTY**: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished it for use in connection with the performance of this contract or purchased by it for this contract and will reimburse the State for loss of damage of such property.

11. **COPYRIGHT**: No deliverable items produced in whole or in part under this agreement shall be the subject of an application for copyright by or on behalf of the Contractor.
12. **ACCESS TO PERSONS AND RECORDS:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. The Contractor shall retain all records for a period of three years following completion of the contract.

13. **ASSIGNMENT:** No assignment of the Contractor’s obligations or the Contractor’s right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:
   a. Forward the contractor’s payment check(s) directly to any person or entity designated by the Contractor, or
   b. Include any person or entity designated by Contractor as a joint payee on the Contractor’s payment check(s).
   In no event shall such approval and action oblige the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

14. **COMPLIANCE WITH LAWS:** The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

15. **AFFIRMATIVE ACTION:** The Contractor shall take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin, or disability.

16. **INSURANCE:** During the term of the contract, the contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the contract. As a minimum, the contractor shall provide and maintain the following coverage and limits:
   a. Worker’s Compensation - The contractor shall provide and maintain Worker’s Compensation Insurance, as required by the laws of North Carolina, as well as employer’s liability coverage with minimum limits of $150,000.00, covering all of Contractor’s employees who are engaged in any work under the contract. If any work is subcontracted, the contractor shall require the subcontractor to provide the same coverage for any of its employees engaged in any work under the contract.
   b. Commercial General Liability - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of $500,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.
   c. Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract. The minimum combined single limit shall be $150,000.00 bodily injury and property damage; $150,000.00 uninsured/under insured motorist; and $1,000.00 medical payment.

Providing and maintaining adequate insurance coverage is a material obligation of the contractor and is of the essence of this contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The contractor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the contractor shall not be interpreted as limiting the contractor’s liability and obligations under the contract.

17. **ADVERTISING:** Contractor agrees not to use the existence of this contract, the name of the University, or the name of the State of North Carolina as part of any commercial advertising.

18. **ENTIRE AGREEMENT:** This contract and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral or written statements or agreements. This Request for Proposals, any addenda thereto, and the offeror’s proposal are incorporated herein by reference as though set forth verbatim.

All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

19. **AMENDMENTS:** This contract may be amended only by written amendments duly executed by the University and the Contractor. The NC Division of Purchase and Contract shall give prior approval to any amendment to a contract awarded through that office.

20. **TAXES:** G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors if the vendor or its affiliates meet one of the conditions of G. S. 105-164.8(b) and refuse to collect use tax on sales of tangible personal property to purchasers in North Carolina. Conditions under G. S. 105-164.8(b) include: (1) Maintenance of a retail establishment or office, (2) Presence of representatives in the State that solicit sales or transact business on behalf of the vendor and (3) Systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. By execution of the bid document the vendor certifies that it and all of its affiliates, (if it has affiliates); collect(s) the appropriate taxes.
21. **YEAR 2000 COMPLIANCE/WARRANTY:** Vendor shall ensure the product(s) and service(s) furnished pursuant to this agreement ("product" shall include, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) which perform any date and/or time data recognition function, calculation, or sequencing, will support a four digit year format, and will provide accurate date/time data and leap year calculations on and after December 31, 1999, at the same level of functionality for which originally acquired without additional cost to the user. This warranty shall survive termination or expiration of the agreement.

22. **GENERAL INDEMNITY:** The contractor shall hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the contractor in the performance of this contract and that are attributable to the negligence or intentionally tortious acts of the contractor provided that the contractor is notified in writing within 30 days that the State has knowledge of such claims. The contractor represents and warrants that it shall make no claim of any kind or nature against the State’s agents who are involved in the delivery or processing of contractor goods to the State. The representation and warranty in the preceding sentence shall survive the termination or expiration of this contract.

23. **OUTSOURCING:** Any vendor or subcontractor providing call or contact center services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center services are being provided.

   If, after award of a contract, the contractor wishes to outsource any portion of the work to a location outside the United States, prior written approval must be obtained from the State University responsible for the contract.

   Vendor must give notice to the using University of any relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the United States.

24. **By Executive Order 24:** issued by Governor Perdue, and N.C. G.S.§ 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor’s Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors and contractors who:

   (1) have a contract with a governmental agency; or
   (2) have performed under such a contract within the past year; or
   (3) anticipate bidding on such a contract in the future.

   For additional information regarding the specific requirements and exemptions, vendors and contractors are encouraged to review Executive Order 24 and G.S. Sec. 133-32.

   Executive Order 24 also encouraged and invited other State Agencies to implement the requirements and prohibitions of the Executive Order to their agencies. Vendors and contractors should contact other State Agencies to determine if those agencies have adopted Executive Order.

Updated: 10-22-2009
## Attribute Standards

**1000 Purpose, Authority and Responsibility**
1010 Recognition of the Definition of Internal Auditing

**1100 Independence and Objectivity**
1110 Organizational Independence
1111 Direct Interaction with the Board
1120 Individual Objectivity
1130 Impairments to Independence or Objectivity

**1200 Proficiency and Due Professional Care**
1210 Proficiency
1220 Due Professional Care
1230 Continuing Professional Development

**1300 Quality Assurance and Improvement Program**
1310 Requirements of the Quality Assurance and Improvement Program
1311 Internal Assessments
1312 External Assessments
1320 Reporting on the Quality Assurance and Improvement Program
1321 Use of "Conforms w/the International Standards for the Professional Practice of Internal Auditing"
1322 Disclosure of Nonconformance

## Performance Standards

**2000 Managing the Internal Audit Activity**
2010 Planning
2020 Communication and Approval
2030 Resource Management
2040 Policies and Procedures
2050 Coordination
2060 Reporting to Senior Management and the Board

**2100 Nature of Work**
2110 Governance
2120 Risk Management
2130 Control

**2200 Engagement Planning**
2201 Planning Considerations
2210 Engagement Objectives
2220 Engagement Scope
2230 Engagement Resource Allocation
2240 Engagement Work Program

**2300 Performing the Engagement**
2310 Identifying Information
2320 Analysis and Evaluation
2330 Documenting Information
2340 Engagement Supervision

**2400 Communicating Results**
2410 Criteria for Communicating
2420 Quality of Communications
2421 Errors and Omissions
2430 Use of "Conducted in conformance w/the International Standards for the Professional Practice of Internal Auditing"
2431 Engagement Disclosure of Nonconformance

**2500 Monitoring Progress**

**2600 Management's Acceptance of Risks**
IIA Standards (1300-1322) require that you must maintain an extensive quality assurance and improvement program. Part of that requirement is to select certain performance measurements that are considered important to the organization’s internal audit activity and stakeholders.

**Human Resources** is one measurement criteria and is depicted below.

<table>
<thead>
<tr>
<th>Description of Staff Statistics</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time Internal Audit Positions</td>
<td>7</td>
<td>NA</td>
</tr>
<tr>
<td>Years of Staff Experience/Average Years</td>
<td>85/12</td>
<td>NA</td>
</tr>
<tr>
<td>Staff Certified*</td>
<td>4</td>
<td>57%</td>
</tr>
<tr>
<td>Staff w/Multiple Certifications</td>
<td>4</td>
<td>57%</td>
</tr>
<tr>
<td>Staff Members Pursuing Certification</td>
<td>3</td>
<td>43%</td>
</tr>
<tr>
<td>Staff w/Graduate Degrees**</td>
<td>4</td>
<td>57%</td>
</tr>
<tr>
<td>Annual Professional Development Hours Required</td>
<td>80</td>
<td>NA</td>
</tr>
</tbody>
</table>

* Certifications include CIA, CPA, CISA, CFE
** Graduate degrees include MBA and MSA

IIA Standards (1200-1230) require that you must be proficient and professional when performing assurance and consulting engagements. Internal auditors must possess the skills necessary to do the job, keep those skills up-to-date, and do what they are supposed to do the way they are supposed to do it.

**Core Competencies** required of ECU Internal Audit staff are depicted below.

<table>
<thead>
<tr>
<th>Core Competencies/Skill Sets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud assessment and investigation</td>
</tr>
<tr>
<td>Information technology computer assisted audit techniques</td>
</tr>
<tr>
<td>Risk assessment/risk management</td>
</tr>
<tr>
<td>Analytical skills and selecting appropriate problem solving techniques</td>
</tr>
<tr>
<td>Verbal and written communications in order to communicate with impact</td>
</tr>
<tr>
<td>Presentation skills</td>
</tr>
<tr>
<td>Research skills</td>
</tr>
<tr>
<td>Compliance, governance, and internal control knowledge</td>
</tr>
<tr>
<td>Ability to deal with unstructured problems and issues</td>
</tr>
<tr>
<td>Ability to deal with difficult people</td>
</tr>
<tr>
<td>Organization skills</td>
</tr>
<tr>
<td>Building and sustaining client relationships</td>
</tr>
<tr>
<td>Excellent negotiator</td>
</tr>
<tr>
<td>Courage and integrity</td>
</tr>
<tr>
<td>Continuous learning</td>
</tr>
</tbody>
</table>

As of 10/29/10
ENTERPRISE RISK MANAGEMENT COMMITTEE MEMBERSHIP
(as of 27 October 2010)

Kevin Seitz Office of Record
Tim Wiseman Director of Enterprise Risk Management/CRO
Anne Jenkins Financial Services
John Toller Human Resources
Joe Norris Information Technology & Computing Services
Margaret Umphrey IT Security Admin
Bill Koch Environmental Health & Campus Safety
Scott Buck Business Services
Margie Boyd Risk Management and Insurance
Nick Floyd Athletics
Austin Bunch Academic Affairs
Virginia Hardy Student Affairs
John Chinn Research Compliance
Kathie Hall Grants & Contracts
Micky Dowdy University Advancement
Amanda Pantelidis University Advancement
Micki Jernigan BSOM Compliance
Jody Cook BSOM Risk Management
Donna Payne University Attorney
Liz Johnston ADA Coordinator
Stacie Tronto Internal Audit
Taffye Clayton EEO & Affirmative Action
Brad Teasley Student Government Association
Bill Bagnell Campus Operations
John Durham Chancellor’s Office
Norma Epley IRB
Chris Locklear Provost Office
JJ McLamb Athletics
Scott Shelton Police
Kevin Carraway Materials Management
Gary Vanderpool Health Sciences-Admin.
Marion Swinker Prospective Health
Rick Niswander College of Business/Faculty Rep
Marianne Walker President of the Faculty
John Fletcher Enrollment Office
Ken Tomlinson School of Dental Medicine
Julie Poorman Financial Aid

Additional Non-Committee Special Advisors

Tim Metcalf Athletics Compliance
Lynn Roeder Dean of Students
Peter Romary Student Legal Services
Steve Duncan OPPD & Military Programs
Nick Benson Health Sciences Campus
## Enterprise Risk Management Committee Meeting Themes

*(As of 10/27/2010 – Subject to Change)*

<table>
<thead>
<tr>
<th>ERMC</th>
<th>Date</th>
<th>Guest Speaker/Lead</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Qtr</td>
<td>Feb 10</td>
<td>Chancellor</td>
<td>Strategic</td>
</tr>
<tr>
<td>2nd Qtr</td>
<td>Apr 14</td>
<td>Mr. Chalk, BOT Member</td>
<td>Strategic</td>
</tr>
<tr>
<td>3rd Qtr</td>
<td>July 14</td>
<td>Compliance Officers</td>
<td>Compliance</td>
</tr>
<tr>
<td>4th Qtr</td>
<td>Oct 13</td>
<td>Committee Work/CRO</td>
<td>Operational / Risk Workshop</td>
</tr>
<tr>
<td>1st Qtr</td>
<td>Feb 9, Mar 9 (T)</td>
<td>VC, A&amp;F / Fin Svcs / IA ERM eSymposium (T)</td>
<td>Financial Strategic</td>
</tr>
<tr>
<td>2d Qtr</td>
<td>Apr 13</td>
<td>Dir of Emergency Svcs</td>
<td>Operational</td>
</tr>
<tr>
<td>3rd Qtr</td>
<td>July 13</td>
<td>Attorney &amp; Chief, News &amp; Communication</td>
<td>Reputational / Compliance</td>
</tr>
<tr>
<td>4th Qtr</td>
<td>Nov 9</td>
<td>Provost / Academic Affairs</td>
<td>Strategic / Operational</td>
</tr>
</tbody>
</table>

**Risk Categories:** Strategic, Operational, Financial, Compliance, Reputational