AGENDA
Executive and Audit Committee
Board of Trustees Meeting
April 1, 2005
Mr. James R. Talton, Jr., Chairman, Presiding

Report Items

Acted on by the Full Board since the last meeting:

None.

Acted on by the Executive and Audit Committee since the last meeting:

1) Approval of Request for Property Acquisition – 101 East 10th Street (Amoco)
2) Approval of Request to Lease Approximately 2,800 Net Square Feet of Office Space for the Division of Student Life
3) Approval of Request to Lease 7,535 Net Square Feet for BSOM Department of Psychiatry from Pitt County Memorial Hospital
4) Approval of Request to Purchase Two Properties from the Medical Foundation of East Carolina University, Inc. (will complete the Learning Village site)
5) Approval of the University to Enter into a Lease Agreement with the University of North Carolina Foundation, Inc., in Order to Execute the (COPS) Financing for the Banner Administrative Systems Project
6) Approval of Request to Purchase Two Adjoining Parcels of Property (Old Hardee’s Restaurant at Tenth and Cotanche Streets)
7) Approval of Request of Water Line Easement to Greenville Utilities Commission
8) Approval of Request for Initial Appointment with Permanent Tenure for Timothy J. Hudson, Professor and Director, School of Communication
9) Approval of Request for Initial Appointment with Permanent Tenure for Earl W. Hill, Professor, Department of Child Development & Family Relations, College of Human Ecology

Discussion/Action Items

1) Approval of Minutes
   --December 10, 2004 (Full Board Meeting)
2) Board Self-Assessment
3) Planning Process (Bob Thompson)
4) County Sales Tax Increase (Bob Thompson)
5) Internal Audit Quarterly Report
   Internal Audit Reports
6) Approval of Resolution #05-08; Appendix C
7) Approval of Resolution #05-09; Appendix L
8) Management Flexibility Training for New Board Members
9) Centennial Celebration (Austin Bunch)

(Documentation for the above items will be available at the Board meeting. They will also be on file in the Assistant Secretary to the Board’s office, 107 Spilman Building.)
Executive and Audit Committee Meeting
Summary of Discussion
December 10, 2004

Chairman James R. Talton, Jr. convened the committee at 3:40 p.m. Also attending with Mr. Talton were committee members Showfety, Kinlaw, Hill, Kelly, and Ward. Other Trustees attending were Bodenhamer, Brody, Miller, Redwine, and Shannon O’Donnell.

Minutes of September 24 were approved.

Mr. Talton asked Mr. Showfety to acknowledge at the full Board meeting the report items on actions taken since the September 24 Board meeting.

Ms. Tronto asked for questions. Presentation deferred. She introduced the ECU audit team.

Board self-assessment retreat will be January 20 and 21, lunch to lunch. Information to follow.

The meeting adjourned at 3:58 p.m.

James LeRoy Smith
Assistant Secretary to the Board

APPROVED: ____________________________________________
James R. Talton, Jr.
Chairman of the Committee

East Carolina University is a constituent institution of the University of North Carolina. An Equal Opportunity/Affirmative Action Employer.
MEMORANDUM

To: Executive and Audit Committee of ECU Board of Trustees
From: Steven Ballard, Chancellor
Subject: Request for Property Acquisition – Sara Sutton (Amoco) Property, 101 East Tenth Street (Corner of Tenth & Evans Streets) Parcel #09312

September 2, 2004

I am writing to reconfirm authorization of the Executive and Audit Committee to purchase the Amoco gas station, owned by Sara Sutton, at the corner of Evans and Tenth Streets.

In May 2004, Richard Brown and Scott Buck requested and received approval to purchase several properties all in the same general area west of core campus, including the Sutton property.

This request is to advise and confirm your approval since we recently negotiated with the assistance of the State Property Office a purchase price of $253,000. The owner’s asking price was $360,000, the property was conservatively appraised last year at $211,000, and property’s tax value has risen $25,000 within the last year.

We also seek approval to sever the building from the property when deemed appropriate.

Contingent on your approvals, we intend to request the ECU Real Estate Foundation to acquire this property on our behalf in order to expedite the purchase due to the lead time of the subsequent approvals from Board of Governors, Joint Commission on Governmental Operations, and Council of State.

Funding for this acquisition will come from Auxiliary Overhead funds, account number 3-01670.

Should you have any questions, please feel free to contact me.

Approve ______________________ Date ______________________

Disapprove ______________________ Date ______________________

SB:kc

cc: Jim Smith
    C. Hawkins
    T. Walton
    S. Buck

East Carolina University is a constituent institution of the University of North Carolina. An Equal Opportunity/Affirmative Action Employer.
To: Executive and Audit Committee  
From: Charles M. Hawkins  
CC: S. Ballard, J. Smith, G. Moore, B. Clutter, S. Buck  
Date: November 29, 2004  
Subject: Request Approval to Lease ±2,800 Net Square Feet of Office Space for the Division of Student Life  

Attached is a request for approval to lease ±2,800 net square feet of office space for the Division of Student Life at an estimated cost of $33,600 per year.

Please review this recommendation, register your vote below and return by faxing to (252) 328-0129. Should you have any questions regarding this recommendation, please call me at (252) 328-6975.

Thank you.

Attachment

Approved ___________ Date ___________  

Disapproved ___________ Date ___________
East Carolina University
Board of Trustees
Executive and Audit Committee

ACTION ITEM
Approval of the Resolution to lease ±2,800 net square feet of office space for the Division of Student Life.

BACKGROUND INFORMATION
Due to growth and office reassignments, the Division of Student Life requires additional office space not currently available on campus. The units affected within Student Life are: Cultural Outreach, Student Life Development, Off-Campus Counseling and Neighborhood Relations. A recent space analysis has shown the need for ±2,800 net square feet of office space at an estimated cost of $33,600 per year.

Consolidation of the above units into one off-campus facility should promote resource sharing efficiencies. A location close to campus with service provided by the campus transit system is highly desirable.

RECOMMENDED ACTION
We recommend The Executive and Audit Committee members approve this request. Contingent of your approval, the request is subject to competitive bidding by the State Property Office and Council of State approval.
To: Executive and Audit Committee
From: Charles M. Hawkins
CC: S. Ballard, J. Smith, M. Lewis, S. Buck
Date: November 29, 2004
Subject: Request Approval to Lease 7,535 Net Square Feet for BSOM Department of Psychiatry from Pitt County Memorial Hospital

Attached is a request for approval to lease 7,535 net square feet of clinical and office space at Doctor’s Park #1 from Pitt County Memorial Hospital Management, Inc. for the Department of Psychiatry, Brody School of Medicine.

Please review this recommendation, register your vote below and return by faxing to (252) 328-0129. Should you have any questions regarding this recommendation, please call me at (252) 328-6975.

Thank you.

Attachments

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CMH:kc

CLT692844v1
East Carolina University
Board of Trustees
Executive and Audit Committee

ACTION ITEM
Approval to lease Doctor's Park #1, consisting of 7,535 net square feet for the Department of Psychiatry, Brody School of Medicine, from Pitt County Memorial Hospital Management, Inc.

BACKGROUND INFORMATION
The existing lease at Doctor's Park #6 has no remaining renewal options and the Department of Psychiatry has outgrown this facility.

The lease agreement shall be for three (3) years with three (3), one (1) year renewal options. The annual lease rate shall be $107,374 per year ($14.25 per square foot) with a 3% rental rate increase annually. ECU shall be responsible for janitorial services, utilities and routine interior maintenance. Pitt County Memorial Hospital Management, Inc. shall be responsible for all exterior building maintenance and lawn upkeep.

RECOMMENDED ACTION
We recommend The Executive and Audit Committee members approve this request. Contingent of your approval, we will seek UNC Board of Governors and Council of State approvals, and the State Property Office will initiate the lease agreement.
To: Executive and Audit Committee
From: Charles M. Hawkins
CC: S. Ballard, J. Smith, M. Lewis, S. Buck
Date: December 6, 2004
Subject: Request Approval to Purchase Two Properties
From the Medical Foundation of East Carolina University, Inc.

Attached is a request for approval to purchase two parcels of property from the Medical Foundation of East Carolina University, Inc.

Please review this recommendation, register your vote below and return by faxing to (252) 328-0129. Should you have any questions regarding this recommendation, please call me at (252) 328-6975.

Thank you.

Attachments

Approved ___________________________ Date ____________

Disapproved ___________________________ Date ____________

CMH:kc
CLT692844v1
East Carolina University
Board of Trustees
Executive and Audit Committee

ACTIONS
Approval of the Resolution to purchase two properties from the Medical Foundation of East Carolina University, Inc.

BACKGROUND INFORMATION
The remaining two parcels of property to complete the Learning Village site (see attached map) located at 1811 MacGregor Downs Road (tax parcel #39306) and NC Highway 43 (tax parcel #19351) were successfully negotiated and purchased by the Medical Foundation. Both parcels were appraised by a MAI certified appraiser per the request of the State Property Office at $93,000. The Medical Foundation’s cost of acquiring these parcels was $106,067 ($5.13/SF).

RECOMMENDED ACTION
We recommend The Executive and Audit Committee members approve this request of purchasing these two parcels of property from the Medical Foundation at their cost of $106,067. Acquisition contingent on subsequent approvals by UNC Board of Governors, Joint Commission on Governmental Operations and Council of State. The State Property Office is in concurrence with this recommendation.
Property Legend

A = 1811 MacGregor Downs Road (parcel #39306)

B = NC Hwy 43 (parcel #19351)
Interim Vice Chancellor for Administration and Finance
East Carolina University
112 Spilman • Greenville, NC  27858-4354
252-328-6975 office • 252-328-4835 fax
hawkinse@mail.ecu.edu

To: Executive and Audit Committee
From: Charles M. Hawkins
CC: S. Ballard, J. Smith, J. Brinn
Date: December 6, 2004
Re: Approval of the University to enter into a lease agreement with the University of North Carolina Foundation Inc., in order to execute the (COPS) financing for the Banner Administrative Systems Project

In working with the Office of the President and our Bond Counsel attached is the request for approval for East Carolina University to enter into a lease agreement with the University of North Carolina Foundation, Inc. to partially finance the acquisition and installation of the Banner Administrative System. Please review this recommendation, register your vote below and return by fax. Should you have any questions regarding this recommendation, please call me at 252-328-6975.

Thank you.

Attachments

Approved

Disapproved

Date

Date

BOT200412
East Carolina University
Board of Trustees
Executive and Audit Committee

ACTION ITEM
Approval of the University to enter into a lease agreement with The University of North Carolina Foundation Inc, in order to finance the acquisition and installation of the Banner Administrative System. In accordance with the legislation contained in the North Carolina General Statutes, action is needed by the Board of Trustees to execute the lease agreement.

BACKGROUND INFORMATION
In early 2003, East Carolina University performed an extensive analysis of the SunGard SCT Banner suite of products with the end result being the unanimous approval by the Chancellor’s Executive Council on May 26, 2003 to proceed with the project.

In Fiscal Year 2003, the University, working with the Office of the President, moved forward to purchase the full suite of SunGard SCT Banner products (Advancement, Finance, Financial Aid, Human Resources, and Student) to replace the current administrative systems of East Carolina University. The University made this decision because an estimated $9.5 million would be needed to upgrade the current systems without the benefit of having fully web-enabled, integrated systems that would allow ECU to provide services competitive to other universities and to support the planned growth of our student population.

The budget for the project is $18.7 million and is funded with $9 million from the COPS financing and $9.7 million of Other University Funds over a 4 year period. In October, the ECU Executive and Audit Committee approved the reimbursement resolution for the reimbursement of prior expenses. As we have been working with staff from the Office of the President and UNC-Charlotte, the COPS will be issued by The University of North Carolina Foundation, Inc. The Foundation will advance the proceeds to East Carolina University to be used for the Banner System implementation. The University will then lease the Banner System from the Foundation for a period of 10 years. The COPS financing is funded from a $50 student fee approved for this purpose beginning in fiscal year 2004-2005 and will be in effect for 10 years.

RECOMMENDED ACTION
We recommend The Board of Trustees authorize the Chancellor and Interim Chief Financial Officer of ECU to execute the Banner System Lease with The University of North Carolina Foundation, Inc.
RESOLUTION OF THE BOARD OF TRUSTEES OF EAST CAROLINA UNIVERSITY
AUTHORIZING A LEASE AGREEMENT RELATED TO THE ACQUISITION AND
INSTALLATION OF CERTAIN PERSONAL PROPERTY FOR EAST CAROLINA UNIVERSITY

WHEREAS, the Board of Trustees (the "Board") of East Carolina University ("ECU") has determined that ECU should enter into a lease agreement (the "Lease") with a nonprofit corporation (the "Company"), in order to finance the acquisition and installation of certain personal property known as the Banner System on the campus of ECU (the "Leased Property");

WHEREAS, under the Lease the Company, as lessor, will lease the Leased Property to ECU, as lessee, for a term not to exceed 12 years;

WHEREAS, under the Lease, ECU will pay Base Rentals and any Additional Rentals (as those terms are defined in the Lease) to the Company;

WHEREAS, in order to finance the acquisition and installation of the Leased Property, the Company will execute and deliver Certificates of Participation ("Certificates of Participation") evidencing proportionate undivided interests certain revenues, including the Base Rentals made by ECU under the Lease. The Base Rentals will be in an amount equal to the payments on ECU’s Pro Rata Share of the Certificates of Participation, in addition to certain other costs and expenses, and the Company will assign its rights to receive such Base Rentals under the Lease to a financial institution serving as trustee (the "Trustee") pursuant to the Indenture of Trust dated as of November 15, 2004 (the "Indenture") between the Company and the Trustee under which the Certificates of Participation will be executed and delivered, for the benefit of the holders of the Certificates of Participation;

WHEREAS, the Certificates of Participation are not and will not be an obligation of the State or ECU, but will be secured solely from the Base Rentals paid by ECU under the Lease and corresponding base rentals paid by The University of North Carolina at Charlotte under a similar lease;

WHEREAS, Legg Mason Wood Walker, Incorporated, as underwriter of the Certificates of Participation (the "Underwriter"), will use an Official Statement containing certain information about ECU and ECU’s audited financial statements to sell the Certificates of Participation;

WHEREAS, there has been presented to the Board the Lease and the Indenture;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF EAST CAROLINA UNIVERSITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Authorization of Lease. That the form and content of the Lease be and the same hereby are in all respects authorized, approved and confirmed, and the Chancellor and Interim Chief Financial Officer of ECU be and they hereby are authorized, empowered and directed to execute, approve and deliver the Lease, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the

BOT200412
Board’s approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Lease, and the Chancellor and Interim Chief Financial Officer of ECU are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Lease as executed.

Section 2. Approval of the Indenture. That the form and content of the Indenture be and the same hereby are in all respects approved.

Section 3. Authorization to Use ECU Information. The Company and the Underwriter are hereby authorized to use information about ECU and ECU’s audited financial statements in the Official Statement relating to the Certificates of Participation.

Section 4. General Authority. From and after the execution and delivery of the documents hereinabove authorized, the Chancellor and Interim Chief Financial Officer of ECU are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to complete the transaction contemplated by the Lease, the Indenture and the execution and delivery of the Certificates of Participation.

Section 5. Effective Date. This Resolution is effective on its adoption.

ADOPTED AND APPROVED this 6th day of December, 2004.

THE BOARD OF TRUSTEES OF EAST CAROLINA UNIVERSITY

By:

Assistant Secretary
STATE OF NORTH CAROLINA

COUNTY OF PITT

I, [Signature], the duly elected Secretary of the Board of Trustees of East Carolina University, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Trustees of East Carolina University at its meeting of [April 11, 2005] and appearing in the minutes of such meeting.

WITNESS, my hand and the seal of East Carolina University this 9th day of December, 2004.

[Seal]

[Signature]
Assistant Secretary

BOT200412
To: Executive and Audit Committee
From: Charles M. Hawkins
CC: S. Ballard, J. Smith, S. Buck
Date: December 8, 2004
Subject: Request Approval to Purchase Two Adjoining Parcels of Property – Old Hardee’s Restaurant at Tenth and Cotanche Streets

Attached is a request for approval to purchase two adjoining parcels of property from H.W. Wheless, known as the old Hardee’s Restaurant properties, at Tenth and Cotanche Streets.

Please review this recommendation, register your vote below and return by faxing to (252) 328-0129. Should you have any questions regarding this recommendation, please call me at (252) 328-6975.

Thank you.

Attachments

Approved ___________________________ Date ________

Disapproved ___________________________ Date ________

CMH:kc
CLT692844v1
East Carolina University
Board of Trustees
Executive and Audit Committee

ACTION ITEM
Approval of the Resolution to purchase two adjoining parcels of property at the corner of Tenth and Cotanche Streets, formerly a Hardee’s Restaurant.

BACKGROUND INFORMATION
The University has negotiated the purchase of tax parcels #24317 and #04546 from W.H. Wheless (see attached map). The property is under a lease agreement with First Sun Management Corporation (Wendy’s Hamburger Franchise). The negotiated purchase of $1,055,000 ($28.62/SF) includes both parcels comprising 36,861 square feet of land and a 3,517 SF building in poor condition. Mr. Wheless has agreed to purchase the leasehold interests of First Sun Management Corporation prior to closing.

Both parcels front Cotanche Street, between Ninth and Tenth Streets, and are of strategic importance to the University’s expansion. Approval is requested to sever the building from the site.

Contingent upon your approval, the ECU Real Estate Foundation shall purchase the properties as an intermediary in January 2005 as negotiated with owner and lessor for tax implications.

The State Property Office is in concurrence with this acquisition and will purchase both properties upon subsequent approvals from the UNC Board of Governors, Joint Commission on Governmental Operations, and the Council of State.

Source of funds is 3-01670-5750.

RECOMMENDED ACTION
We recommend The Executive and Audit Committee members approve this request for acquisition and severance.
Wheless Property Map

Map Legend

A = Parcel #24317

B = Parcel #04546
To: Executive and Audit Committee
From: Dr. Frederick Niswander
CC: S. Ballard, J. Smith, G. Moore, G. Harrell, S. Buck
Date: January 6, 2005
Subject: Request Approval of Water Line Easement to Greenville Utilities Commission

Attached is a request for approval to grant a water line easement to Greenville Utilities Commission.

Please review this recommendation, register your vote below and return by faxing to (252) 328-0129. Should you have any questions regarding this recommendation, please call me at (252) 328-6975.

Thank you.

Attachments

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RN: kc
ACTION ITEM
Approval of the resolution to grant a water line easement to Greenville Utilities Commission.

BACKGROUND INFORMATION
The TKE house, owned by Lambda Psi Housing Corporation, adjacent to the A.J. Fletcher Music Center, is installing a new fire sprinkler system that requires connection to a Greenville Utilities Commission water line a few feet within the ECU property line. This new easement will allow Greenville Utilities to connect to one of their existing water lines under a previous easement with ECU, and provide a sufficient water line supply to the TKE house. All expenses associated with this request are borne by Lambda Psi Housing Corporation and connection will not affect ECU water supply. This easement will facilitate the first ECU Greek house to install a fire sprinkler system.

RECOMMENDED ACTION
We recommend the Executive and Audit Committee members approve this request. Contingent of your approval, we will seek approvals from the State Property Office and Council of State.
MEMORANDUM

TO: Members of the Executive and Audit Committee
    James R. Talton, Jr.
    Stephen D. Showfety
    Robert O. Hill, Jr.
    Michael W. Kelly
    Dan V. Kinlaw
    Margaret C. Ward

FROM: James LeRoy Smith  
Assistant Secretary to the Board

DATE: March 3, 2005

RE: Approval of Recommendation

Rather than wait until our Board meeting on April 1st, I respectfully request the members of the Executive and Audit Committee consider the recommendation for approval for initial appointment with permanent tenure for Timothy J. Hudson, Professor and Director, School of Communication. This recommendation has been endorsed by Chancellor Ballard and me in my role as Interim Vice Chancellor for Academic Affairs. Details are attached.

Please call (252-328-6105) or fax (252-328-0129) your reply to me.

Many thanks for your consideration of this request.

_____ Yes, I approve of the request for Dr. Timothy J. Hudson.
_____ No, I do not approve.

__________________________
signature
March 3, 2005

Dr. Steve Ballard
Chancellor
East Carolina University

Dear Dr. Ballard:

I recommend that Dr. Timothy J. Hudson be appointed Professor with permanent tenure in the School of Communication, College of Fine Arts & Communication, effective July 1, 2005, at an annual twelve-month salary rate of $101,500.

Enclosed please find the format required by the ECU Board of Trustees.

Thank you for your consideration of this request.

Sincerely,

James LeRoy Smith
Interim Vice Chancellor for Academic Affairs

JLS/agt

Enclosure
Personnel Action Requiring Approval of the Board of Trustees
This form is designed for submitting all personnel requests that require BOT approval.

Name of Institution: East Carolina University
Name of Appointee: Timothy J. Hudson
Department: School of Communication
College: Fine Arts & Communication
Current UNC Rank or Title: (if applicable) Proposed Rank: Professor & Director

Indicate Type of Action: (select all that apply)

- Administrative Appointment: ☒
- New Faculty Appointment: ☒
- Promotion: ☐
- *Salary Increase in Excess of 15%: ☐
- Other: (describe)
- Distinguished Professorship: (provide name of professorship)

Reappointment: ☐
Conferral of Tenure: ☒

Effective Date of Action: July 1, 2005

Contract Period: Administrative Appointment: 9 mo. 12 mo. ☒
Faculty Appointment: 9 mo. ☐ 12 mo. ☐

Salary: $101,500
Source(s): State Funds: $101,500 *Non-State Funds: $

1. Education Background:
Ph.D., 1991, Temple University, Philadelphia, Pennsylvania
M.A., 1982, Eastern New Mexico University, Portales, New Mexico
B.S., 1981, Eastern New Mexico University, Portales, New Mexico

2. Teaching and other professional experience:
1981-1982: Graduate Teaching Assistant, Eastern New Mexico University
1983: Adjunct Instructor, Amarillo College
1982-1985: Instructor and Director of Radio-Television, West Texas State University
1985-1989: Assistant Professor of Communication and Director of Television, Elizabethtown College
Summer 1987: Minority Program Instructor, Millersville University
1997-2001 (Three Week Course yearly): Visiting Professor, International Academy of Broadcasting, Switzerland
2005, Director, School of Communication

3. Scholarly & Creative Activities:

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4. Prior Recommendations/Personnel Actions:

(please check appropriate responses)

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5. Membership in professional organizations:

Broadcast Education Association
Radio Television News Directors Association
International Communication Association
Association for Education in Journalism and Mass Communication
International Radio and Television Society
Oklahoma Press Association
Oklahoma Association of Broadcasters
Investigative Reporters and Editors, Inc.
Pennsylvania Association of Broadcasters
Texas Association of Broadcasters
Texas Association of Broadcast Educators
Panhandle Area Broadcasters Association

6. Professional service on campus:

University of Oklahoma Campus Departmental Review Panel, 2000-2003
Faculty representative to architects for design of all broadcasting and multimedia production facilities in Gaylord Hall, future home of the College of JMC, 2001-present
Faculty interviewer for University of Oklahoma International Exchange Programs, 2000-2004
Secured funding for, designed, and supervised construction and installation of new computerized broadcast newsroom and WIRE-4 broadcast control room, 1999
Developed and directed faculty and student exchange program between OU and the International Academy of Broadcasting, Montreux, Switzerland, 1997-2002
Creator and Faculty Advisor for WIRE-4, Cable TV and On-Line Multimedia Channel serving OU and Norman 1997-1999
Founding Faculty Member, OU Interdisciplinary Film and Video Studies Program
OK. Energy Research Center: $200,000, 1993, DOE Proposal, Presentation Consultant
University of Oklahoma Film and Video Production Facilities Planning Committee
OU College of Arts and Sciences Dean Search Committee
State Committee on Undergraduate Journalism Education, University Center at Tulsa
OU Multimedia Advisory Committee Chair
Arts and Sciences Academic Misconduct Board
Graduate College English Language Proficiency Panel
School of Journalism and Mass Communication "Designated Problem-Solver"
OU Library Liaison, OU Curriculum Assessment Liaison
OU College of Journalism and Mass Communication
OU Film and Video Studies Membership Committee
Founder and Faculty Advisor, ECTV Channel 8 – serving Southeastern PA
Faculty Advisor, Elizabethtown College Chapter of Women in Communications, Inc., EC Campus
Judicial Board, EC Publications Committee
Faculty Advisor, Student Radio Club, SDX and SERho – West Texas State University

7. Professional service off campus:

Regularly review tenure and promotion dossiers for major US Universities: mass communication, video production, and multimedia faculty
Research Evaluator for Journal of Broadcasting and Electronic Media
Research Evaluator for Southwestern Journal of Mass Communication
Judge, Association for Education in Journalism & Mass Communication International Research Paper Competition, 2002
Judging coordinator for 2001 Illinois Broadcast Journalism Association Annual Competition
Primary judge for 2000 Illinois Broadcast journalism Association Annual Competition
Assignments Editor for the national Press Photographers Association TV News Photography “Platypus" Workshop, March 1999
MEMORANDUM

TO: Members of the Executive and Audit Committee
James R. Talton, Jr.
Stephen D. Showfety
Robert O. Hill, Jr.
Michael W. Kelly
Dan V. Kinlaw
Margaret C. Ward

FROM: James LeRoy Smith
Assistant Secretary to the Board

DATE: March 22, 2005

RE: Approval of Recommendation

Rather than wait until our Board meeting on April 1st, I respectfully request the members of the Executive and Audit Committee consider the recommendation for approval for initial appointment with permanent tenure for Earl W. Hill, Professor, Department of Child Development & Family Relations, College of Human Ecology. This recommendation has been endorsed by Chancellor Ballard and me in my role as Interim Vice Chancellor for Academic Affairs. Details are attached.

Please call (252-328-6105) or fax (252-328-0129) your reply to me.

Many thanks for your consideration of this request.

_____Yes, I approve of the request for Dr. Earl W. Hill.
_____No, I do not approve.

signature
March 16, 2005

Dr. Steve Ballard
Chancellor
East Carolina University

Dear Dr. Ballard:

I recommend that Dr. Earl W. Hill be appointed Professor with permanent tenure in the Department of Child Development & Family Relations, College of Human Ecology, effective April 18, 2005, at an annual twelve-month salary rate of $78,000 (including a $5,000 administrative stipend to be discontinued should administrative duties be relinquished). This appointment will be converted to a nine-month appointment effective August 22, 2005 at the same annual salary.

Enclosed please find the format required by the ECU Board of Trustees.

Thank you for your consideration of this request.

Sincerely,

James LeRoy Smith
Interim Vice Chancellor for Academic Affairs

JLS/agt

Enclosure

OK - S Ballard
3/16/05
Personnel Action Requiring Approval of the Board of Trustees
This form is designed for submitting all personnel requests that require BOT approval.

Name of Institution:  East Carolina University

Name of Appointee:  Earl Wayne Hill

Department:  Child Development & Family Relations      College:  College of Human Ecology

Current UNC Rank or Title:  

Proposed Rank:  Professor

Indicate Type of Action:  (select all that apply)

- Administrative Appointment:  
- New Faculty Appointment:  ☒ 
- Promotion:  
- *Salary Increase in Excess of 15%:  
- Other:  (describe)  
- Distinguished Professorship:  
  (provide name of professorship)

Reappointment:  

Conferral of Tenure:  ☒

Effective Date of Action:  April 18, 2005

Contract Period:  

- Administrative Appointment:  9 mo.  ☐  12 mo.  ☒
- Faculty Appointment:  9 mo.  ☒  12 mo.  ☐

Salary:  $78,000  Source(s):  State Funds:  $78,000  *Non-State Funds:  $

1.  Education Background:

Ph.D., 1981, University of North Carolina at Greensboro, Greensboro, North Carolina
M.Ed., 1977, University of North Carolina at Greensboro, Greensboro, North Carolina
M.Div., 1975, Southeastern Baptist Theological Seminary, Wake Forest, North Carolina
B.A., 1972, Erskine College, Sue West, South Carolina
A.A., 1970, Anderson College, Anderson, South Carolina

2.  Teaching and other professional experience:

Summer 1980:  Part-time Instructor, Forsythe Technical Institute, Winston-Salem, North Carolina
1979-1982:  Pastor, Eatons Baptist Church, Mocksville, North Carolina
1980-1981:  Teaching Assistant, University of North Carolina at Greensboro, Greensboro, North Carolina
1983:  Part-time Instructor, Columbus College, Columbus, Georgia
1985-1988:  Part-time Instructor, Georgia State University at Fort Benning
1982-1988:  Clinical Director at the Pastoral Institute; Coordinator of Professional Education and Chairman of Staff Growth and Development Committee at the Bradley Center, a private psychiatric hospital (Jan. 1, 1987-June 3, 1988), pastoral counselor, marriage and family therapist at the Pastoral Institute. Individual and family therapist on the Adolescent Treatment Team (1982-1984) at the Bradley Center, a private non-profit psychiatric hospital, The Pastoral Institute and The Bradley Center, Inc., Columbus, Georgia
1988-2001:  Part-Time Pastoral Counselor, Faith Counseling Center, Tallahassee, Florida
1989-1990:  Interim Director of Training, Interdivisional Program in Marriage & Family Therapy, Tallahassee, Florida
1988-1992:  Assistant Professor, Florida State University, Tallahassee, Florida
1993-2002:  Associate Professor, Florida State University, Tallahassee, Florida
2002-present:  Senior Pastor, First Baptist Church, Sylva, North Carolina
3. Scholarly & Creative Activities:

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5. Membership in professional organizations:

- American Association for Marriage and Family Therapy (Approved Supervisor)
- American Association of Pastoral Counselors (Diplomate)
- National Council on Family Relations
- Licensed Marriage and Family Therapist (Georgia License #000315; North Carolina #973)

6. Professional service on campus:

N/A

7. Professional service off campus:

- Florida State University Excellence in Teaching Incentive Program Award of $5,000 salary increase for 1995-96.
- Florida State University Faculty Teaching Award, 1992-1993.
- Nominated for Outstanding Educator of the Year by the Panhellenic Association & Interfraternity Council, 1993.
- Among "Favorite Honors Professors," The Florida State University, Spring, 1991, 1992, 1993 and 1994 as designated by honors students. *These were the years I was privileged to teach in the honors program.*
- Participant in the 1991 President's Dinner Series for Excellence in College Teaching, Florida State University, February 20, 1990.
- Georgia State University. Recognition for outstanding professional training in on-site supervision of practicum/internship students, February, 1987.
- Eagle Scout, Boy Scouts of America, Post 47, Starr, South Carolina, March 11, 1968.
February 3, 2005

President Molly Corbett Broad
The University of North Carolina
PO Box 2688
Chapel Hill, NC 27515-2688

Dear President Broad:

The East Carolina University Board of Trustees self-study retreat conducted on January 20-21, 2005 was unanimously declared a success by the board membership.

Dr. Robert Woodbury, AGB facilitator, conducted the retreat, as he did the last board self-assessment at ECU, held in January, 2000. Dr. Woodbury’s familiarity with the recent history of the university aided in the facilitation. After welcomes from Board chair Jim Talton and myself, Dr. Woodbury led the discussion (agenda attached).

Dr. Woodbury reviewed the desired outcomes from the retreat, shared conventional wisdom about board responsibilities, and summarized the overview of what boards should do:

- monitor the mission and the strategic planning of the campus
- review relevant policies, approving those where responsibility is given
- pursue assessments of institutional performance
- interpret the institution to the community and vice versa.

Dr. Woodbury then discussed policy levels at institutions of higher learning, indicating that board responsibility is properly found on the upper three levels:

- major policies
- secondary policies
- functional policies
- minor policies
- standard operating procedures
- rules.

Thereafter, the board members, with Dr. Woodbury’s facilitating and my participation in the discussion reviewed the entire 11 sections of the AGB self-assessment inventory, making notes on important points. After polling the board members about the three most important priorities that the review produced, discussion ensued. A full summary of that discussion is available to the Office of the President on request and a report and will be shared with all participants.
The conclusions from the discussion were summarized in two major areas and seven discrete areas. These nine areas constitute the concluding work plan of the board and the chancellor as East Carolina goes forward. These areas, which will now constitute the elements of the board-chancellor work plan, are as follows:

**Major areas:**

-clarify the board’s role in as well as the campus use of strategic planning
-clarify the board’s role and the campus goals in the development of fund-raising.

**Discrete areas:**

- establish foundations’ accountability
- establish processes and lead-time on chancellor and board assessments
- establish clarity in managing the facilities development process (re: board involvement)
- establish an improved program of board member orientation and continuing education
- establish an improved public (including political) relations strategy
- establish a transparent and clear overall University budget process
- establish an improved town-gown relation, extending beyond Greenville and Pitt County.

I will be working with Chairman Talton, Vice Chairman Steve Showfety, the other Trustees and with my senior administrative team in addressing these matters.

Sincerely,

Steve Ballard
Chancellor

Attachment

CC: ECU Board of Trustees
    Bart Corgnati
    James LeRoy Smith
Agenda for Board Retreat/Workshop
Grandover Resort & Conference Center
One Thousand Club Road
Greensboro, NC 27407
336-294-1800 (phone)
800-472-6301 (toll free)
336-856-9991 (fax)

Thursday, January 20, 2005

1:00 p.m. – Welcome and Introduction by Chair Talton, Chancellor Ballard

1:15 p.m. -- Overview of Board Responsibilities
Review of Self-Study Results

2:45 p.m. – Break

3:00 p.m. – Continue Review of Self-Study Results

3:45 p.m. – Small Group Discussions of Priorities for Action

4:30 p.m. – Agreement on Priorities

5:00 p.m. – Break for Evening

6:30 p.m. Cocktails/Dinner

Friday, January 21

8:30 a.m. – Review of Priorities
Proposed Action Steps

10:15 a.m. – Final Comments, Evaluation

10:30 a.m. – Adjourn Workshop
Planning Processes Needs

A strategic plan and subsequent processes that integrate and coordinate the following planning dimensions according to established university mission and priorities

- multi-year academic program development plan
- long range enrollment management plan
- multi-year technology plan
- multi-year plan on research development
- multi-year plan on student services
- rolling comprehensive campus master plan and space planning process
- fundraising campaign planning process (private and federal dollars) that supports the above
- rolling multi-year business and budget plan
Current Planning Cycle Timelines

- **Strategic Planning**
  - 5 year overall cycle
  - 3 year initial phase with 2 year update
  - Annual progress reporting

- **Enrollment Change/Growth**
  - Fall of even years – project for next biennium, e.g., Fall 2004 projected for 2005-07 (Headcount, FTE, Residence, & Credit Hour Production)
  - Update annually with more details
  - Spring of odd years - project 10 year targets

- **Academic Program Planning**
  - Beginning in 2001 OP requested Five Year Academic Program Plans as part of UNC Long Range Plan
  - Revised during Spring of odd years – project 5 years out
  - Serves as a notification of intent
  - Program Reviews – in development
Current Planning Cycle Timelines -2-

• Capital Planning
  – Since 2000 bond referendum, capital planning has now apparently returned to a biennial request cycle with individual campuses also seeking separate funding for their projects
  – Campus repair and renovation plans developed locally
  – Self-funded auxiliary projects from Family Practice Plan, Athletics and Student Life follow a mixed planning cycle in that they need approval from OP and the legislature, but as long as they do not require state appropriations they can be moved ahead more rapidly

• Campus Space Planning
  – Done on ongoing basis, but is particularly driven by annual faculty hiring processes as university tries to accommodate growth and program changes

• Information Technology Planning
  – Largely an ongoing internal campus project timeline
Current Planning Cycle Timelines -3-

- State & Federal Legislative Priorities
  - Proposals submitted to OP in December
  - Proposals submitted to Congressional Offices in February-March

- Budgets
  - Spring of even years submit Expansion Budget Requests for next biennium
  - Summer of even years submit Continuation Budget Requests for next biennium
  - Campus Based Tuition Requests – submit to OP by end of Fall Term (at this time, annually)
  - Student Fees – submit to OP by end of Fall Term (at this time, annually)
  - Reallocation Budget – recurring campus decision once available revenue estimates developed
Status of Strategic Planning Process

• Current Strategic Plan expires July 1, 2005

• Formed Advisory Committee on Strategic Planning to recommend draft vision and values statement to be followed by draft university goals

• Initial target dates:
  – Values and Vision Statements – March 1, 2005
  – University Strategic Planning Goals – May 1, 2005
  – Divisions complete their strategic plans by August 1, 2005
  – Colleges complete their strategic plans by October 15, 2005
  – Departments and schools complete their operational plans by December 1, 2005

• Think we will meet the May 1st target in some respects, but not likely with enough time to have extensive campus discussion which means using most of next academic year for completion of unit plans.
Coordination with the other planning processes

• Propose that a rolling master calendar be developed so at any point in time individuals can understand what activities are underway. Suggest that this be shared with the BOT.

• This is going to be an iterative process until we work through at least the first cycle of each and even then we will need to review the processes to see if they are accomplishing what we want.

• There will need to be serious consideration to the committees that will need to be more formally established, the timelines within which they work, and the deadlines by which decisions must be made.

• Kevin Seitz is now taking the lead on developing a budget process.

• The new campus master planning process should be postponed until we are further along with the adoption of new university strategic planning goals, but started before the fall term ends.

• The new academic program development plan along with the divisional and the college strategic plans will be important components in the development of a new campus master plan.
1% “Capital/Education Dedicated” Local Option Sales Tax
for
Pitt County

- Pitt County Board of Commissioners is requesting an act to authorize Pitt County to levy an additional one percent (1%) sales tax.
- 1% local option sales tax has been endorsed unanimously by the Pitt County Board of Commissioners.
- Revenue from sales tax would be utilized exclusively for education capital expenditures: PreK-12 and Community College.
- Would like joint sponsorship of legislation by all members of the Pitt County Legislative Delegation.

- **VOTER REFERENDUM:**
  - Pitt County Board of Commissioners would prefer this sales tax not require voter approval due to the identified needs of both the school system and the community college.
  - The Pitt County Board of Commissioners would be in agreement to the requirement of a referendum (held after enactment of legislation) if it is needed to pass this local act.
  - Early passage of legislation would enable Pitt County to properly position itself for a 11-8-05 referendum.

- **SUNSET CLAUSE:**
  - Pitt County Board of Commissioners would prefer this to be a permanent sales tax with no sunset clause due to the continued growth and already documented long term needs of both the Board of Education and Pitt Community College.
  - If a sunset clause is needed to pass this proposal, the Pitt County Board of Commissioners would suggest:
    - 15 year period
    - 8 year period with option for an additional 8 year renewal
  - A sunset clause would only allow Pitt County to structure debt to revenue stream and handle the immediate identified needs. This allows little flexibility for future needs.

- **EDUCATION RELATED CAPITAL NEEDS:**
  - Pitt County Schools LREP (Long Range Education Plan) originally documented $217 million in education related capital needs. This plan covers the next 12-15 years. (If paid for by local ad valorem taxes, would require a 18-20 cent tax increase for debt service.)
  - Pitt Community College has recently identified $70 million in education related capital needs. This plan covers current and anticipated needs over the next 10-15 years. (If paid for by local ad valorem taxes, would require a 7 cent tax increase for debt service.)

- **REVENUE STREAM:**
  - Based on current data, a 1% Local option sales tax would yield an estimated $15 million per year in Pitt County that would be dedicated to debt retirement on capital projects that benefit all citizens in the County – both municipalities and unincorporated areas. For this reason, municipal allocation is not recommended.

- **WHY NOT JUST RAISE AD VALOREM TAXES LOCALLY?**
  - Sales tax creates “tax payer equity” – all citizens contribute, not just property owners.
  - Sales tax creates “tax base equity” – Pitt County’s base is 70% residential and 30% commercial/industrial as compared to “peer counties” which typically have a 50/50 split. With a higher proportion of single family parcels – burden of property tax falls on the homeowner. County’s largest three employees (PCMH*, ECU & PCS) do not pay property taxes
  - Sales tax creates “business friendly” policy – Eastern North Carolina fights to compete with the Triad and points west of I-95 when attracting business and industry – higher property taxes will just further complicate and impede this process.
  - Sales tax takes advantage of the County’s “regional hub status” and our service economy – much of the “business” of Pitt County – food service and retail sales – would collect a sales tax and the high numbers of citizens we serve would be helped by the influx from our surrounding areas.

* PCMH does make an annual payment in lieu of taxes for a portion of property taxes that would be paid if they were a taxable entity.
RESOLUTION IN SUPPORT OF 1% LOCAL OPTION SALES TAX EXCLUSIVELY FOR EDUCATION CAPITAL NEEDS IN PITTCOUNTY

WHEREAS, the quality of educational facilities within Pitt County is vital to create strong learning environments that will have a direct bearing on the present and future educational achievements of our students; and

WHEREAS, the quality of facilities as well, as school curriculum, is a primary factor in economic development recruitment efforts; and

WHEREAS, the continued economic future of Pitt County is predicated on strong public school and community college systems; and

WHEREAS, the Pitt County School System currently has greater than 21,500 students and is experiencing a trend of significant growth in student enrollment with the last 5 years growth rate being greater than 1,500 students and with this level of growth projected to continue; and

WHEREAS, the Pitt Community College system has greater than 15,000 students between degree seeking and continuing education programs and is also experiencing a trend of significant annual growth in student enrollment with last year’s growth rate being 5% and this growth is projected to continue; and

WHEREAS, because the Pitt County School System cannot adequately accommodate the current student population, space shortages require the use of over 140 mobile classrooms and a portion of the FY 04-05 teaching positions were not allocated due to the lack of classroom space; and

WHEREAS, Pitt Community College ranks last (58 out of 58) as compared to other community college campuses when calculating square footage per student. This is indicative of a severe space shortage at the community college; and

WHEREAS, both present and future student population growth has exceeded each institution’s ability to provide for adequate classroom space; and

WHEREAS, Pitt County Schools has identified $217 million in capital needs over the next twelve to fifteen years; and

WHEREAS, Pitt Community College had identified $80 million in capital needs over the next ten to fifteen years; and

WHEREAS, if both the $217 million and $80 million in capital needs ($297 million) were implemented all at once, this would result in a twenty-five to twenty-seven cent (25-27) ad valorem tax increase for debt service in Pitt County. This being equivalent to a 38% tax increase; and
WHEREAS, in addition to debt service considerations, Pitt County will also be responsible for the “new operating costs” associated with the proposed capital construction (i.e. utilities, insurance & janitorial service); and

WHEREAS, based upon current data, a 1% sales tax in Pitt County would yield an estimated $16 million per year and would be dedicated exclusively for debt retirement on capital projects for Pitt County Schools and Pitt Community College; and

WHEREAS, relying solely on the ad valorem property tax base to leverage funding for debt service does not create “tax payer equity”, but with a sales tax all citizens will contribute to this revenue stream, not just property owners; and

WHEREAS, most counties in North Carolina have a 50-50 split in their tax base between residential and commercial/industrial value; and

WHEREAS, Pitt County has a 70-30 split in its tax base, in which residential properties carry a disproportionate share of the ad valorem tax burden compared to other counties; and

WHEREAS, the three largest employers in Pitt County do not pay ad valorem property taxes; and

WHEREAS, Pitt County has been designated a “Low Wealth” county by the State of North Carolina; and

WHEREAS, in order to adequately address both the immediate and future facility needs of both PreK-12 and community college students, it is necessary that a new dedicated revenue stream be created.

NOW, THEREFORE, BE IT RESOLVED by the Pitt County Board of Commissioners does hereby express its support to the Pitt County Legislative Delegation and North Carolina General Assembly to allow Pitt County the ability to implement a 1% local option sales tax to be dedicated exclusively for education related capital needs.

ADOPTED this 10th day of January, 2005.

Mark W. Owens, Jr.
Chairman

Attest:

Susan J. Banks, CMC
Clerk
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<td>REPORT OF OTHER INTERNAL AUDIT ACTIVITIES</td>
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<td><strong>APPENDICES:</strong></td>
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<td>C: CONSULTATIONS</td>
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<td>D: INTERNAL AUDIT STRATEGY</td>
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INTRODUCTION

The Office of Internal Audit and Management Advisory Services is committed to the mission of the University and assisting management in the effective discharge of their responsibilities and duties. With that in mind, the Internal Audit team has committed themselves to a very aggressive annual audit plan and re-engineering of Internal Audit timeline. The Internal Audit team is also committed to the four core values or principles considered essential to the effective practice of internal auditing: integrity, objectivity, confidentiality, and competency.

The following pages summarize the progress of our commitment to the annual audit plan and other internal audit activities for the period October 1, 2004 to December 31, 2004.
SUMMARY OF COMPLETED AND PENDING ENGAGEMENTS

For the quarter ending December 31, 2004, we completed and/or initiated the following engagements, follow-ups, and special reviews for a total of 1072 staff auditor hours, which is 46% of total staff auditor hours for this period. Please note that actual auditor hours of the completed engagements will not equal the total auditor hours for the period because an engagement may have been initiated in the previous fiscal year or quarter. The complete annual audit plan for fiscal year 2005 can be found in Appendix A. The completed engagements are highlighted in yellow. The annual audit plan is a dynamic document that may change during the fiscal year as circumstances dictate. Requests from management and changes in the University’s organization or operations may result in changes to the plan and priorities.

COMPLETED ENGAGEMENTS, FOLLOW-UPS, AND SPECIAL REVIEWS

Operational:

Summer Study Abroad Program
Academic Affairs
Issued: 11/5/04
Budgeted Hours: 256
Actual Auditor Hours: 831

This operational review was requested by the Office of International Affairs. Overall, the system of internal control with respect to the Summer Study Abroad programs for the summer of 2001, 2002, and 2003 were found to be insufficient to mitigate the risks and meet the objectives and goals of management. However, as of November 5, 2004, management has responded they have implemented numerous internal controls to mitigate the risks identified in the review. Internal Audit will conduct a follow-up review in approximately six months.

Compliance:

Chancellor’s Discretionary Account FY 2003-2004
Chancellor
Issued: 10/18/04
Budgeted Hours: 100
Actual Hours: 279

The Chancellor’s Discretionary Account is reviewed each year to ensure the expenditures are for valid University business and follow the “Guidelines for Use of Discretionary Funds”. In summary, it was determined the transactions reviewed were for valid University business and followed the necessary guidelines.
SUMMARY OF COMPLETED AND PENDING ENGAGEMENTS

Special Reviews:

Personal Cell Phone Usage
Agromedicine Center
Issued: 12/30/04
Budgeted Hours: 40
Actual Auditor Hours: 112

In October of 2004, the Chief Legal Counsel for the Brody School of Medicine requested the review of cell phone records of a former employee. The personal cell phone usage by the former employee was determined and the employee has reimbursed the University a total of $1,788.78.

Misuse of State Vehicle
Campus Operations
Issued: 11/11/04
Budgeted Hours: 40
Actual Hours: 54

In October of 2004, an allegation was received from the North Carolina Department of Administration, Motor Fleet Management Division regarding the abuse of a State vehicle by an employee of East Carolina University. We could not conclude on the incident in question due to the fact there were no internal controls in place to monitor or verify daily vehicle mileage. Recommendations were made to strengthen the internal controls.

Follow-Up Reviews:

Telecommunications – Operational Engagement Issued May of 2003
ITCS
Issued: 11/29/04
Budgeted Hours: 100
Actual Hours: 110

The primary purpose of the follow-up was to verify compliance with the recommendations and management responses and to assess the adequacy of the corrective actions taken with regard to the operational engagement issued in May of 2003. It was found that out of fourteen observations, twelve had been satisfactorily completed. The incomplete items involve reconciliation processes and will be followed up on at a later date.
SUMMARY OF COMPLETED AND PENDING ENGAGEMENTS

PENDING ENGAGEMENTS, FOLLOW-UPS, AND SPECIAL REVIEWS

The following is a list of engagements, follow-ups, and special reviews that have been initiated but not yet completed:

Operational:
DEC - Pediatrics
Joyner Library

Compliance:
HIPAA Privacy Review
Chancellors Discretionary Account 2004-2005
Police Department
International I-9

Information Technology:
Disaster Recovery Testing 2004

Special Reviews:
Dining Services
MCNC Grant
Alumni Relations
Parking and Traffic Deposit Sheets
Bank Account
Financial Aid

Follow-Up Reviews:
University Pro-Card
REPORT OF OTHER INTERNAL AUDIT ACTIVITIES

Besides performing engagements, follow-ups, and special reviews, the Internal Audit department is also involved in other activities that supports the mission of the University, adds value to the University, and assists management in the effective discharge of their responsibilities and duties. A complete list of internal audit activities by category and the percentage of time expended on each category can be found in Appendix B. The following provides more detail of these activities:

INTERNAL AUDIT STRATEGY

The internal audit profession is undergoing a significant transformation. Issues facing the profession and risks confronting the University must be understood. Because of this transformation an effective internal audit strategy driven by the "Standards for the Professional Practice of Internal Auditing" is essential. Therefore, a five year internal audit strategy has been developed for the Office of Internal Audit for fiscal years 2003 through 2007. The Internal Audit Strategy along with the approximate and actual completion dates can be found in Appendix D. This is a dynamic document that may change as circumstances dictate.

For this quarter, Internal Audit has recruited an Information Technology Auditor who will start in January of 2005. As part of restructuring the Internal Audit department, three positions were submitted for reclassification. One of the three positions was reclassified and the remaining two were recommended for in-range salary increases because they were well below the market rate. A system-wide restudy of all internal audit positions has been requested through the Office of State Personnel due to the fact that the current classifications have not kept up with the change in the internal audit profession. The Office of State Personnel has responded they will be reviewing these positions in the near future.

The development and implementation of a risk based audit plan is still our top priority for this fiscal year. We also continue to strive to build rapport with senior management and to use every opportunity to ensure that the East Carolina Community has a clear understanding of the role of the internal audit function and vice versa.

CONSULTATIONS

Internal Audit provides consultation and management advisory services to administrative and academic units. For this period, we provided 29 consultations for a total of 235 hours or 8% of total auditor hours to a variety of departments. A complete list of consultations for this quarter can be found in Appendix C.
REPORT OF OTHER INTERNAL AUDIT ACTIVITIES

PROFESSIONAL DEVELOPMENT/TRAINING

The Internal Audit department is committed to continuing education. We continue to provide staff development and career counseling to all members of the Internal Audit team to ensure that each person is in the process of becoming certified in at least one audit-related discipline and can consistently provide the level of service expected by the University. For this quarter, the Internal Audit team expended a total of 319 hours towards professional development, which includes on-line research, reading periodicals and textbooks, and attending training events.

COMMITTEES

It is very common and highly encouraged that internal auditors sit on key management and project committees as ad-hoc, nonvoting members who participate in the meetings by offering commentary and insights. Hopefully, by building rapport with senior management, Internal Audit will be invited in the future to sit on key management committees. Currently, the Internal Audit department is represented on the following committees:

• Information Systems Steering Committee
• Information Resources Coordinating Council
• Banner Steering Committee
• HIPAA Oversight Committee
• HIPAA Security Implementation Committee
• Brody School of Medicine Risk Management and Compliance Committee
• Chancellor’s Cabinet

This concludes our report for the quarter ending December 31, 2004. If you should have any questions or comments, please contact the Office of Internal Audit at 252-328-6044.
## Operational Audits:

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<tr>
<td>Office of Technology Transfer</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Petty Cash Funds</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Student Loans</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>University Cashier's Office</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>University Life and Other Financial Arrangements</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Athletic Camp Billings and Receivables</td>
<td>Yes</td>
<td>Current Year</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Surplus Property</td>
<td>Yes</td>
<td>Current Year</td>
<td>Inactive</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Study Abroad Program</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Complete</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Operational Audit Hours**: 3337 (38%)

## Compliance Audits:

<table>
<thead>
<tr>
<th>Description</th>
<th>Management Requested</th>
<th>Budget Status</th>
<th>Actual Status</th>
<th>Budgeted Hours</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHSC - OAT Grant</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Clinical Trials</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>International I-9</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Active</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Personnel Flexibility</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Chancellor Discretionary Account 2004/2005</td>
<td>Yes</td>
<td>Current Year</td>
<td>Active</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Construction Contracts - Review Process</td>
<td>Yes</td>
<td>Current Year</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Grants and Contracts - Regulatory Compliance</td>
<td>Yes</td>
<td>Current Year</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Misuse of State Property - 2003/2004</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Assigned</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Police Fair Labor Law and Compliance</td>
<td>Yes</td>
<td>Current Year</td>
<td>Active</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>SRCI/UNC Mgmt. Flexibility - 2004/2005</td>
<td>Yes</td>
<td>Current Year</td>
<td>Inactive</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>State Audit Reports</td>
<td>Yes</td>
<td>Current Year</td>
<td>Inactive</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Chancellor Discretionary Account 2003/2004</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Complete</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>IRPA Privacy Review</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Active</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>SRCI/UNC Mgmt. Flexibility - 2003/2004</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Complete</td>
<td>64</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Compliance Audit Hours**: 2154 (25%)

## Information Technology Audits:

<table>
<thead>
<tr>
<th>Description</th>
<th>Management Requested</th>
<th>Budget Status</th>
<th>Actual Status</th>
<th>Budgeted Hours</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logician</td>
<td></td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>PBX - West Campus</td>
<td>Yes</td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Banner - SDLIC</td>
<td>Yes</td>
<td>Current Year</td>
<td>Inactive</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Disaster Recovery Test (2004/2005)</td>
<td>Yes</td>
<td>Current Year</td>
<td>Inactive</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Information Technology Audit Hours**: 935 (11%)

## Special Reviews:

<table>
<thead>
<tr>
<th>Description</th>
<th>Management Requested</th>
<th>Budget Status</th>
<th>Actual Status</th>
<th>Budgeted Hours</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agrimedicine Telephone Review</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Complete</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Alumni Relations</td>
<td>Yes</td>
<td>Added</td>
<td>Active</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Contractual Auto Payments</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Complete</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Dining Services - Limited Review</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Active</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Hospitality Management and Discretionary Acct</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Complete</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>MCNC Grant</td>
<td></td>
<td>Work in Progress</td>
<td>Active</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Parking and Traffic Daily Deposits</td>
<td>Yes</td>
<td>Added</td>
<td>Active</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Bank Account Review</td>
<td>Yes</td>
<td>Added</td>
<td>Active</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Financial Aid Review</td>
<td>Yes</td>
<td>Added</td>
<td>Active</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Radiation Oncology - Employee Time Records</td>
<td>Yes</td>
<td>Added</td>
<td>Assigned</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Motor Fleet Complaint</td>
<td>Yes</td>
<td>Added</td>
<td>Complete</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>RGS Telephone Review</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Complete</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Travel - Housing</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Complete</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Special Review Audit Hours**: 887 (10%)

## Follow-Up Reviews:

<table>
<thead>
<tr>
<th>Description</th>
<th>Management Requested</th>
<th>Budget Status</th>
<th>Actual Status</th>
<th>Budgeted Hours</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletics</td>
<td></td>
<td>Brought Forward</td>
<td>Assigned</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Dowdy Student Store</td>
<td></td>
<td>Work in Progress</td>
<td>Complete</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>End-User Computing Policies and Procedures</td>
<td></td>
<td>Brought Forward</td>
<td>Active</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Housing - Special Review</td>
<td></td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>ITCS Operations Compliance</td>
<td></td>
<td>Brought Forward</td>
<td>Complete</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Music Review - Employee Time Records</td>
<td></td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Psych - Finestone Grants</td>
<td></td>
<td>Brought Forward</td>
<td>Inactive</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Telecommunications</td>
<td></td>
<td>Work in Progress</td>
<td>Complete</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>University Procard</td>
<td></td>
<td>Work in Progress</td>
<td>Active</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>University Unions</td>
<td></td>
<td>Work in Progress</td>
<td>Complete</td>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Follow-Up Review Audit Hours**: 868 (9%)

## Special Projects:

<table>
<thead>
<tr>
<th>Description</th>
<th>Management Requested</th>
<th>Budget Status</th>
<th>Actual Status</th>
<th>Budgeted Hours</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incident Response Team Guide</td>
<td>Added</td>
<td>Active</td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Internal Audit Website</td>
<td>Added</td>
<td>Active</td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Implement Risk Based Audit Plans</td>
<td>Yes</td>
<td>Work in Progress</td>
<td>Active</td>
<td>400</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Special Project Hours**: 600 (7%)

**Total Audit Hours**: 8731 (100%)
<table>
<thead>
<tr>
<th>Description</th>
<th>Staff Hours</th>
<th>% of Total Staff Hours</th>
<th>Director Hours</th>
<th>% of Total Director Hours</th>
<th>Total Hours</th>
<th>% of Total Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration <em>(1)</em></td>
<td>421</td>
<td>16%</td>
<td>58</td>
<td>10%</td>
<td>479</td>
<td>17%</td>
</tr>
<tr>
<td>Audits, Special Reviews, and Follow-Ups</td>
<td>1072</td>
<td>46%</td>
<td>77</td>
<td>14%</td>
<td>1149</td>
<td>40%</td>
</tr>
<tr>
<td>Consultations</td>
<td>123</td>
<td>5%</td>
<td>112</td>
<td>20%</td>
<td>235</td>
<td>8%</td>
</tr>
<tr>
<td>External Auditor Assistance and Year-End Work</td>
<td>8</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>8</td>
<td>0%</td>
</tr>
<tr>
<td>Leave Time <em>(2)</em></td>
<td>431</td>
<td>16%</td>
<td>96</td>
<td>17%</td>
<td>527</td>
<td>18%</td>
</tr>
<tr>
<td>Professional Development/Training</td>
<td>227</td>
<td>10%</td>
<td>92</td>
<td>17%</td>
<td>319</td>
<td>11%</td>
</tr>
<tr>
<td>Routine Tasks (Misc. Meetings, Committee Meetings, Etc.)</td>
<td>52</td>
<td>2%</td>
<td>121</td>
<td>22%</td>
<td>172</td>
<td>6%</td>
</tr>
<tr>
<td>Special Projects</td>
<td>0</td>
<td>0%</td>
<td>3</td>
<td>1%</td>
<td>3</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2333</strong></td>
<td><strong>100%</strong></td>
<td><strong>558</strong></td>
<td><strong>100%</strong></td>
<td><strong>2891</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*(1)* Currently Internal Audit does not have an Administrative Assistant dedicated to performing administrative duties such as ordering supplies, maintaining leave records, filing, etc. The staff auditors are currently performing these duties.

*(2)* 53% of leave time involves State Holidays
10% of leave time involves compensatory time off
<table>
<thead>
<tr>
<th>SECTION</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin &amp; Finance</td>
<td>CDF 2004 expenditures, Massage Clinic bank account, Club Sports</td>
</tr>
<tr>
<td></td>
<td>Cellular telephone policy</td>
</tr>
<tr>
<td></td>
<td>Copies of vouchers</td>
</tr>
<tr>
<td></td>
<td>Invoice for ice cream</td>
</tr>
<tr>
<td>Alumni Relations</td>
<td>Email account review</td>
</tr>
<tr>
<td>Chancellor</td>
<td>Academic Affairs</td>
</tr>
<tr>
<td></td>
<td>Review outside project</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Cell Phone</td>
</tr>
<tr>
<td>External</td>
<td>Staff information</td>
</tr>
<tr>
<td>Health Sciences</td>
<td>Generic accounts in Logician</td>
</tr>
<tr>
<td></td>
<td>Interpretation of discretionary funds</td>
</tr>
<tr>
<td></td>
<td>SOM tenured faculty paid for more vacation from PCMH</td>
</tr>
<tr>
<td></td>
<td>Travel per diem</td>
</tr>
<tr>
<td>ITCS</td>
<td>Acceptance of Risk</td>
</tr>
<tr>
<td></td>
<td>Email account review</td>
</tr>
<tr>
<td></td>
<td>Email account review</td>
</tr>
<tr>
<td></td>
<td>Job scheduling documentation</td>
</tr>
<tr>
<td></td>
<td>NSA designation and security policy</td>
</tr>
<tr>
<td></td>
<td>Old Cafeteria cameras and Police access</td>
</tr>
<tr>
<td></td>
<td>Student laptop</td>
</tr>
<tr>
<td>Music Library</td>
<td>Original receipts for travel</td>
</tr>
<tr>
<td>Student Life</td>
<td>Medical School and Student Health</td>
</tr>
<tr>
<td></td>
<td>Mendenhall Student Center student pay check distribution</td>
</tr>
<tr>
<td></td>
<td>Mileage logs</td>
</tr>
<tr>
<td></td>
<td>New policy for overnight/weekend cash deposits from student fundraisers</td>
</tr>
<tr>
<td></td>
<td>PICASO payment</td>
</tr>
<tr>
<td>TECS</td>
<td>Reimbursement for meals for vacant position candidates</td>
</tr>
<tr>
<td>University Attorney</td>
<td>Long distance telephone records</td>
</tr>
<tr>
<td></td>
<td>Review computer files</td>
</tr>
</tbody>
</table>
## Appendix D
### Internal Audit Strategy Matrix
**FY 2003 - 2007**  
**As of 12/31/04**

<table>
<thead>
<tr>
<th>Task Number</th>
<th>Action Plan</th>
<th>Status</th>
<th>Approximate Completion Date</th>
<th>Actual Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Develop and implement evaluation plan for the Chief Auditing Executive and Internal Audit Function.</td>
<td>Complete</td>
<td>2Q05</td>
<td>2Q05</td>
</tr>
<tr>
<td>2</td>
<td>Restructure Internal Audit department staff.</td>
<td>Active</td>
<td>3Q05</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Revise Internal Audit Website.</td>
<td>Active</td>
<td>3Q05</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Recruit an IT auditor.</td>
<td>Complete</td>
<td>3Q05</td>
<td>2Q05</td>
</tr>
<tr>
<td>5</td>
<td>Training in computer forensics and the evaluation of ENCASE along with the development of &quot;Incident Response&quot; policies and procedures.</td>
<td>Active</td>
<td>1Q06</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Implement risk based audit plans. (Annual audit plan will be risk-based beginning July of 2005.)</td>
<td>Active</td>
<td>1Q06</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Obtain internal stakeholders' input on their expectations of the Internal Audit Department and build rapport with each group.</td>
<td>Active</td>
<td>1Q06</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Request a system-wide restudy of internal audit positions by the Office of State Personnel in order to align these positions with private industry.</td>
<td>Active</td>
<td>1Q06</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Develop and implement a yearly Internal Audit Activities report.</td>
<td>Inactive</td>
<td>1Q06</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Evaluate and implement audit automation software.</td>
<td>Inactive</td>
<td>2Q06</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Request a quality assurance review from an external source. (Should be performed every 5 years.)</td>
<td>Inactive</td>
<td>3Q06</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Strive to obtain the Institute of Internal Auditor's Quality Improvement Award.</td>
<td>Inactive</td>
<td>4Q06</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Implement internal control guide and provide internal control training to business units.</td>
<td>Inactive</td>
<td>1Q07</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Develop and implement customer satisfaction surveys.</td>
<td>Complete</td>
<td>2Q03</td>
<td>2Q03</td>
</tr>
<tr>
<td>15</td>
<td>Develop and implement project tracking system.</td>
<td>Complete</td>
<td>3Q03</td>
<td>3Q03</td>
</tr>
<tr>
<td>16</td>
<td>Develop and implement workpaper standards.</td>
<td>Complete</td>
<td>3Q03</td>
<td>3Q03</td>
</tr>
<tr>
<td>17</td>
<td>Implement the software package ACL along with utilization of Date Warehouse.</td>
<td>Complete</td>
<td>3Q03</td>
<td>3Q03</td>
</tr>
<tr>
<td>18</td>
<td>Group membership to the Institute of Internal Auditors (IIA) for the Internal Auditing (IA) staff. (Membership renewal required each year.)</td>
<td>Complete</td>
<td>3Q03</td>
<td>3Q03</td>
</tr>
</tbody>
</table>
### Appendix D

**Internal Audit Strategy Matrix**  
**FY 2003 - 2007**  
**As of 12/31/04**

<table>
<thead>
<tr>
<th>Task Number</th>
<th>Action Plan</th>
<th>Status</th>
<th>Approximate Completion Date</th>
<th>Actual Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Develop and implement follow-up tracking mechanism to ensure recommendations are implemented timely and accurately.</td>
<td>Complete</td>
<td>4Q03</td>
<td>4Q03</td>
</tr>
<tr>
<td>20</td>
<td>Develop and implement a quarterly internal audit activities report.</td>
<td>Complete</td>
<td>1Q04</td>
<td>1Q04</td>
</tr>
<tr>
<td>21</td>
<td>Change reporting structure of Internal Audit Department to report functionally to the Audit Committee of ECU Board of Trustees and administratively to the Chancellor.</td>
<td>Complete</td>
<td>2Q04</td>
<td>2Q04</td>
</tr>
<tr>
<td>22</td>
<td>Revise the current Internal Audit Charter to reflect the new definition of Internal Audit and the reporting structure.</td>
<td>Complete</td>
<td>2Q04</td>
<td>2Q04</td>
</tr>
<tr>
<td>23</td>
<td>Develop and implement an Audit Committee Charter.</td>
<td>Complete</td>
<td>2Q04</td>
<td>2Q04</td>
</tr>
<tr>
<td>24</td>
<td>Change the title of department from &quot;Office of the Internal Auditor&quot; to &quot;Office of Internal Audit and Management Advisory Services.&quot;</td>
<td>Complete</td>
<td>2Q04</td>
<td>2Q04</td>
</tr>
<tr>
<td>25</td>
<td>Implement Institute of Internal Auditor's <em>Professional Practices Framework</em>. (Annual review of compliance required each year.)</td>
<td>Complete</td>
<td>3Q04</td>
<td>4Q04</td>
</tr>
<tr>
<td>26</td>
<td>Develop and implement Internal Audit Activities Manual.</td>
<td>Complete</td>
<td>4Q04</td>
<td>4Q04</td>
</tr>
<tr>
<td>27</td>
<td>Revise audit reporting formats and evaluate the potential to deliver reports electronically.</td>
<td>Complete</td>
<td>3Q04</td>
<td>4Q04</td>
</tr>
<tr>
<td>28</td>
<td>Encourage professional development among staff members by attending local IIA sponsored meetings, reading internal auditing publications, and attending conferences and seminars.</td>
<td>Ongoing</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>29</td>
<td>Market the services provided by the Internal Audit department through presentations and brochures.</td>
<td>Ongoing</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>30</td>
<td>Continuously review industry best practices as it relates to Internal Audit and determine if applicable to the University.</td>
<td>Ongoing</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>31</td>
<td>Encourage staff to obtain a certified/professional designation such as CIA, CPA, CISA, or CFE.</td>
<td>Ongoing</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>
Appendix C.

PERSONNEL POLICIES AND PROCEDURES FOR THE FACULTY
OF EAST CAROLINA UNIVERSITY [1]

I. Selection and Appointment of New Faculty

A. Determination of Number and Nature of Positions

Needed allocation of positions is the prerogative of the vice chancellor for academic affairs, the vice chancellor for health sciences and dean of the School of Medicine, and the vice chancellor for student life, as appropriate.

The unit administrator is responsible for recommending through administrative channels to the vice chancellor for academic affairs, the vice chancellor for health sciences and dean of the School of Medicine, or the vice chancellor for student life the number and nature of positions needed to carry on the functions of the unit.

The unit administrator, in keeping with the mission of the unit and the institutional context, shall follow the provisions of the unit code in making recommendations concerning the number and nature of positions needed.

B. Selection Procedure

The unit administrator shall notify the unit personnel committee of the number and nature of positions allocated to the unit. The actual selection process must then proceed in accordance with Appendix D, Tenure and Promotion Policies and Procedures and Part VI, General Personnel Information, the most recently revised Affirmative Action Plan, and applicable unit code provisions.

C. General Criteria [2]

For appointment, as well as reappointment and promotion, the faculty member is evaluated on potential or achievements in:

- Teaching
- Creative Activity/Research
- Service to the university, the profession, and the community. East Carolina University recognizes the primary importance of teaching.
1. Teaching

East Carolina University expects each member of the faculty to have knowledge of subject matter commensurate with one's teaching assignment, to maintain awareness of developments in one's discipline, and to communicate to students one's knowledge of and interest in the discipline. The faculty member will encourage students in responsible and careful inquiry, in appreciation of the interrelation of various disciplines, and in recognition of the uses of learning and the value of the educated mind. Teaching includes activities and responsibilities beyond the classroom setting, e.g., advisement; mentoring; laboratory supervision; clinical rounds by a physician/professor accompanied by students; the direction of research projects and papers, dissertations, and theses; and other contacts and relationships outside the classroom. (Faculty Senate Resolution #97-43, December 1997)

2. Creative Activity/Research

East Carolina University encourages and supports the continuing efforts of faculty to develop a deeper appreciation of the importance of professional competency acquired through scholarship, research, and other creative activities appropriate to one's discipline. A faculty member's research and creative activities shall reflect the high professional standards incumbent upon those who enjoy full academic freedom; such activities must be measured by standards of quality, not merely by quantity.

3. Service

East Carolina University considers service to the university, the academic profession, and the community as an important aspect of academic performance. (See Section III.)

D. Specific Criteria for Appointment

Among the many qualifications which may be considered when making appointments, the following are essential:

- **Instructor** - Evidence of character traits which contribute decisively to the professional advancement of the well-trained person; evidence of a sound educational background for the specific position, including sufficient progress toward a terminal degree that the degree will be obtained within a short period of time as agreed upon by the academic unit and the appointing officer; at minimum the master's degree or equivalent as evaluated by the academic unit and affirmed by the appointing officer, and evidence of teaching capacity.

(Faculty Senate Resolution #05-09, February 2005, pending final approval)
Assistant Professor - Qualifications of the previous rank; an appropriate terminal degree, as evaluated by the academic unit and affirmed by the appointing officer and the profession concerned; evidence of potential for continued professional growth which shall be in part measured by teaching effectiveness, creative activity/research; and membership in professional organizations.

Associate Professor - Qualifications of the previous ranks; evidence of teaching effectiveness; a record of creative or research activity resulting in publication or comparable productivity; a record of participation in organizations; effective service on academic and/or administrative committees, and a record of effective service to the profession.

Professor - Qualifications of the previous ranks; an established record of excellence in teaching; a record of significant publication or creative activity, or research activity; and a record of significant service to the profession, such as contributions to the development of public forums, institutes, continuing education projects, and patient services; consulting in the private and public sectors; and a record of significant contribution as a member of academic and/or administrative committees. (Faculty Senate Resolution #99-7, March 1999)

Notwithstanding any previous statement that has appeared herein, competence for appointment to a specific rank may be attested to by advanced study, culminating in appropriate graduate degrees, or by extensive work experience in the teaching fields or in a professional practice which is demonstrably of highest quality.

E. Initial Appointment

Appointment to the faculty is made by the chancellor or his/her designee. [3] Criteria for evaluation of faculty performance shall be provided in writing and discussed before initial employment. A record of this discussion shall be placed in the faculty member's personnel file. Any action conferring permanent tenure with the initial appointment requires approval of the board of trustees. The initial contract shall be signed by the chancellor, or his designee, and the appointee. This contract shall be accompanied by and elaborated on by a letter signed by the chancellor, or his designee, and a letter signed by the unit administrator.

The chancellor's letter shall specify rank or title; salary; length of appointment; and tenure status, whether fixed term, probationary term appointment, or appointment with permanent tenure (ECU Faculty Manual, Appendix D). The unit administrator's letter shall establish the specific conditions of employment.

[1] For policies and procedures dealing with persons on fixed term appointment, ECU Faculty Manual, Appendix D.
[2] These criteria are not designed to be used for persons with administrative rank to evaluate their administrative service. Criteria for that purpose shall be developed by proper administrative authority.
[3] Reference to the chancellor's designee shall include and be limited to the vice chancellor of academic affairs, vice chancellor for student life, or the vice chancellor for health sciences.
C. Development, Screening, and Implementation of Unit Codes

1. Each autonomous, self-governing unit shall democratically develop a code of operations. This code must be approved by a majority of the permanently tenured faculty members of the unit. The code will provide for the conduct of unit affairs according to Robert's Rules of Order, Newly Revised. Each code will be submitted to the Faculty Senate and the chancellor for review and ratification. In the colleges and schools electing to organize into self-governing, autonomous units at the department level, codes shall be submitted to the appropriate dean for advice prior to submission to the Faculty Senate. After consultation with the Provost or Vice Chancellor for Health Sciences, the chancellor shall ratify a code or shall return the code document to the code unit for revision and appropriate approval.

2. The faculty may democratically decide to organize into self-governing, autonomous units at the department, school, or college level in accordance with guidelines established by the Faculty Senate. A school's or college's proposal to organize into self-governing, autonomous units will be reviewed by the Faculty Governance Committee. If the Faculty Governance Committee finds the proposal conforms to the guidelines, the proposal will be forwarded to the Faculty Senate for their consideration. If the Faculty Senate acts favorably, the proposal will be forwarded to the Chancellor. With the Chancellor's approval, codes of operation for the individual units shall be democratically developed. Upon approval of the codes, the code of the school or college will become null-and-void. Said school or college may democratically develop a constitution as a governance document. However, this constitution may not conflict with the authorities, responsibilities, and characteristics of the constituent units. If faculty members of schools or colleges do not choose to organize into self-governing, autonomous units, faculty in individual departments may democratically develop rules for the internal organization and operation of their departments. (Faculty Senate Resolution #03-51, December 2003)

3. To provide consistency unit codes should be developed following an approved outline that includes at least:
   a. a preamble
   b. definitions of the unit's faculty, its voting faculty, its graduate faculty
   c. the administrative organization of the unit
   d. the membership, terms, and duties of standing committees
   e. a section that states regulations, criteria, and weights governing the evaluation of faculty members annually and otherwise for all personnel actions, including recommendations for merit awards, reappointment, promotion, and the award of permanent tenure (ECU Faculty Manual, Appendices C and D).
   f. procedures for meetings within the unit
   g. procedures for the unit's faculty members to indicate in a timely fashion
and by vote their approval or disapproval of the unit's major planning documents, assessment documents, and other major reports prior to their submission in final form to person(s) outside the unit (Faculty Senate Resolution #03-37, October 2003)

h. procedures for discussing with its unit administrator the unit's annual budget request and annual report

i. procedures for developing criteria for salary increases (Faculty Senate Resolution #05-08, February 2005, pending final approval)

j. amendment procedures.

4. Each faculty member within a unit should have the most recent version of the unit's code.

5. With each quadrennial evaluation the unit administrator and the appropriate committee reviewing the unit's code should report to the Faculty Senate that the unit's code meets the current Faculty Senate guidelines for codes.

6. Unit codes that have been reviewed and approved by the Unit Code Screening Committee, the Faculty Senate, and the Chancellor should be deposited in the Faculty Senate office. The original should include a page containing the signatures of the chair of each reviewing body and the Chancellor or the Chancellor's delegate. If the Chancellor upon reviewing the unit's code requires changes in the code, the document should be returned to the unit for the required revisions and should continue through the review cycle until no further changes are required.

7. Immediately prior to the unit's quadrennial evaluation of its unit administrator, the Chancellor shall remind the unit's faculty and administrator that they must follow the unit's code.

8. The Chair of the Faculty and the Chancellor, or the Chancellor's delegate, shall arrange and schedule an orientation program for newly appointed administrators, to be conducted during the fall semester of each academic year.