

AGENDA ITEM

B-3. Review of the Annual Report on Internal Audit Activities for 2015-2016 Lynne Sanders

- Situation:** Annually, the Committee on Audit, Risk Management, and Compliance (CARMC) reviews a summary of campus internal audit activities from the previous fiscal year.
- Background:** In accordance with the CARMC Charter, the committee is to review an annual summary of the work performed by the Audit Committee of each constituent institution's boards of trustees. This report incorporates a summary of audits, reviews, investigations, or special assignments completed by the internal audit department of each constituent institution and UNC General Administration, and notes material reportable conditions and the status of their resolution.
- Assessment:** The internal auditors have updated their internal audit plans as needed to meet the changing demands of their institutions and have provided an update of the actions taken on items included on the original approved plans and the changes made during the year. A summary of these activities has been prepared for your information.
- Action:** This item is for information only.

Introduction

On behalf of the internal auditors across the University of North Carolina system, we are pleased to present the Annual Report on Internal Audit Activities for the fiscal year ended June 30, 2016. This report highlights the work and accomplishments of our internal audit departments across the University of North Carolina system for the period July 1, 2015 through June 30, 2016. The report contains the following sections:

- A summary of **Board of Trustees Audit Committee Activities for the 2015-16 Fiscal Year**.
- A summary of the **Planned Audit Hours for the 2015-16 Fiscal Year** as approved by all boards of trustees and the Board of Governors Committee on Audit, Risk Management, and Compliance.
- A summary of **Actual Audit Hours Completed for the 2015-16 Fiscal Year** as reported by the Chief Audit Officers.
- An overview and **Internal Audit Report Highlights** of audits performed in the 2015-16 fiscal year.
- An overview of **Internal Audit's Participation in University Initiatives** including external audit support, committee participation and consultation, and collaborative engagements.

As with most public institutions of higher education, the University of North Carolina must constantly balance meeting its strategic objectives in consideration of available financial resources while at the same time maintaining a consciousness of risks that permeate the environment of higher education. Risks can result from regulatory changes promulgated by state, national and international regulators as well as the Board of Governors through UNC Policy change. Risks are also introduced into the environment when there is turnover of key executives and/or financial staff and when there are new system implementations or changes to existing IT infrastructure and IT security vulnerabilities.

While designed to promote a sense of order and control over behavior and conduct, new guidelines, rules, regulations and professional standards can present challenges in the University operating environment as well as to internal audit professionals. All parties must be responsive to the changes and remain aware of the impact on the overall risk profile that they bring. Internal auditors are key players in partnering with management to help create a risk-conscious climate and ensuring that risks associated with these constant changes are mitigated by thorough review and evaluation. By developing and implementing risk-based audit plans, internal auditors are focused on those areas where risks and materiality of exposure is greatest and offer feedback to management.

Board of Trustees Audit Committee Activities for the 2015-16 Fiscal Year

The chair of each Board of Trustees Audit Committee confirmed the committees' compliance with the following:

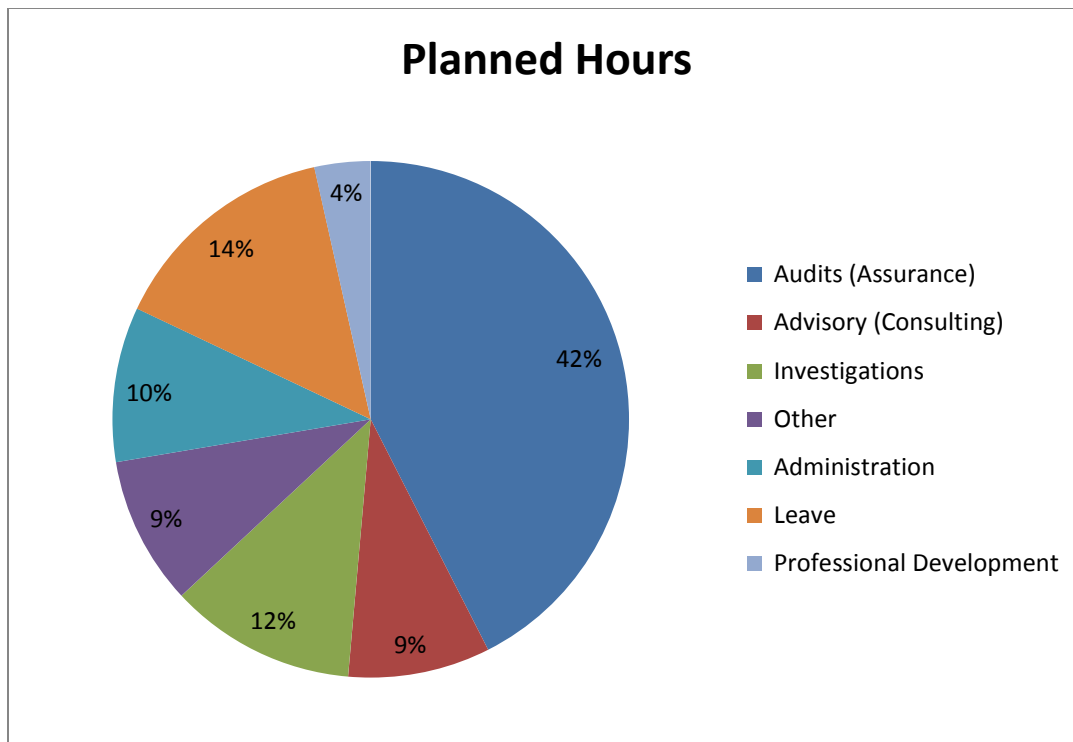
1. Met at least four times in the 2015-16 fiscal year.
2. Reviewed the results of the annual financial audit with representatives of the North Carolina Office of the State Auditor (OSA) and discussed corrective actions, if needed.
3. Reviewed the results of any other audit performed and report/management letter (i.e., investigations, Statewide Federal Compliance Audit Reports, etc.) issued by the OSA with representatives of the State Auditor's Office, the Chief Audit Officer, and/or appropriate campus official.
4. For any audit finding contained within a report or management letter issued by the OSA, reviewed the institution's corrective action plan and the report of the internal auditor on whether or not the institution has made satisfactory progress in resolving the deficiencies noted, in accordance with North Carolina General Statute 116-30.1, as amended.
5. Reviewed all audits and management letters of University Associated Entities as defined in Section 600.2.5.2[R] of the UNC Policy Manual.
6. Received and reviewed quarterly reports from the institution's Chief Audit Officer that, at a minimum, reported material (significant) reportable conditions, the institution's corrective action plan for these conditions and a report once these conditions were corrected.
7. Received, reviewed, and approved, at the beginning of the audit cycle, the annual audit plan for the internal audit department.
8. Received and reviewed, at the end of the audit cycle, a comparison of the annual audit plan with internal audits performed by the internal audit department.

Each Board of Trustees Audit Committee further attested the following:

1. The institution's Chief Audit Officer reports directly to the Chancellor with a clear and recognized reporting relationship to the chair of the Audit Committee.
2. The Audit Committee charter defines appropriate roles and responsibilities. One of these responsibilities is the assurance that the institution is performing self-assessments of operating risks and evaluations of internal controls on a regular basis.
3. Internal audit functions are carried out in a way that meets professional standards.
4. The institution's Chief Audit Officer forwarded copies of both the approved audit plan and the summary of internal audit results, including any material reportable conditions and how they were addressed, to UNC General Administration in the prescribed format.

Planned Audit Hours for the 2015-16 Fiscal Year

In October 2015, institutional internal audit plans were presented to the Board of Governors (BOG) Committee on Audit, Risk Management, and Compliance (CARMC) for approval. Planned assignments ranged from financial, compliance and operational audits to reviews of general internal controls as well as information system controls. Based on the chart presented below, the majority of the planned work was in the area of audits (assurance).

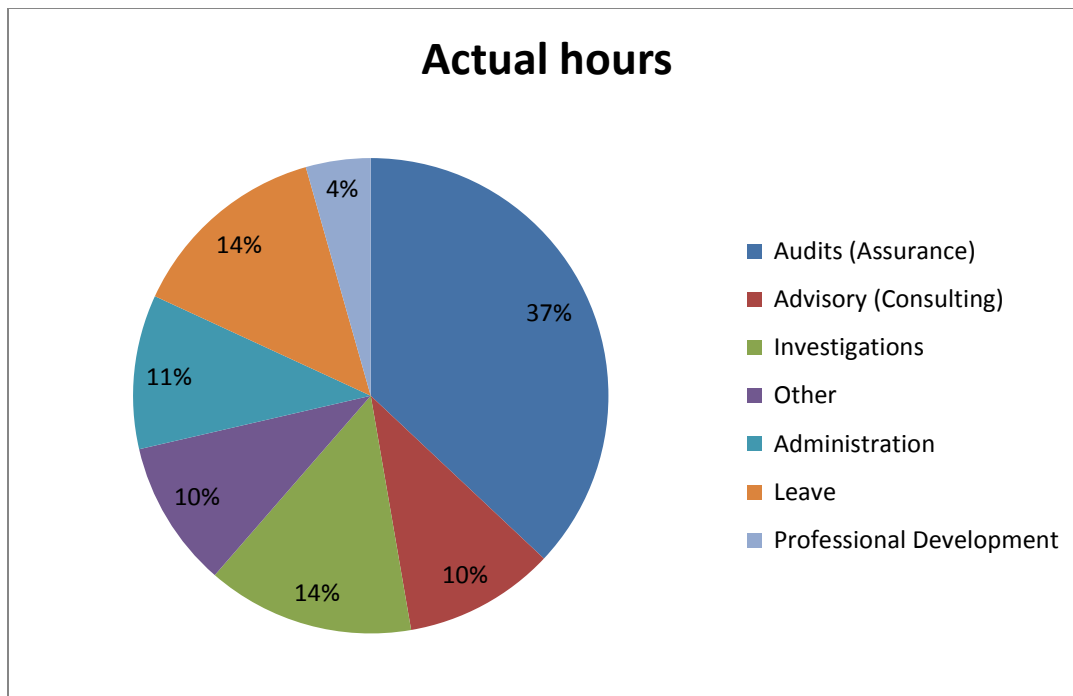


Annual internal audit plans are developed at each constituent institution and result from a comprehensive risk-based analysis of specific operations in relation to institutional operations as a whole. Once an institutional plan is drafted, it is forwarded to leadership for review and approval. Ultimately, the plan is presented to and approved by the Board of Trustees' Audit Committee. As per the BOG's CARMC charter, these plans are then forwarded to UNC-GA for CARMC approval.

Actual Audit Hours Completed for the 2015-16 Fiscal Year

In contrast to the previous chart which highlighted planned audit work for the 2015-16 fiscal year, the chart in this section presents the results of actual audit work for the 2015-16 fiscal year. Rarely will planned effort be exactly the same as actual effort. This is due to the fact that an internal audit plan is dynamic. It can, and most likely will, change based on crisis situations or changing circumstances. Chief Audit Officers must continuously respond to new and/or changing risk factors at their respective institution. Accordingly, original plans are typically changed and updated.

In capturing actual audit work completed in relation to planned assignments, the areas of most change are in special investigations and audits (assurance). Twelve percent of the total number of audits planned was in the area of special investigations. Once audit plans were completed, fourteen percent of the time spent on audit reports was related to special investigations. Special investigations generally arise without warning and are very time sensitive. Accordingly, plans to conduct audits in other areas may have to be deferred or cancelled from the original annual plan so as to accommodate the need to pursue investigative matters. Responsiveness to the need to conduct more investigative audits likely resulted in fewer hours spent on audits (assurance) projects.



Internal Audit Report Highlights

Between July 1, 2015 and June 30, 2016, internal audit departments across the University of North Carolina system:

- Completed audit, advisory services, audit finding follow-ups and investigations resulting in 236 reports (**Attachment 1**) that produced 310 recommendations (**Attachment 2**) for improvements to internal controls. Corresponding Management Corrective Actions were identified and agreed upon by campus leadership.
- In addition to the 43 written follow-ups on prior year reports with audit findings, institutional internal audit departments conducted numerous follow-ups that resulted in email or a memorandum communication rather than formal reports.

Internal audit efforts from all of our institutions over the past fiscal year, including investigations, yielded common internal control issues. Many of these issues are subject to specific management corrective actions in the environment where the issues were identified and follow-up on these issues will be conducted in subsequent years. As required by the BOG's CARMC Charter, **Attachment 2** includes a detailed listing of all audit findings reported by our institutions and the current status of resolution.

Internal Audit's Participation in University Initiatives

Institutional Internal Audit departments have continued to partner with management to support key initiatives and priorities for their respective institutions. This section highlights some of the key areas in which internal audit has participated and/or provided support.

External Audit Support - The Office of the State Auditor (OSA) performs annual audits of each University within the UNC system. These audits include financial statement audits and statewide federal compliance audits. The OSA also conducts investigative reviews and Information Technology audits as the need arises. In most cases, the Chief Audit Officers meet and work with the State Auditors on an as-needed basis to assist during the external audit process. The level of involvement will vary by institution; however, the Chief Audit Officers and their audit teams are ready to respond to requests for assistance. On the back-end of audits from the Office of the State Auditor, if audit findings are reported in the published report, Chief Audit Officers are involved in performing a 90-day follow-up to ensure that satisfactory progress is being made towards remediation of the issues reported.

Committee participation and consultations – The expertise provided by the Chief Audit Officers and other professional internal audit staff is invaluable to the institution in the form of committee participation and consultations. For example, at Appalachian State University, members of the Office of Internal Audit serve in a consulting/advisory role on the Information Security Advisory Council. This council is charged with providing advice, review, and endorsement of Appalachian State University's Information Security Plan including relevant policies, strategic initiatives, and services. The goal of the council is to ensure that the plan is aligned to the needs of the university community, focused on salient education and awareness opportunities, and driven to achieve reasonable, cost-effective, and holistic management of risks related to University information resources.

In another example, in spring 2016, the University of North Carolina at Wilmington (UNCW) provided an opportunity for four Master of Science in Accountancy students from UNCW's Cameron School of Business to complete an information technology procedures consultation on behalf of the Office of Internal Audit. The project was part of a capstone course and, over the course of four weeks, the students completed all phases of the consultation under the supervision of Internal Audit. The resulting work benefitted the students, Internal Audit, and UNCW's central Information Technology Systems department which has been able to update their documentation of procedures based on the students' suggestions.

Collaborative Engagements - Through Memorandum of Understanding arrangements, three institutions provided Chief Audit Officer services to other institutions. These arrangements include: ECU providing Chief Audit Officer services to ECSU; UNC-GA providing Chief Audit Officer services to NCSSM and the NC State Education Assistance Authority; and WSSU providing Chief Audit Officer and internal audit staff services to UNCSA.

Internal Audit – Being Responsive to Change

Just as the University environment is one of continuous change, so is the internal audit profession. Chief Audit Officers, along with their audit teams, must constantly stay apprised of changes in the regulatory environment (both at the state and federal level) and be responsive to emerging risks at their institution. These emerging risks may be slow growing or they could rapidly infiltrate the institution's culture and environment. Part of the adaptability to addressing these risks lies in the way in which internal audit work is conducted and how internal audit shops are managed. This section outlines the status of work of our internal audit function across the University.

Use of Technology in Internal Audit Projects - The forensics tool, *Encase*, is a powerful tool that can provide forensically sound evidence when an internal auditor is conducting an investigation. In addition to this type of tool, five of our internal audit departments use automated software to manage and store workpapers that are created through the engagement process. Ten institutions use data analytics tools such as Active Data for Excel, ACL, and IDEA.

Communication – Given the decentralization of the internal audit functions across the University, communication standards and protocols are essential in ensuring professional development and sharing of challenges and ideas for seeking solutions and addressing institutional needs. With the exception of months when other university-wide internal audit events are taking place, a monthly conference call is facilitated by the Vice President for Compliance and Audit Services at UNC-GA with the Chief Audit Officers. Agendas are prepared and include standing reports from the NC Office of Internal Audit and the President of the UNC Auditors Association. In addition, the Vice President for Compliance and Audit Services at UNC-GA provides miscellaneous information related to updated or new UNC policies, provides reports from the Board of Governors CARMC meetings, provides status reports from the University Business Compliance Program and any other relevant information to the Chief Audit Officers that will be beneficial in the conduct of their work.

In addition to the monthly conference calls, an annual conference is hosted by a region of institutions that provides up to 12 hours of continuing professional education to participants. Also, in May 2016, UNC-GA's Office of Compliance and Audit Services sponsored its third annual Chief Audit Officers Retreat held in Chapel Hill. All Chief Audit Officers attended and had the opportunity to earn 4.5 hours of continuing professional education as well as to have working sessions to discuss current topics and trends.

Professional Development – Per *International Standards for the Professional Practice of Internal Auditing* section 1230 – Continuing Professional Development, “Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.” A Certified Internal Auditor (CIA) who is performing internal auditing functions must complete a total of 40 hours of acceptable CPE every calendar year. Certified Public Accountants (CPAs) are required to complete 40 hours of CPE hours, including at least two hours of regulatory or behavioral professional ethics and conduct by December 31 of each year. Thirty-nine internal audit staff have professional certifications.

Staffing – As of June 30, 2016, Internal Audit across the UNC System had 47 full-time employees, one part-time employee, one contract employee, and one temporary employee. In addition, 11 interns were used throughout the year.

This concludes the University of North Carolina Annual Report on Internal Audit Activities for the fiscal year 2015-16. If you have any questions, please contact Lynne Sanders, Vice President for Compliance and Audit Services, at 919-962-4610.

ATTACHMENT 1- Summary of Reports Issued between July 1, 2015 - June 30, 2016 by Institution

Appalachian State University

2015 GEAR UP Audit – Year 1
Access Management Controls Review
Appalachian Food Services Review
Appalachian Real Estate Holdings, Inc.
Cash Count – 2015
Commercial Photography Equipment
Compliance NCAA (National Collegiate Athletic Association – Year 2
Department of Athletics
Fixed Assets Investigation
Game Day Concessions
Game Day Tickets
International Student Travel Fund
Inventory Testing 2015
Investigative Report NCRC (North Carolina Research Campus Human Performance Laboratory)
Materials Management Compliance Report Follow-up
NCAA Attendance Review
New River Light and Power Company
Operational Audit Report Department of Art
P-card (Procurement Card) Review (2 reports)
Quarterly Fund Reconciliation Review (4)
Quarterly Review of ASU Foundation Disbursements (4)
Quarterly Review of Fixed Assets (4)
Quarterly Travel Disbursement Review (4)
Receipt Books 2015
University Housing Follow-up

Elizabeth City State University

2nd Follow-up: State Auditor Single Audit Finding
3rd Follow-up: State Auditor Single Audit Finding
Alleged Misuse of University Resources
Coaches Salaries
Contracts & Grants
Follow-up: Business and Cash Management Practices
Follow-up: Conflict of Interest and Commitment
Follow-up: Home Depot Grant
Hiring Practices

East Carolina University

2015 Information Technology Disaster Preparedness and Functional Units' Continuity of Operations
2nd Follow-up: Department of Athletics
Academic Affairs Youth Program
Academic Integrity Regulations
Athletics Cash Transactions
Athletics Student Concerns
Awarding of Extra Credit, Division of Academic Affairs Employee
Banner Enterprise Resource Planning (ERP) System Logical Access
Cloud Computing and Data Storage
Construction Project Review
Department of Biostatistics
Department of Occupational Therapy
Follow-Up - Department of Human Resources
Follow-Up - Department of Physical Therapy
Follow-Up - ECU Physicians Pharmacy Services
Follow-Up - Information Technology (IT) and Data Governance
Follow-Up - Materials Management PORT
Follow-Up - NCAA Compliance Financial Aid
Follow-up - Private Athletic Camps - New Model
Follow-Up - SoDM Community Service Learning Centers
Follow-Up - University Youth Programs
Former College of Human Ecology Administrative Concerns
Former Faculty Member Grant Review - Division of Health Sciences
Health Sciences Effort Reporting Concern
Internal Audit Quality Assessment Review
Parking and Transportation Services
Patron Complaint Regarding Payment Card Use
Progress on External Security Assessment
Purchases from a Related Party, Division of Student Affairs Employee
Review of Progress on Oracle Security Assessment
School of Dental Medicine Community Service Learning Center

Student Health Services - Patient Billing and
Collection Process
Vendor Commissions

Fayetteville State University

Assessment of Internal Controls
Audit of Bronco STAR Grant
Audit of Journal Entries
Cash Management Plan
State Auditor's ITTS General Controls Audit
Follow-up

North Carolina A&T State University

2009 Security Breach - 2013 Follow-Up Review
2014-2015 Year-End Inventories
Aggie-Mart E-Procurement System
Allegation - Misuse of Grant Funds in a School
College
Hotline - Performance Evaluations in a
University Division
Improper Procurement Card Purchases &
Conflict of Interest in a University Department
International Calls Follow-Up Review
OSA Allegation - Abuse of State Funds
Review of assessment of internal controls over
financial reporting for fiscal year ending June
30, 2015
Surprise Cash Count (2)
Treasurer's Office Cash Handling Procedures
Treasurer's Office Year-End Cash Count
Verification of Salary Payout Schedule

North Carolina Central University

Administration & Finance (2)
Change Fund Review (2)
Clery Act
Compliance Testing for State Policies &
Procedures
Employee Misuse of University Equipment
IT General Controls
School of Law Change Fund Review
Student Affairs
Student Affairs Financial Review
Student Affairs Management Review
Student Disability Services
Year End Inventory Process Follow-up
Year End Inventory/Financial Reporting

***North Carolina School of Science &
Mathematics***

Follow-up 2nd Follow-up of OSA's Financial
Statement Audit
Follow-up IA 2014 Info Systems Access Review
Follow-up OSA's Financial Statement Audit

North Carolina State University

College of Agriculture and Life Sciences (CALS)
4-H Extension Horse Husbandry Follow-Up
CALS Capital Assets Investigation
CALS Equipment Investigation
College of Sciences and the National Institute of
Statistical Sciences (NISS) Investigation
College of Sciences Mathematics Misuse of
Grant Funds
Controls over the Usage of Restricted Gifts
Data Security Controls Related to Peripheral
Devices
Non-Instructional Summer Salary Performance
Audit - Effectiveness of Faculty Training
Student Health Services Investigation

University of North Carolina at Asheville

Cash Collections Special Review
Financial Aid - NCSEAA
Gift Acceptance
Hotline Report
Internal Control Questionnaire
Telecom Issue
UNCA Fire and Safety Inspection

University of North Carolina at Chapel Hill

Center for Health Promotion and Disease
Prevention Center
Environmental Sciences Engineering
Financial Statement Audit Follow-Up
Green Cart Program
Limestone Contract
OSA Statewide Federal Compliance Audit
Procedures
OSA Federal Compliance Audit Follow-up
School of Education
Shared Services Data Monitoring
University Equipment Maintenance Program

University of North Carolina at Charlotte

Administrative Review of the College of
Business
Capital Campaign Gift Accounting
Facilities Management Design Services
Football Attendance Verification
Human Resources Department
Internal Controls Self-Assessment Audit
Investigation Report
Misuse of Funds
Office of Education Abroad
Office of Technology Transfer
IT General Controls
Student Union Activities & Recreation (SUAR)
Transition to FBS Football
Undergraduate Admissions

**University of North Carolina General
Administration**

ECSU Review (a joint audit project)
Second follow-up of the State Auditor's Banner
Hosting Services IT General Controls Audit

University of North Carolina at Greensboro

Contracts & Grants
Financial Aid Student Eligibility
Fixed Assets Review
Intercollegiate Athletics - Assistance with NCAA
Agreed Upon Procedures
Purchasing Cards
State Property Reporting of Misuse-Theft
Student Accounts Refund Process
Weatherspoon Arts Foundation

University of North Carolina at Pembroke

State Auditor Hotline Referral
Student Financial Aid

University of North Carolina School of the Arts

Appointment Change
Housekeeping Survey

University of North Carolina at Wilmington

Admissions
Campus Life Follow-up Review
Campus Recreation
Campus Wide Surprise Cash Counts
Collegiate Fashion Investigation
Department of Athletics
Facilities Complaint Investigation
Financial Aid
Follow-up: Campus Recreation
Friends of the University of North Carolina at
Wilmington, Inc.
ITS Complaint Investigation
Physical Access Follow-up Review
Response to Summary of Allegations referred
by the OSA (2)
Student Accounts and Cashier Office Review
Tuition Waivers

Western Carolina University

Building Emergency Action Plan (9)
Business Continuity (2)
Catamart/SciQuest
Catamart/SciQuest - Follow-Up
Fixed Assets
Hotline (2)
Information Technology Fixed Assets (12)
Investigation of Accounting of Leave and
Overtime within a Department
PCI DSS (3)
Petty Cash (5)
Safety Training

Winston-Salem State University

Cash Count and Receipting Audit and Follow-up
Review
Employee Relations
Fuel Inventory Review
Human Resources - Review of Employee
Relations
Investigative - Neck Injury
Investigative - Staff and Spouse Travel
Men's Basketball Coach Search (2)
Risk Identification (2)
Statewide Federal Compliance Audit Procedures
Follow-up Review

Attachment 2: Resolution of Audit Findings July 1, 2015 - June 30, 2016

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
ASU	Commercial Photography Equipment	Performance/ Operational Audits and/or Reviews	11/6/2015	No	1	Of the four equipment loan agreements with manufacturers or distributors of commercial photography products that were fully executed or are under review, two equipment loan agreements were signed by someone with out the delegated signature authority to execute a contract on behalf of ASU. The person signing the agreements also did not request approval from his chairperson and Dean regarding these agreements. Equipment valued at approximately \$51,700 (retail) was delivered to ASU under these two agreements, Also, this equipment was not properly added to the insurance plan that covers Commercial Photography's equipment.	Resolved - Follow-up Completed
ASU	Game Day Concessions	Financial Audits/Reviews	11/20/2015	No	3	1. Beginning change funds were not counted on game day. The change funds are counted after the previous game and stored in a safe at the Athletic Center until the next game. At least four employees have access to the safe. 2. After the change funds were distributed to the various concession areas, the remaining change fund balance and the sales proceeds collected were stored in unsecured locations. The doors were not locked to the concession areas during the game and in certain concession areas remained open. We also observed that access to the concession areas did not appear to be restricted to workers and security personnel only. 3. Inventory Control and Reconciliation to Sales needs improvement	Resolved - Follow-up Pending
ASU	Game Day Tickets	Financial Audits/Reviews	11/20/2015	No	1	The Ticket Office does not have adequate separation of duties involving receipts and deposits. One employee verified the cash count, removed the change fund from the sales proceeds, prepared the deposit, and prepared the Game Day Report . Establishing adequate separation of duties in a financial transaction process requires that cash handling duties should be assigned so that collections, deposit preparation, and reconciliations are assigned to different employees.	Resolved- Follow-up Pending
ASU	International Student Travel Fund	Performance/ Operational Audits and/or Reviews	2/18/2016	Yes	1	ASU Policy 510.8 section 4.3.1.1. states "Advances must be deducted from the reimbursement request on the travel expense report which must be submitted within 30 days after the travel period or June 30, whichever comes first." ASU Policy 510.8 section 4.4.3.1 states "All travel advances must be repaid on or before June 30 of each fiscal year. No travel advances may be outstanding when the University financial records are closed for the year.- We recommend that ASU policy be followed in the administration of travel advances for these funds.	Resolved - Follow-up Pending
ASU	Investigative Report NCRC (North Carolina Research Campus Human Performance Laboratory)	Special Investigations	9/1/2015	No	3	1. Procurement Card Program 2. Spending Guidelines by Fund Source 3. Storage and Safeguarding of Funds	Resolved- Follow-up Pending
ASU	Quarterly Fund Reconciliation Review	Audits/Reviews of Internal Controls	5/31/2016	Yes	2	1. One Departmental Fund Activity Reconciliation Form for a trust fund did not have the proper approval signature. 2. Departmental Fund Activity Reconciliation Forms for two trust funds were not completed.	Resolved- Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
ASU	Quarterly P-card (Procurement Card) Review	Audits/Reviews of Internal Controls	11/20/2015	Yes	1	There are transactions that appear to be split purchases to avoid the \$1,500 per purchase threshold limit. ASU Policy 509.23. section 4.3.3.3 states: "Cardholders are reminded that splitting transactions in order to remain within the established purchase limit per transaction is prohibited..."	Resolved - Follow-up completed
ASU	Quarterly P-card (Procurement Card) Review	Audits/Reviews of Internal Controls	5/19/2016	Yes	2	1. Three purchases were split to avoid the \$1,500 per purchase threshold limit. 2. There were eleven instances of paying NC sales tax on purchases.	Resolved - Follow-up Pending
ASU	Quarterly Review of Fixed Assets	Audits/Reviews of Internal Controls	11/20/2015	Yes	1	Of the sample reviewed, one asset should have been removed from the Fixed Asset System. This asset was incorrectly added to the system as a result of a purchase that was reimbursed to the University.	Resolved - Follow up Completed
ASU	Quarterly Review of Fixed Assets	Audits/Reviews of Internal Controls	3/8/2016	Yes	1	Two assets viewed were art collections with two separate asset numbers. It was noted that concerning the art collections: *one collection had no specific identifiers and there was no list of what comprised the original collection readily available, *two accessions out of the other collection were not located.	Resolved - Follow-up Completed
ASU	Quarterly Review of Fixed Assets	Audits/Reviews of Internal Controls	6/13/2016	Yes	1	Eight assets were not located.	Resolved - Follow-up Pending
ASU	Quarterly Review of Fixed Assets	Audits/Reviews of Internal Controls	8/21/2015	Yes	2	1. One asset was located but the original asset tag was not seen during the review. 2. One asset was located in the a different site, building name or room than as described on the fixed asset listing.	Resolved - Follow-up Completed
ASU	Quarterly Travel Disbursement Review	Audits/Reviews of Internal Controls	6/13/2016	Yes	1	One traveler did not provide sufficient and adequate documentation for their travel expenditures.	Resolved- Follow-up Pending
ASU	Quarterly Travel Disbursement Review	Audits/Reviews of Internal Controls	8/17/2015	Yes	4	1. One travel disbursement did not obtain a travel authorization form until after travel. 2. Three travel disbursements were not submitted within thirty days. 3. Three travel disbursements did not record departure and/or arrival times. 4. Three travel disbursements with excess lodging subsistence did not check the appropriate box on the travel authorization form.	Resolved - Follow-up Completed
ASU	Receipt Books 2015	Financial Audits/Reviews	7/20/2015	Yes	2	1. Ten late deposits 2. Twelve instances where a receipt book was still active according to Student Accounts records, but the custodian did not have the receipt book.	1. Resolved - Follow Up Completed; 2. Resolution in Process
ECSU	Alleged Misuse of University Resources	Special Investigations	2/16/2016	No	2	1. [Employee A] utilized a University employee to drive him/her to out-of-town events 2. [Employee A] personally benefited from a University dining contract	Follow-up Pending
ECSU	Coaches Salaries	Compliance Audits	6/30/2016	Yes	2	1. Instances of non-compliance with UNC Policy 1100.3 Head Coaches' and Athletic Directors Contracts regarding sources of funding. 2. Coach's faculty salary above the established salary range of a lecturer.	Follow-up Pending
ECSU	Contracts & Grants	Performance/ Operational Audits and/or Reviews	6/29/2016	Yes	5	1. Lack of documentation to support that debarment has been verified for subrecipients 2. Lack of documentation to support grant management 3. Accounting system does not include the billing type and frequency as determined by award documents. 4. Accounting system does not include the financial report type or frequency. 5. Lack of documentation to support that account closeout procedures were followed.	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECSU	Hiring Practices	Special Investigations	2/16/2016	No	6	<ol style="list-style-type: none"> 1. Questionable waivers of the recruitment and selection process and inadequate documentation to support the waivers 2. Open search process did not follow the prescribed hiring process 3. Employee rehired that had been employed by the University and terminated for dereliction of duty, and evidence that the same employee had misused University resources during previous employment 4. Questionable interim appointments for SAAO positions 5. Questionable hire of a position that was abolished 6. Questionable changes to the recruitment and hiring policies and procedures manual 	Follow-up Pending
ECU	Academic Affairs Youth Program	Special Investigations	6/17/2016	Yes	3	<ol style="list-style-type: none"> 1. Failure to maintain adequate records. 2. Unable to determine whether or not accurate fees were collected and deposited; some participant overpayments and one non-payment. 3. Program Director did not pay for his/her minor child to participate in the youth program. 	Resolution in Process
ECU	Academic Integrity Regulations	Compliance Audits	6/16/2016	Yes	7	<ol style="list-style-type: none"> 1. Designated individuals (by position occupied) authorized to submit course grades or grade changes, and the circumstances under which such changes may be made are not included in University policy. 2. Audit procedures to verify that only authorized individuals submitted grades and grade changes have not been implemented. 3. Audit trail is not available of the authorized individual that entered original course grade when a grade change is made. 4. University policies pertaining to independent studies do not contain all required elements as required by UNC Policy 700.6.1[R]. 5. Instances of non-compliance with ECU Faculty Workload REG02.07.06 policy requiring dean approval for faculty members teaching more than three undergraduate independent study sections in a semester or summer sessions. 6. Opportunities to strengthen controls over user access to create courses and course sections and assign instructors to courses in Banner 7. Opportunities to strengthen controls over access to post grades and grade changes in Banner. 	Resolution in Process
ECU	Athletics Cash Transactions	Special Investigations	12/11/2015	No	1	Opportunities to Reduce or Eliminate the Use of Cash	Resolution in Process
ECU	Athletics Student Concerns	Special Investigations	12/11/2015	No	2	<ol style="list-style-type: none"> 1. Employee collected cash from students for a non-University related purchase; failed to purchase the item and did not refund the money to the students. 2. Travel documents and excess travel advance funds not completed and returned as required by policy. 	Resolved-Follow-up Completed
ECU	Awarding of Extra Credit, Division of Academic Affairs Employee	Special Investigations	8/26/2015	No	1	1. Extra credit awarded to students who purchased items in support of community organizations related to faculty member's family	Resolved-Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	Banner Enterprise Resource Planning (ERP) System Logical Access	Information System Controls	3/30/2016	Yes	4	1. Periodic reviews of end user access not consistently performed by all Module Administrators 2. Opportunities to strengthen controls over transferred employees' security access 3. Some Banner users assigned direct access to specific forms rather than role-based access through a Banner Security Class 4. Opportunities to eliminate unneeded end user accounts	Resolution in Process
ECU	Cloud Computing and Data Storage	Information System Controls	6/27/2016	Yes	2	1. Lack of a formal Policy, Rule, or Regulation governing cloud computing and data storage. 2. Some employees are storing University data in the cloud without approval.	Resolution in Process
ECU	Department of Biostatistics	Performance/ Operational Audits and/or Reviews	11/27/2015	Yes	6	1. Opportunities to improve controls over monitoring and tracking of departmental assets 2. Opportunities to strengthen controls over invoicing external entities for departmental consulting services 3. No formal process in place to monitor and track faculty leave (prior to Kronos implementation) 4. Opportunities to improve non-faculty time and leave reporting 5. Opportunities to improve reporting of faculty external professional activities for pay 6. Opportunities to improve data security	Resolved-Follow-up Pending
ECU	Department of Occupational Therapy	Performance/ Operational Audits and/or Reviews	2/29/2016	Yes	5	1. Opportunities to improve controls over monitoring and tracking of departmental assets 2. Opportunities to improve controls over tracking faculty leave (prior to Kronos implementation) 3. Opportunities to improve non-faculty time and leave reporting 4. Opportunities to improve reporting of faculty external professional activities for pay 5. Opportunities to improve data backup and security	Resolution in Process
ECU	Former College of Human Ecology Administrative Concerns	Special Investigations	2/8/2016	No	3	1. Falsifying written signatures and sharing PirateID/password for the purpose of providing electronic signatures 2. Improper purchasing practices 3. Items and/or funds unaccounted for and failure to comply with departmental processes	Resolved-Follow-up Completed
ECU	Former Faculty Member Grant Review - Division of Health Sciences	Special Investigations	5/2/2016	No	5	1. Conflict of Interest not effectively managed 2. Items purchased are unaccounted for 3. Some expenses have no reasonable benefit to the grants from which they were purchased 4. Items purchased for an external entity 5. Overpayments to contractor	Resolution in Process
ECU	Health Sciences Effort Reporting Concern	Special Investigations	11/27/2015	No	1	Inaccurate percentage of effort certified by an employee in the Division of Health Sciences on a particular Federal sponsored program and disregarded by the employee and management of the requirement that effort reporting be accurate for the period that is certified.	Resolved-Follow-up Completed
ECU	Management Letter - Patron Complaint Regarding Payment Card Use	Special Investigations	8/26/2015	No	2	1. Credit Card Transaction entered into online giving site from non-PCI-Approved computer 2. Opportunities to improve controls over payments collected at special events	Resolved-Follow-up Completed
ECU	Purchases from a Related Party, Division of Student Affairs Employee	Special Investigations	3/2/2016	No	2	1. Non-compliance with University purchasing policy 2. Opportunities to improve internal controls over a retail charge account	Resolved-Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	School of Dental Medicine Community Service Learning Center	Performance/Operational Audits and/or Reviews	6/27/2016	Yes	4	1. Policies and procedures governing cash management have not been finalized. 2. Opportunities to improve security camera coverage and access to recorded footage. 3. Opportunities to strengthen controls and documentation of income for Means Tested Care patients 4. Patient consent documentation was not complete for all patients.	Resolution in Process
ECU	Student Health Services - Patient Billing and Collection Process	Performance/Operational Audits and/or Reviews	2/2/2016	Yes	6	1. Lack of Policies, Rules, Regulations (PRR) for eligibility of Student Health Services (SHS) 2. SHS Policy A017: Eligibility for Care not adequately vetted and needs updating regarding eligibility of ECU employees 3. Non-compliance with internal policies and procedures regarding office visit charges 4. Lack of reconciliation process between Medicat payments and Banner revenue accounts pertaining to payments received 5. Lack of reconciliation process between Medicat and the QS/1 (Pharmacy Information) System pertaining to daily feeds 6. Instances of non-compliance with Statewide Accounts Receivable Program	Resolution in Process
FSU	Audit of Bronco STAR Grant	Audits/Reviews of Internal Controls	12/9/2015	No	1	The decision to hire Peer Learning Assistants during the first 6 months of the program resulted in a questionable use of grant funds.	Resolved Follow up Completed
NCAT	Aggie-Mart E-Procurement System	Information System Controls	2/10/2016	Yes	3	1. The Purchasing Office does have some documented desktop procedures for processes related to Aggie-Mart. However, these procedures require updating and strengthening. Additionally, auditors noted the absence of documented policies and procedures for new account request and removal of access to the system. 2. Approved user access forms are not required in order to obtain access to Aggie-Mart. 3. The System Administrator failed to remove access to Aggie-Mart in a timely manner for employees that had separated from the University.	Resolved- Follow-up Pending
NCAT	Allegation - Misuse of Grant Funds in a School College	Special Investigations	10/30/2015	No	1	Auditors determined that at least two individuals hired to work directly with high school students and incoming freshmen in separate grant-funded summer residential programs did not receive a criminal conviction check.	Resolved- Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
NCCAT	Improper Procurement Card Purchases & Conflict of Interest in a University Department	Special Investigations	3/29/2016	No	4	<p>1. Auditors determined that from November 2014 to January 2015, a University employee recommended that another employee in the department purchase approximately \$5,216 in laboratory supplies and equipment from a company belonging to an employee's spouse, using that employee's university-issued procurement card. The department did not receive all of the items purchased from the spouse's company.</p> <p>2. A conflict of interest existed with an employee in the department. The employee did not properly disclose a business relationship that involved his/her spouse's company and the University. Note: The employee has separated from the University.</p> <p>3. Auditors noted that the number of procurement cards in the department appeared to be excessive. Auditors also determined that when a procurement card limit would be reached, department employees shared their procurement card for others to make purchases. The department was not in compliance with University policy.</p> <p>4. Auditors determined that there were no records maintained for items that were purchased and delivered to the department.</p>	Resolved- Follow-up Pending
NCCU	Administration & Finance	Special Investigations	4/14/2016	No	2	<p>1. Staff violated the premises of centralized facility bookings.</p> <p>2. Staff violated secondary employment disclosure.</p>	<p>1. Resolved - Follow Up Pending</p> <p>2. Resolution in Process</p>
NCCU	Administration & Finance	Special Investigations	4/13/2016	No	8	<p>1. The authenticity of payments to a vendor for work allegedly performed.</p> <p>2. Staff violated the conflict of interest and secondary employment disclosures.</p> <p>3. Failure of adherence to purchasing statutes.</p> <p>4. Lack of verification of work performed by outside vendor.</p> <p>5. Ineffective use of Mainsaver, a facilities work order system.</p> <p>6. Circumvention of the requisition/purchase approval process.</p> <p>7. vendor files must be purged and validated.</p> <p>8. Staff should be retrained on the IRS 1099 requirements.</p>	<p>1. Resolved - No Follow Up Needed.</p> <p>2. Resolution in Process</p> <p>3. Resolved - Follow Up Pending</p> <p>4. Resolved - Follow Up Pending</p> <p>5. Resolved - Follow Up Pending</p> <p>6. Resolved - Follow Up Pending</p> <p>7. Resolution in Process</p> <p>8. Resolution in Process</p>
NCCU	Clery Act	Compliance Audits	12/3/2015	Yes	3	<p>1. Non-Compliance with The Code of Federal Regulations (CFR) Regarding Clery Geography</p> <p>2. Non-Compliance with CFR Regarding Crime Log</p> <p>3. Process Improvements for the Campus Security Authorities Program</p>	<p>1. Resolved - Follow Up Pending</p> <p>2. Resolved - Follow Up Pending</p> <p>3. Resolved - Follow-Up Pending</p>
NCCU	Compliance Testing for State Policies & Procedures	Special Investigations	9/30/2015	No	1	1. Incomplete EEO Documentation: For one new hire that was not a direct report to the Chancellor, HR could not locate the complete documentation evidencing that the employment processes, including EEO verifications, had been performed.	Resolved - Follow-Up Pending
NCCU	Grant Change Fund Review	Financial Audits/Reviews	8/10/2015	No	1	The Change Fund is currently maintained in the Principal Investigator's bank account, which is not compliant with the University Petty Cash Policy.	Resolved - No Follow Up Pending
NCCU	IT General Controls	Information System Controls	4/19/2016	No	4	Satisfactory progress is being made.	Resolved - Follow-Up Pending

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
NCCU	Student Affairs Financial Review	Financial Audits/Reviews	10/1/2015	No	3	<p>1. There are insufficient reconciliation processes within the Student Affairs division, especially in relation to expected and collected revenues, which could result in misappropriation or misclassification of revenue.</p> <p>2. Two (2) departments within Student Affairs division were identified as having insufficient retention practices as related to contract retention.</p> <p>3. Four (4) signed contracts within the Conference & Guest Services Department were reviewed, and all were signed by the Assistant Director of Residential Life. However, this position is not recognized as a signature authority for those contracts.</p>	<p>1. Resolved - Follow Up Pending</p> <p>2. Resolved - Follow Up Pending</p> <p>3. Resolved - Follow-Up Pending</p>
NCCU	Student Affairs Management Review	Special Investigations	12/3/2015	No	2	<p>1. A surprise birthday party was held for 2 members of the senior staff in the Division of Student Affairs. This party was initially paid from an account that has student fees as a funding source. The honorees of the birthday party reimbursed the expenditure recorded in the student fee funded account with their personal funds</p> <p>2. Use of Inappropriate Language: Management should consider other methods that might be more "universal" in usage and acceptance for communication purposes.</p>	<p>1. Resolved - No Follow Up Needed</p> <p>2. Resolved - No Follow Up Needed</p>
NCSSM	Follow-up of IA 2014 Info Systems Access Review	Audit Findings Follow-up	9/8/2015	Yes	1	<p>One finding with 5 recommendations for State supported financial systems:</p> <p>1. Management should develop written policies and procedures for granting user access, adjusting access when an employee's position or duties change, removing access when an employee leaves NCSSM, and reviewing all user access on a regularly basis to ensure current access rights are appropriate.</p> <p>2. Periodic user access reviews should be executed and documented in accordance with applicable State policy.</p> <p>3. Management should determine if different access review policies and procedures are needed for privileged and/or administrator accounts.</p> <p>4. The written policies and procedures should be reviewed and approved by the appropriate level(s) of NCSSM management, and the final policies should be shared with system users.</p> <p>5. Management should consider strengthening the process of notifying other departments when employees are leaving NCSSM.</p>	Resolution in Process
NCSSM	Follow-up: 2nd Follow-up of OSA's Financial Statement Audit (FIN-2014-6094)	Audit Findings Follow-up	1/4/2016	No	N/A	<p>The evidence provided indicates the School has placed greater emphasis on year-end financial reporting by adding procedures and review processes that were intended to ensure the completeness and accuracy of the financial statements and notes. Internal audit was not able to verify the School has implemented these year-end procedures, but the auditor's objective was not to determine whether the School's 2015 financial statements and related notes are materially complete and accurate. Instead this will be the focus of the external auditor, and thus whether the School's updated procedures prove to be sufficient will not be known until the State Auditor completes the fiscal 2015 audit.</p>	N/A

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NCSSM	Follow-up: of OSA's Financial Statement Audit (FIN-2014-6094)	Audit Findings Follow-up	8/7/2015	Yes	1	Evidence indicates a corrective action plan has been developed and satisfactory process is being made. However, the year-end reporting process is still underway and is not expected to be completed until September 18, 2015. As such, the Chief Audit Officer will perform at least one additional review to ensure full resolution and implementation of the corrective action plan.	Resolved - Follow-up Completed. See F16004 below
NCSU	College of Agriculture and Life Sciences Capital Assets Investigation	Special Investigations	4/28/2016	No	1	1. Guidance for the Sale of University Assets	Resolution in Process
NCSU	College of Sciences Mathematics Misuse of Grant Funds	Special Investigations	8/10/2015	No	1	1. Fiscal Oversight and Compliance	Resolution in Process
NCSU	Data Security Controls Related to Peripheral Devices	Information System Controls	11/30/2015	No	1	1. WolfCopy Multi-functional Device (MFD) Erasing Process	Resolution in Process
NCSU	Non-Instructional Summer Salary Performance Audit - Effectiveness of Faculty Training	Performance/ Operational Audits and/or Reviews	10/6/2015	Yes	2	1. Training Processes 2. Training Guidance Inconsistencies	Resolved - Follow-up Pending
UNCA	Cash Collections Special Review	Special Assignments	3/14/2016	Yes	3	1. Commingling of funds 2. Refunds not properly issued 3. Inadequate information maintained about cash issued to custodians.	Resolved - Follow-up Pending
UNCC	Administrative Review of the College of Business	Performance/ Operational Audits and/or Reviews	5/9/2016	Yes	6	1. Time and Attendance - Compensatory Time 2. Conflicts of Interest/Commitment 3. Information Systems 4. Banner Access 5. Oversight of Student Organizations 6. Business Continuity Planning	Resolution in Process
UNCC	Capital Campaign Gift Accounting	Compliance Audits	8/31/2015	Yes	2	1. Campaign gifts are not posted to Banner according to University and CASE standards 2. Athletics donation data is not transmitted timely to Banner Finance	Resolved - Follow-up complete
UNCC	Facilities Management Design Services	Performance/ Operational Audits and/or Reviews	11/18/2015	Yes	4	1. Lack of documented procedures 2. Lack of routine fraud prevention training 3. Inappropriate ordering of supplies and equipment 4. Oversight of operations needs improvement	Resolved - Follow-up complete
UNCC	Investigation Report, Employee Whistleblower Complaint under Policy 803	Special Investigations	8/13/2015	No	5	Confidential findings	Resolved - Follow-up complete
UNCC	Misuse of Funds	Special Investigations	6/1/2016	No	2	1. Department used incorrect funds to pay for meals for full-time employees during student trainings and meetings. 2. Department knowingly used incorrect funds to pay for a going-away party for staff members.	Resolved - Follow-up complete
UNCC	Office of Technology Transfer	Performance/ Operational Audits and/or Reviews	11/12/2015	Yes	2	1. Insufficient system of internal controls 2. Lack of internal controls over royalties and other financial activities	Resolved - Follow-up complete
UNCC	Revised Final Report - IT General Controls	Information System Controls	7/13/2015	Yes	5	1. System access not disabled timely for terminated employees 2. Business Continuity Plan not current 3. Change management practices not consistently followed 4. ITS governance framework lacks cohesion and integration 5. Inadequate participation in information security awareness training	Resolved - Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCC	Student Union Activities & Recreation (SUAR)	Performance/ Operational Audits and/or Reviews	4/11/2016	Yes	5	1. P-Card and eProcurement approval process is inadequate 2. System access for terminated employees not disabled timely 3. Insufficient monitoring of financial activities 4. Fraud risk in cash handling 5. Insufficient succession planning to address expected key staff departures	Resolution in Process
UNCC	Undergraduate Admissions	Performance/ Operational Audits and/or Reviews	6/21/2016	Yes	1	1. No institutional policy regarding admission exceptions as required by UNC regulations; no charter for the Admissions Advisory Committee.	Resolution in Process
UNC-CH	Environmental Sciences Engineering	Special Investigations	10/22/2015	No	6	1. Organizational Structure 2. Administrative Cost in Sponsored Funds 3. Conflicts of Interest and Fraudulent Purchases 4. Other Purchasing Card Charges and Other Expenditures 5. eProcurement (ePro) Purchases) 6. Timekeeping Issues	Resolution in process
UNC-CH	Green Cart Program	Special Investigations	6/28/2016	No	1	Participant payments were not made promptly because of procedural and funding delays, but confirmed that all delayed payments have since been made.	Resolved - follow-up completed
UNC-CH	Shared Services Data Monitoring	Other	1/28/2016	No	2	1. Management should pursue developing a data mining and analysis program as part of the reorganization of Finance and Administration. 2. The University should explore the possibility of having "basic training" for department chairs that provides them with an overview of their fiscal and administrative responsibilities and how to meet those responsibilities.	Resolution in process
UNCG	Purchasing Cards	Compliance Audits	4/28/2016	Yes	3	1. Amount exceeded single purchase limit 2. Expenditure not allowable via PCard 3. No transactions reviewer approval	Resolved - Follow-up Completed
UNC-GA	ECSU Review (a joint audit project)	Special Assignments	2/16/2016	No	21	1. Students were admitted to ECSU for Fall 2015 that did not meet Minimum Admissions Requirements (MAR) 2. Fifteen percent (15%) of enrolled new Freshmen were not admissible by MAR 3. Completion of Minimum Course Requirements (MCR) not documented as verified in twenty-five percent (25%) of enrolled students 4. Lack of adequate documentation to support student background checks as required by UNC Policy 5. Lack of adequate documentation and security of student files as required by FERPA 6. Significant lack of quality control 7. Lack of adequate documentation of policies, procedures and processes; Lack of training program and training materials 8. Inadequate admissions decision-making practices 9. Significant lack of technological efficiency 10. Lack of recruitment and communication plan affects yield 11. Lack of annual performance evaluations; Lack of clarity of supervision 12. Lack of clear understanding of guidelines for administering various Financial Aid Programs 13. Ineligible students identified as receiving scholarships from the NC State Education Assistance Authority 14. Administration of Viking Grant needs improvement 15. Lack of adequate documentation, no training program, and no policy and procedures manual for athletic scholarships 16. Instances noted where a Satisfactory Academic Progress (SAP) appeal decision was changed 17. Lack of due diligence in performing verification procedures 18. ERP System overrides in Financial Aid packaging 19. Gainful employment report not submitted timely 20. No training program or current policy and procedures manual 21. Lack of performance evaluations and current job descriptions	Resolution in Process
UNC-GA	Second follow-up of the State Auditor's Banner Hosting Services IT General Controls Audit	Audit Findings Follow-up	2/11/2016	Yes	6	The follow-up noted uncorrected OSA recommendations and further IA observations: 3 public letter findings and 3 sensitive letter findings related to IT general controls.	Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCSA	Appointment Change	Special Investigations	2/5/2016	No	1	1. A university employee's appointment term was reduced from 12 months a year to 10 months a year without a decrease in pay. While changes in appointment term without a decrease in pay are permissible, at the time of the transaction, the university only had authority for actions resulting in pay rate increases of less than 10%. The university's decision in this case, effectively increased the employee's rate of pay by approximately 20%	Resolution in Process
UNCSA	Housekeeping Survey	Special Investigations	11/16/2015	No	7	1. Dissatisfaction with housekeeping services institution-wide 2. Performance of housekeeping services needs improvement within specific facilities/Disparity in the quality of housekeeping work 3. Facilities management ineffective 4. Front-line supervision needs improvement/A lack of proper oversight or accountability over the housekeeping staff 5. High level of discontent pertaining to the cleanliness of restrooms 6. Trends that threaten the quality of housekeeping work 7. Lack of resources	Resolution in Process
UNCW	Campus Recreation	Performance/ Operational Audits and/or Reviews	7/29/2015	Yes	1	User access rights are not reviewed on a periodic basis.	Resolved - Follow-up Completed
UNCW	Campus Wide Surprise Cash Counts	Audits/Reviews of Internal Controls	6/3/2016	Yes	6	Of the eight areas reviewed, six areas did not fully comply with UNCW Policy 05.141 Detailed findings and recommendations were shared with management in each department. Findings included: *Lack of documented internal procedures for cash handling (multiple departments) *Outdated receipting privilege forms due to employees leaving the department (multiple departments) *Failure to consistently record cash in a receipt log (one department) *Failure to make timely deposits (one department) *Failure to update the safe's combination on regular basis (multiple departments) *Failure to reconcile the change fund (one department) *Failure to properly secure funds overnight (one department) *Lack of segregation of duties due to staff vacancies (multiple departments)	Resolution in Process.

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCW	Collegiate Fashion Investigation	Special Investigations	11/18/2015	No	15	1. Conflict of Interest - Undisclosed personal relationship with the vendor 2. Purchasing compliance - Lack of competition 3. Purchasing compliance - Lack of appropriate documentation for sole-source vendor procurement 4. Purchasing compliance - Unable to confirm if vendor contract deliverables were met 5. Departmental funds receipting - Funds received not properly tracked/not consistently received 6. Expenditures and fund usage - Collegiate Fashion Week fund used to pay for departmental activities 7. Expenditures and fund usage - Inappropriate general fund use 8. Expenditures and fund usage -Lack of segregation of duties 9. Gift in-kind reporting - Gifts received not reported through University Advancement 10. Employment and payment of student workers - Inappropriate employment of student photographers for event 11. Employment and payment of student workers - Financial Aid institutional dollars were used to pay for Collegiate Fashion Week photography services 12. Noncompliance with the university logo policies 13. After party event held off-campus involving alcohol 14. Interference with Financial Aid Counselor responsibilities 15. Duplication of services provided by other university departments	Findings 1-15. Resolved - Follow-up Completed
UNCW	Department of Athletics	Performance/ Operational Audits and/or Reviews	4/8/2016	Yes	5	1. Facility Use Agreements did not have the required Certificates of Insurance on file at the time of testing. 2. A required training certification was expired before the renewal was complete. 3. Funds were not deposited timely as required by NCGS 147-77 and UNCW Policy 05.141, Departmental Funds Receipting. 4. There was not adequate segregation of duties within the Ticket Office where one individual collects cash receipts, prepares deposits, and reconciles transactions. 5. User access rights are not reviewed on a periodic basis for the Athletics SharePoint site.	1. Resolution in Process 2. Resolution in Process 3. Resolution in Process 4. Resolution in Process 5. Resolution in Process
UNCW	Financial Aid	Performance/ Operational Audits and/or Reviews	11/18/2015	Yes	34	Awarding Practices - Institutional aid programs 1. Lack of sufficient knowledge of Institutional funding sources and amounts 2. Institutional aid not being awarded strategically 3. Lack of segregation of duties in awarding institutional aid 4. Inequitable distribution of awards 5. Lack of procedures for adjusting institutional aid when students withdraw	1. Resolution in Process 2. Resolution in Process 3. Resolution in Process 4. Resolution in Process 5. Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCW	Financial Aid	Performance/ Operational Audits and/or Reviews	11/18/2015		(cont'd)	<u>Escheat Funds</u> <u>6. Escheat Funds not awarded in accordance with policy</u> <u>Scholarships</u> <u>7. Scholarships not awarded in accordance with donor criteria</u> <u>8. Inaccurate awarding and posting of outside scholarships</u> <u>9. Unawarded scholarships</u> <u>NextGen System</u> <u>10. NextGen system not consistently used for awarding</u> <u>11. Information in NextGen does not agree to Banner</u> <u>12. NextGen testing performed in production environment</u> <u>13. Internal IT staff not involved in software management</u> <u>14. Lack of documented procedures and training for OSFA or campus users</u>	6. Resolution in Process 7. Resolution in Process 8. Resolution in Process 9. Resolution in Process 10. Resolution in Process 11. Resolution in Process 12. Resolved - Follow-up Completed 13. Resolved - Follow-up Completed 14. Resolved - Follow-up Completed
UNCW	Financial Aid	Performance/ Operational Audits and/or Reviews	11/18/2015		(cont'd)	Policy Compliance - UNC Policy Manual 800.5.1[R], Regulation on Financial Aid Practices 15. Lack of lender list disclosure Code of Conduct 16. Lack of Code of Conduct Administrative Responsibilities - Financial Reporting 17. Lack of knowledge of financial activity 18. Proper use of accounts and funds 19. Lack of segregation of duties 20. Lack of regular reconciliations Departmental Funds Receipting 21. Policy non-compliance 22. Lack of timely completion of wire deposit transmittals Purchasing Compliance/Contracted Services 23. Noncompliance with purchasing guidelines 24. Inappropriate contracted services	15. Resolved - Follow-up Completed 16. Resolved - Follow-up Completed 17. Resolution in Process 18. Resolution in Process 19. Resolved - Follow-up Completed 20. Resolution in Process 21. Resolution in Process 22. Resolution in Process 23. Resolution in Process 24. Resolved - Follow-up Completed
UNCW	Financial Aid	Performance/ Operational Audits and/or Reviews	11/18/2015		(cont'd)	<u>Payroll and Personnel</u> <u>25. Compensatory leave awarded and paid out inconsistently</u> <u>26. Timesheet completion, approval, and processing</u> <u>27. Lack of written policies and procedures</u> <u>28. Lack of regular work schedules</u> <u>29. Inefficiencies in organizational structure</u> <u>30. Job descriptions do not match current employee responsibilities</u>	25. Resolved - Follow-up Completed 26. Resolved - Follow-up Completed 27. Resolved - Follow-up Completed 28. Resolved - Follow-up Completed 29. Resolution in Process 30. Resolution in Process
UNCW	Financial Aid	Performance/ Operational Audits and/or Reviews	11/18/2015		(cont'd)	Continuity Planning 31. Lack of continuity of operations plan 32. Cross training and backup General Controls/System Access 33. Inappropriate Banner access 34. Lack of documented process for reviewing all system access	31. Resolved - Follow-up Completed 32. Resolution in Process 33. Resolution in Process 34. Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCW	Student Accounts and Cashier Office Review	Performance/Operational Audits and/or Reviews	6/1/2016	Yes	2	1. Cash Handling Internal Controls (Lack of daily cash counts) 2. Tax Reporting Obligations (Late filing without documentation)	1. Resolution in Process 2. Resolution in Process
UNCW	Tuition Waivers (Completed in connection with Student Accounts and Cashier Office Review)	Performance/Operational Audits and/or Reviews	6/10/2016	No	3	1. Inconsistencies in UNCW Policy 2. Processing of Tuition Waivers 3. Separated Employees Utilizing Tuition Waivers	1. Resolution in Process 2. Resolution in Process 3. Resolution in Process
WCU	Business Continuity Plan Dining Services	Audits/Reviews of Internal Controls	10/5/2015	Yes	1	No signage of clearly identified emergency/egress routes within the food court as well as assembly areas outside the food court	Resolved-Follow up Completed
WCU	Catamart/SciQuest	Information System Controls	10/16/2015	Yes	3	1. WCU Finance User Account Request/Modification forms were not found for one of the 40 individuals sampled, or 3% of the sample. In addition to this, CataMart Approver Forms or CataMart Requestor Forms could not be located for one of the 38 individuals sampled, or 3%. 2. A regular review of user access to CataMart by purchasing does not occur, although individuals with requestor status are included in the Controllers office's semi-annual review of the roles database. 3. Users having system administrator settings were able to perform end user functions.	Resolved - Follow-up Completed
WCU	Office of Development and Alumni Affairs Compliance with Purchasing Card Industry Data Security Standards	Compliance Audits	4/11/2016	Yes	1	1. Although legal counsel was satisfied with the language in the current contract with iModules regarding responsibilities of each party regarding Purchasing Card Industry Data Security Standards, legal counsel felt that the language in the contract should be refined at time of renegotiation.	Resolution in Process
WCU	Safety Training	Performance/Operational Audits and/or Reviews	4/25/2016	Yes	1	We could not determine in twelve of the eighteen modules tested, or sixty seven percent, if all members of target audiences had been included in training, although it appeared that the appropriate audiences were in attendance. This is because there is no mechanism in place that identifies: 1. When new employees enter the workplace and the corresponding nature of safety training they employees may require, or 2. When employees change job responsibilities and require different kinds of safety training. Note that some modules require that training occur at the initial time of assignment of new duties. Some modules require refresher training or retraining after an accident.	Resolution in Process
WSSU	Cash Count and Receipting Audit and Follow-up Review	Audits/Reviews of Internal Controls	9/11/2015	Yes	4	1. Ticket Refunds Not Recorded, Undeposited Cash Receipts and Missing Cash 2. Lack of Internal Policies and Procedures 3. Lack of Segregation of Duties and Management Oversight of the Cashiering Function 4. Inappropriate System Access Rights	Resolution in Process
WSSU	Employee Relations - Management Letter	Audits/Reviews of Internal Controls	3/3/2016	Yes	1	1. No documented and approved standards for handling complaints not considered key or grievable.	Resolution in Process
WSSU	Fuel Inventory Review	Financial Audits/Reviews	5/27/2016	Yes	1	1. Cigarette use in areas where fuel is stored	Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Included in Original Audit Plan (Yes/No)	Number of Findings	Findings (Detail)	Status of Finding Resolution
WSSU	Human Resources - Review of Employee Relations	Audits/Reviews of Internal Controls	3/1/2016	Yes	7	1. Ineffective Management Training 2. Insufficient Performance Development Policies and Procedures 3. Insufficient Controls over Disciplinary Actions 4. Lack of Controls over Grievances 5. Lack of Safeguarding and Confidentiality Policies and Procedures 6. Deficient Employee Assistant Program Processes 7. Inappropriate System Access	Resolution in Process
WSSU	Men's Basketball Coach Search	Special Investigations	1/21/2016	No	2	1. Breach of Confidentiality 2. Insufficient Training and Procedures for Search Committees	Resolution in Process
WSSU	Men's Basketball Coach Search - Addendum to Report	Special Investigations	1/28/2016	No	1	1. AD investigated allegations to which she was a party.	Resolved - Follow-up Completed
WSSU	Risk Identification	Special Investigations	1/21/2016	No	1	1. Athlete Exit Surveys	Resolution in Process
WSSU	Risk Identification	Audits/Reviews of Internal Controls	3/3/2016	Yes	1	1. HR has no risk management program in place to identify, rate, manage and monitor risks.	Resolution in Process
WSSU	Statewide Federal Compliance Audit Procedures Follow-up Review	Audit Findings Follow-up	7/2/2015	No	3	1. Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid 2. Required Direct Loan Reconciliations Were Not Properly Performed 3. Required Written Notifications Were Not Supplied to Students	1. Resolution in Process 2. Resolved - Follow-up Completed 3. Resolved - Follow-up Completed