

INTRODUCTION

On behalf of the internal audit functions within the University of North Carolina, presented is the Annual Report on Internal Audit Activities for the fiscal year ended June 30, 2017. This report highlights the work and accomplishments of internal audit departments across the University of North Carolina for the period July 1, 2016, through June 30, 2017. The report contains the following sections:

- A summary of **Board of Trustees Audit Committee Activities for the 2016-17 Fiscal Year**.
- A summary of the **Planned Audit Hours for the 2016-17 Fiscal Year** as approved by university boards of trustees and the Board of Governors Committee on Audit, Risk Management, and Compliance.
- A summary of **Actual Audit Hours Completed for the 2016-17 Fiscal Year** as reported by the institutions' chief audit officers.
- An overview and **Internal Audit Report Highlights** of audits performed in the 2016-17 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 (BOG) 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.

Boards of Trustees Audit Committee Activities for the 2016-17 Fiscal Year

Article 79 of Chapter 143 of the General Statutes requires that each director of internal auditing report to a governing board if one exists within the entity. Additionally, professional standards promulgated by the Institute of Internal Auditors require that each chief audit officer report functionally to the board of trustees audit committee. Annual audit plans are approved by each institution's audit committee and results of completion of those approved plans are discussed with the committee members at periodic intervals throughout the year. To confirm the annual activities of the audit committees, the chair of each board of trustees audit committee, including the chair of the BOG Committee on Audit, Risk Management, and Compliance (CARMC), confirms its committees' compliance with the following:

1. Met at least four times in the 2016-17 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 university 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 status updates from the institution's chief audit officer and internal audit reports that, at a minimum, reported material (significant) reportable conditions, management's corrective action plan for these conditions, and any follow-up reports regarding whether these conditions have been corrected.
7. Received, reviewed, and approved, at the beginning of the audit cycle, the annual audit plan for the institution's internal audit function.
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.

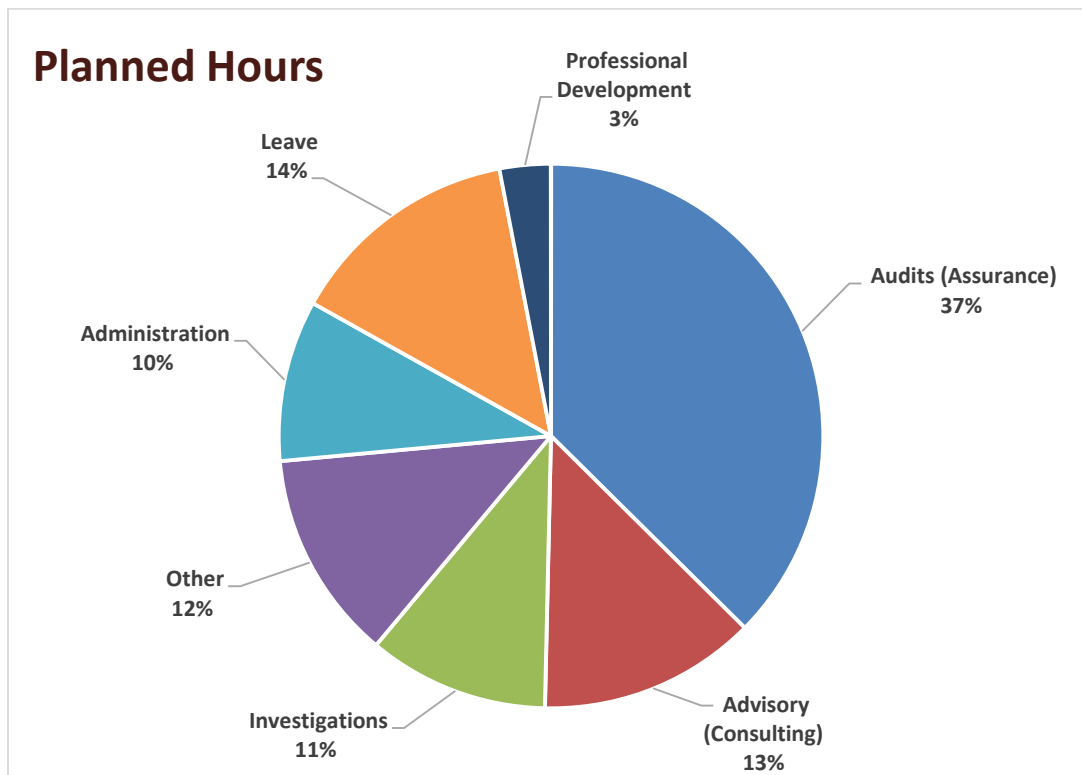
Each audit committee further attests:

1. The institution's chief audit officer reports directly to the Chancellor (or President for UNC-GA) 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 2016-17 Fiscal Year

In December 2016, institutional internal audit plans were presented to CARMC for approval. Planned assurance and consulting 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).



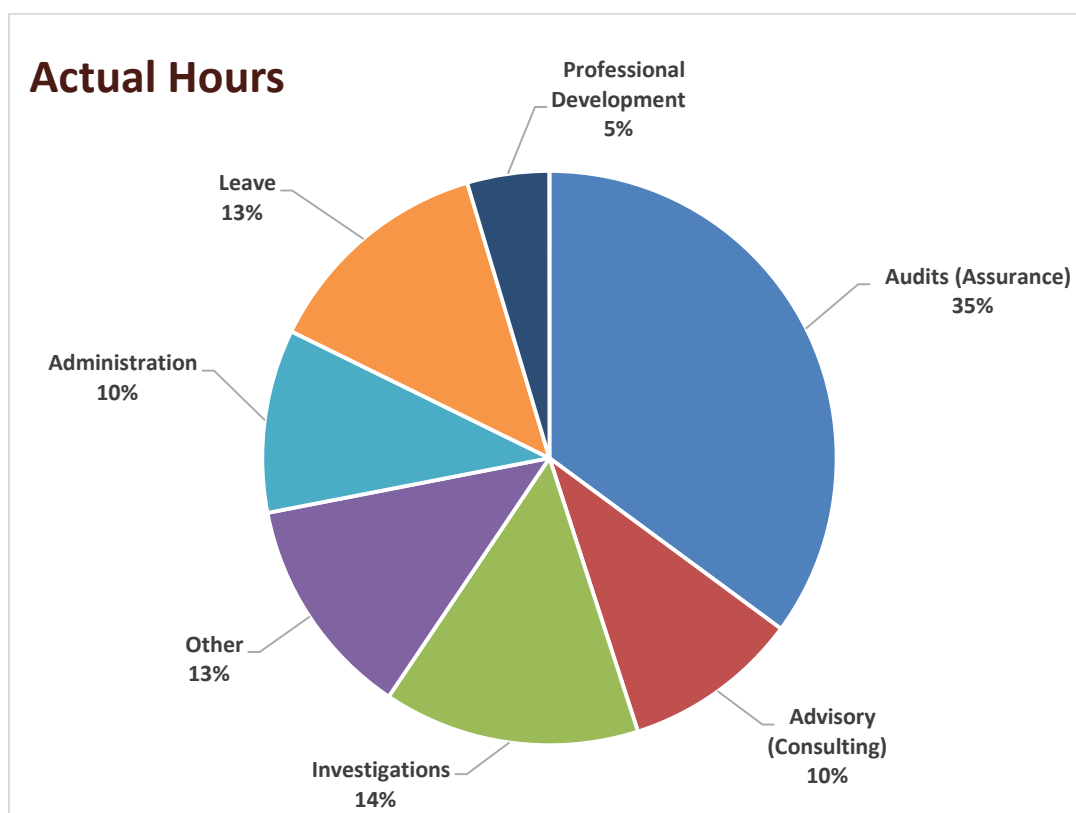
Annual internal audit plans are developed for each institution and result from a comprehensive risk-based analysis of specific operations in relation to university operations as a whole. Once an institution's plan is drafted, it is forwarded to campus leadership for review and approval. Ultimately, the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

Actual Audit Hours Completed for the 2016-17 Fiscal Year

In contrast to the previous chart, which highlighted planned audit work for the 2016-17 fiscal year, the chart in this section presents the results of actual audit work for the 2016-17 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 at an

institution. Chief audit officers must continuously respond to new and/or changing risk factors at their institution. Accordingly, original plans are typically changed and updated.

In capturing actual audit work completed in relation to planned assignments, the area of most change is in investigations. Eleven percent of the total number of planned hours was in the area of investigations; however, once audit plans were completed, fourteen percent of time was spent conducting investigations. This statistic supports the normal trend we have seen over the past several years. Since investigations generally arise without warning and are very time sensitive, planned effort 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.



Internal Audit Report Highlights

Between July 1, 2016 and June 30, 2017, internal audit departments across the University of North Carolina system:

- Completed audit, advisory services, audit finding follow-ups and investigations resulting in 257 reports (**Attachment 1**) that produced 274 recommendations (**Attachment 2**) for improvements to internal controls. Corresponding Management Corrective Actions were identified and agreed upon by university leadership.

- In addition to the 61 written follow-ups on prior year reports with audit findings, internal audit departments at the institutions conducted numerous follow-ups that resulted in email or a memorandum communication rather than formal reports.

Internal audit efforts from all of our campuses over the past fiscal year, including investigations, yielded common internal control issues. Some of the internal control issues included in the reports:

- Departments and individuals were not following accounting and fixed asset guidelines and not completing reconciliations, which led to unallowable expenditures and missing assets not being detected.
- Individuals did not receive adequate training or departments lack the necessary resources to adequately monitor annual training. Education of employees is essential for reinforcing policies, procedures, and rules and regulations as well as strengthening the skills of the employees.
- No policy, rule, regulation, or other formal institutional directive pertaining to organizational continuity was established. Planning for organizational continuity is a best practice to ensure knowledge transfer and a smooth transition at the time of retirements and/or departures of employees.

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 campuses and the current status of resolution.

Internal Audit's Participation in University Initiatives

Campus internal audit departments have continued to partner with management to support key initiatives and priorities for their respective campuses. 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 institution 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. On most campuses, 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 campus; 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 for the campus, 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. This follow-up is required per GS 116-30.1.

Committee participation and consultations – The expertise provided by the chief audit officers and other professional internal audit staff is invaluable to the institutions in the form of committee participation and consultations. For example, at North Carolina A&T State University, the Office of Internal Audit

serves in a consulting/advisory role on the university's Clery Act Compliance Committee (CACC). The committee is responsible for meeting all compliance and other requirements for the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act). This committee reports to the Vice Chancellor for Student Affairs and the Chief of the University Police Department. The CACC provides the leadership to ensure full compliance in areas of reporting, implementing policies and procedures, updating the annual reporting list, and providing educational programs.

In another example, the University of North Carolina at Wilmington's Office of Internal Audit partnered with the Information Technology Services' (ITS) Assurance and Compliance function to facilitate a capstone practicum project for students from the Cameron School of Business participating in the Master of Science in Accountancy program. The scope of the project was to research best practices and make recommendations for the consolidation of ITS' IT Disaster Recovery Plan, Continuity of Operations Plan, and Emergency Operations Plan. Staff in the Internal Audit office worked with the students on best practices for consulting work including client communication, documentation, and ensuring all content from the existing documents was considered for inclusion in the proposed consolidated document. At the end of the project, the students provided ITS and Internal Audit with proposed materials to assist management with consolidation of the documents.

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 consultation to ECSU through December 31, 2016; UNC-GA providing chief audit officer and internal audit staff services to NCSSM and the NC State Education Assistance Authority; and WSSU providing chief audit officer and internal audit staff services to UNCSA.

In addition, the single-person internal audit departments at UNCA and WCU have an established peer-to-peer collaboration model. This arrangement adds value to both institutions through collaboration in specialized audit areas and review of workpapers in order to adhere to required Institute of Internal Audit Standards.

In another collaborative engagement, ECU audits UNCW's minor associated entity Friends the University of North Carolina at Wilmington, Inc.'s financial statement as well as the entity's compliance with the requirements of UNC Policy 600.2.5.2[R] for the Required Elements of University-Associated Entity Relationship. Because Friends of the University of North Carolina at Wilmington, Inc. is a minor associated entity, UNC Policy 600.2.5.2[R] allows for another institution's internal audit to conduct the financial statement audit.

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 on their institutions. 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.

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, many of our internal audit departments use automated software to manage and store workpapers that are created through the engagement process, and some 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 institutions' 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 institutions' 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 information related to updated or new UNC Policies, reports from the Board of Governors CARMC meetings, status reports from the University Business Compliance Program and any other relevant information to the chief audit officers that will be beneficial in their work.

In addition to the monthly conference calls, the annual UNC Auditors Association conference was hosted by the triangle region of universities in Chapel Hill. The conference provided internal audit staff the opportunity to earn 12 hours of continuing professional education. Topics included Clery/Title IX, internal audit trends, strengthening risk oversight in higher education, and an update from the Office of the State Auditor on IT General Controls audits.

Also, in May 2017, UNC-GA's Office of Compliance and Audit Services sponsored its fourth annual chief audit officers retreat in Chapel Hill. The training provided the chief audit officers the opportunity to earn 4.5 hours of continuing professional education as well as working sessions to discuss current topics and trends. In addition to updates provided by various departments within UNC-GA, primary topics included construction auditing and conflict management.

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. Eighty-five percent of internal audit staff have at least one professional certification.

Staffing – As of June 30, 2017, Internal Audit across the UNC System had fifty-one full-time employees, two part-time employees, one contract employee, and two temporary employees. In addition, nine interns were used throughout the year.

This concludes the University of North Carolina Annual Report on Internal Audit Activities for the fiscal year 2016-17. 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 (by institution) Issued July 1, 2016- June 30, 2017

Appalachian State University

2016 Football Paid Attendance
 2016 GEAR UP Audit Year 2
 Annual Cash Counts FYE 2016
 Appalachian Real Estate Holdings, Inc.
 Commercial Photography Contract Compliance Investigation
 Compliance with Purchasing/COI Policies
 Data Inventory Review
 Follow-up: Audit of Cash Handling Procedures Concessions Football Game Day
 Follow-up: Audit of Cash Handling Procedures for the Operations and Sale of Ticket Sales on Football Game Day
 Follow-up: Commercial Photography Equipment Loan Contracts (November 2015)
 Follow-up: Food Services Review
 Follow-up: Human Performance Lab Review
 Follow-up: Receipt Book Review FYE 2016
 Follow-up: Pcard Review
 Follow-up: Student Travel Funds for Short-Term Faculty-Led Programs
 Human Performance Lab
 Inventory Review FYE 2016
 New River Light and Power Company
 Office of International Education and Development
 Payment Card Services Policy Oversight
 Privileged User Information Technology Security Awareness Training
 Quarterly Access Management Controls Review (4)
 Quarterly Fixed Asset Review (4)
 Quarterly Foundation Review (4)
 Quarterly Fund Reconciliation Review (4)
 Quarterly P-card (Procurement Card) Review (5)
 Quarterly Travel Review (4)
 Receipt Book Review FYE 2016
 Review of Information Technology Security Risk Assessment
 University Business Continuity Plan and Disaster Recovery Plan Reviews

East Carolina University

1 Card Campus Physical Security Controls
 2nd Follow-up: Parking and Transportation Services
 2nd Follow-up: Private Athletic Camps
 Academic Affairs Student Employee Time Records
 Academic Library Services Time and Leave Reporting Process
 Athletic Allegations
 Disciplinary Information Disclosed on Student Admission Applications Review Process
 Division Hiring Action
 Employee use of University Resources (2)
 Follow-up: Academic Integrity
 Follow-up: Banner Enterprise Resource Planning (ERP) System Logical Access Review
 Follow-up: Cloud Computing and Data Storage
 Follow-up: Department of Biostatistics
 Follow-up: Department of Human Resources
 Follow-up: Department of Occupational Therapy
 Follow-up: ECU Student Health Services
 Follow-up: Information Technology (IT) and Data Governance
 Health Sciences Telemedicine Services
 Information Technology Incident Detection and Response
 Kronos and Employee Time and Leave Keeping Organizational Continuity Efforts
 School of Dental Medicine Community Service Learning Centers (CSLC)
 School of Medicine Prescribing History
 Sole Source Justification
 Student Affairs Unit Review
 Title IX Sex-Based Discrimination, Harassment, and Violence Prevention and Complaint Response Processes
 Undergraduate Admissions Waiver Process
 University Studies Degree Program
 Use of Resources, Conflict of Interest, and Payroll Overpayment
 User Account On-Boarding and Off-Boarding
 Visual Reporting Tool - ProCard Analytics

Elizabeth City State University

Hotline Allegation Employee Salary Increases
Hotline Allegation Hiring Practice (2)
Hotline Allegation IT Video Surveillance
ProCard Administration

Fayetteville State University

Assessment of Internal Controls
OSA Referral: Library
University Testing Services

North Carolina A&T State University

Abuse of State Funds Allegation
Allegation of University Department Throwing
Away Useable Equipment
Allegations of Wrongdoing in a University
Department
Follow-up: Irregular Fuel Transaction Patterns in
a University Department
Follow-up: Misuse of Grant Funds in a School/
College
Follow-up: Resolution of OSA Statewide Federal
Compliance Audit Procedures Audit Finding
Review of Assessment of Internal Controls Over
Financial Reporting for FYE 6/30/2016
Review of Internal Controls over the Student
Tuition and Fee Assessment Process and
Recomputation of Student Tuition and Fee
Revenues
Surprise Cash Count (2)

North Carolina Central University

Academic Affairs - Executive Master of Public
Administration Program
Academic Community Service Learning Program
Athletics Petty Cash Review
Business Auxiliary Services Review
Chancellor's Office Review
Director of University Bands Review
Eagle Card Operations
Follow-up: IT General Controls
Follow-up: Athletics Volleyball
Follow-up: Student Affairs Temporary & Student
Employee Review
Human Sciences Petty Cash Review
Institutional Advancement
Institutional Scholarships and Grants
Kannapolis Research Center
Law School Account

North Carolina Central University (Cont'd)

Mister and Miss Residential Life Pageant
Petty Cash & Change Fund Review
Student Health Petty Cash Review
Year-End Inventory

**North Carolina School of Science &
Mathematics**

Follow-up: SCSSI Fiscal 2015 Financial Audit
Findings
Operational and Internal Control Review of the
Summer Accelerator Program

North Carolina State University

Athletics Summer Camps and Clinics Financial
Record Reporting Process Consultation
College of Agriculture and Life Sciences -
Business Processes
College of Agriculture and Life Sciences - Center
for Integrated Pest Management
College of Agriculture and Life Sciences -
Cooperative Extension Service, Craven County
4-H Funds Investigation
College of Engineering - Industry Expansion
Solutions and Office for Outreach and
Engagement Investigation Audit Report
College of Engineering - Research and Graduate
Programs Investigation
College of Engineering (COE) Civil Construction
and Environmental Engineering Investigation
College of Engineering Mechanical & Aerospace
Engineering Foundation Investigation
College of Humanities and Social Sciences -
Communications Department Investigation
Division of Academic and Student Affairs -
Student Health Services Investigation
Follow-up: College of Agriculture and Life
Sciences - Capital Assets Investigation
Follow-up: College of Engineering - Research
and Graduate Programs Investigation
Follow-up: College of Sciences Mathematics -
Grant Funds Investigation
Follow-up: Division of Academic and Student
Affairs (DASA) Information Technology
General Controls Audit
Follow-up: Fiscal Year 2015 Financial Statement
Audit of NC State University Club
Follow-up: Gas Cylinder Inventory and Billing

North Carolina State University (Cont'd)

Follow-up: Internal Controls over University
Procurement Card Purchases
Follow-up: Non-Instructional Summer Salary
Performance Audit - Effectiveness of Faculty
Training
Follow-up: Office of Information Technology -
Infrastructure, Systems, and Operations:
Virtual Computing Services
Follow-up: OSA Audit Letter Issued to the Vice
Chancellor for Information Technology
Follow-up: OSA FY14/15 Financial Statement
Audit, IT Controls Segment
Follow-up: OSA FY16 Federal Single Audit -
Student Financial Assistance Cluster
Follow-up: Security Controls Related to
Peripheral Devices
Follow-up: University Network Firewall
Protection Service
Follow-up: University WolfTech Active Directory
Security and Operational Controls
Institute for Transportation Research and
Education Investigation
Transportation Investigation
University Employee Time and Leave
Management
University Gas Cylinder Inventory Tracking and
Billing

University of North Carolina at Asheville

Internal Control Questionnaire

University of North Carolina at Chapel Hill

Auxiliary Services
Carolina Center of Educational Excellence
Center for Civil Rights
Facilities - National Joint Powers Alliance
Follow-up: 2016 OSA Federal Compliance Audit
Follow-up: OSA FY15 Financial Statement
Report
Orthodontics Department
Radiology 2016 (3)
School of Law
School of Law Employee Travel Allegation (2)
Travel Policy

University of North Carolina at Charlotte

Administrative Review of the College of Health
and Human Services
Administrative Review of the office of
Undergraduate Education
Biosafety Audit Report
Business Continuity Program
Environmental Health & Safety Office (EHSO)
Financial Aid Operations
Football Attendance Verification
NCAA Compliance - Investigating Rules
Violations
Niner Tech Store

**University of North Carolina General
Administration**

ESCU Follow-up of Admissions and Financial Aid
Investigation of Alleged Illegal Bidding and
Facility Rentals (UNC-TV)
Investigation of Possible Inappropriate
Corporate Credit Card Use (UNC-TV)
Investigation of State Vehicle Misuse
Investigation of Travel and Purchase Card
Activity
Review of Shared Services Payroll
Subrecipient and Contractor Monitoring
Procedures for the GEAR UP NC Program

University of North Carolina at Greensboro

Capital Projects
Contracted Services
Gift Processing
Intercollegiate Athletics
Intercollegiate Athletics Program (NCAA
Agreed-Upon Procedures)
State Property Reporting of Misuse-Theft
Weatherspoon Arts Foundation FY16

University of North Carolina at Pembroke

OSA Hotline Referral: Facilities
OSA Hotline Referral: Hiring Practices

University of North Carolina School of the Arts

Information Technology Operational Review (4)
IT Conflict of Interest (2)

University of North Carolina at Wilmington

Academic Misconduct Investigation
Auxiliary Services (Aramark Contract Review)
Banner Disaster Recovery Testing
Follow-up: Distance Education
Follow-up: Graduate School Review
Follow-up: Physical Access
Follow-up: Student Accounts and Cashier Office Review
Follow-up: Surprise Cash Count
Friends of the University of North Carolina at Wilmington, Inc.
FY17 Cash Handling Review
ITS Controls Manual Consultation Review
Master of Science in Accountancy Practicum Project
Personnel Investigation
Purchasing Compliance - Auxiliary Services Vendor
Randall Library Operational and Administrative Review
Registrar Audit
Research Compliance Review, Phase II
Response to Hotline Complaint referred by OSBM on 7/15/2016
Scuba Class Complaint Investigation
Sponsored Programs and Research Compliance
Student Health Center

Western Carolina University

Building Emergency Action Plan (14)
Business Continuity Plan -Athletics
Continuity of Operations Plan (COOP) - Facilities Management
Follow-up: Payment Card Industry (PCI) Compliance (6)
Follow-up: Arboretum FY16 Financial Statements
Follow-up: Petty Cash (3)
Laboratory Safety and Training (2)
PCI Compliance (3)
Petty Cash (5)

Winston-Salem State University

2016 Fuel Inventory Review - Management Letter - Incomplete Fuel Spreadsheet
Follow-up: 2016 Fuel Inventory Review
Homecoming Parade
Investigative Review - Athletics
Second Follow-up to the Office of the State Auditor's Statewide Federal Compliance Procedures Report - Title III - Management Letter

Attachment 2: Resolution of Audit Findings July 1, 2016 - June 30, 2017

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ASU	Receipt Book Review FYE 2016	Financial Audits/Reviews	8/1/2016	3	<ol style="list-style-type: none"> 1. Identified eleven late deposits (extending beyond the 24 hour/\$250 rule.) 2. One department did not follow the set guidelines for collecting cash 3. Encountered fourteen instances where a receipt book was still active according to Student Accounts' records, but the custodian did not have the receipt book. 	Resolved - Follow-up Completed
ASU	Quarterly Fund Reconciliation Review	Audits/Reviews of Internal Controls	8/29/2016	1	Departmental Fund Activity Reconciliation Forms for two State funds were not completed.	Resolution in Process
ASU	Quarterly Fixed Asset Review	Audits/Reviews of Internal Controls	8/31/2016	1	Two assets from one department were not in the location as specified on the department's inventory listing and we were unable to locate.	Resolved - Follow-up Completed
ASU	Quarterly Access Management Controls Review	Information System Controls	11/1/2016	1	1. It was determined that oversight for access rights for users who transfer from one department to another within ASU needs to be improved	Resolved - Follow-up Completed
ASU	Quarterly Fund Reconciliation Review	Audits/Reviews of Internal Controls	11/14/2016	1	1. Departmental Fund Activity Reconciliation Form for one trust fund was not completed.	Resolved - Follow-up Completed
ASU	Quarterly Fixed Asset Review	Audits/Reviews of Internal Controls	11/21/2016	1	1. One asset from one department was not in the location as specified on the department's inventory listing and we were unable to locate it.	Resolved - Follow-up Completed
ASU	Quarterly Travel Review	Audits/Reviews of Internal Controls	11/21/2016	1	1. Two travelers did not provide sufficient and adequate documentation for their travel expenditures, therefore, we recommend a total of \$1,691.06 be reimbursed to the University.	Resolved - Follow-up Completed
ASU	Data Inventory Review	Information System Controls	2/3/2017	3	<ol style="list-style-type: none"> 1. The process for identification of IT applications with a smaller subset of users could be strengthened. 2. Not all ITS employees were aware that there is a process for cataloging internally developed applications. 3. Certain IT applications not included in inventory and should be evaluated for inclusion by IT. 	Follow-up Pending - Scheduled for 17-18
ASU	Quarterly Fixed Asset Review	Audits/Reviews of Internal Controls	2/8/2017	1	1. For one of the fixed assets sampled, replacement of a part resulted in the fixed asset not being identifiable. Procedures to properly re-register with the DMV were not followed. Also, the cab and parts removed were not properly surplus.	Resolved - Follow-up Completed
ASU	University Business Continuity Plan and Disaster Recovery Plan Reviews	Information System Controls	2/21/2017	3	<ol style="list-style-type: none"> 1. There is not a clear alignment between the Plans and the ITS Disaster Recovery Plan. 2. The Policy requirements are unclear and contain procedural elements. 3. The management of the Plans is not in agreement with the Policy. 	Follow-up Pending - Scheduled for 17-18

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ASU	Quarterly Fund Reconciliation Review	Audits/Reviews of Internal Controls	3/3/2017	1	1. The Departmental Fund Activity Reconciliation Form for one state fund was not completed.	Follow-up Pending - Scheduled for 17-18
ASU	Quarterly P-card (Procurement Card) Review	Audits/Reviews of Internal Controls	3/8/2017	2	1. Multiple occurrences of not following University and/or departmental policies regarding the use of the procurement card while in travel mode. 2. Multiple occurrences of not following University and/or departmental policies regarding the use of procurement card for certain departmental meal expenditures.	Follow-up Pending - Scheduled for 17-18
ASU	Payment Card Services Policy Oversight	Information System Controls	3/20/2017	1	1. Training	Follow-up Pending - Scheduled for 17-18
ASU	Quarterly Travel Review	Audits/Reviews of Internal Controls	5/22/2017	1	1. One traveler's expenditure reflected an instance of incorrect processing and allocation of a University Travel Grant. We have contacted the department with the administrative oversight regarding this grant, as well as the Controller's Office. We recommend that the department contact the Controller's Office for additional guidance on the grant related policies and procedures.	Resolved - Follow-up Completed
ASU	Quarterly Fixed Asset Review	Audits/Reviews of Internal Controls	6/6/2017	1	1. For one of the fixed assets sampled, we noted that the exchange between two fixed assets was incorrectly documented. Management was notified and the corrected paperwork was resubmitted to the Fixed Asset Officer to correct the fixed asset departmental listing errors. No additional follow-up procedures will be performed regarding this finding.	Resolved - Follow-up Completed
ASU	Quarterly P-card (Procurement Card) Review	Audits/Reviews of Internal Controls	6/7/2017	3	1. Multiple occurrences of not following University and/or departmental policies regarding the use of the procurement card for travel related expenditures. 2. Multiple instances were found where insufficient documentation was provided to support the expenditure. 3. There was one occurrence of the reconciliation procedures not being followed as per ASU Policy 509.23.	Follow-up Pending - Scheduled for 17-18
ASU	Quarterly Fund Reconciliation Review	Audits/Reviews of Internal Controls	6/8/2017	3	1. Two Departmental Fund Activity Reconciliation Forms for two trust funds were completed and approved before the month's end. 2. The Departmental Fund Activity Reconciliation Form for one trust was not submitted. 3. The Departmental Fund Activity Reconciliation Forms for two trust funds were lacking the supervising review and approval signature.	Follow-up Pending - Scheduled for 17-18

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECSU	Pro Card Administration	Performance/Operational Audits and/or Reviews	2/10/2017	3	1. Instances of non-compliance with agency state tax exemption 2. Internal control weakness over reconciliations and expense account reconciliations 3. Internal control weakness of Pro Card review	Follow up Pending
ECSU	Hotline Allegation IT Video Surveillance	Special Investigations	2/22/2017	3	1. No documentation available that contains a list of every camera located on campus and who is responsible for maintaining equipment 2. No University policy to govern the use of video cameras on campus 3. No signage to indicate video monitoring is occurring in the building	Follow up Pending
ECSU	Hotline Allegation Hiring Practice	Special Investigations	3/9/2017	1	1. Lack of direct oversight by Human Resources resulting in a search process that did not follow the prescribed hiring procedures and changing job requirements without prior approval from UNC General Administration, which led to the pre-selection of a candidate for Position A.	Follow up Pending
ECSU	Hotline Allegation Hiring Practice	Special Investigations	4/10/2017	1	1. Final candidates interviewed by [Employee A] only. There was no involvement of the search committee after the candidates were identified for interview	Follow up Pending
ECU	Student Affairs Unit Review	Special Investigations	8/10/2016	4	1. Some elements of the departmental policy manual are not consistent with applicable University policies and/or state and federal laws 2. Inadequate oversight by the governing body 3. Management has too much actual and/or perceived control over decisions that should be made by students 4. Actions of employees and management in the department that at times contribute to an adversarial and unprofessional work environment	N/A-No follow-up planned
ECU	Special Investigation - Employee Use of Resources	Special Investigations	10/26/2016	2	1. Evidence to Support Creation and Transmission of Falsified Documents Utilizing University computers. 2. Opportunities to Improve Tracking of Assets.	N/A - No Follow-up Planned
ECU	Academic Library Services Time and Leave Reporting Process	Compliance Audits	1/20/2017	2	1. Annual vacation leave record errors identified 2. Annual sick leave record errors identified	N/A - No Follow-up Planned
ECU	Health Sciences Telemedicine Services	Integrated (Operational and Compliance)	2/10/2017	5	1. Opportunities to improve telemedicine-related policies and protocols 2. Consent for treatment and notices of privacy practices not always documented in patient records 3. Opportunities to improve documentation of patient emergency procedures 4. Opportunities to improve monitoring of the accuracy of telemedicine-related invoices paid by the University 5. Services have been provided to patients at a remote site not covered by contractual agreements	Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	Athletic Allegations	Special Investigations	3/23/2017	3	1. Potential and Actual NCAA Violations 2. Anti-Nepotism Policy 3. Education on Anti-Nepotism Policy	N/A-No follow-up planned
ECU	Information Technology Incident Detection and Response	Integrated (Compliance and Information Technology)	3/30/2017	2	1. Security Incident Response Plan and Incident Response Procedure had not been reviewed and updated 2. Opportunities to improve consistency between actual Incident Response actions taken and the actions documented in the Security Incident Report	Resolution in Process
ECU	Academic Affairs Student Employee Time Records	Special Investigations	4/28/2017	2	1. Intentional submission of false work hours, resulting in payment for hours not worked 2. Opportunities to strengthen controls over monitoring of student employees' work time and productivity	N/A-No follow-up planned
ECU	School of Medicine Prescribing History	Special Investigations	5/9/2017	1	1. Prescriptions written/signed for recipients with whom there was no established provider-patient relationship	N/A-No follow-up planned
ECU	Use of Resources, Conflict of Interest, and Payroll Overpayment	Special Investigations	5/12/2017	3	1. University funds were used to pay a consultant for work that was performed on behalf of a private company. 2. Faculty member contracted with his/her private company with the opportunity for personal gain. 3. Employee A had too much actual and/or perceived control over spouse's course load and other assignments, resulting in overload payments that are inconsistent with other faculty members, and one overload payment in which there is no evidence that the stated duties or any extra duties were fulfilled	N/A-No follow-up planned
ECU	Undergraduate Admissions Waiver Process	Compliance Audits	5/25/2017	3	1. Lack of documented and approved policy for applicants who may require special considerations or exceptions to MCR and/or MAR policies 2. Annual reporting of "Chancellor's Exceptions" to the ECU Board of Trustees could not be confirmed based on minutes reviewed 3. We could not substantiate the allegation of a questionable waiver of an unnamed student	Resolution in Process
ECU	Title IX Sex-Based Discrimination, Harassment, and Violence Prevention and Compliant Response Processes	Compliance Audits	6/14/2017	4	1. Title IX Coordinator does not have any direct authority and oversight of all Title IX-related prevention and response activities 2. Opportunities for stronger collaboration between the University and local law enforcement regarding Title IX requirements 3. Student investigation, hearing and appeal processes for Title IX cases are not consistently conducted within the timeframe specified in University Regulation 4. Anomalies noted in the processing and documentation of some Title IX cases involving student respondents	Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	School of Dental Medicine Community Service Learning Centers (CSLC)	Performance/Operational Audits and/or Reviews	6/16/2017	4	<ol style="list-style-type: none"> 1. Opportunities to strengthen controls over patients in the extended payment plan, teaching case, and means tested care programs 2. Opportunities to tighten CSLC facility security controls 3. Patient consent documentation not complete and on file 4. Expenditure processing and payment not always timely 	Resolution in Process
ECU	1 Card Campus Physical Security Controls	Performance/Operational Audits and/or Reviews	6/26/2017	6	<ol style="list-style-type: none"> 1. Employee physical access not always removed timely 2. Opportunities to tighten controls over privileged cardholders' physical access 3. 1 Card Office employees alter their own access in CCURE (access control management software) 4. Written access request forms were not always completed 5. No University-wide directive or formal expectations regarding unit heads' responsibilities related to controlling and monitoring physical access 6. Some access that has been granted to specific facilities may be unnecessary 	Resolution in Process
ECU	User Account On-Boarding and Off-Boarding	Information System Controls	6/27/2017	3	<ol style="list-style-type: none"> 1. Opportunities to strengthen controls over the assignment of PirateIDs during the on-boarding process 2. Departmental managers/supervisors are not consistently notifying ITCS prior to employee or third party departures 3. Opportunity to revise the termination reports to allow for timelier user account access removal 	Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	Kronos and Employee Time and Leave Keeping	Performance/Operational Audits and/or Reviews	6/27/2017	10	<ol style="list-style-type: none"> 1. Opportunity to improve application-level activity monitoring 2. Long-Term ownership of support, monitoring, oversight, and compliance responsibilities is not defined 3. Opportunities to strengthen Kronos and timekeeping training, monitoring, and accountability at the department level 4. Opportunity to strengthen controls over locations from which non-exempt employees can enter time punches 5. Errors with some part-time employees' pay and leave 6. Instances of employees not approving their time cards in Kronos 7. Kronos was not configured to prevent sign off of time cards with missing punches 8. Opportunities to strengthen controls and monitoring of negative leave balances 9. Employees with excessive number of edits to time punches 10. Full-time non-exempt employees with fewer than 40 hours in a workweek, without corresponding leave time 	Resolution in Process
ECU	Organizational Continuity Efforts	Performance/Operational Audits and/or Reviews	6/27/2017	4	<ol style="list-style-type: none"> 1. No policy, rule, regulation, or other formal University-wide directive pertaining to organizational continuity 2. Knowledge of retirement dates is not shared by Human Resources with supervisors 3. Lack of formal planning for potential personnel departures in some units 4. Continuity of Operations plans are not required for all units 	Resolution in Process
FSU	University Testing Services	Performance/Operational Audits and/or Reviews	2/2/2017	4	<ol style="list-style-type: none"> 1. Lack of written operating procedures for annual budget preparation, revenue and expense monitoring, and documentation of large budget and expense variances from year-to-year. 2. Lack of written procedures for adequately monitoring the testing services agreements. 3. Lack of written procedures for adequately monitoring the receipt collection process for the Testing Office in compliance with the University's cash management procedures. 4. Need for higher level management to continually monitor the budget and financial operations of the Testing Services Office to ensure that it can become an efficient and effective operating activity for the University. 	Follow-up Pending - Scheduled for 17-18

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
NCAT	Allegation of University Department Throwing Away Useable Equipment	Special Investigations	8/12/2016	2	1. Based on the review performed, the Office of Internal Audit (OIA) determined that the allegation had merit. The OIA recommends that the department complies with university policy by completing a 601PM form for assets no longer needed. 2. Further the OIA recommends that the Property Management Office update and strengthen its policies and procedures over surplus property.	Resolved - Follow-up Pending
NCAT	Surprise Cash Count	Financial Audits/Reviews	8/25/2016	5	1. Procedures related to the collection of fees for the readmission application process did not provide for effective segregation of duties 2. Official university-issued receipts were not written for check and money order payments for readmission application fees. 3. Reconciliations were not performed for the readmission application fees to ensure that all application fees are recorded. 4. Funds collected from walk-in transcript requests were not deposited timely. 5. Lack of segregation of duties over the mail-in transcript process	Resolved - Follow-up Pending
NCAT	Allegations of Wrongdoing in a University Department	Special Investigations	10/31/2016	2	1. Department Did Not Submit Pertinent Transactions During Fiscal Year 2012-13 2. Employee misconduct.	Resolved - Follow-up Pending
NCCU	Academic Community Service Learning Program	Special Assignments	7/7/2016	2	1. Receipting and Supplying Complete Information 2. Noncompliance with General Statute 147-77	1. Management Accepted Risk 2. Management Accepted Risk
NCCU	Academic Affairs -Executive Master of Public Administration Program	Special Assignments	7/7/2016	3	1. Employee Appointments 2. Expenditure Allocation Report 3. Compliance with University Asset Procedures	1. Management Accepted Risk 2. Management Accepted Risk 3. Not resolved
NCCU	Year-End Inventory	Audits/Reviews of Internal Controls	8/19/2016	1	1. Uniform Method of Inventory Valuation	1. Management Accepted Risk
NCCU	Business Auxiliary Services Review	Special Investigations	8/29/2016	6	1. Non-compliance with Sales Tax Reporting Requirements-BAS 2. Non-compliance with Vending Operation Fund Policies and Regulations-BAS 3. Insufficient Reconciliation Processes and Documentation Retention-BAS 4. Untimely Payments to Vendors-BAS 5. Insufficient Oversight of Timesheets and Secondary Employment-BAS 6. Inefficient Operation-Parking Office	1. Management Accepted Risk 2. Management Accepted Risk 3. Management Accepted Risk 4. Management Accepted Risk 5. Management Accepted Risk 6. Management Accepted Risk

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
NCCU	Mister and Miss Residential Life Pageant	Special Investigations	9/6/2016	1	1. Insufficient Cash Management	1. Resolved - Follow-up Pending
NCCU	Kannapolis Research Center	Special Investigations	10/27/2016	3	1. Abuse of Management Power and Violation of NCCU's Equal Employment Opportunity (EEO) Policy 2. Lack of Follow up and Documentation of Complaints Filed 3. Misuse of State Property	1. Follow-up Pending 2. Follow-up Pending 3. Follow-up Pending
NCCU	Law School Account	Special Investigations	3/30/2017	1	1. Management should determine the appropriate course of action and outcome of the contribution from Employee A	1. Resolved - Follow-up Completed
NCCU	Athletics Petty Cash Review	Financial Audits/Reviews	4/21/2017	2	1. Petty Cash Funds Reconciliation 2. Comingling of Petty Cash Funds	1. Follow-up Pending 2. Follow-up Pending
NCCU	Institutional Scholarships and Grants	Performance/Operational Audits and/or Reviews	4/27/2017	2	1. The University does not use state funds for the awarding of university scholarships to students. The practice of awarding scholarships from Auxiliary funds is common practice since the purpose of those funds is to support scholarships. During the review the Internal Audit Office (IAO) determined that the Student Aid Office (SSA) does not have a pre-established or set amount budgeted prior to the awarding of University scholarships. It is good business practice to have an established budget in order to determine the amount of scholarships that would be awarded. 2. The IAO was informed, by members of the SSA, that when students have academic challenges that they will work individually with each student in order to ensure that they keep their scholarship. In order to prevent the appearance of favoritism and maintain continuity for all students, it would be advisable that the SSA develop written procedures for the evaluation of student eligibility in maintaining scholarships.	1. Management Accepted Risk 2. Management Accepted Risk
NCSSM	Operational and Internal Control Review of the Summer Accelerator Program	Performance/Operational Audits and/or Reviews	7/28/2016	6	1. Compliance with State E-Commerce and Cash Management Requirements 2. Compliance with Procurement Policies 3. Timely Completion of the Hiring Process 4. Timely Reconciliation of Monthly Revenue and Expense Activity 5. Approving the Program Rates 6. Potential Future Improvements	Follow-up Pending
NCSU	University Gas Cylinder Inventory Tracking and Billing	Audits/Reviews of Internal Controls	8/9/2016	3	1. Vendor Inventory System and Physical Inventory Counts 2. Inventory Tracking and Billing Verification Guidance 3. Materials Science and Engineering (MSE) Inventory Tracking and Billing Verification.	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
NCSU	University Employee Time and Leave Management	Compliance Audits	9/15/2016	8	1. Payroll Payments to Employees 2. Timesheet Standardization and Guidance 3. Aged Out Compensatory Time Reporting Process 4. Hiring Processes 5. Holiday Pay 6. Police Dispatcher Pay 7. Compensatory Leave 8. Full Time Equivalency Status	Follow-up Pending
NCSU	College of Agriculture and Life Sciences - Business Processes	Audits/Reviews of Internal Controls	4/19/2017	5	1. Financial oversight procedures 2. Procedures for monitoring and oversight of personnel charges 3. Additional compensation payment procedures 4. Salary redistribution procedures 5. Administration of faculty departures	Follow-up Pending
NCSU	College of Engineering - Research and Graduate Programs Investigation	Special Investigations	5/11/2017	1	1. Lack of documented management approval for home use of university equipment	Resolved - Follow-up Completed
UNCC	Financial Aid Operations	Financial Audits/Reviews	7/28/2016	4	1. Financial aid not reversed for withdrawn students 2. Deficit in funding of Federal aid 3. Incompatible system access roles 4. Business Continuity Plan not updated or tested	1. Resolved - Follow-up Completed 2. Resolved - Follow-up Completed 3. Resolution in Process 4. Resolved - Follow-up Completed
UNCC	Niner Tech Store	Performance/Operational Audits and/or Reviews	8/31/2016	3	1. Insufficient system of internal controls 2. Lack of internal controls over financial activities 3. Current organizational placement inhibits operations	1. Resolved - Follow-up Completed 2. Resolved - Follow-up Completed 3. Resolution in Process
UNCC	Administrative Review of the College of Health and Human Services	Performance/Operational Audits and/or Reviews	12/1/2016	3	1. Workplace Safety: Recommend that each unit have an emergency plan (including building evacuation plans) that aims to protect all individuals during an emergency. 2. Banner Access: The College does not have an internal control in place to ensure regular semi-annual review of access rights. 3. Business Continuity Planning: One out of the four academic units in the College has a final, but unsigned, continuity of operations plan, and one has a draft continuity of operations plan (COOP). The two other academic units and the College as a whole do not have a business continuity plan in place.	1. Resolved - Follow-up Completed 2. Resolved - Follow-up Completed 3. Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCC	Environmental Health & Safety Office (EHSO)	Compliance Audits	12/20/2016	4	1. EHSO has no internal control to ensure that employees with direct oversight and management of central accumulation areas are annually reviewing hazardous waste training which is required by federal regulations 2. Lack of internal controls resulting in noncompliance with the North Carolina Fire Code and Occupational Safety and Health Administration regulations as they pertain to Fire Prevention and Safety Plans 3. Lack of controls in place to ensure compliance with OSHA Laboratory Safety Standards and Guidelines 4. The University Safety and Health Committee is inactive	1. Resolution in Process 2. Resolution in Process 3. Resolution in Process 4. Resolution in Process
UNCC	Business Continuity Program	Performance/Operational Audits and/or Reviews	3/20/2017	2	1. Campus is not fully prepared to recover from a disruption to operations 2. Lack of a robust training/educational curriculum to support the program	1. Resolution in Process 2. Resolution in Process
UNCC	Administrative Review of the office of Undergraduate Education	Performance/Operational Audits and/or Reviews	5/19/2017	1	1. Accuracy of Financial Records	Resolution in Process
UNC-CH	School of Law Employee Travel Allegation	Special Investigations	8/26/2016	2	1. Travel Policies and Procedures for reimbursement need improvement 2. Incorrect reimbursements to faculty member	1. Follow-up pending 2. Resolved - follow-up complete
UNC-CH	(School of Law Employee Travel Allegation) Flight Accommodations	Special Investigations	10/14/2016	1	1. Responsibility for review and approval of travel-related workplace accommodations should be transferred to the Equal Opportunity and Compliance Office	Resolved - follow-up complete
UNC-CH	Radiology 2016	Special Investigations	10/20/2016	1	1. Travel Policies and Procedures for Reimbursement Need Improvement	Resolved - follow-up complete
UNC-CH	Radiology 2016	Special Investigations	11/14/2016	1	1. An employee requested reimbursement for personal legal expenses. The department identified these costs as unallowable and rejected the reimbursement request.	Resolved - follow-up complete
UNC-CH	Travel Policy	Audits/Reviews of Internal Controls	12/9/2016	2	1. The University does not have sufficient policies or procedures related to employee travel that combines business and personal days. 2. Policy regarding travel that departs from or returns to a location other than a traveler's primary work station needs to be expanded and clarified.	1. Resolved - follow-up complete 2. Resolved - follow-up complete
UNC-CH	Radiology 2016	Special Investigations	1/5/2017	2	1. Travel approval process 2. Compliance with travel policy	1. Follow-up pending 2. Follow-up pending
UNC-CH	Orthodontics Department	Special Investigations	4/27/2017	3	1. Vendor review 2. Employee-related company doing business with University 3. Patient tracking system	1. Follow-up pending 2. Follow-up pending 3. Follow-up pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNC-CH	Carolina Center of Educational Excellence	Financial Audits/Reviews	6/29/2017	1	1. Matching of revenues and expenditures	Follow-up pending
UNCG	Contracted Services	Compliance Audits	10/31/2016	2	1. Findings relative to payments of \$5,000 or more (subject to contract review by the Purchasing Department) 2. Findings relative to payments less than \$5,000; greater than \$5,000 in aggregate	Resolved - Follow-up Completed
UNCG	State Property Reporting of Misuse- Theft	Compliance Audits	1/25/2017	1	All reportable incidents were forwarded to the SBI in accordance with the NC statute. Three incident reports were not forwarded on a timely basis (beyond the ten days requirement).	Resolved - Follow-up Completed
UNC-GA	Investigation of Travel and Purchase Card Activity	Special Investigations	7/27/2016	2	1. Travel Policies and Procedures Need Improvement 2. Purchase Card Policies and Procedures Need Improvement	Follow-up Pending
UNC-GA	Investigation of State Vehicle Misuse	Special Investigations	8/2/2016	1	1. Review and monitoring of state-issued vehicles could be improved	Follow-up Pending
UNC-GA	Review of Shared Services Payroll	Performance/Operational Audits and/or Reviews	10/19/2016	2	1. Information system controls could be improved 2. Appropriate user access could improve payroll support	Follow-up Pending
UNC-GA	Investigation of Possible Inappropriate Corporate Credit Card Use (UNC-TV)	Special Investigations	2/8/2017	1	Communication of corporate card policies needs improvement	Follow-up Pending
UNC-GA	Subrecipient and Contractor Monitoring Procedures for the GEAR UP NC Program	Compliance Audits	6/14/2017	4	1. Subrecipient risk assessments need updating 2. Subrecipient Monitoring does not follow the risk-based monitoring plan 3. Monitoring of subrecipients' cost match needs improvement 4. Terms and conditions with NC New Teacher Support Program need to be documented	Follow-up Pending
UNCP	OSA Hotline Referral: Facilities	Special Investigations	6/30/2017	1	1. Time Accounting	Resolved - Follow-up Pending
UNCSA	Information Technology Operational Review	Performance/Operational Audits and/or Reviews	9/19/2016	5	1. Insufficient IT Gap Analysis and Risk Assessment 2. Outdated Information Security Policy 3. Incomplete Data Classification 4. Operating Procedures Not Documented 5. Campus Community Concerns	Follow-up Pending
UNCSA	Information Technology Operational Review	Performance/Operational Audits and/or Reviews	9/19/2016	2	Findings not subject to public inspection	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCSA	Information Technology Operational Review - Management Letter	Performance/Operational Audits and/or Reviews	12/5/2016	4	1. Outdated Strategic Plan 2. No Distinct Training Philosophy/Insufficient Management of Staff Development 3. Performance Evaluations Not Assessed Critically 4. Annual Policy Review not Completed Timely	Resolution in Process
UNCSA	Information Technology Operational Review - Management Letter	Performance/Operational Audits and/or Reviews	12/5/2016	1	Finding not subject to public inspection	Resolution in Process
UNCSA	IT Conflict of Interest	Special Investigations	1/10/2017	2	1. Appearance of Conflict of Interest 2. Noncompliance with Conflicts of Interest Policy	Resolved - Follow-up Pending
UNCW	Sponsored Programs and Research Compliance	Compliance Audits	10/11/2016	13	1. Lack of documentation and consistent process for export controls analysis 2. Lack of export controls guidelines 3. Outdated/Inaccurate policy 4. Insufficient staffing for export controls 5. Outdated and inaccurate COI policy 6. Procedures fail to capture all required COI disclosures 7. Failure to properly review disclosures 8. Failure to obtain all required disclosures in a timely manner 9. Failure to comply with RCR training requirements on funded research 10. Outdated and inaccurate RCR policy 11. Failure to certify compliance 12. Poor research compliance website 13. Insufficient back up / cross training	Follow-up Pending
UNCW	Auxiliary Services (Aramark Contract Review)	Compliance Audits	2/24/2017	5	1. Accounts Payable Process 2. Lack of Segregation of Duties 3. Lack of Consistently Documented and Prepared Reconciliations 4. Cross Training and Backup 5. Lack of Written Procedures	Follow-up Pending
UNCW	Purchasing Compliance - Auxiliary Services Vendor	Compliance Audits	2/24/2017	1	1. Services have not been bid and the solicitation for these services has not been advertised through IPS as required by the NC Procurement Manual	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCW	Randall Library Operational and Administrative Review	Performance/Operational Audits and/or Reviews	5/16/2017	12	<ol style="list-style-type: none"> 1. Budget Authorities do not have necessary access and training 2. Budget authority oversight 3. Direct Pay processing 4. Incomplete tracking and reporting of Randall Library art collection 5. Inaccuracy in fixed asset tracking and verification 6. Noncompliance with requirements for traded equipment 7. Lack of segregation of duties over surplus disposal requests of Library assets 8. Lack of review and approval of gifts-in-kind by University Advancement 9. Incomplete reporting of gifts-in-kind to Advancement Services 10. Lack of review of SharePoint access permissions 11. Lack of an up-to-date continuity of operations plan 12. Lack of cross training and backup for key position 	Follow-up Pending
UNCW	FY17 Cash Handling Review	Financial Audits/Reviews	6/29/2017	2	Of ten areas reviewed, two areas did not fully comply with UNCW Policy 05.141 and were issued findings.	Follow-up Pending
WCU	Office of Campus Services/Aramark's Compliance with Purchasing Card Industry Data Security Standards	Compliance Audits	7/15/2016	2	<ol style="list-style-type: none"> 1. Campus Services/Aramark does not provide PCI DSS training that would comply with PCI DSS v. 3.1, Requirement 9.9.3 and Requirement 12.6.1 and 12.6.2. 2. The contract between Freedom Pay and Aramark does not include clauses as outlined in PCI DSS 3.1, Requirement 12.8.2. 	Resolution in process
WCU	Petty Cash - Academic Affairs	Compliance Audits	1/4/2017	4	<u>Stage and Screen</u> <ol style="list-style-type: none"> 1. Petty cash/change fund assigned had been utilized for purchases of food in the amount of \$236.81. 2. Receipts were not submitted for reimbursement timely 3. There was a shortage of \$56.24 that was not supported by receipts. <u>Speech and Hearing</u> <ol style="list-style-type: none"> 4. The petty cash custodian did not prepare a receipt to document revenue received. 	Resolved - Follow-up Completed
WCU	PCI DSS - College of Fine and Performing Arts	Compliance Audits	1/17/2017	1	<ol style="list-style-type: none"> 1. The vendor that hosts the College of Fine and Performing Arts' ticketing system, does not support this work units' effort to maintain a strong password management system, nor does it provide a tool for reviewing individuals activities who have administrative rights. 	Resolved - Follow-up Completed
WCU	PCI DSS - University Bookstore	Compliance Audits	1/27/2017	1	<ol style="list-style-type: none"> 1. Authority to Enter into Contract 	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
WCU	Petty Cash - Student Affairs	Compliance Audits	2/7/2017	1	1. The Petty cash custodian for the recreation center did not prepare receipts for the \$40 revenue taken in on the day the petty cash count occurred although the revenue appeared to be documented in a log of daily transactions.	Resolved - Follow-up Completed
WCU	Laboratory Safety and Training - College of Arts and Sciences	Performance/Operational Audits and/or Reviews	5/24/2017	16	Physical Observation 1. Secondary containers not labeled-five instances 2. Hazardous waste not labeled-2 instances 3. Chemical fume hood obstructed-2 instances 4. Tripping hazards- 4 instances 5. Sharps, waste maintained in an unsafe manner-2 instances 6. Food products not labeled for lab use only-1 instance 7. Chemicals stored above eye level-2 instances 8. Appliances not labeled for lab use only-1 instance 9. No lab specific standard operating procedures. 8 instances 10. Consumption of food, eating/drinking in lab.-5 instances 11. Fire extinguisher obstructed-1 instance 12. Cluttered work areas-1 instance 13. Chemical fume hood used as storage-2 instances Training 1. Not all students had completed the required training. 2. Evidence of training had not been documented. 3. Faculty and staff had not completed hazard assessment forms or training.	Follow-up pending
WCU	Laboratory Safety and Training - College of Health and Human Sciences	Performance/Operational Audits and/or Reviews	6/19/2017	1	1. We found that in two of the eight classes included in the sample, or twenty-five percent of the sample, faculty stated that training had occurred; however they could not provide evidence that training had occurred. Safety Office Biosafety Manual, Section 1 states that, "Principal Investigators/Supervisors are responsible for training laboratory personnel and students he/she supervises to work safely with biological materials and operations, and maintain records of training provided locally as well as ensure that training and coordinating audits are completed." Failure to ensure that students participate in the required training could result in injury to students.	Follow-up pending
WSSU	Homecoming Parade	Special Investigations	9/14/2016	1	1. Inadequate Accounting and Control Procedures	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
WSSU	Investigative Review - Athletics	Special Investigations	4/7/2017	5	1. Inappropriate Treatment of Funds 2. Lack of Contract Monitoring, Uncollected Revenue, and No Independent Account Reconciliations 3. Invalid Contract 4. Untimely Deposits 5. Inadequate Knowledge of Funds Management Policies and Lack of Risk-Mitigating Internal Procedures	Resolution in Process