



MEETING OF THE BOARD OF GOVERNORS
Committee on Audit, Risk Management, and Compliance

November 9, 2021 at 2:00 p.m.
Via Videoconference and PBS North Carolina Live Stream
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

AGENDA

OPEN SESSION

- A-1. Approval of the Minutes of September 15, 2021 Mark Holton
- A-2. Summary of System-Wide Internal Audit Activities for the FY2021 Lynne Sanders
- A-3. Approval of UNC System-Wide Internal Audit Plans for 2021-22 Lynne Sanders
- A-4. Property Insurance Update..... Lynne Sanders
- A-5. Summary Report of Major Associated Entities..... Lynne Sanders
- A-6. UNC System Enterprise Risk Management Report Lynne Sanders
- A-7. Introduction of CIO Council and Information Security Council Chairs Keith Werner
- A-8. Information Security in Higher Education Keith Werner and Joanna Grama

CLOSED SESSION

- A-9. Information Systems Audit Issued by the
Office of the State Auditor Lynne Sanders and Keith Werner

OPEN SESSION

- A-10. Adjourn



Closed Session Motion

Motion to go into closed session to:

- Prevent the disclosure of information that is privileged or confidential under Article 7 of Chapter 126 and § 143-748 of the North Carolina General Statutes, or not considered a public record within the meaning of Chapter 132 of the General Statutes; and
- Consult with our attorney to protect attorney-client privilege.

Pursuant to: G.S. 143-318.11(a)(1) and (3).

DRAFT MINUTES

September 15, 2021

Via Videoconference and PBS North Carolina Live Stream

Center for School Leadership Development, Board Room

Chapel Hill, North Carolina

This meeting of the Committee on Audit, Risk Management, and Compliance was presided over by Chair Mark Holton. The following committee members, constituting a quorum, were also present in person: Pearl Burris-Floyd, James L. Holmes, Jr., Terry Hutchens, Wendy Floyd Murphy, and Art Pope.

Chancellors participating were Darrell Allison and Sharon Gaber.

Staff members present included Lynne Sanders, Anne Phillips, and others from the UNC System Office.

1. Call to Order and Approval of OPEN and CLOSED Session Minutes (Item A-1)

The chair called the meeting to order at 11:15 a.m., on Wednesday, September 15, 2021, and called for a motion to approve the open and closed session minutes of May 26, 2021.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve the open and closed session minutes of May 26, 2021, as distributed.

Motion: Art Pope

Motion carried

2. Approval of CARMC Oversight Responsibilities and Operating Procedures (Item A-2)

Chair Holton called on UNC System Vice President for Compliance and Audit Services Lynne Sanders to present to the committee updates to the CARMC Oversight Responsibilities and Operating Procedures for review and approval. The updates reflected recent organization changes in the UNC System Office of Internal Audit.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve CARMC Oversight Responsibilities and Operating Procedures and recommend it to the full Board of Governors or a vote through the consent agenda.

Motion: James L. Holmes, Jr.

Motion carried

3. 2020-21 Committee on Audit, Risk Management, and Compliance Annual Report (Item A-3)

Ms. Sanders presented to the committee for approval the annual report on the activities of the Committee on Audit, Risk Management, and Compliance for fiscal year 2020-21. The report for July 1, 2020, through June 30, 2021, required a vote by the committee to accept the report for submission to the Board of Governors.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve Annual Report of CARMC for 2020-21 and accept the report for submission to the Board of Governors.

Motion: Terry Hutchens

Motion carried

4. UNC System Office Internal Audit 2020-21 Year-end Report (Item A-4)

Ms. Sanders presented to the committee a summary of the UNC System Office internal audit activities for the 2020-21 fiscal year.

This item was for information only.

5. Approval of the UNC System Office 2021-22 Internal Audit Plan (Item A-5)

Ms. Sanders presented to the committee the UNC System Internal Audit Plans for 2021-22 for approval. Following the presentation, the chair called for a motion to approve the plans.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve UNC System Internal Audit Plans for 2021-22 and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Pearl Burris-Floyd

Motion carried

6. Internal Audit Internship Program (Item A-6)

Ms. Sanders introduced UNC System Internal Audit Officer Lisa Outlaw to the committee. Next, Ms. Outlaw presented to the committee an overview of the new internal audit internship program, which is a joint venture between the UNC System Office and the Office of State Budget and Management. The goal of the program is to promote shared services related to internal audit and increase resource capacity at the UNC System Office and at the constituent institutions. Ms. Outlaw will supervise 10 interns each semester, and the interns will complete audits for the UNC System Office, the constituent institutions, and other state agencies.

This item was for information only.

7. Strengthening Campus Safety (Item A-7)

UNC System Senior Associate Vice President for Safety and Emergency Operations Fred Sellers provided the committee with an update on the initiatives and strategies implemented to attract and preserve the necessary public safety resources needed for each University police department.

This item was for information only.

8. Report on Implementation of Information Security Recommendations (Item A-8)

UNC System Chief Information Officer Keith Werner provided the committee with an update on the implementation of the approved recommendations to improve the information technology controls and information security risks at each institution.

This item was for information only.

9. Summary of Audit Reports Issued by the Office of the State Auditor (Item A-9)

Ms. Sanders summarized the results of an investigative audit report issued by the Office of the State Auditor for Fayetteville State University. Chancellor Allison joined the meeting virtually and responded to the report and questions from the committee.

This item was for information only.

10. Adjourn

There being no further business and without objection, the meeting adjourned at 12:25 p.m.

Terry Hutchens, Secretary

AGENDA ITEM

A-2. Summary of System-Wide Internal Audit Activities for FY2021..... 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 reviews an annual summary of the work performed by the audit committee of each constituent institution's board of trustees. This summary provides an overview of audits, reviews, investigations, or special assignments completed by the internal audit department of each constituent institution and the UNC System Office, and notes material reportable conditions and the status of resolution.

Assessment: Audit committees at each constituent institution provide oversight for the work of the internal audit function. Annually, each chief audit officer and audit committee chair confirms to the UNC System Office that it has met its respective oversight responsibilities. One key responsibility of the chief audit officer is to manage the internal audit activity to ensure it adds value to the institution. Establishing a risk-based internal audit plan, executing the approved internal audit plan, and ensuring timely reporting to the audit committee is of paramount importance in meeting the Institute of Internal Auditors (IIA) Standards.

During the fiscal year, audit plans may require adjustment to meet the changing needs of the institution or to respond to emerging risks or investigative complaints. The chief audit officer responds to those needs and reports significant changes to their internal audit plans to their respective board of trustees audit committee.

Between July 1, 2020, and June 30, 2021, internal audit departments across the UNC System completed audit, advisory services, audit finding follow-ups and investigations resulting in 211 reports (Attachment 1). Those internal audit activities produced 195 recommendations (Attachment 2) for improvements to internal controls. Corresponding management corrective actions were identified and agreed upon by university leadership.

Action: This item is for information only.

Boards of Trustees Audit Committee Activities for the 2020-21 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 Board of Governors Committee on Audit, Risk Management, and Compliance (CARMC), confirms its committees' compliance with the following:

1. Met at least four times in the 2020-21 fiscal year.
2. Reviewed the results of the annual financial audit with representatives of the North Carolina Office of the State Auditor (OSA), the chief audit officer and/or appropriate campus official, and discussed corrective actions, if needed.
3. If applicable, 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. If applicable, 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 outlined 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:

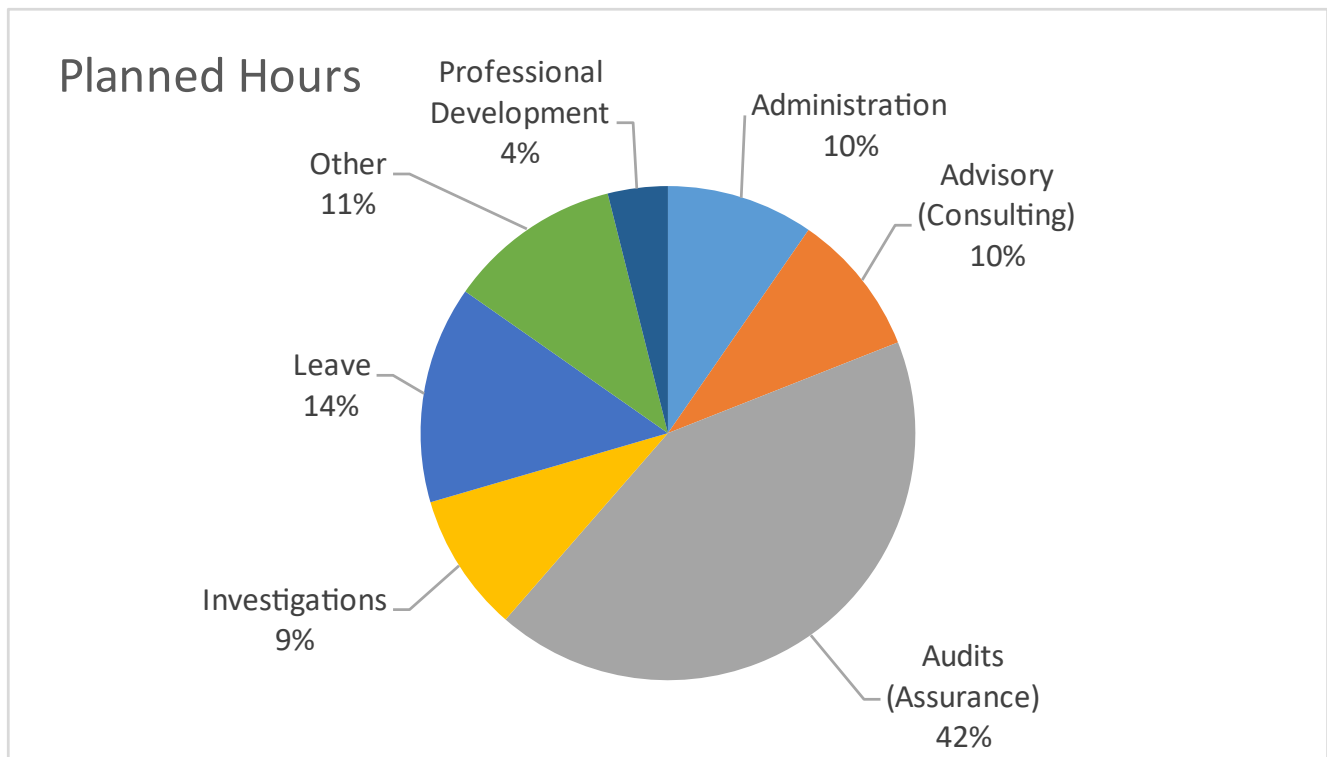
1. The institution's chief audit officer reports administratively to the chancellor with a clear and recognized functional reporting relationship to the chair of the board of trustees audit committee.
2. The audit committee charter defines appropriate roles and responsibilities, including the committee's oversight of the institution's information security program. These responsibilities also include 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. The auditor's risk assessment process and annual audit plan considers significant institutional risks, including information security.
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 the UNC System Office in the prescribed format.

Planned Audit Hours for the 2020-21 Fiscal Year

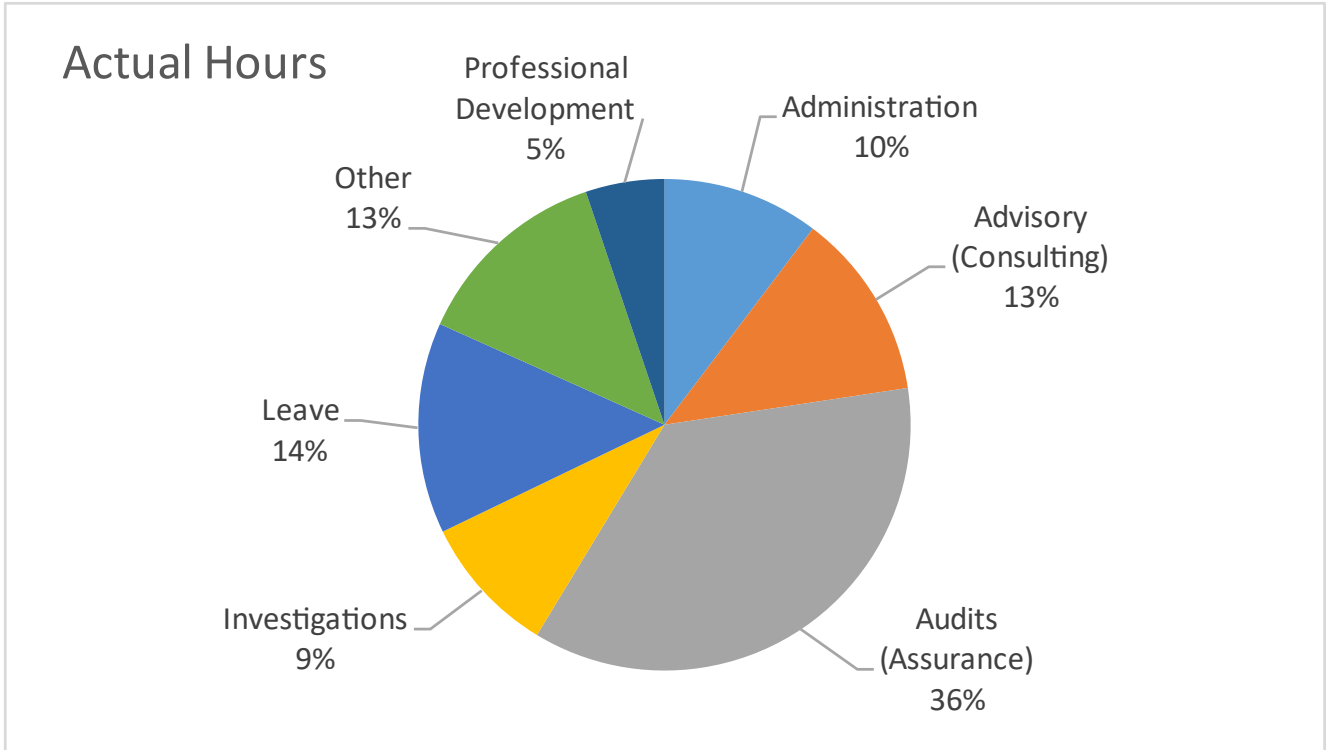
Annual internal audit priorities align with the institution's objectives and address the risks with the greatest potential to affect the institution's ability to meet those objectives. Once an institution's plan is drafted, it is forwarded to campus leadership for review and approval. Ultimately, the plan is presented to and approved by the institution's board of trustees' audit committee. As per the Board's CARMC charter, these plans are then forwarded to the UNC System Office for CARMC approval.

In November 2020, institutional internal audit plans were approved by the CARMC. 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).



Actual Audit Hours Completed for the 2020-21 Fiscal Year

In contrast to the previous chart, which highlighted planned audit work for the 2020-21 fiscal year, the chart in this section presents the results of actual audit work for the 2020-21 fiscal year. Rarely will planned effort be exactly the same as actual effort. Internal audit plans are dynamic, and most likely will change based on emerging risks, crisis situations, or changing circumstances at an institution. Chief audit officers must continuously respond to new and/or changing risk factors at their institution. For the 2021 fiscal year, most internal audit effort was providing audit (assurance) services, followed by advisory (consulting) services and investigations.



ATTACHMENT 1- Summary of Reports (by institution) Issued July 1, 2020 - June 30, 2021

Appalachian State University

Access Review (3)
Appalachian Real Estate Holdings, Inc. 6-30-2020
Capital Improvement Invoicing
Education & Technology (4)
Fixed Asset Control (4)
Follow-up: Controls over fund 082720
Follow-up: Statewide Federal Compliance Audit Procedures
Fund Reconciliation (4)
Gear Up Year 6
Grant Proposal
Holmes 102920
Inventory FYE 2020
IT Security Risk Assessment Review
New River Light & Power Financial Review
P-Card Expenditures (4)
Petty Cash & Change Fund Counts FYE 2020
Receipt Books FYE 2020
Student Learning Center Printer Privileges
Travel Disbursements (4)
Tuition Refund Fraud

East Carolina University

2nd Follow-up: Grants and Contracts (AICFR)
Affiliated Entities Compliance
Alleged Misuse in Administration and Finance
Alleged Vendor Favoritism
Brody School of Medicine CARES Funds (2)
Campus Living Hiring Practices
Canvas Learning Management System Controls
Data Center Security and Environmental Controls
ECU Physicians Telehealth
Faculty Member Activities and Use of Resources
Follow-up: School of Dental Medicine (SoDM) Clinics and Rev Cycle
Fraud Risk Assessment
Gift Card Controls and Compliance
Greenphire Participant Payment Process
Health Sciences Employee Resource Use
Health Sciences HR Hiring Process
Health Sciences Unit IT Controls
HS Employee Alleged Time Falsification
Internal Audit Self-Assessment (for QAR)
International Student Athlete Situation
IT Disaster Resiliency

East Carolina University (Cont'd)

Management Hiring Decision and Travel Allegations
Medical Storeroom Gas Cylinder Program
Non-IT-Classified System Admins
Personnel in Unpaid Faculty Roles
Review of Swim and Dive Funds
SoDM Financial Aid Process
SoDM Rev Cycle Analytics
Student Counseling Center
University Owned Mobile Phones and Mobile Communication Device Allowances

Elizabeth City State University

Architectural Services Allegation
CARES Act Funding-Student Portion
Disaster Preparedness Continuity of Operations
Follow-up: Financial Aid Operations
Follow-up: Purchasing Process/Accounts Payable Function
Lab School Operations
SBTDC Investigation
Student Conduct Disciplinary Process
Student Health Services Operations

Fayetteville State University

Follow-up: SFAC
Response to OSA Referral
Self-Assessment of Internal Controls Over Financial Reporting

North Carolina A&T State University

Allegation of Abuse of Time in a University Department
Allegations - Parking & Transportation Services
Follow-up: Fourth Quarter Review - Conflict of Interest Form Submission Process
Follow-up: Post Award Contracts and Grants
Fiscal Year 2020 Internal Self-Assessment
Review of Assessment of Internal Controls Over Financial Reporting for Fiscal Year Ended 063020
Review of Course and Curriculum Changes
UNC System Office Hotline Complaint

North Carolina Central University

Follow-up: BRITE Financial Review
 Follow-up: Business and Auxiliary Services
 Follow-up: Clery Act
 Follow-up: Ethics and Governance
 Follow-up: Facilities Services
 Follow-up: Human Resources
 Follow-up: Office of Scholarships and Student Aid
 Follow-up: P-Card Audit
 Follow-up: School of Law Development Office
 Travel and Credit Card Usage
 Follow-up: School of Law Review

North Carolina School of Science & Mathematics

Alleged Noncompliant Hiring
 Capital Projects Review
 Coronavirus Relief Funds Consult
 Financial Assistance Program Consult
 Risk Assessment
 SCSSI Student and Online Store Review

North Carolina State University

Student Health Services - Pharmacy Investigation
 College of Agriculture & Life Sciences NC
 Cooperative Extension - Business Process
 Governance
 College of Agriculture and Life Sciences -
 Prestage Department of Poultry Science (2)
 College of Engineering - Vendor Management
 Investigation
 College of Humanities and Social Sciences -
 Center for Family and Community Engagement
 Investigation
 Consultation on HIPAA Security Implementation
 Environmental Health and Public Safety -
 University Police Department Investigation
 Environmental Health and Safety - Occupational
 Medicine Investigation
 Follow-up: College of Engineering - Materials
 Science & Engineering - Purchasing
 Investigation
 Poole College of Management - Financial
 Business Operations

University of North Carolina at Asheville

Banner IT Reporting of System Changes

University of North Carolina at Chapel Hill

Accounts Payable and Vendor Services
 Adams School of Dentistry Dental Pathology
 ASoD Callan-Cooper LLC Procurement
 ASoD Contracts Special Project
 CARES Act HEERF Emergency Student Grants
 Audit
 Chemical Storage and Disposal
 Cogeneration Facility Coal Ash Removal Contract
 Donor Restricted Gifts Internal Audit
 EthicsPoint Special Project (3)
 FEMA Reimbursement
 Financial Internal Controls of the Office of
 Undergraduate Admissions
 Follow-up to OSA Finding
 Follow-up: Access Control Management
 Follow-up: Report of Major Associated Entities
 2019 Audit Findings
 Follow-up: Report of Major Associated Entities
 2020 Audit Findings
 Foreign Influence Section 117
 Formal Construction Contracting Compliance
 FPG Child Development Fraud
 Grant Closeouts Continuous Auditing
 IRPA Limited Scope Operational Review UNC
 System Strategic Plan Initiative Assessment
 Jeanne Clery Act Compliance Audit
 NCAA Investigation and Self Reporting Violations
 Compliance Audit
 NCAA Rules Education
 Peer Review Program Volunteer Report
 System Administration Initiative Continuous
 Auditing Fiscal Year 2021
 Technology Access Control Continuous Auditing
 Project Discontinuation
 University Travel Continuous Auditing Fiscal Year
 2021 Year-End

University of North Carolina at Charlotte

Administrative Review-Chancellor's Office
 Athletic Ticket Revenue
 College of Arts and Architecture-Time and
 Attendance
 Confucius Institute Review
 Data Security Plans Verification
 DBA Conflict of Interest Investigation
 EHS Asbestos Operations and Maintenance
 Fixed Assets Audit

***University of North Carolina at Charlotte
(Cont'd)***

General Computer Controls-College of
Computing & Informatics
General Computer Controls-College of
Engineering
Institutional Review Board
Internal Controls Testing
Internal Quality Assessment for Fiscal Year Ended
6/30/2020
NCAA Amateurism Compliance
NSF I/UCRC Grants
Rose Hub Grant Investigation
Title IX Office Audit

University of North Carolina at Greensboro

Compliance - UNCG Athletics NCAA AUP Y21
Compliance - UNCG Child Care Ed Program FY20
Compliance - UNCG State Property (Misuse /
Theft) Audit Report FY21
Weatherspoon Arts Foundation - Art Collection
Inventory

University of North Carolina at Pembroke

Inventory Observation for FYE 6-30-2020
Mellon Foundation Grant Audit
OSA Inquiry to COVID-19 Leave in Facilities Dept

University of North Carolina School of the Arts

COVID Spending & Response Plan
Filmmaking Salary Increase Investigation (UNC
System Office)
Medical Wig Class Structure & Student
Employment Investigation
Medical Wig Investigation
Minors on Campus
ML - COVID Survey
ML - PPE Allocations

University of North Carolina System Office

Alleged Misuse of Resources
Follow-up: OSA IS Audit
Follow-up: Prior IT Audits
PBS NC P-Card Analytics Project Consult
Risk Assessment

University of North Carolina Wilmington

Architectural and Construction Services
External Quality Assessment Report - 2021
Facilities Consultation
Follow-up: Center for Marine Science
Follow-up: Environmental Health & Safety Lab
Safety Training
Follow-up: Environmental Health & Safety
Follow-up: Fixed Assets
Follow-up: MARBIONC Tenant Management
Follow-up: Parking Services
Follow-up: Payroll
Friends of UNCW
UNCW Payroll
University Police Department (UPD) Investigation
Watson College of Education (Department of
Educational Leadership) Consultation

Western Carolina University

Consultative Review of Certification of the
Financial Aid Banner Module
Department of Campus Activities
Follow-up: Review of Athletics Contracts
Security of iPads
Follow-up: Regarding Deficiencies Resulting from
the Audit of Networking Closets and Data
Centers
Follow-up: Laboratory Safety and Training within
the David Orr Belcher College of Fine and
Performing Arts
Follow-up: Laboratory Safety and Training within
the College of Engineering and Technology
Follow-up: Laboratory Safety and Training within
the College of Arts and Sciences
Follow-up: Clery Act

Winston-Salem State University

Assistant Dean of Students Search Process
Investigation
Follow-up: OSA 90 Day - Financial Aid
Grant Funded Travel Investigation
HR Separation Investigation
Student Health's COVID Protocols Investigation
(UNC System Office)
Toxic Environment Investigation
Workers' Comp

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
Appalachian State University	Access Review	Information Systems	9/10/2020	1	Three departments failed to ensure proper off-boarding by means of a timely notification about employees with job terminations.	Follow-up Pending
Appalachian State University	Access Review	Information Systems	1/19/2021	1	Three departments failed to ensure proper off-boarding by means of a timely notification about employees with job terminations.	Follow-up Pending
Appalachian State University	Education & Technology	Internal Control/Assessment	10/28/2020	2	(1) We identified seven transactions that were completed without obtaining administrative approval prior to purchase. (2) We identified a transaction totaling \$213.60 that was improperly coded to E&T funds.	Resolved - Follow-up Completed
Appalachian State University	Education & Technology	Internal Control/Assessment	2/1/2021	2	(1) We identified two expenditures that complied with a valid E&T business purpose but were completed without obtaining prior-approval from Academic Affairs as required. (2) We identified three expenditures totaling \$2,284.84 that were miscoded to E&T funds.	Resolved - Follow-up Completed
Appalachian State University	Education & Technology	Compliance	5/24/2021	1	We identified one expenditure that complied with a valid E&T business purpose but were completed without obtaining prior approval from Academic Affairs as required.	Resolved - Follow-up Completed
Appalachian State University	Fixed Asset Control	Internal Control/Assessment	9/10/2020	1	One asset was not in the location as specified in the department's inventory listing and we were unable to locate the asset.	Resolved - Follow-up Completed
Appalachian State University	Fixed Asset Control	Internal Control/Assessment	2/22/2021	2	(1) One asset was not in the location as specified in the department's inventory listing and we were unable to locate the asset. (2) Three assets from one department had been transferred to another department without properly documenting the transfer and therefore, the Fixed Asset Department Inventory Listing was not updated with the current location.	Resolved - Follow-up Completed
Appalachian State University	Fixed Asset Review	Compliance	5/24/2021	1	One asset from one department had been transferred to another department without properly documenting the transfer and therefore, the Fixed Asset Department Inventory Listing was not updated with the current location. When there is a permanent change in the location of a fixed asset inventory item, the "Movable Equipment – Notice of Disposal" form should be used to document the change.	Follow-up Pending
Appalachian State University	Fund Reconciliation	Internal Control/Assessment	9/8/2020	1	For one state fund, the Departmental Fund Activity Reconciliation was not submitted on-line for the quarter ended June 30, 2020	Resolution in Process
Appalachian State University	Fund Reconciliations	Internal Control/Assessment	11/20/2020	1	For two trust funds, the Department Fund Activity Reconciliation Approvals were not completed for the entire quarter ended September 30, 2020	Resolution in Process
Appalachian State University	Fund Reconciliations	Internal Control/Assessment	3/1/2021	1	For four state funds, the Departmental Fund Activity Reconciliation was not submitted online for the quarter ended December 31, 2020.	Resolution in Process
Appalachian State University	Grant Proposal	Compliance	6/16/2021	2	(1) Grant Proposal 20-0115 spending of \$5,702.48 was recorded to the Center for Analytics Research and Education (CARE) Fund 336988. (2) There was non-compliance with ASU Policy 509.6, "Solicitation of Bids and Quotations."	Follow-up Pending
Appalachian State University	P-Card Expenditures	Internal Control/Assessment	11/10/2020	1	We noted one department paid sales tax on a transaction. This is an exception to University Policy 509.19 Excise and Sales Tax § 4.3.	Resolved - Follow-up Completed
Appalachian State University	P-Card Expenditures	Internal Control/Assessment	2/8/2021	2	(1) We identified eight cardholders that utilized the p-card instead of the approved punch-out within the YoMart purchasing software. While these purchases appear to be properly supported with a valid business purpose, the cardholder did not have did not have approval to be exempted from the new processes. (2) We identified one gift card purchase where the department did not obtain the required prior approvals from Special Funds, Tax Compliance, and the P-Card Administrator prior to purchasing the gift card.	1) Resolution in Process 2) Resolved - Follow-up Completed
Appalachian State University	Receipt Books FYE 2020	Financial	8/27/2020	1	We identified 14 instances (across 6 departments and comprising 6 receipt book custodians) of late deposits. (Included in the instances noted, we identified one department that incorrectly dated the receipt as of the deposit date instead of the date that the funds were received.)	Resolution in Process
Appalachian State University	Travel Disbursements	Internal Control/Assessment	11/10/2020	1	Authorization not correctly documented. The Supervisor/Approver has a responsibility to review the business purpose of the travel and verify that it is directly related to University business and also, send approved reimbursement requests to the next level approver or Accounts Payable in a timely manner.	Resolved - Follow-up Completed
East Carolina University	Affiliated Entities Compliance	Compliance	9/30/2020	2	(1) Specific wording required by the Foundations' Operating Agreements is not included in their Conflict of Interest Policies (2) The Operating Agreements are automatically renewed every five years with no required periodic review or approval	(1) Resolved - followup completed (2) Resolution in process

East Carolina University	BSOM CARES Funds	Compliance	6/28/2021	3	(1) Expenses totaling \$101,844 (less than 1% of the total spend to date) which we recommended be charged to other (non-CARES) funds (2) No central repository of research status, measurable results, and outcomes (3) Supporting documentation related to some employees' efforts on the CARES-funded projects can be strengthened	(1) Resolved - followup completed (2) Follow-up pending (3) Follow-up pending
East Carolina University	BSOM CARES Funds (Interim Report)	Compliance	12/2/2020	2	(1) Opportunity to improve internal documentation related to some expenses (2) Expenses totaling just over \$35k (less than 1% of the total spend to date) which we recommended be charged to other (non-CARES) funds	(1) Resolved - follow-up completed (2) Resolved - follow-up completed
East Carolina University	Campus Living Hiring Practices	Investigative	3/10/2021	1	Non-compliance with University recruitment procedures and best practices as it relates to supporting documentation and the proper sequence of events	Follow-up pending
East Carolina University	Canvas LMS Controls	Information Systems	8/26/2020	2	(1) Opportunity to strengthen controls over grade changes by individuals other than the instructor (2) Opportunity to increase the frequency of reviews over privileged access	(1) Resolved - follow-up completed (2) Resolved - follow-up completed
East Carolina University	Data Center Security and Environmental Controls	Information Systems	1/22/2021	7	(1) Physical access reviews not completed timely (2) Personnel using keys rather than 1Card to access secondary data center (3) Procedures related to third data center (managed by Health Sciences) are not documented (4) Audit trail for personnel who have accessed third data center is incomplete (5) Periodic reviews of personnel with 1Card access to third data center were not effective (or possibly were not performed) (6) Opportunities to improve monitoring of environmental controls in the third data center (7) Opportunities for better overall oversight of third data center	ALL - Resolved - follow-up completed
East Carolina University	ECUP Telehealth	Performance/Operational	3/23/2021	1	Opportunity to improve procedural documentation for patient classification during visit scheduling	resolved - follow-up completed
East Carolina University	Faculty Member Activities and Use of Resources	Investigative	1/28/2021	3	(1) The faculty member did not timely submit required disclosures and has not clearly and fully disclosed all external activities and potential conflicts as required by University policy and the terms of the appointment letter (2) Potential non-compliance with Export Control requirements (3) Faculty member shared student information with unauthorized parties	(1) resolution in process (2) Resolved - follow-up completed (3) resolved - follow-up completed
East Carolina University	Fraud Risk Assessment	Special Project	5/28/2021	1	No Institution-Wide Code of Conduct/Code of Ethics	Resolution in process
East Carolina University	Gift Card Controls and Compliance	Performance/Operational	4/28/2021	3	(1) Opportunities to strengthen awareness and implementation of controls over gift card purchases and distribution (2) e-Gift Cards are not clearly referenced in purchasing guidelines (3) Opportunity to enhance processes over reporting prizes and incentives for tax reporting purposes	(1) Follow-up pending (2) Resolved - follow-up completed (3) Resolved - follow-up completed
East Carolina University	Greenphire Participant Payment Process	Performance/Operational	1/29/2021	4	(1) Opportunities to improve the consistency and completeness of policies, procedures, and guidance (2) Staff roles and responsibilities are not always required to be segregated. (3) There is currently no monitoring to ensure all studies that are not using Greenphire have been approved as an exception. (4) Departments/Study Coordinators are not always providing complete and accurate information when studies are set up in Greenphire	(1), (2), (4) - Resolved - follow-up completed (3) Resolution in process
East Carolina University	Health Sciences Employee Resource Use	Investigative	3/15/2021	2	(1) Secondary Employment not Formally Disclosed or Approved (2) Use of University Computing Resources in Connection with External Business (amount of time not quantifiable and no evidence that it exceeded incidental use)	(1) and (2) Resolved - follow-up completed
East Carolina University	Health Sciences HR Hiring Process	Performance/Operational	5/29/2021	2	(1) Opportunity to increase efficiency of the new hire process within the Health Sciences Division. (2) There is not a documented moving expense reimbursement policy for the School of Dental Medicine (SoDM).	(1) Follow-up pending (2) Resolved - follow-up completed
East Carolina University	Health Sciences Unit IT Controls	Investigative	7/7/2020	1	Opportunities to strengthen the controls over a non-ITCS managed server, or eliminate the use of the server altogether	Resolved - follow-up completed
East Carolina University	Internal Audit Self-Assessment (for QAR)	Special Project	12/14/2020	2	(1) Provision of charters to the Audit Committee (2) Formal documentation of consulting engagement objectives	(1) and (2) Resolved - follow-up completed
East Carolina University	International Student Athlete Situation	Consulting	2/24/2021	1	Lack of direct communication and trust hindered the collaboration between MBB and OGA, potentially delaying management's decision regarding the student's athletic grant in aid.	resolved - follow-up completed
East Carolina University	IT Disaster Resiliency	Information Systems	3/29/2021	2	(1) Opportunity to strengthen documentation related to ITCS Disaster Recovery testing (2) ECU Physicians management had not formally designated a liaison between ECUP and the ASP that oversees the Epic system	(1) Follow-up pending (2) Resolved - follow-up completed
East Carolina University	Medical Storeroom Gas Cylinder Program	Investigative	6/17/2021	2	(1) Inaccurate billing of gas cylinder monthly rental fees (2) Opportunity to improve the Gas Cylinder Program through process enhancements and campus awareness	(1) and (2) - Follow-up pending

East Carolina University	Non-IT-Classified System Admins	Information Systems	10/20/2020	2	(1) One non-IT-classified server administrator does not have sufficient IT background to perform routine server/application administrator responsibilities (2) Opportunity to strengthen effectiveness of server vulnerability scans	(1) and (2) Resolved - follow-up completed
East Carolina University	Personnel in Unpaid Faculty Roles	Performance/Operational	10/26/2020	1	No standardized central means of tracking personnel serving in all non-employee/unpaid roles	Resolution in process
East Carolina University	SoDM Financial Aid Process	Integrated	8/31/2020	3	(1) Policies and procedures related to SoDM Financial Aid are not complete, final, or approved (2) Supporting documentation to demonstrate the rationale for award amounts is not always sufficient and is not centrally located (3) SoDM website does not contain sufficient financial aid-related information to satisfy federal requirements	ALL - Resolved - follow-up completed
East Carolina University	SoDM Rev Cycle Analytics	Integrated	9/29/2020	1	Opportunities to correct patient data, change system configuration related to payment posting, review for missing charges, and consistently use appointment status across clinics	Resolution in process
East Carolina University	Student Counseling Center	Performance/Operational	6/28/2021	4	(1) Backup data has not been tested to ensure it is usable and reliable. (2) User access reviews and reviews of system audit logs are not documented. (3) Opportunity to use formalized metrics for counselor capacity and utilization (4) Opportunity to strengthen controls over the no-show process	(1) resolution in process (2) Resolved - follow-up completed (3) Follow-up pending (4) Follow-up pending
East Carolina University	Univ Owned Mobile Phones and MCD Allowances	Integrated	11/30/2020	3	(1) Opportunity to enhance controls over University Owned Mobile Devices, potentially resulting in cost savings to the University (2) Mobile device costs in some departments were charged to the ECU ProCard rather than purchased through ITCS (3) Opportunity to strengthen controls and compliance with the University regulation over MCD allowances	(1) Resolved - follow-up completed (2) Resolved - follow-up completed (3) Resolution in process
Elizabeth City State University	Disaster Preparedness Continuity of Operations	Performance/Operational	11/19/2020	2	(1) Non-compliance with ongoing plan management and maintenance. (2) Lack of training, testing, and documentation to validate function units' continuity plans.	Follow-up Pending
Elizabeth City State University	SBTDC Investigation	Investigative	6/30/2021	1	Untimely performance reviews of underperforming employee.	Resolution in Process
Elizabeth City State University	Student Health Services Operations	Performance/Operational	5/18/2021	3	(1) Internal control weaknesses in billing, reimbursements, collections, and reconciliation for services provided by SHS. (2) Non-compliance with policies and procedures. (3) Lack of reconciliation processes between Medicaid charges, insurance reimbursement, and Banner revenue accounts.	Follow-up Pending
North Carolina Agricultural and Technical State University	Allegation of Abuse of Time in a University Department	Investigative	4/15/2021	3	(1) Auditors determined that in 2019, some of the units within the university department created an alternative summer work schedule different from the university's modified summer work schedule and did not seek or obtain approval from the Division of Human Resources. (2) During the review, auditors determined that some of the employees participating in the 2019 alternative work schedule did not log into the departmental system to perform their work for some days, but reported regular work hours on their time recorded in Banner. There were some employees who did not accurately report "hours not worked" on their time records. (3) Through interviews and discussions, auditors noted that some employees in the university department continued to work through their lunchbreak without taking a bonafide meal period.	Follow-Up Pending

North Carolina Agricultural and Technical State University	Allegations - Parking & Transportation Services	Investigative	8/18/2020	5	<p>(1) There was no indication that the Board of Trustees (BOT) formally approved the revised traffic and parking ordinances, which were updated in April 2019 and posted on the University website. Additionally, there was no indication that the revised traffic and parking ordinances were filed with the Office of the President of the UNC System or the Secretary of State, as required by North Carolina General Statutes.</p> <p>(2) During a review of the process utilized to issue citations for violations of traffic and parking ordinances, auditors determined that there were standing, written instructions on the parking management system not to issue citations for vehicles registered to a senior manager. These instructions were put in place in November 2016 by an individual who is no longer employed by the university. There was no documentation of who authorized these instructions.</p> <p>(3) During the testing of voided and unpaid citations, auditors noted the following:</p> <ul style="list-style-type: none"> • The absence of a documented process for managing and collecting all unpaid citation fines in a timely manner; • There were several employees with unpaid citations, with some having multiple unpaid citations; and • A number of employees who were habitual offenders of violating the parking, traffic, and registration ordinances requested Parking & Transportation Services to void their citation(s). <p>(4) Auditors determined that Parking & Transportation Services has an inconsistent practice of voiding a citation if the violator purchases the required parking permit. There is no written policy or standard for this practice and it has only been applied in situations where the violator is face-to-face with Parking and Transportation Services.</p> <p>(5) During the review, auditors determined that Parking and Transportation Services does not pursue the collection of unpaid citation fines for individuals with unknown contact information. These individuals have vehicles that have not been registered with the University. The fines for citations issued to individuals with unknown contact information often go uncollected.</p>	Follow-Up Pending
North Carolina Agricultural and Technical State University	Review of Course and Curriculum Changes	Investigative	1/12/2021	4	<p>(1) Course changes were not entered into Banner correctly.</p> <p>(2) Staff applied different criteria as to what should be entered into Banner.</p> <p>(3) Course changes were processed without the proper supporting documentation.</p> <p>(4) At times, there were no segregation of duties with the data entry, oversight and control of course information and approved content.</p>	Follow-Up Pending
North Carolina School of Science and Mathematics	Capital Projects Review	Compliance	3/31/2021	3	<p>(1) Internal Guidance and Standard Procedures for Capital Projects Should Be Documented</p> <p>(2) State System Used to Track and Report Capital Activity Should Be Updated and Maintained</p> <p>(3) All Capital Project Invoices Should Follow an Established Payment Process</p>	Follow-up Pending
North Carolina School of Science and Mathematics	SCSSI Student and Online Store Review	Compliance	1/29/2021	3	<p>(1) The SCSSI Bylaws and the MOU Between SCSSI and NCSSM Need Updating</p> <p>(2) No Written Contract Exists with the Online Store Vendor</p> <p>(3) There Is Insufficient Third-Party Contract Oversight of Merchant Card Services</p>	Follow-up Pending
North Carolina State University	College of Agriculture & Life Sciences NC Cooperative Extension - Business Process Governance	Performance/Operational	10/19/2020	3	<p>(1) Strategic Planning</p> <p>(2) Extension Advisory Councils and Program Committees</p> <p>(3) County Departmental P-Card Initiative</p>	<p>(1) Resolution in Process</p> <p>(2) Resolution in Process</p> <p>(3) Resolved - Follow-up Pending</p>
North Carolina State University	College of Agriculture and Life Sciences - Prestage Department of Poultry Science (Report 1 of 2)	Performance/Operational	2/1/2021	4	<p>(1) Student Sponsorship Payments</p> <p>(2) Department-Managed Student Housing</p> <p>(3) Contracts and Grants - Animal Food and Nutrition Consortium</p> <p>(4) Develop, Distribute, and Implement College-wide Cash and Check Handling Guidelines</p>	<p>(1) Resolved - Follow-up Completed</p> <p>(2) Resolved - Follow-up Pending</p> <p>(3) Resolved - Follow-up Completed</p> <p>(4) Resolved - Follow-up Completed</p>
North Carolina State University	College of Agriculture and Life Sciences - Prestage Department of Poultry Science (Report 2 of 2)	Performance/Operational	2/1/2021	1	Student Sponsorship Payment Form	Resolved - Follow-up Pending
North Carolina State University	Poole College of Management - Financial Business Operations	Performance/Operational	6/30/2021	1	Check Receipt - Departmental Deposit Process	Resolved - Follow-up Pending

University of North Carolina at Chapel Hill	Accounts Payable and Vendor Services	Financial	11/24/2020	3	<p>(1) A billing fraud scheme occurred during the scope period, where a bank routing number was changed by a campus technician that caused a large payment to be deposited with a fraudster. Vendor address changes are entered by the campus technician with no confirmation required, creating a risk of check diversion.</p> <p>(2) Segregation of Duties & Unnecessary access: System access should be restricted to employees who require access necessary to perform their duties. No one person should be able to create a vendor, approve vouchers, and take receipt of goods as a preventative fraud control.</p> <p>(3) Check delivery controls are not addressed in Policy 704, Distribution of Checks. The policy also does not address the following controls that are in place: requiring persons to present identification and sign a log for checks picked up and the securing (locking) of any undistributed checks in a secure location.</p>	(1-3) Resolved - Follow-up Completed
University of North Carolina at Chapel Hill	CARES Act HEERF Emergency Student Grants Audit	Compliance	12/23/2020	1	CARES refunds were inadvertently applied to the students' accounts instead of being refunded directly to the student. The root cause was determined to be an infrequent situation where the student balance was a result of a prior refund.	(1) Resolved - Follow-up Completed
University of North Carolina at Chapel Hill	Chemical Storage and Disposal	Performance/Operational	6/4/2021	3	<p>(1) The recommended information is the Chemical Abstract Service registry number (CAS) and the optional information is location, molarity, chemical state, and notes. Because Pls can select which recommended and optional information to supply, there are varying degrees of information recorded in the inventory system regarding current chemicals on-hand.</p> <p>(2) In the existing decentralized procurement process, an established process, procedure, or control does not presently exist supporting the involvement of EHS (review/approval) in the purchase request process for certain highly hazardous and/or high dollar value chemicals.</p> <p>(3) EHS has a contract with UNC Health establishing the relationship and associated fees for the removal of a portion of the hospital's hazardous waste that was last renewed in 2009. The hospital has its own EHS team that is separate from and without oversight or supervision of UNC EHS; however, UNC Health is included in the University's EPA permit. If there are EPA violations at the hospital it would fall under the University's permit and require a response.</p>	(1-3) Not Resolved
University of North Carolina at Chapel Hill	Donor Restricted Gifts Internal Audit	Performance/Operational	10/13/2020	3	<p>(1) Segregation of Duties over Funds Receipting (Post Covid-19).</p> <p>(2) Restricted Funds – Management of Inactive and Negative Account Balances.</p> <p>(3) Need to improve some Information Management and Technical Controls for administrative, monitoring, and change management procedures.</p>	<p>(1&3) Resolved - Follow-up Completed</p> <p>(2) Not Resolved</p>
University of North Carolina at Chapel Hill	Follow-up to OSA Finding	Follow-up	7/28/2020	1	<p>ENROLLMENT STATUS REPORTING ERRORS</p> <p>The University did not timely report enrollment status changes to the National Student Loan Data System (NSLDS) for students who received federal financial assistance. During the audit period, the University disbursed approximately \$198 million in federal financial assistance funding to 12,223 students subject to this reporting requirement.</p> <p>Auditors tested the enrollment status reporting for a sample of 60 students who received federal financial assistance and whose enrollment status changed. Four (7%) students were not reported in accordance with federal compliance requirements.</p> <p>Specifically: Three (5%) students were reported 82 to 84 days after the status change occurred. One (2%) student was reported with an incorrect status change. Failure to report student enrollment status changes to the NSLDS could impact student Pell and Direct Loan eligibility.</p> <p>According to University management, it relied on the National Student Clearinghouse (Clearinghouse), a third-party service provider, to ensure accurate and timely reporting of enrollment status changes. The University did not monitor the information reported to the NSLDS to ensure its agreement with University records. Federal regulations¹ require the University to notify NSLDS within 752 days of a change in student status for those students that received Pell Grant and Federal Direct Loan funds. In addition, the NSLDS Enrollment Reporting Guide states that the University is ultimately responsible for timely and accurate reporting.</p> <p>Federal Award Information: Award Year July 1, 2018 – June 30, 2019. CFDA 84.063 Federal Pell Grant Program; CFDA 84.268 Federal Direct Student Loans</p>	(1) Resolved - Follow-up Completed

University of North Carolina at Chapel Hill	Foreign Influence Section 117	Performance/Operational	5/20/2021	3	<p>(1) Reporting Inaccuracies - The final reportable spreadsheet included the entries that were already reported in July. Entries not rounded to the nearest dollars and six entries were incorrect.</p> <p>(2) US Affiliates not identified -- The process for identify foreign payments in RAMSES, DAVIE, and Blue looks for foreign addresses or foreign source income. There is currently no means to identify companies with US addresses that may have foreign parent companies.</p> <p>(3) Source Data Omissions - Departments may not have furnished their full year of foreign source income, believing only six months was necessary. Final figures from miscellaneous contracts were not received or sought for all entries.</p>	(1-3) Resolved - Follow-up Completed
University of North Carolina at Chapel Hill	FPG Child Development Fraud	Investigative	1/29/2021	2	<p>(1) Failure of an established primary internal control resulted in the separated employee's ability to retain access to an automated system affording rental access with direct billing to the university. Employee access was not terminated upon the individual's separation from employment.</p> <p>(2) In this instance, monthly vendor billings for incurred expenses of the former employee continued for approximately ten months prior to being identified.</p>	(1-2) Resolved - Follow-up Completed
University of North Carolina at Chapel Hill	Grant Closeouts Continuous Auditing	Performance/Operational	5/28/2021	4	<p>(1.1) Audit found the University is meeting sponsor, including federal, requirements of submitting final performance and financial reports within 90 or 120 days per sponsor requirements for the projects sampled. However, the final financial reconciliations for financial system closeout to ensure all revenues and expenses have been accounted for were not always completed within 120 days past the end date.</p> <p>(1.2) The October 2019 KPI System reporting did not include an additional 24% of legacy accounts that were not reported due to the concurrent Department of Justice (DOJ) investigation. This exceeded the KPI goal of having less than 10% of closeouts outstanding.</p> <p>(1.3) Management stated final financial closeout reconciliations were not being performed after the financial system conversion when a system error inadvertently caused UNC to draw down funds for expense that had been previously drawn down in UNC's legacy financial system. These duplicate draws were not detected or corrected in a timely manner.</p> <p>(2.1) OSR is not consistently informed of project completion by the PIs via email per OSR Policy 700.01 or by checklist completion in Ramses, and final reports are not consistently retained in Ramses. Therefore, OSR does not always know if the PI work has been completed and whether all accounting entries have been posted prior to completing final financial reports. This creates a risk of OSR billing sponsors before the work has been completed and may cause additional re-work and settlements of late charges.</p> <p>(2.2) Performance Reports -- There were a total of eight final performance reports uploaded to Ramses. Four of these were NIH reports that were submitted 122-161 days after the close date. Two additional projects without reports uploaded had documented past-due emails from NIH.</p> <p>(2.3) Other Reports - Audit found some required forms in Ramses, such as for NIH patents, but there was no record of what forms were required and whether they had been submitted.</p>	(1-4) Resolved - Follow-up Completed

Carolina at Chapel Hill					<p>been submitted to the sponsor. (3) Audit reviewed the signed and completed reconciliation packets from 20 closed projects with OSR management and found instances where:</p> <p>(3.1) Procedures defining the reconciliation process were outdated and not consistently used by all team members, resulting in differences in documentation among closed project files.</p> <p>(3.2) Missing supporting documentation, schedules without totals, missing or illegible final financial reports and schedules from different projects impacting the ability to verify completeness.</p> <p>(3.3) Trial balances, payment schedules and refunds did not always agree with the reconciliation amounts (no material differences noted).</p> <p>(3.4) Reconciliation packets were not scanned or stored in a centralized location facilitating consistent retention storage and ease of retrieval.</p> <p>Audit independently generated trial balances, invoice summaries, and V2 expense reports from ConnectCarolina and noted several minor differences between the reports and the reconciliation and supporting schedules in the 20 closed project reconciliation packets performed by OSR.</p> <p>(4) Audit analysis found certain projects in the scope population remained in Open and Ended status for several months after the sponsor reporting had been completed, which may limit the effectiveness of the system controls.</p> <p>(4.1) There were 33 projects (3%) that were in Open status even though the project end date occurred more than 120 days prior and would have automatically changed to Ended status.</p> <p>(4.2) There were 431 projects (41%) in Ended status. For this group, all 10 projects sampled had completed their financial reporting obligations with the sponsors and should have had their statuses manually changed to Reporting to further restrict late transactions.</p>	
University of North Carolina at Chapel Hill	IRPA Limited Scope Operational Review UNC System Strategic Plan Initiative Assessment	Compliance	12/30/2020	3	<p>(1) Workload of the IRPA is significant. Management identified the existing staffing level is insufficient to meet current data requests and reporting expectations. Additionally, it was conveyed, difficulties in hiring qualified staff and filling positions has impeded the efficiency and operation of the office. Audit did confirm that IRPA has 13 permanent positions out of which there are five vacant positions.</p> <p>(2) IRPA was unable to provide internal audit with procedures for how the unit effectively manages user access permissions to access sensitive data. IRPA creates and maintains several data modules for employees' use. Written procedures are not established detailing how access permissions are determined, granted, modified, and terminated for departmental personnel.</p> <p>(3) According to the Assistant Provost for IRPA, data quality is an issue for IRPA, even when using data populating the Enterprise Data Warehouse. Data that are organized in the University's central data warehouses are not optimized for the complex analyses and reporting that the IRPA staff are charged with doing. IRPA is unable to properly utilize Enterprise Data Warehouse information due to the decentralized data that is stored across campus within the various academic units and offices.</p>	

University of North Carolina at Chapel Hill	Jeanne Clery Act Compliance Audit	Compliance	12/4/2020	5	<p>(1) The submission of the Annual Security and Fire Safety Report (ASFSR) crime and fire statistics to the U.S. Department of Education contained discrepancies.</p> <p>(2) Separate Campus Not Properly Identified</p> <p>(3) A review of the Campus Security Authorities (CSA) processes and procedures revealed that 55% of the University's CSAs did not participate in annual training of their responsibilities.</p> <p>(4) The Timely Warnings category on the Police webpage has different archived warnings than the warnings on the Alert Carolina webpage. The Police webpage contains two Timely Warning messages that dated between 2015- 2018. In contrast, the AlertCarolina webpage identified 42 Timely Warnings from 2012- 2017. The Act defines an institution must alert the campus community regarding any Clery Act crime that is reported to campus security authorities or local police agencies and is considered to represent a serious or continuing threat to students and employees. Inconsistent Timely Warnings to the university's students and personnel may lead to confusion and lack of crime awareness may lead to erroneous reporting of campus safety information to the public. (5) The Annual Security and Fire safety Report (ASFSR) does not state that fire safety training programs are provided to employees. As noted in the 2016 DoE Handbook, the ASFSR is required to contain policies regarding fire safety education and training programs provided to the students and employees. In these policies, the institution must describe the procedures that students and employees should follow in the case of a fire. Omission of safety- and security-related policy statements leads to non-compliance with 2016 DoE Handbook for Campus Safety and Security Reporting.</p>	(1-5) Not Resolved
University of North Carolina at Chapel Hill	University Travel Continuous Auditing Fiscal Year 2021 Year-End Report	Compliance	6/29/2021	7	<p>(1) The traveler, T783726, was overpaid in the amount of \$39.44. The overpayment was documented as parking expenses in the amount of \$40, but this charge was ultimately removed as an error on the lodging folio and was still included on the expense report. However, the preparer also under submitted for the lodging reimbursement by \$0.56, which brings the total overpayment to \$39.44.</p> <p>(2) University travelers are only eligible for meal per diems when they make an overnight trip or can claim partial per diem if used in conjunction with the overnight trip taken. Per diems are also reimbursed based on the time of departure and return to the duty station. The traveler's, T794268, supporting documentation does not indicate documentation for overnight travel for 6 of the 9-day trip. The support indicates that lodging expenses were incurred for 2 days (January 18 and 19) at the beginning of the trip along with round trip mileage at the beginning and end, but per diems were claimed for all January 18-22, February 7-10. Additionally, on the date of return travelers can claim per diem if they depart prior to 6am for breakfast, 2pm for lunch, and dinner if the traveler returned to the duty station after 8:00pm. Web Travel indicates the traveler returned at 8:00am on February 10 and claimed breakfast, lunch, and dinner. There is also a break in travel between January 23 – February 6 for which no expenses were submitted.</p> <p>(3) In OIA's FY20 sample of employee travel reimbursements, for 24 of the 40 (60%; \$64,017) expense reports, the traveler paid for his/her flight outside of the university's recommended travel agencies and was reimbursed after the trip.</p> <p>(4) The travel advance policy or travel manual does not contain instructions on post-trip to-do list responsibilities. There is an automatic email reminder post-trip to the traveler to settle the advance but does not include necessary steps if an amount is owed back to the university.</p> <p>(5) For the most part, documentation was included for the trip within the limitations Web Travel poses. However, there were a few instances where enhanced documentation would better assist traveler approvals. Enhancements to reduce the risk of errors and/or fraudulent travel expense claims are recommended.</p> <p>(6) While there are some documented exceptions for travelers unable to submit within 30 days upon return, the average amount of time it takes to reimburse is still well beyond the state required 30 days (G.S. 138-6(c)) at 51 days. There is greater financial risk the further out from the trip the reimbursement is submitted as well as the risk that misuse of funds may not be identified timely.</p> <p>(7) Documentation is included for the trip and supports business expenditures. There are many instances of trip documentation missing such as rental car confirmations that the traveler secured on a university contract to get to the trip destination. Approvers should be able to reference the rental car confirmation as needed for approval.</p>	(1-7) Not Resolved

University of North Carolina at Charlotte	Athletic Ticket Revenue	Financial	7/2/2020	2	(1) Three deposits made by the Athletics Ticket Office were not compliant with the North Carolina Daily Deposit Act (GS-147-77). Although these delays were minor, greater care is needed to be in compliance with North Carolina's Daily Deposit Act. (2) Ticket revenue is reconciled at the end of each sport and at the end of the year instead of monthly for each fund.	(1-2) Resolved-Follow Up Completed
University of North Carolina at Charlotte	Data Security Plans Verification	Information Systems	7/24/2020	5	(1) Active DSPs should be periodically verified or recertified to ensure that the security controls are being appropriately followed. DSOs maintain a spreadsheet to track active DSPs and to determine when they are due for recertification. Audit testing revealed that 13% (14 out of 107) of active DSPs were not being tracked within the spreadsheet. It was noted that 3 of those 14 DSPs were being tracked and recertified outside of the normal process during a periodic review with the owner of the data. (2) Each DSP is expected to be recertified on an annual basis. Recertification serves as confirmation that the DSP controls are in place and being appropriately followed. The DSO is responsible for initiating the recertification process with the PI. Audit testing revealed that 18% (19 out of 107) of the DSPs were delinquent in meeting the annual recertification requirement. (3) DSOs track active DSPs in a spreadsheet that automatically calculates the DSP "Recertification Date" based on either the DSP's "Certification Date" or the previous "Recertification Date". DSOs rely on this calculation to determine when the DSP is due to be recertified. Audit testing revealed that 3% (3 out of 107) of the DSPs had attributes that were not accurately recorded in the spreadsheet. (4) Metropolitan Studies is a unit of Academic Affairs and has been without a DSO for approximately eight months. As a result, monitoring and recertification of DSPs has not been occurring in a timely manner. Policy 311.9 Section III - Designation of Representatives states, "The Dean of each College shall designate in writing one person to serve as the DSO for that College with respect to this Program." (5) Policy 311.9 Section IV b states, "When the fully executed Agreement is received back from the third party, the Contracts Manager will distribute copies of the Plan and Agreement to the Employee, the DSO, the ITS Information Technology Security Officer, and the Internal Audit Director." Also, Section IV e states, "The DSO shall notify the Internal Audit Director and the Contracts Manager of any extension, shortening or termination of the Plan. The Plan may not be terminated without at least thirty (30) days prior written notice to the DSO, who must promptly inform the Internal Audit Director and the Contracts Manager of such termination. The Contracts Manager must maintain and update records as appropriate and must notify the DSO and the Internal Audit Director at least thirty (30) days prior to expiration of the Plan. The Internal Audit Director is not on the distribution list to receive copies of the Plan and Agreement and is not being informed of any extension, shortening or termination of the Plan.	(1-5) Resolved-Follow Up Completed
University of North Carolina at Charlotte	EHS Asbestos Operations and Maintenance	Compliance	6/29/2021	1	IA reviewed the EHS Asbestos Operations and Maintenance Program Manual (the Manual) published on the UNC Charlotte website. The Manual had not been officially updated since 2014. EHS reviews the Manual every two to three years. Program Review reports and meeting documentation indicated proposed changes to the Manual every two to three years; however, those changes were not reflected in a revised Manual. These changes are incorporated in the 2021 Asbestos Operations and Maintenance Program Manual "draft", which has not been approved or disseminated.	Resolved-Follow Up Completed

University of North Carolina at Charlotte	NSF I/UCRC Grants	Consulting	3/26/2021	5	<p>(1) Fifty-four individuals whose pay (total of \$337,118) was charged to one of the three grant funds were not reflected in effort reporting for various periods. The majority of these exceptions were for periods prior to the appointment of the current Executive Director of GCA in March 2017. Lack of accurate and complete reporting is non-compliant and could limit the University's ability to obtain grant funds in the future.</p> <p>(2) Sixty-five researchers paid over the three grant terms were not listed in the NSF Annual Reports. Additionally, six of the seven Annual Reports for one grant (SIBS) were submitted to NSF late. Pls submit their annual reports directly to NSF. Accurate reporting to NSF is important for their ability to identify potential researcher conflicts of interest.</p> <p>(3) College Research Administration personnel did not consistently perform monthly reconciliations and communicate these to the Pls for CFM and Free Form grant funds. College personnel indicated that they performed reconciliations as time and resources allowed. Lack of timely monitoring and communication of results for funds may lead to grant under or over spending.</p> <p>(4) The grants process is decentralized and many groups are involved. While GCA personnel rely upon Burn Rate Reports to identify anomalies at the end of the grant term, implementing monitoring controls throughout the process could alert them of non-compliance as they arise. This early identification would allow personnel to act more timely.</p> <p>(5) We reviewed membership agreements to ensure they were properly executed and on file. These agreements indicate the contribution amount the industry partners pay to be a member, which establishes their voting rights. The contribution amounts identified in the agreements should agree with the amounts reported to NSF on the annual Membership Certification. We could not locate five of twenty agreements (25%) for CFM, and one of eighteen (6%) for Free Form. Also, university personnel did not sign three of five agreements (60%) for SIBS, and two of eighteen (11%) for Free Form. The vast majority of these missing and incomplete agreements were for periods prior to the appointment of the current Executive Director of GCA in March 2017.</p>	(1-5) Resolution in Process
University of North Carolina at Pembroke	Mellon Foundation Grant Audit	Compliance	4/29/2021	2	<p>(1) R.E.A.C.H. Program management has implemented sufficient controls to ensure only eligible students participate as Pembroke Mellon Fellows.</p> <p>(2) UNCP did not meet its goal of recruiting a cohort of 18 Pembroke Mellon Fellows to participate in the first year of the R.E.A.C.H. Program. Of the eight eligible students identified, only seven students fully participated in the R.E.A.C.H. Program during the first year of the Mellon Foundation grant award (2020).</p>	
University of North Carolina at Pembroke Dept	OSA Inquiry to COVID-19 Leave in Facilities	Investigative	8/18/2020	1	At least 15 employees were charged from their personal leave when they were eligible for UNC System Special Leave for COVID-19-related absences.	
University of North Carolina School of the Arts	Medical Wig Class Structure & Student Employment Investigation	Investigative	2/10/2021	1	Medical Wig Class Structure & Student Employment	Resolution in Process
University of North Carolina School of the Arts	Medical Wig Investigation	Investigative	2/10/2021	3	<p>(1) Inadequate Conflict Management</p> <p>(2) Not Following Hiring Protocols</p> <p>(3) Purchasing Card Violations</p>	Resolution in Process
University of North Carolina School of the Arts	Minors on Campus	Internal Control/Assessment	9/9/2020	5	<p>(1) No Overarching Minors Policy for Governance</p> <p>(2) No Comprehensive List of Youth Programs</p> <p>(3) No Formalized Training Program</p> <p>(4) Insufficient Risk Management</p> <p>(5) Incomplete Screening Process</p>	Resolution in Process
University of North Carolina School of the Arts	ML - COVID Survey	Internal Control/Assessment	4/26/2021	1	Campus Perception (University's Handling of the COVID-19 Pandemic)	Resolution in Process
University of North Carolina School of the Arts	ML - PPE Allocations	Internal Control/Assessment	4/26/2021	1	PPE Allocations (Reallocation of UNC System Office Funding)	Resolution in Process
University of North Carolina Wilmington	UNCW Payroll	Performance/Operational	12/17/2020	3	<p>(1) Lack of central oversight of employee garnishments</p> <p>(2) Lack of comprehensive system access reviews of the ImageNow Payroll drawer and Sammy Payroll folder</p> <p>(3) Process improvements needed for creation and update of earn codes</p>	(1-3) Resolved - Follow-up Completed

Western Carolina University	Department of Campus Activities	Performance/Operational	11/24/2020	3	(1) We found that registered student organization (RSO) advisors were not completing annual Clery Act Campus Security Authority Training. (2) We found that RSOs representatives were not attending Clubs and Organizations Reaching Excellence (C.O.R.E.) training to maintain recognition status. (3) We found that RSOs with club office space were not completing the required office hours to maintain office space.	Follow-up Pending
Western Carolina University	Follow-up: Clery Act	Follow-up	12/4/2020	1	We found that WCU Policy 116 had not been reviewed and revised as necessary every two (2) years.	Follow-up Pending
Winston-Salem State University	Assistant Dean of Students Search Process Investigation	Investigative	9/30/2020	3	(1) Noncompliance with the University's Ethics Policy (2) Confidential Information Leaked to a Candidate (3) Inadequate and Ineffective Search and Selection Process	Resolution in Process
Winston-Salem State University	Grant Funded Travel Investigation	Investigative	3/4/2021	5	(1) Travel Reimbursements Processed in an Untimely Manner (2) Travel was Not Authorized (3) Noncompliance with P-Card Agreement (4) Noncompliance with University Contracting Policy (5) Violation of Nepotism Policies and Procedures	Resolution in Process
Winston-Salem State University	HR Separation Investigation	Investigative	11/24/2020	2	(1) Improper Termination and Recruitment Process (2) Inadequate Administration of Leave and Payroll Actions	Resolution in Process
Winston-Salem State University	Student Health's COVID Protocols	Investigative	5/25/2021	1	Insufficient Staffing Resources	Resolution in Process
Winston-Salem State University	Toxic Environment Investigation	Investigative	9/30/2020	1	Toxic Environment	Resolution in Process
Winston-Salem State University	Workers' Comp	Internal Control/Assessment	3/11/2021	1	Ineffective Workers' Compensation Process	Resolution in Process
Winston-Salem State University	OSA 90 Day Financial Aid	Follow-up	7/21/2020	4	(1) Errors in Return of Title IV Funds (2) Enrollment Status Reporting Errors (3) Deficiencies In Transfer Monitoring (4) Deficiencies in Cash Management	Resolution in Process

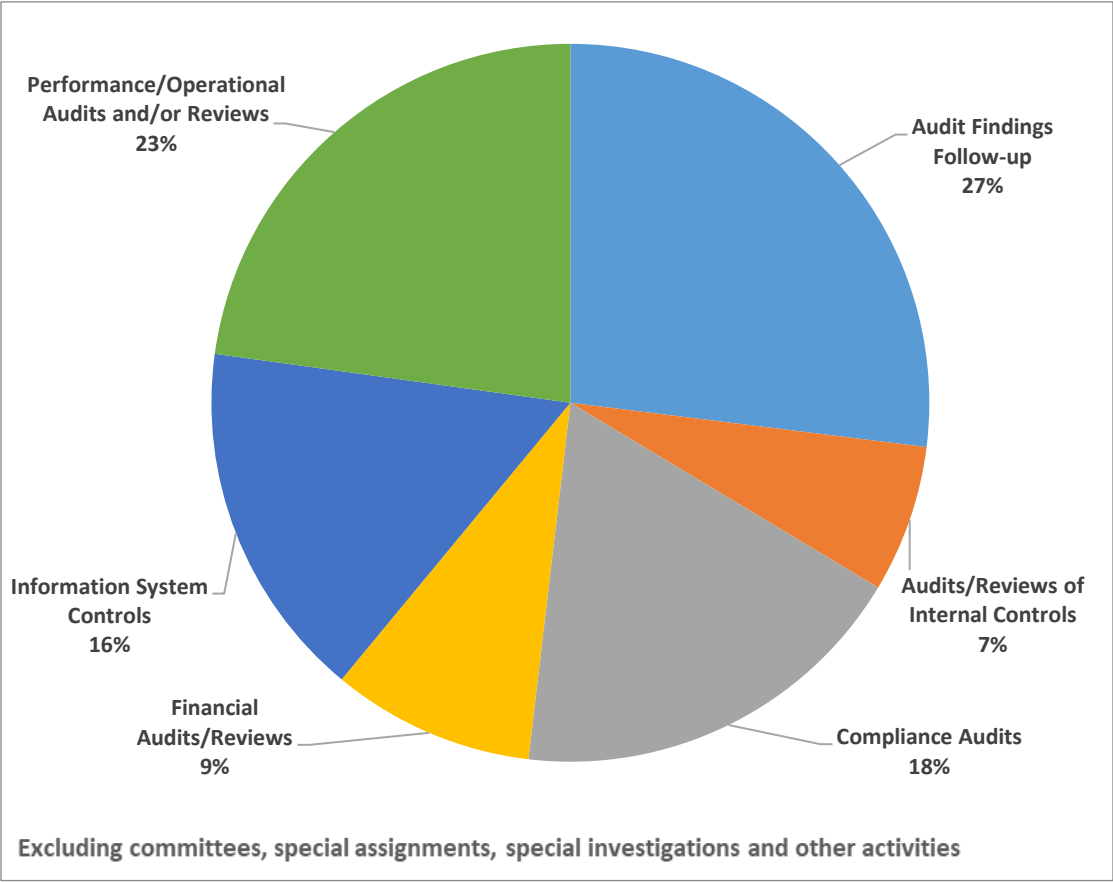
AGENDA ITEM

A-3. Approval of UNC System-Wide Internal Audit Plans for 2021-22 Lynne Sanders

Situation:	The 2021-22 UNC System-wide internal audit plans are presented for review and approval.
Background:	Section 301 of <i>The Code</i> requires this committee to review a summary of the internal audit plans of the constituent institutions. As part of the policy, each constituent institution is to submit its internal audit plan as approved by the institution's board of trustees. The CARMC charter requires that this committee review and approve an annual summary of the internal audit plans submitted by each constituent institution and the UNC System Office.
Assessment:	A summary, as well as individual institution internal audit plans, is attached for the committee's review and approval.
Action:	This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Planned Internal Audit Effort for Fiscal Year 2021-2022

Planned assignments range from financial, compliance, and operational audits, to reviews of general internal controls as well as information system controls. Based on the chart presented below, most of the planned internal audit assurance efforts will be devoted to audit finding follow-up, performance/operational audits, and compliance audits.



Annual internal audit plans are developed at each institution and result from a comprehensive risk-based analysis of specific operations in relation to the institutions’ operations as a whole. Response to current risks is reflected in the plans. During the 2021-2022 audit year, common risks where an audit or review is being planned includes: COVID-19/Pandemic Relief Funds, Protection of Minors on Campus, Information Technology reviews, and Title IX.

Once a plan is drafted by the internal audit department, it is forwarded to management for review and approval. Ultimately, the plan is presented to and approved by the institutions’ board of trustees. As per the Board of Governors CARMC charter, these institutions’ plans are forwarded to the UNC System Office for CARMC review and approval. The details of planned internal audit projects are listed by institution in the following pages.

Appalachian State University
Audit Plan
Year Ending June 30, 2022

Financial Audits/Reviews
Petty Cash/Change Fund Counts/Receipt Books - 6/30/21
Petty Cash/Change Fund Counts/Receipt Books - 6/30/22
Inventory Testing - 6/30/21
Inventory Testing - 6/30/22
Departmental Budget Reconciliations - 6/30/22
CARE - 6/30/21
New River Light & Power -12/31/2021
Appalachian Real Estate Holdings, Inc. 12-31-20
Information System Controls
Access Controls
IT Governance over DRP (Review and Confirm: Current Update, Approvals, ITS Test, Distribution)
ITGC: Physical Security Controls
Audits/Reviews of Internal Controls
Educational and Technology (E&T) Disbursement Testing
Campus Wide Asset Control
Travel Disbursements (to include Travel Fund 336320)
Procurement Card Expenditures Review
Internal Control Assessments: Required Review of AICFR 'C' controls
Performance/Operational Audits and/or Reviews
Athletics
Parking and Traffic
Compliance Audits
State Ethics Act (IIA Standards Governance Requirement)
ERM (IIA Standards Governance Requirement)
Title IX Required Published Policy
GEAR UP Grant - Year 7
GEAR UP Grant - Year 1
Audit Findings Follow-up
Follow-up - Crop Science Grant
Follow-up to Receipt Books - 6/30/20 (in conjunction w/ 2021 audit)
Follow-up - State Financial Audit
Follow-up - State IT Audit
Special Investigations
Unplanned investigations of internal or external hotline reports as received
Special Assignments
Identity Management Committee
UNCAA - Office Held: Association Auditor (One Year Term)
Payment Card Oversight Committee
Pcard Review Committee
Information Security Advisory Council
Administrative Institutional Effectiveness Council
Internal Control Assessments Committee
Other
Quality Assurance and Improvement Program (QAIP)/SAMM Reporting
Auto Audit Implementation

East Carolina University
Audit Plan
Year Ending June 30, 2022

Information System Controls
Mobile Computing Practices of Remote Workers
UNC Policy 1400 Assessment (IT Governance)
Campus Ops Networked Systems
axiUm Controls
Audits/Reviews of Internal Controls
**Reviews of internal controls are incorporated into all operational and performance audits in the next section
Performance/Operational Audits and/or Reviews
Financial Aid Analytics
Parking and Transportation (Business processes)
Automated Journal Voucher Process
Campus Living
ECU Lab School
Clinical Trials
Payroll
University Scholarships
Athletics Ticket Office
ChromeRiver Processes
Academic Outreach Operations
Compliance Audits
Conflict of Interest Management
Pandemic Relief Funds (details TBD)
Americorps Participation Records (College of Ed)
Audit Findings Follow-up
Action Plan Tracking and Follow-Up
OSA IT Recommendations (1st follow-up)
OSA IT Recommendations (2nd follow-up)
Campus Living Hiring Practices (L21015)
Greenphire Participant Payment Controls (A21024)
ADA/504 Compliance (A20004)
SoDM Clinic and Rev Cycle Recommendations
Special Investigations
Investigative Reviews - Already In Progress
Investigative Reviews - Not Yet Received/Started
Special Assignments
Routine and Unplanned Consultations
Routine Data Analytics Support for Clients
University Committees, Workgroups, Education, and Client Relations
ERM Program Support
Student Athlete Course Clustering
Gap Analysis - US DOJ Compliance Program Guidance
ProCard Analytics for ChromeRiver
Coordinate and Assist with External Audits, SBI Reports, Routine Mtgs
Audit Software Admin and Maintenance
Student Intern Program
Risk Assessment/Audit Planning 2021-2022
Increase EnCase Capabilities
Special Assignments (Continued)
Risk Assessment/Audit Planning 2022-2023
Data Analytics Capabilities Enhancement

East Carolina University
Audit Plan
Year Ending June 30, 2022

University Code of Conduct
Veteran Student Data Analytics

Elizabeth City State University
Audit Plan
Year Ending June 30, 2022

Information System Controls
IT Disaster Preparedness
Performance/Operational Audits and/or Reviews
Athletic Operations
Clery Act Reporting
Compliance Audits
Service Contract Administration Compliance
Inventory Management
Audit Findings Follow-up
Admissions Operations
Financial Aid Operations
Office of State Auditor Reviews
Student Health Operations
Disaster Recovery and Continuity of Operations
University Advancement Operations
Contract Administration
Associated Entity
Special Investigations
Special Reviews - Pending
Special Assignments
Consultations
Outreach-Training (Internal Control)
QAR
Risk Assessment/Audit Planning

Fayetteville State University

Audit Plan

Year Ending June 30, 2022

Audits/Reviews of Internal Controls
Internal Control Questionnaire
Performance/Operational Audits and/or Reviews
Quarterly Cash Counts
Compliance Audits
Purchasing - Contracts and Purchasing Cards
Research Grants
Advancement - Gift Receiving
Audit Findings Follow-up
Miscellaneous Follow-up as determined necessary
Special Investigations
Unplanned investigations of internal or external hotline reports as received
Special Assignments
Banner Steering Committee
Routine Consultations/Management Requests/Committees
External Audit Assistance
Internal Control Committee
Other
Continuing Professional Education (CPE)
External Reporting Requirements (UNC System Office, Council of Internal Audit, Office of State Budget and Management, etc.)
Quality Assurance and Improvement Program (QAIP)
Annual Risk Assessment and Audit Plan Development

North Carolina A&T State University

Audit Plan

Year Ending June 30, 2022

Information System Controls
UNC System Policy 1400 - IT Governance, Information Security, and User Identity & Access Control
Audits/Reviews of Internal Controls
Assessment of Internal Controls over Financial Reporting
Protection of Minors on Campus
Compliance Audits
CARES Act/COVID Funding
Title IX
Audit Findings Follow-up
Review of Selected University Policies and Practices
Review of Course and Curriculum Changes
Post Award Contracts and Grants
Allegations - Parking and Transportation Services
Allegation of Abuse of Time in a University Department
NC OSC Follow-up: Title IV Student Financial Aid - Cash Management
NC OSC Follow-up: Information Technology General Controls Audit
Special Investigations
Investigations - Pending
Investigations - Unscheduled
Special Assignments
Committee Assignments - IT Security Advisory Committee, Clery, Internal Control Committee, etc.
Routine Consultations
NC State Ethics Commission Liaison
OSA Investigative Liaison
University's Administrative Assessment
Other
Risk Assessment / Audit Plan
Required Internal Self Assessment (Quality Assurance Review)
Website Revisions
Updates to Audit Charter and Audit Manual

North Carolina Central University

Audit Plan

Year Ending June 30, 2022

Information System Controls
ITS Disaster Recovery
Performance/Operational Audits and/or Reviews
Accounts Payable
Travel Office
Compliance Audits
Virtual Justice Project Grants
Audit Findings Follow-up
Alleged Misuse of Inventory - Political Science
Band Review
Office of International Affairs
Alleged Misuse of University Equipment
Special Investigations
As Occur
Other
New Maturity Internal Audit Model
Risk Assessment

North Carolina School of Science and Mathematics

Audit Plan

Year Ending June 30, 2022

Information System Controls
Compliance with applicable ISO Standards; Review for compliance with FERPA for Blackbaud and JIRA Applications
Performance/Operational Audits and/or Reviews
Finance Services: Business Office and Human Resources Workflow Analysis
Finance - Performance Metrics and Goals for COVID Funds
Audit Findings Follow-up
Summer Accelerator
Student and Constituent Support Services, Inc. (SCSSI)
Special Investigations
Unplanned Investigations
Special Assignments
Institutional Effectiveness: Data Governance
Enterprise Risk Management - Risk Review Board
NCSSM - Morganton Planning Advisory Services
Unplanned Advisory Services to Management
Other
Risk Assessment/FY2022 Audit Plan Development
Risk Assessment/FY2023 Audit Plan Development
Board & Management Meetings
Unit Oversight, Marketing, Quality Assurance Improvement

North Carolina State University

Audit Plan

Year Ending June 30, 2022

Information System Controls
Security Controls over Transfer of Enterprise Systems Data into Storage
Application Programming Interface (API) Audit
Poole College of Management - Information Technology (IT) General Controls
Office of Finance and Administration - Environmental Health and Public Safety - Security Applications and Technologies (SAT) - Physical Access Services [carryover from FY2021]
Audits/Reviews of Internal Controls
Salary Supplements - 12-Month Employees
Performance/Operational Audits and/or Reviews
Foreign Influence
Title IX governance Processes [carryover from FY2021]
Cash Handling Processes - Colleges
Compliance Audits
Programs That Involve the Participation of Minors
COVID-19 Relief Funding Monitoring and Reporting [carryover from FY2021]
COVID-19 Relief Funding: Compliance with Federal and State Requirements
Audit Findings Follow-up
College of Agriculture and Life Sciences – Prestage Department of Poultry Science
College of Agriculture and Life Sciences – NC Cooperative Extension - Business Process Governance
College of Sciences – General IT Controls
Federal Safeguards Rule - Security Requirements Audit
Poole College of Management - Financial Business Operations – College and Department Issues
Poole College of Management - Financial Business Operations - University Issues
Student Health Services - Pharmacy Investigation
User Controls Over Ultra-Sensitive Data
Special Investigations

University of North Carolina Asheville

Audit Plan

Year Ending June 30, 2022

Information System Controls
ISO 27002 Limited Scope IT Audits
Performance/Operational Audits and/or Reviews
Athletics Box Office
Audit Findings Follow-up
Follow up on prior recommendations
Special Investigations
Unplanned investigations of internal or external hotline reports as received.
Special Assignments
Unplanned Assurance Engagements
Advisory Services Related to COVID

University of North Carolina Charlotte

Audit Plan

Year Ending June 30, 2022

Information System Controls
IT Governance - IT Project Prioritization
Cyber Security - Phishing
SOC 2 Verification
Gramm-Leach-Bliley Act (GLBA)
System Authentication Compliance (SSO/MFA)
Banner Access Review
End Point Management - College of Liberal Arts & Science (Completion of audit started in FY2021)
Audits/Reviews of Internal Controls
Internal Control Testing
Performance/Operational Audits and/or Reviews
Police & Public Safety - Admin Review
EHSO - Admin Review
Athletics - Admin Review
Engineering - Admin Review
Liberal Arts & Science - (select subtopic)
Facilities Management - Informal Projects
Greek Life Review
Compliance Audits
Grants (Other than I/UCRC)
Special Investigations
As needed
Special Assignments
Monitor Enterprise Risk Management (ERM)
Annual Internal Quality Assessment Review of Internal Audit
Co-host Virtual UNCAA Conference

University of North Carolina at Chapel Hill

Audit Plan

Year Ending June 30, 2022

Financial Audits/Reviews
Payroll Fraud Assessment
University Parking Registration and Fees
Purchasing Card Expenditures
Cashiering Controls
Information System Controls
Control Self-Assessment of Systems Working with Sensitive Information
System Administration Initiative (Continuing Auditing Process)
Access Control Management (Continuing Auditing Process)
Performance/Operational Audits and/or Reviews
Custodial, Housekeeping Operations
Program Initiatives – Intellectual Property - Budgeting and Expenditures
University Diversity and Inclusion
Faculty Development – Promotion and Tenure
Admissions Equity
UNC Global
UNC Campus Health - Pharmacy
Compliance Audits
Conflict of Interest & Commitment
Non-Faculty Annual Performance Plan and Rating Review
COVID-19 Pandemic Funding
Policy Audit
Sponsored Project Post Award Management
University Travel (Continuing Auditing Process)
NCAA Compliance
-Recruiting - Off Campus
-Recruiting - On Campus
-Extra Benefits - Apparel & Equipment
Audit Findings Follow-up
Prior Finding Follow-up
Special Investigations
As needed
Special Assignments
Special Project Engagements

University of North Carolina at Greensboro

Audit Plan

Year Ending June 30, 2022

Audits/Reviews of Internal Controls
Self-Assessment of Internal Controls
Weatherspoon Arts Foundation (inventory observation)
Compliance Audits
Admissions (Controls & Compliance)
Americans with Disabilities Act
Departmental Reconciliations
Facility and Building Access
Intercollegiate Athletics Program (assistance with Agreed-Upon Procedures review)
IT Domain Administrator Privileges
Misuse or Theft of State Property (reporting)
Purchasing Cards
Audit Findings Follow-up
Follow-up Resolution of Audit Findings (of external auditors)
Special Investigations
As Occur
Special Assignments
Risk Assessment (for development of internal audit plans)
Other
Follow-up (external) Quality Assurance Review
NC Internal Audit (internal) Self-Assessment & Maturity Model

The University of North Carolina at Pembroke

Audit Plan

Year Ending June 30, 2022

Financial Audits/Reviews
Parking fines collections and T2 System Compliance
Charges and Collections of Student Accounts and Holds
Audits/Reviews of Internal Controls
Internal controls over Student Health Services fees and clinic charges
Performance/Operational Audits and/or Reviews
Process improvements over Registrar and Bursar activity
Process improvements over UNCP's succession plan
Compliance Audits
Proper Use of HEERF and GEAR Funds
Print Shop Compliance with UMSTEAD Act
Audit Findings Follow-up
Follow-up to results of gender equity review/Title IX
Follow-up to OSA and NC National Guard IT audit results
Follow-up to consultant review of the Office of Financial Aid and Endowed scholarships
Special Investigations
As Occurs
Special Assignments
Committee Assignments
Consultations (Identify benchmarks for pre- and post-award processes
Enterprise Risk Management Implementation Assistance
Other
Continuing Professional Education (CPE)
Risk Assessment/Audit Plan

University of North Carolina School of the Arts

Audit Plan

Year Ending June 30, 2022

Information System Controls
Cybersecurity
Audits/Reviews of Internal Controls
Strategic Management Training
Performance/Operational Audits and/or Reviews
HR Operation (Consultative)
Compliance Audits
Title IX Compliance - Programming & Training (Students)
Audit Findings Follow-up
CDI Controls Review
Human Resources Control Environment
IT Operations Post Follow-up
Special Investigations
As Occur
Special Assignments
Audit, Risk, and Compliance Committee
Assisting External Auditors and Oversight Agencies
Search Committees - Various
University's Strategic Planning Process
Chancellor's Cabinet Meetings
Technical Assistance
Enterprise Risk Management
Meetings/Consults - University-Wide
Other
Audit Planning & Assessment
IA Strategy Development and Implementation, Outreach
Quality Assurance and Improvement Activities, SAMM
Internal Policies and Procedures, CAATS, Best Practices
Staff Meetings

University of North Carolina System Office

Audit Plan

Year Ending June 30, 2022

Information System Controls
Infrastructure and Operations: Configuration and Vulnerability Management of IT Assets
Change Management Analysis
Clarification of UNC System Office responsibility surrounding information services at units not managed by the System Office
Performance/Operational Audits and/or Reviews
University Advancement
PBC NC: Workflow Analysis
Finance and Administration: Performance Metrics and Goals for COVID-19 Funds
Compliance Audits
Finance and Administration: Subrecipient Monitoring for COVID-19 Funds
Safety & Emergency Operations, PBS NC: Security Measures
Audit Findings Follow-up
Follow-up on Management Corrective Actions: UNC System Office
Follow-up on Management Corrective Actions: PBS NC
Special Investigations
Unplanned/Various as occurs
Special Assignments
Technical Assistance to UNC System Office and PBS NC Management
Data Analytics Dashboard Development
Development of UNC System Office Internal Audit Internship Program
Internal Audit Internship Program Management
Other
Annual Risk Assessment - FY2022 Audit Plan Development
Unit Oversight, Marketing, Quality Assurance Improvement, Other Services/Committees
Professional Development

University of North Carolina Wilmington

Audit Plan

Year Ending June 30, 2022

Financial Audits/Reviews
Friends of UNCW Financial Audit
Information System Controls
System access management
Office of the State Auditor (OSA) IT Controls Audit assistance (consultative)
IT Resource Management (Complete Prior Year Work)
Performance/Operational Audits and/or Reviews
Watson College of Education (WCE)
Office of Institutional Diversity and Inclusion (OIDI)
Counseling Center
Scholarship administration and awarding
Sponsored Programs & Research Compliance (SPARC) (Complete Prior Year Work)
Human Resources (Complete Prior Year Work)
Compliance Audits
Title IX
CARES Act HEERF (Relief funds) compliance
Audit Findings Follow-up
Various Follow Ups
Special Investigations
General Investigations
Special Assignments
Routine and Unplanned Consultations
Committee Assignments
Campus Engagement
Other
Quality Assurance Activities - External Quality Assurance Review Improvements; QAIP workpaper reviews
Other Routine Tasks (i.e. Reporting, Audit Team Collaboration, IIA/UNCAA)
Risk Assessment/Audit Planning
Campus Training, including Fraud Forums
Data Analytics Enhancements
Compliance Assurance Mapping

Western Carolina University

Audit Plan

7/1/2021 - 6/30/2023

Financial Audits/Reviews
HERF/CARES Act Disbursements
Information System Controls
Management of Privileged Accounts, from prior audit plan, in progress.
Certification of Access to Systems/Applications Harboring Red & Orange Data and Review of SOC 2, Type 2 Reports for Systems/Applications hosted by Vendors Harboring Red & Orange Data, from prior audit plan, in progress.
Computer Security Incidence Response Plan.
Backup Procedures, Year Two of Audit Plan
Audits/Reviews of Internal Controls
Donor Agreements
Performance/Operational Audits and/or Reviews
Nursing, from prior audit plan, in progress
Bookstore, from prior audit plan
Communication Sciences and Disorders, from prior audit plan
Distribution of Keys, Electronic Access to Buildings
Compliance Audits
Audit of Continuity of Operations Plans.
Audit of Building Emergency Action Plans.
Audit Findings Follow-up
Second Follow up IT GC Audit of Confidentiality of Student Data, performed by the Office of the State Auditor
Laboratory Safety and Training, College of Fine and Performing Arts Follow Up
SciQuest (WCU E-Procurement System) Follow Up
IT Fixed Assets, Follow up
Campus Activities, Follow up
Capital Fixed Assets
Advisory/Consultative Projects
Consultative Review of Diversity & Inclusion, from prior audit plan
Consultative Review of Certification of Access to Banner Modules, from prior audit plan
School of Nursing Faculty Workload, from prior audit plan
Consultative Targeted Scans of End User Devices to Identify Red & Orange Data, Year Two of Audit Plan.
Special Investigations
Two hotlines
Two investigations
Other
Quality Assurance Reviews (Internal and External)
Audit Planning and Risk Assessments
Service to the Profession
Peer to Peer Collaboration with Chief Audit Officer at UNC Asheville
Internal Control Questionnaire
Committee Work

Winston-Salem University
Audit Plan
Year Ending June 30, 2022

Financial Audits/Reviews
Student Health - Billings & Collections
Information System Controls
Business Continuity/Disaster Recovery
IT Cybersecurity
Audits/Reviews of Internal Controls
COVID 19 Assessment
Performance/Operational Audits and/or Reviews
Human Resources Operations (Advisory/Consultative)
Enrollment Management Operations
Audit Findings Follow-up
Assistant Dean of Student Search Investigation
OSA 90 Day - Financial Aid - Post Follow-up
Human Resources - Employee Relations
Immunization Investigation
CDI - Controls Review
HR Separation Investigation
Special Investigations
System Office - Facilities Business Practices
Separated Employee Access (Volunteer Employee)
Special Assignments
Audit, Risk, and Compliance Committee
Assisting External Auditors and Oversight Agencies
Search Committees - Various
University's Strategic Planning Process
Chancellor's Executive Staff
Compliance Calendar and Monitoring
Enterprise Risk Management
Meetings/Consults - University-Wide
Technical Assistance
UNCAA Committees
Other
Audit Planning & Assessment
IA Strategy Development and Implementation, Outreach
Quality Assurance and Improvement Activities, SAMM
University's Administrative Assessment
Internal Policies and Procedures, CAATS, Best Practices
Staff Meetings

AGENDA ITEM

A-4. Property Insurance Update Lynne Sanders

Situation: The Committee on Audit, Risk Management, and Compliance will receive an update on the status of implementing Section 1300.7.1 of the UNC Policy Manual, *Policy on Insurance Coverage*.

Background: To mitigate against risks associated with damage to or loss of university property, institutions must maintain sufficient minimum insurance coverage consistent with institutional operations and industry standards. This coverage helps to protect the investment the state has made in each constituent institution. Effective January 1, 2021, all institutions have property insurance coverage at “all risk special form.” Additionally, a process for granting limited exceptions to minimum coverage standards was approved by the CARMC.

Assessment: In collaboration with risk managers at each institution, staff at the UNC System Office and the Department of Insurance performed a System-wide evaluation to identify property that needs to have demotion value assigned so the proper adjustments could be made to property records and premiums for insurance coverage. Seven campuses have been evaluated and records have been updated, as necessary, to ensure the proper valuations are assigned and coverage meets the requirement of the policy. Ten campuses are currently under evaluation and property records will be adjusted once evaluations are complete. All campuses have the appropriate level of coverage as prescribed by UNC policy and have submitted required documentation to support any changes to the levels of coverage.

Action: This item is for information only.

AGENDA ITEM

A-5. Summary Report of Major Associated Entities Lynne Sanders

- Situation:** Annually, the Committee on Audit, Risk Management, and Compliance reviews a summary of the University's associated entities.
- Background:** Under Section 600.2.5.2[R] of the UNC Policy Manual, associated entities of the UNC System and its constituent institutions must provide copies of the audit report, management letters, and responses to management letters to the chancellor of the approving institution. The chancellor then distributes these materials to the governing board of the approving institution and the president of the UNC System, who in turn distributes the materials to the Board of Governors. One of the responsibilities of the Committee on Audit, Risk Management, and Compliance is to review a summary of the annual financial audit reports of the University's major associated entities.
- Assessment:** As of June 30, 2020, there were 88 major Associated Entities subject to the reporting requirements in Section 600.2.5.2[R]. All associated entities received unqualified audit opinions from audit firms that were in good standing with the NC State Board of CPA Examiners. Four of the associated entities had one or more findings.
- Action:** This item is for information only.

Summary Report of Major Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Total Net Assets / Net Position	Reporting Status
Appalachian State University						
Appalachian State University Foundation, Inc.	6/30/20	Yes	Elliott Davis, PLLC	No	\$159,191,059	Blended
Appalachian Student Housing Corporation	6/30/20	Yes	Apple, Koceja & Associates, PA	No	\$21,637,567	Discretely Presented
East Carolina University						
East Carolina University Alumni Association, Inc.	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$3,731,840	
East Carolina University Educational Foundation, Inc.	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$30,044,381	
East Carolina University Foundation, Inc. and Consolidated Affiliates	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$150,615,557	Discretely Presented
East Carolina University Medical & Health Sciences Foundation, Inc.	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$53,045,661	
Elizabeth City State University						
The Elizabeth City State University Foundation	6/30/20	Yes	Cherry Bekaert, LLP	No	\$6,824,904	Blended
Elizabeth City State University National Alumni Association, Inc.	12/31/20	Yes	Murphy and Company PC	No	\$163,212	
Fayetteville State University						
Fayetteville State University Foundation, Inc., and Subsidiary	6/30/20	Yes	Sharpe Patel PLLC	No	\$11,620,348	Blended
Fayetteville State University Housing Foundation, LLC	6/30/20	Yes	Sharpe Patel PLLC	No	\$2,805,284	Blended
Fayetteville State University Student Housing Corporation and Subsidiary	6/30/20	Yes	Sharpe Patel PLLC	No	\$1,164,817	Blended
North Carolina A&T State University						
North Carolina A&T Real Estate Foundation, Inc.	6/30/20	Yes	Thomas & Gibbs, CPAs, PLLC	No	\$33,281,929	Discretely Presented
The Aggie Athletic Foundation of North Carolina A&T State University, Inc.	6/30/20	Yes	Thomas & Gibbs, CPAs, PLLC	No	\$1,670,929	

Summary Report of Major Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Total Net Assets / Net Position	Reporting Status
North Carolina Central University						
North Carolina Central University Alumni Association, Inc.	6/30/20	Yes	Thomas & Gibbs, CPAs, PLLC	Yes ¹	\$855,577	
The North Carolina Central University Educational Advancement Foundation, Inc.	6/30/20	Yes	Thomas & Gibbs, CPAs, PLLC	No	\$39,513	
The North Carolina Central University Foundation, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$24,711,012	Discretely Presented
NCCU Real Estate Foundation, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$1,633,800	Blended
North Carolina School of Science and Mathematics						
North Carolina School of Science and Mathematics Foundation and Subsidiary	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$32,337,835	Discretely Presented
North Carolina State University						
The North Carolina Agricultural Foundation, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$178,550,678	Discretely Presented
NC State Engineering Foundation, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$136,942,752	
NC State Investment Fund, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$1,277,396,383	Blended
NC State Natural Resources Foundation, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$39,793,830	
North Carolina State University Alumni Association, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$44,759,355	
North Carolina State University College of Sciences Foundation, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$29,509,791	
North Carolina State University Foundation, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$464,093,548	Discretely Presented
North Carolina State University Club	12/31/20	Yes	Batchelor, Tillery & Roberts, LLP	No	\$9,631,643	
NC State University Partnership Corporation and Affiliates	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$19,794,778	Blended
North Carolina Textile Foundation, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$67,942,811	
North Carolina Tobacco Foundation, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$11,406,458	
North Carolina Veterinary Medical Foundation, Inc.	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$90,851,571	
NC State Student Aid Association, Inc.	6/30/20	Yes	Elliott Davis, PLLC	No	\$83,388,126	

Summary Report of Major Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Total Net Assets / Net Position	Reporting Status
The University of North Carolina at Asheville						
University of North Carolina Asheville Foundation, Inc.	6/30/20	Yes	Burleson & Earley, P.A.	No	\$41,840,117	Discretely Presented
The University of North Carolina at Chapel Hill						
Carolina Angel Network, LLC	6/30/20	Yes	Williams Overman Pierce, LLP	No	\$170,026	
Carolina for Kibera, Inc.	6/30/20	Yes	Koonce, Wooten & Haywood, LLP	Yes ₁	\$3,326,341	
Carolina Research Ventures, LLC	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$1,320,983	Blended
Chapel Hill Foundation Real Estate Holdings, Inc.	6/30/20	Yes	KPMG LLP	No	\$8,416,723	
Dental Foundation of North Carolina, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	Yes ₁	\$70,455,697	
HVPV Holdings, LLC	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$3,154,824	Blended
The Educational Foundation, Inc.	6/30/20	Yes	Batchelor, Tillery, & Roberts, LLP	Yes ₁	\$16,314,049	
The Kenan-Flagler Business School Foundation	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$169,702,119	Blended
Medical Air, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$3,903,723	
Morehead-Cain Scholarship Fund	6/30/20	Yes	Batchelor, Tillery, & Roberts, LLP	No	\$39,200,307	
North Carolina Botanical Garden Foundation, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$7,864,981	
The School of Government Foundation, Inc. and SOG DFI, LLC	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$31,802,771	
The School of Media and Journalism Foundation of North Carolina, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$39,061,349	
Spirovaion Inc.	Audit was not completed ²					
University of North Carolina at Chapel Hill Arts and Sciences Foundation, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$354,341,496	Discretely Presented

² The audit for Spirovaion was not completed for FYE December 31, 2020. Per the institution, the audit was not completed due to turnover.

Summary Report of Major Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Total Net Assets / Net Position	Reporting Status
The University of North Carolina at Chapel Hill (Continued)						
UNC Eshelman School of Pharmacy Foundation	6/30/20	Yes	Koonce, Wooten & Haywood, LLP	No	\$55,269,516	
UNC Investment Fund, LLC	6/30/20	Yes	KPMG LLP	No	\$6,817,759,140	Blended
UNC Intermediate Pool, LLC	6/30/20	Yes	KPMG LLP	No	\$608,235,667	Blended
The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc.	6/30/20	Yes	KPMG LLP	No	\$3,640,118,681	Blended
The University of North Carolina at Chapel Hill Foundation, Inc.	6/30/20	Yes	KPMG LLP	No	\$443,928,599	Blended
UNC Global Projects, LLC	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$0	
UNC Health Foundation	6/30/20	Yes	KPMG LLP	No	\$406,930,102	Discretely
UNC Law Foundation, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$68,977,645	
UNC Management Company, Inc.	6/30/20	Yes	KPMG LLP	No	\$21,799,077	Blended
The University of North Carolina at Chapel Hill Public Health Foundation, Inc.	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$66,423,484	
WUNC Public Radio, LLC	6/30/20	Yes	Blackman & Sloop, CPAs, P.A.	No	\$26,884,512	Blended
The University of North Carolina at Charlotte						
The Athletic Foundation of the University of North Carolina at Charlotte	6/30/20	Yes	RSM US LLP	No	\$33,477,427	
The Foundation of The University of North Carolina at Charlotte, Inc.	6/30/20	Yes	RSM US LLP	No	\$173,905,727	Discretely Presented
The University of North Carolina at Charlotte Facilities Development Corporation, Inc.	6/30/20	Yes	RSM US LLP	No	\$4,174,616	Blended
The University of North Carolina at Charlotte Investment Fund, Inc.	6/30/20	Yes	RSM US LLP	No	\$225,879,982	Blended

Summary Report of Major Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Total Net Assets / Net Position	Reporting Status
University of North Carolina at Greensboro						
Capital Facilities Foundation, Inc.	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$4,843,412	Blended
Serve, Inc.	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$434,221	
The UNCG Excellence Foundation	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$151,522,733	Blended
The University of North Carolina at Greensboro Investment Fund, Inc.	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$310,769,147	Blended
The University of North Carolina at Pembroke						
The UNCP University Foundation, LLC	6/30/20	Yes	Thomas, Judy & Tucker, P.A.	No	\$1,082,206	Blended
The University of North Carolina at Pembroke Foundation, Inc.	6/30/20	Yes	Thomas, Judy & Tucker, P.A.	No	\$17,434,600	Blended
The UNCP Student Housing Foundation, LLC	6/30/20	Yes	Thomas, Judy & Tucker, P.A.	No	\$2,036,048	Blended
The University of North Carolina School of the Arts						
University of North Carolina School of the Arts Foundation, Inc.	6/30/20	Yes	Smith Leonard PLLC	No	\$75,954,220	Discretely Presented
University of North Carolina School of the Arts Housing Corporation	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$1,599,623	Blended
University of North Carolina School of the Arts Program Support Corporation	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$1,177,963	Blended
RiverRun International Film Festival	6/30/20	Yes	Butler & Burke, LLP	No	\$391,660	
The Semans Art Fund, Inc.	6/30/20	Yes	Smith Leonard PLLC	No	\$4,259,863	

Summary Report of Major Associated Entities

Campus	Fiscal Year End	Unqualified Audit Opinion	Audit Performed By	Management Letter/Report Issues	Total Net Assets / Net Position	Reporting Status
The University of North Carolina Wilmington						
The Alumni Association of The University of North Carolina at Wilmington	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$915,869	
The Foundation of the University of North Carolina at Wilmington, Inc.	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$8,787,840	
UNCW Student Aid Association, Inc.	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$2,827,355	
UNCW Corporation	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$0	Blended
UNCW Corporation II	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$1,312,977	Blended
UNCW Research Foundation	6/30/20	Yes	Bernard Robinson & Company, L.L.P.	No	\$482,931	Blended
Western Carolina University						
The North Carolina Arboretum Society	6/30/20	Yes	Carter, P.C.	No	\$4,109,160	
Western Carolina University Foundation	6/30/20	Yes	Burleson & Earley, P.A.	No	\$53,822,673	Blended
Western Carolina University Research and Development Corporation	6/30/20	Yes	Burleson & Earley, P.A.	No	\$3,665,675	Blended
Winston-Salem State University						
Simon Green Atkins Community Development Corporation	6/30/20	Yes	Cannon & Company, LLP	No	\$3,220,323	
Winston-Salem State University Foundation, Inc. and Subsidiary	6/30/20	Yes	Butler & Burke, LLP	No	\$26,199,385	Discretely Presented
Winston-Salem State University National Alumni Association, Inc.	6/30/20	Yes	Butler & Burke, LLP	No	\$155,504	
The University of North Carolina System Office						
The North Carolina Public Television Foundation, Inc.	6/30/20	Yes	Thomas & Gibbs, CPAs, PLLC	No	\$3,892,170	
The University of North Carolina Foundation, Inc.	6/30/20	Yes	Sharpe Patel PLLC	No	\$429,271	Blended

Summary Report of Major Associated Entities

Campus / Associated Entity	Management Letter/Report Issues	CPA Firm's Audit Recommendations	Associated Entity's Response
North Carolina Central University			
North Carolina Central University Alumni Association, Inc.	(1) Bank Reconciliations	(1) The Association should ensure accurate and complete bank reconciliations are performed each month. It is recommended that the Association assign responsibility for a responsible person to investigate and correct stale dated checks and deposits at least quarterly. Checks deemed to have been lost should be voided and included in stop payment requests to the bank.	(1) Unprecedented steps have been implemented to put internal controls in place and to establish an Audit Committee.

Summary Report of Major Associated Entities

Campus / Associated Entity	Management Letter/Report Issues	CPA Firm's Audit Recommendations	Associated Entity's Response
University of North Carolina at Chapel Hill			
Carolina for Kibera	(1) Grant Receivable (2) Organizational Structure (3) Financial Statement Preparation	(1) Implement an internal review to be performed at least quarterly of all grants awarded, restricted contributions and the corresponding receivable balances. (2) The organization should continue to apply implemented procedures as proper segregation of duties is not possible given the size of the organization, giving rise to this deficiency in internal control. (3) Management requested the audit firm to prepare a draft of the financial statements, including the related footnote disclosures. Per the audit firm, this outsourcing of services is not unusual for entities of their size and is a result of management's cost benefit decision to rely on the firm's accounting expertise rather than incurring this internal resource cost.	(1) The organization concurs with the recommendation and staff will continue to internally review grants awarded, restricted contributions and corresponding receivable balances on a monthly basis. The Board Finance Committee will review on a quarterly basis. (2 and 3) CFK continues to apply implemented financial procedures. The Board receives and reviews financial reports on a quarterly basis. As a cost benefit decision, the organization continues to use an auditing firm to prepare financial statements.
Dental Foundation of North Carolina, Inc.	(1) Reconciliation of Bank Accounts	For the year ended June 30, 2020, cash accounts were not reconciled to the bank statements on a monthly basis. It is recommended that the bank reconciliations be performed promptly every month.	(1) In fiscal year 2020-21, number of checks sent was reduced and more financial transactions were processed through ConnectCarolina. With these improvements, the employee responsible for reconciliations will have more time to complete the reconciliations.
The Educational Foundation	(1) Pledge Discount Calculation (2) Disbursement Review	(1) Discount calculation should be prepared by a designated staff and reviewed in detail by another staff person before the annual entry is recorded in the general ledger. This control will help to mitigate the risk of pledge discount balances being recorded incorrectly at year end. (2) Management should reinforce procedures with staff to ensure supporting invoices are provided and reviewed to determine the period when the goods or services were received by the Foundation and whether or not they have already been paid or accrued.	(1) Management has implemented changes to address this matter by adding an additional layer of review of the donor pledge spreadsheet. (2) Management has implemented changes to address this matter and has reinforced existing procedures and has added an additional level of approval for invoice review before checks are written.

AGENDA ITEM

A-6. UNC System Enterprise Risk Management Report Lynne Sanders

Situation:	The purpose of this item is to provide the Committee on Audit, Risk Management, and Compliance an update on enterprise risk management (ERM) in the UNC System.
Background:	In adopting the policy on University Enterprise Risk Management and Compliance, the Board of Governors provided for the establishment of UNC System-wide and institution-based enterprise risk management and compliance processes. The policy aims to address risks related to compliance with laws and ethical standards at the system level, and to complement and support the risk management and compliance processes and activities of the constituent institutions.
Assessment:	The committee will receive an update on top enterprise risks identified by the UNC System Office and the constituent institutions.
Action:	This item is for information only.





UNC SYSTEM ENTERPRISE RISK MANAGEMENT

S. Lynne Sanders, CPA

Vice President for Compliance and Audit Services

UNC System Enterprise Risk Management

- Thoughtful identification and agreement about enterprise risks
- Early intervention and opportunity to make decisions about managing risks
- Opportunity to look forward

UNC System Enterprise Risk Management Process

- Annual Identification of Risks
- Ranking to Identify the Top Risks
- Submission to the System Office
- Compilation of Results
- Grouping and Summarization of Risk Topics
- Annual Reporting to the President and CARMC
- Managing Risks

Top ERM Topics – UNC System Office

- Crisis Management

- *Consistent and steady leadership*
- *Safety and security of our facilities*
- *Communication systems that are concise, reliable, and timely*
- *Complete and tested business continuity plans*

- Talent Management

- *Highly skilled, competitively compensated, stable workforce*
- *Assignment of a manageable workload that will allow for responding to new, high-demand, high-interest projects*
- *Adequate succession planning efforts*

Top ERM Topics – UNC System Office

- Business Operations

- *Maintenance of up-to-date departmental policies and procedures, along with supporting business process documentation.*
- *Coherent and sustainable shared services strategy*
- *Technology tools that promote efficiencies and technology solutions that support business operations users.*
 - *Consistent technical architectures, end-user support , and proper diagnostic*
 - *Experienced project management resources needed to properly scope technology projects, address potential resource conflicts, and coordinate project activities for timely delivery*
 - *Training of existing tools assist in staff embracing existing technologies and efficiently enhancing work performance*

Top ERM Topics – UNC System Office

- Information Technology

- Information Security

- *Secure and reliable technology tools*
 - *Adequate privacy and IT security protocols*
 - *Clarity on governance and alignment for information security, including the affiliates*
 - *Dedicated information security budget that supports basic controls to protect sensitive information*
 - *Need to invest in log aggregation, analytics, and alerting tools that promotes visibility into attacks and impending outages*

- IT Operations

- *Reliable and consistent architecture, infrastructure, and technical personnel*
 - *Adequate IT staff to support critical areas*
 - *Availability to secure contract resources to fill turnover gaps*
 - *Adequate succession planning efforts*
 - *Adequate support for off-hours*
 - *Reliable audio/ visual infrastructure for Board meetings to ensure compliance with state law*

UNC System 2020-2021 Institutional ERM Topics

(unranked)

- IT Governance/Data Security/Cybersecurity
- Human Resources/Talent Management
- Financial Stability/Funding Model Issues/Deferred Maintenance
- Enrollment
- Campus Safety and Security
- Compliance Requirements



AGENDA ITEM

A-7. Introduction of CIO Council and Information Security Council Chairs Keith Werner

Situation: The purpose of this item is to provide the Committee on Audit, Risk Management, and Compliance (CARMC) with an introduction of the chair of the Chief Information Officer (CIO) Council and the Information Security Council (ISC).

Background: CARMC has identified information governance and information security as areas of enterprise risk. We are pleased to provide an introduction to these critical IT governance positions: Mike Barker, CIO at the University of North Carolina at Chapel Hill and chair of the CIO Council; and Joel McKenzie, CISO at Western Carolina University and chair of the Information Security Council. Their background and biographical information are attached.

The CIO Council is composed of the information technology leaders of the 17 constituent institutions of the UNC System and is facilitated by the UNC System Office CIO, who is also a member. The council advises the UNC System Office chief information officer on strategy, contributes thought leadership, and develops technical direction in support of the common educational, research, outreach, and economic development efforts.

The CIO Council utilizes subcommittees (ISC, SEASC, HISSC, IOC) and workgroups to coordinate planning, prioritization, funding, evaluation, auditing, and security of information technology and information resources across the UNC System. Subcommittee and workgroup reports are standing agenda items at the quarterly CIO council meetings.

The Information Security Council is composed of information security leads at the 17 constituent institutions of the UNC System and the System Office. It reports at least twice each year to the CIO Council. The ISC guides UNC System constituent institutions on matters related to information security with the goal of ensuring the protection, confidentiality, integrity, and availability of information and information resources. It develops common approaches to information security challenges across the UNC System and enhances information sharing among UNC institutions. It serves as a "peer review" for UNC System constituent institutions on matters related to information security, including peer review of annual ISO 27002 self-assessments. Additionally, the ISC coordinates UNC System constituent institutions' information security-related efforts to comply with federal regulations, state laws and industry standards.

Assessment: Information security is a complex issue and highlights the need for sound IT governance at each institution and the UNC System Office, as well as general security and system access controls.

Action: This item is for information only.

CIO Council

Mike Barker, Chair

Mr. Barker was appointed vice chancellor for information technology and chief information officer (CIO) at the University of North Carolina at Chapel Hill, effective February 1, 2020. He served as interim vice chancellor for information technology and CIO from January 31, 2019 to January 31, 2020.

As vice chancellor and CIO, Mr. Barker has responsibility for UNC-Chapel Hill's central IT portfolio. He has proven his ability to recognize evolving challenges and provide long-term direction for the development and implementation of information technology initiatives at UNC-Chapel Hill. As vice chancellor and a member of the chancellor and provost's leadership cabinets, he has a central role in implementing ITS initiatives and objectives in Carolina Next: Innovations for Public Good, the institution's strategic plan.

In his decade at UNC-Chapel Hill, Mr. Baker has had responsibility for a broad array of the central IT portfolio, giving him excellent insight into the needs of the organization for his tenure as interim. Mr. Baker served as assistant vice chancellor for research computing and learning technologies from 2013 to 2017, and as assistant vice chancellor for infrastructure & operations and communication technologies from 2009 to 2013. Before coming to UNC-Chapel Hill, Mr. Baker served in a variety of IT leadership roles at Florida State University.

Mr. Baker earned his doctoral degree in philosophy at Florida State University in 1998. He continues to stay active in his discipline. He is also appointed as clinical professor in the School of Information and Library Sciences at UNC-Chapel Hill.

Information Security Council

Joel McKenzie

Mr. McKenzie is the chief information security officer (CISO) and the director of the IT Security Department at Western Carolina University. He has served in the information security officer role since 2013. As the CISO, Mr. McKenzie works on information security policy, risk assessments, regulatory compliance, and security awareness training. Mr. McKenzie also worked at WCU for more than nine years during the 1990s as the manager of Systems, Networking and Operations. Between stints at WCU, he worked in K-12 education as a technical services manager, overseeing all network and computer support for a large school district in Virginia. He also has experience working as a programmer/analyst for a hospital systems vendor.

Mr. McKenzie holds a bachelor's degree in business administration, majoring in information systems, and a Master of Business Administration degree, both from Western Carolina University. Mr. McKenzie is also a Certified Information Systems Security Professional (CISSP).

AGENDA ITEM

A-8. Information Security in Higher Education Keith Werner and Joanna Grama

Situation:	The purpose of this item is to provide the Committee on Audit, Risk Management, and Compliance (CARMC) a presentation on information security in higher education.
Background:	CARMC has identified information governance and information security as areas of enterprise risk. The CARMC has requested a presentation by an outside expert. We are pleased to be joined by Joanna Grama from Vantage Consulting. Her background and biographical information are attached.
Assessment:	Information security is a complex issue and highlights the need for sound IT governance at each institution and the UNC System Office, as well as general security and system access controls.
Action:	This item is for information only.

Joanna Grama

Ms. Grama has more than 20 years of experience with a strong focus in law, higher education, information security, and data privacy. A former member of the U.S. Department of Homeland Security's Data Privacy and Integrity Advisory Committee, Ms. Grama is a frequent author and regular speaker on information security and privacy topics. Ms. Grama's passion for designing effective, standards-based, and end-user focused organizational information security policy frameworks helps organizations successfully evolve their information security program risk and compliance functions. She is skilled at helping all technology users understand complicated information security and privacy concepts.

Ms. Grama is also a board member and the current vice president for the Central Indiana chapter of the Information Systems Audit and Control Association (ISACA); and a member of the International Association for Privacy Professionals (IAPP), the American Bar Association, Section of Science and Technology Law (Information Security Committee), and the Indiana State Bar Association (Written Publications Committee). She has earned the CISSP, CIPT, CDPSE, CRISC, and GSTRT certifications. The third edition of Ms. Grama's textbook, LEGAL ISSUES IN INFORMATION SECURITY, was published in early 2021.

Before joining Vantage as an associate vice president and its information security practice leader, Ms. Grama was director of cybersecurity and IT Governance, risk and compliance programs at EDUCAUSE where she directed programs designed to help improve higher education information security governance, compliance, data protection, and privacy postures. Before her EDUCAUSE experience, Ms. Grama worked in the IT group at Purdue University as the Information Security Policy & Compliance Director. Ms. Grama graduated from the University of Illinois College of Law with honors and practiced law before joining the Purdue staff. Her undergraduate degree is from the University of Minnesota-Twin Cities.



Information Security in Higher Education

Higher Education Data Has Value

- User credentials/passwords (for institutional systems and federated resources)
- Personally identifiable information
 - Student data (demographics, learning data, residence halls and living arrangements)
 - Financial information (students, employees, vendors)
 - Health information (students and employees)
 - Vaccination status
- Proprietary information/trade secrets
- Regulated research data (and all other original research)
- Information about how networks and IT resources work
- Power plants, campus police, airports

The Struggle to Protect is Real



Multiple “enterprise” systems with differing types of data



And “shadow systems”



“Access anywhere” paradigm



Different audiences with vastly different data needs



Industries and organizations are not homogenous—different industries and organizations have different levels of protected data



Rise of analytics

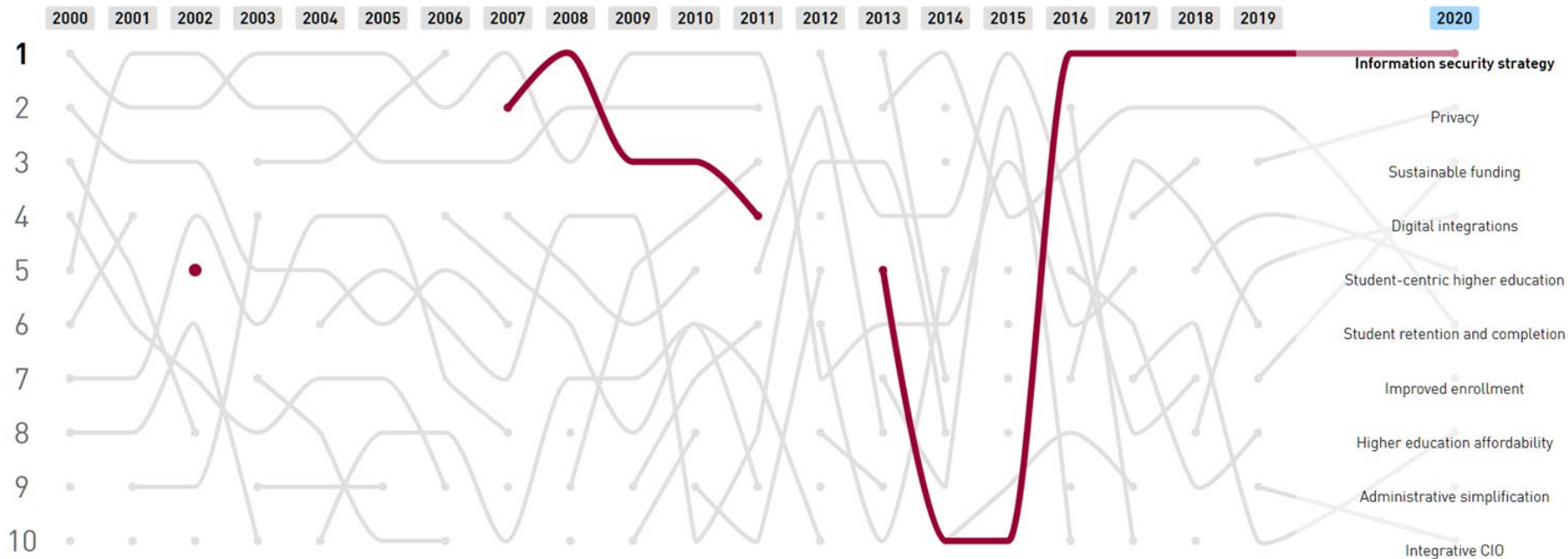
Top IT Issues: Infosec

TOP 10 IT ISSUES: 2000-2020

This graphic tracks the rankings of the top 10 IT issues since 2000.

Clicking or tapping a year along the top will show the top 10 IT issues for that year. **Hovering over or tapping an issue** will highlight the trend in importance for that issue across years.

EDUCAUSE



Top IT Issues: Privacy

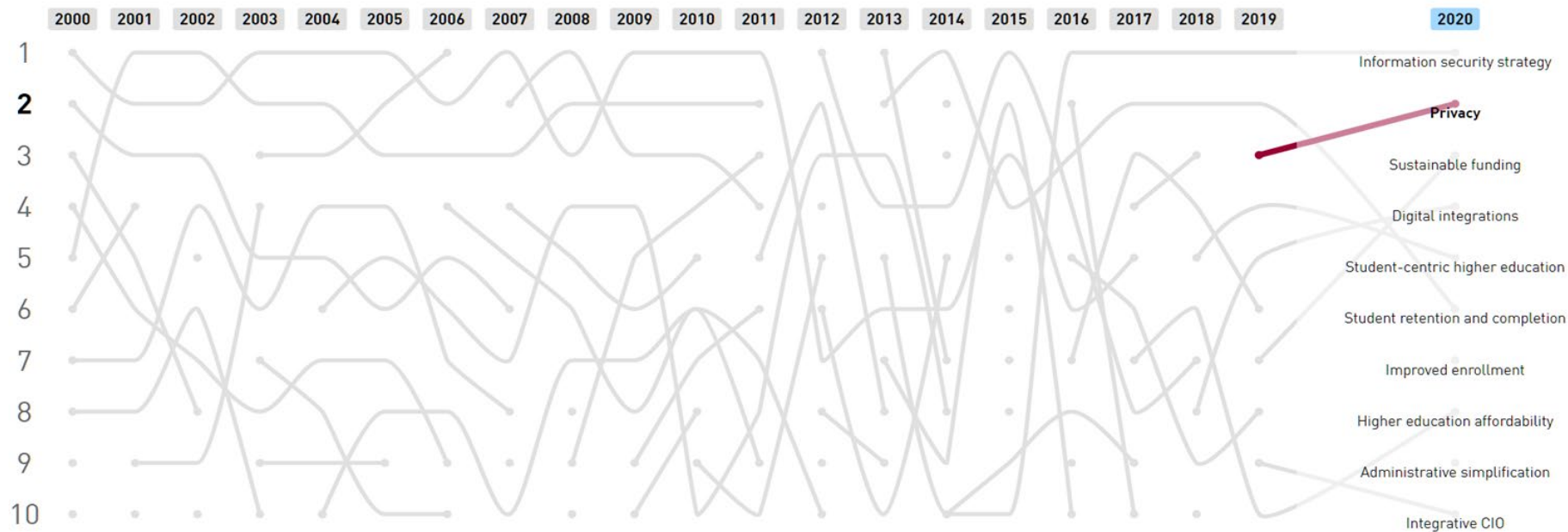
TOP 10 IT ISSUES: 2000–2020

EDUCAUSE

This graphic tracks the rankings of the top 10 IT issues since 2000.

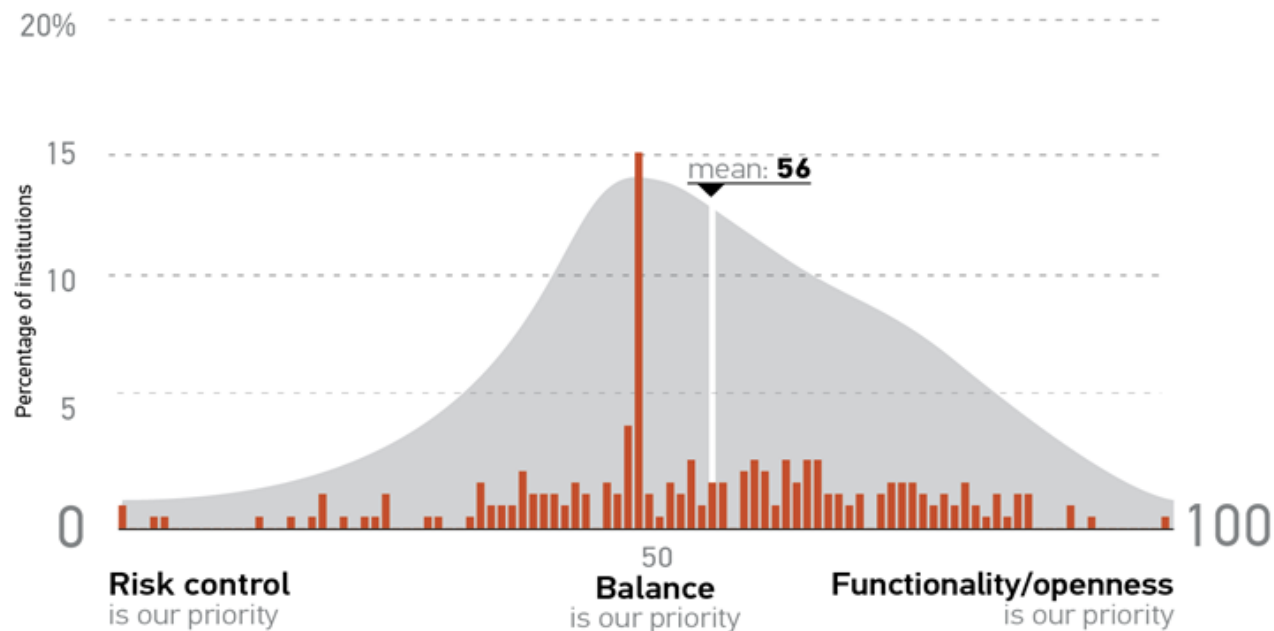
Clicking or tapping a year along the top will show the top 10 IT

issues for that year. Hovering over or tapping an issue will highlight the trend in importance for that issue across years.



Source: 2020 IT Issues Report

Higher Education Culture



Risk management practices in higher education trend toward openness, from EDUCAUSE

Information Security Spending in 2019 (Pre-Pandemic)

INFORMATION SECURITY SPENDING AND STAFFING

- 3.6% Central IT spending on information security (including identity and access management) as a percentage of total central IT spending
- 0.26 Central IT information security FTEs per 1,000 institutional FTEs

INFORMATION SECURITY LEADERSHIP AND STAFF CERTIFICATION

- 41% Percentage of institutions with a dedicated person whose primary responsibility is information security

Industry analysis notes that industry spends between 5.3 to 9.5% of their IT budgets on information security, and those percentages are predicted to rise.

*Information Security Spending is highly dependent on the overall IT budget. EDUCAUSE has reported that overall IT budgets have **decreased** by 5% in 2021 (which results in smaller information security budgets).*

Regulatory Environment



Legal	Regulatory	Contractual	Voluntary
HIPAA	Privacy rules (HIPAA, GLBA)	Privacy Statements	NIST (for some)
GLBA	Security rules (HIPAA, GLBA)	Terms of Use Statements	ISO
FERPA	Organizational policies (quasi regulatory)	Cookies (and not the good kind)	CIS Controls
FACTA	ITAR	Shrinkwrap, clickwrap, EULA	
FISMA	EAR	PCI-DSS	
GDPR	CMMC		

Campus Information Security Program Elements

Governance & Strategy

Management

Policy & Compliance

Awareness & Training

Services & Operations