Fiscal 2025 Internal Audit Plan

UNC SYSTEM OFFICE INTERNAL AUDIT PLAN

Engagements	Planned Hours	Comments
Prior Year Carry Over		
PBS NC IT Contracting and Vendor Management	80	*Underway*
System Office IT Contracting and Vendor Management	13	*Audit Close-Out*
Assurance Engagements		
Campus Data Quality	720	*On FY24 plan but not started in FY24 due to resource limitations*
Campus Billing Processes	240	
ACH Change Processes	160	
Consultation Engagements		
		None identified at this time
Follow-Up on Management Corrective Actions		
• PBS NC PCI Compliance Review • System Office IT Contracting and Vendor Management	100	*Review status and verify actions taken on prior recommendations*
Investigations		
Unplanned/Various as occurs: Investigations of internal/external hotline reports and similar types of investigations	100	

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Special Projects		
Participation in OSBM Peer Review Process	120	*Required as part of receiving FY24 Peer Review*
Annual Risk Assessment/ FY25 Audit Plan Development	100	
Technical Assistance to: Finance, Information Technology, Human Resources, Academic Affairs, Strategy and Policy, Government Relations, University Communications, Office of the Secretary, University Advancement, Safety & Emergency Operations, UNC Affiliates (PBSNC, UNC Press, etc.)	80	*As requested*
Charter Review and update policies to align with new IIA Standards	80	
UNCAA Conference Planning	40	
Other Hours		
Preparation for Board Meetings and meeting attendance	454	*Includes Board of Governors, SEAA Board of Directors, and PBS NC Board of Trustees*
Unit oversight, staff hiring, MOU updates	207	

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NC Council on Internal Auditing Reporting Requirements (SAMM, Attestations, Annual Report, KPI), meetings with OSBM, and attending Council Meetings	200	*Required*
Other Services: Routine advisory services, assist external auditors; QAIP work, and other projects to be determined	100	
Professional Development	120	*Required by Internal Auditing Standards*
Outreach and coordination with other UNC System Internal Audit Groups	78	
Management of Internal Audit Hotline	40	
Holidays and Staff Leave	936	
Total Hours to UNC System Office:	**3968**	
Internal Audit Shared Services		
Internal Audit Services to NCSSM	1512	*Hours established by MOU*
Internal Audit Services to NCSEAA	760	*Hours established by MOU*
Total Hours Per MOUs:	**2272**	
Total Available Hours:	**6240**	
Less (Permanent Resource Hours 3 X 2080):	**6240**	
Difference:	**0**	

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SUMMARY OF THE PLANNED SERVICES

This document represents the initial Internal Audit Plan; however, it is a dynamic document that may change during the year as circumstances warrant. Requests from management or the Board, unexpected allegations, or other investigations, and/or significant changes to the organization or its operations can alter the needs and priorities. Thus, if necessary, the audit plan may be adjusted to meet the evolving needs.

The planned hours and projects for this annual plan cover work from July 2024 to June 2025. The estimated hours include an allocation of time for the UNC System Office Chief Audit Officer, the NCSSM Chief Audit Officer, and one Staff Auditor.

A brief description of the projects are as follows:

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PRIOR YEAR CARRY OVER

Prior year carryover includes the following internal audit projects from the prior year audit plan that have final reports to be issued and/or steps that are required to finalize projects during the beginning of fiscal 2025.

- **PBS NC IT Contracting and Vendor Management**
- **System Office IT Contracting and Vendor Management**

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ASSURANCE ENGAGEMENTS

Campus Data Quality:

The UNC System Office has established an Enterprise Data Office to centrally manage the collection of Financial, Student, and Human Resources data. This data is provided to the UNC System Office through periodic feeds from the constituent institutions. This data is utilized for analysis and reporting purposes throughout the enterprise. In addition, this data will ultimately drive funding and incentives to the institutions and their leadership. While efforts are made by the System Office to ensure this data is accurately collected, ultimate responsibility for its accuracy lies with the institution providing the files. The Internal Audit team will review a sample of the data being transmitted and attempt to reconcile and verify the accuracy of the data with the institutions providing the information.

Campus Billing Processes:

The Finance and Budget team is responsible for ensuring certain expenses accrued by the System Office are billed to the appropriate campus/entities in an accurate and efficient manner. The procedures and policies surrounding the billing process have been updated over the prior years, and the Finance and Budget team has requested that the processes and controls be examined. The Internal Audit team will review the campus billing processes to evaluate the effectiveness of the process steps and identify if any gaps or control weaknesses exist.

ACH Change Processes:

The Finance and Budget team is responsible for entering, editing, and making all Automated Clearing House (ACH) payments. To improve the internal controls over these processes, the System Office has updated their ACH policies and procedures. The Internal Audit team will conduct a thorough review of the ACH processes (e.g., set-up, changes, processing, reconciliation) to evaluate the effectiveness of the changes and identify if any gaps or control weaknesses exist.

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ADVISORY SERVICES

FY25 Consultation Engagements and Technical Assistance:

As needed, the Internal Audit team is available to provide technical advice and consulting services to management and staff as they consider operational changes, re-evaluate current practices and/or develop new processes and procedures. The objective is to provide proactive feedback, as needed, to help ensure effective controls and operating procedures are designed and, where applicable, promote compliance with state, federal, and UNC System rules. Currently there are no consultations or technical assistance requested by management; however, we have reserved hours to provide these services as requested.

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FOLLOW-UP ON MANAGEMENT CORRECTIVE ACTIONS

FY25 Monitoring and Reporting of Management's Corrective Actions:

The Internal Audit team will obtain regular updates from management regarding the status of corrective actions taken to mitigate risks identified in prior audits (from both internal and external audits). The Internal Audit team will review and assess what audit tests are necessary to verify the status of actions taken. A summary report will be shared with senior management and the Committee on Audit, Risk Management and Compliance to keep them apprised of the progress of management's corrective actions.

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SPECIAL PROJECTS

Peer Review Participation:

We received an external Quality Assurance Review in FY24 through the North Carolina Central Internal Audit Office Peer Review Program. When an organization participates in this Peer Review Program, they are required to assist in performing a peer review at another state agency or institution. This had originally been planned for FY24; however, due to scheduling changes on the part of the institution being reviewed, a System Office Internal Audit team member will participate on this peer review team during FY25.

Charter Review and Policy Updates to Align with New IIA Standards:

New Global Internal Audit Standards promulgated by the Institute of Internal Auditors (IIA) go into effect January 9, 2025. Compliance with the IIA's Standards is required under Article 79 "Internal Auditing" of the North Carolina General Statutes. All internal policies and processes, including the Internal Audit and Audit Committee Charters, will need to be reviewed to ensure they comply with the updated Standards.

OTHER HOURS

NC Council on Internal Auditing Reporting Requirements:

There are several requirements the Internal Audit Office must provide to the North Carolina Central Audit Office under the Internal Auditing Act and through directives from the NC Council of Internal Auditing. These include submitting audit reports, internal audit charters, internal audit organizational charts, audit plan attestations, quarterly reporting attestations, submissions of audit plans, and productivity data. In addition, each office is also required to complete a Self-Assessment Maturity Model (SAMM) tool which is used to evaluate the internal audit function's maturity with regards to compliance with the IIA's Standards and best practices. To ensure compliance, the North Carolina Central Internal Audit Office holds regular meetings and offers training to the internal audit functions.

Additional Items:

General management of the office, coordination with institutional audit functions, and ensuring staff professional development requirements are met are also included in the annual audit plan.

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INTERNAL SHARED SERVICES

FY25 Internal Audit Shared Services:

Under the supervision of the UNC System Office Chief Audit Officer, the UNC System Office Internal Audit staff provides internal audit services to both the North Carolina School of Science and Mathematics (NCSSM) and the North Carolina State Education Assistance Authority (NCSEAA). PBS North Carolina is also served by the UNC System Office Internal Audit. These internal audit shared services include all board communications and fulfilling audit requirements for these institutions related to the IIA's Standards and to the requirements of the North Carolina Council of Internal Auditing.

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THANK YOU