

May 20, 2026

15 minutes after the adjournment of the Committee on University Governance

Via Videoconference and PBS North Carolina Livestream

UNC System Office

223 S. West Street, Room 1809

Raleigh, North Carolina

AGENDA

OPEN SESSION

- A-1. Approval of the Open Session Minutes of February 25, 2026..... Mark Holton
- A-2. UNC System Office Internal Audit Plan Status Updates Jennifer Myers
- A-3. UNC System Enterprise Risk Management Status Update Bryan Heckle
- A-4. A UNC System Approach to Emergency Communications Melissa Wargo
Andrea Weaver
Chuck McKinnon
- A-5. Adjourn

DRAFT MINUTES

February 25, 2026, at 1:00 p.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Suite 1809
Raleigh, 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 or by phone: Woody White, Kirk Bradley, Carolyn Coward, Art Pope, and Kathryn Greeley.

Chancellors participating were Bonita Brown and Keith Hargrove.

Staff members present included Fred Sellers, Jennifer Myers, Jennifer Haygood, Samantha Barbusse, and others from the UNC System Office.

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

The chair called the meeting to order at 1:02 p.m. on Wednesday, February 25, 2026. The open session minutes from the November 19, 2025, meeting were approved by unanimous consent.

2. North Carolina Office of State Auditor Reports Issued (Item A-2)

Chief Audit Officer Jennifer Myers summarized the audit reports issued by the Office of the State Auditor, who has released 15 financial statement audit reports related to the UNC System and constituent institutions, for the period that ended on June 30, 2025. No audit issues were found, and three reports remained pending.

This item was for information only.

3. UNC System Office Internal Audit Update (Item A-3)

Ms. Myers also provided an update on the progress against the plan of the UNC System Office Internal Audit Function. The plan is on pace, with a particular focus on developing standard operating procedures for overseeing the hotline portal and managing and routing complaints. Ms. Myers also briefed the committee on the newly launched OSA State Auditor's Award of Excellence for state entities that demonstrate exceptional discipline, accuracy, and transparency in preparing their annual financial statements and federal compliance audits. Out of 27 awards issued by the OSA, 12 were issued to institutions in the UNC System.

This item was for information only.

4. University Systemwide Audit Departments & Becoming a Strategic Partner (Item A-4)

Ms. Myers briefed the committee on Internal Audit's efforts at becoming a strategic partner with institutions' audit departments, enhancing its ability to impact and influence organizational behavior.

This item was for information only.

5. Business Process Compliance Program Overview (Item A-5)

Chief Financial Officer Jennifer Haygood gave the committee an overview of the Business Process Compliance Program which is designed to strengthen financial compliance and accountability systemwide, helping the System Office and institutions identify and escalate issues that need to be addressed.

This item was for information only.

There being no further business and without objection, the meeting adjourned at 1:47 p.m.

Art Pope, Secretary

AGENDA ITEM

A-2. UNC System Office Internal Audit Plan Status UpdatesJennifer Myers

Situation: The Global Internal Audit Standards (Standards) issued by the Institute of Internal Auditors (IIA) require the chief audit officer to provide updates on the UNC System Office internal audit activities as well as make certain annual disclosures of information.

Background: The Committee on Audit, Risk Management, and Compliance (CARMC) of the Board of Governors serves as the Audit Committee for the internal audit function at the UNC System Office. In this capacity, and as directed by both the Audit Committee and the Internal Audit Charter, the CARMC is to receive an update from the chief audit officer on the planned versus actual internal audit activities. This allows the committee to assess Internal Audit's performance relative to the approved annual audit plan.

Assessment: *Attachment 1* identifies the status of the fiscal year 2026 internal audit activities as of April 24, 2026.

Action: This item is presented to the Committee for information only.

UNC System Office
Internal Audit Plan Status Update as April 30, 2026
Fiscal Year 2026

Audit Activity	Included in Original Audit Plan	Status	Original Budgeted Hours	Revised Budgeted Hours	Actual Hours*	% Utilized**
Assurance Engagements						
Annual P-Card Compliance Audit (PBS NC)	Yes	Completed	250	250	237	95%
Annual P-Card Compliance Audit (System Office)	Yes	Completed	200	200	184	92%
Campus Billing Processes Audit	Yes	In-Process	400	400	91	23%
Campus Data Quality Audit – Chancellor Incentives	Yes	In-Process	400	400	403	101%
NCCU Foundation Audit	No	In-Process	0	70	10	14%
PBS NC Blackbaud Reconciliation Audit	Yes	Completed	400	400	397	99%
Advisory Engagements						
IT Policy Requirements (Pre-OSA IT Audit)	Yes	In-Process	150	150	100	67%
PBS NC Blackbaud Review	No	In-Process	0	100	15	15%
Student Complaint Portal Policy Review	Yes	Cancelled	125	5	5	100%
Travel Expense Policy Review (Materiality)	Yes	In-Process	125	125	74	59%
Unplanned/As Requested	Yes	As Needed	80	80	0	0%
Investigations						
Appalachian State University HR Investigation	No	Completed	0	50	51	102%
Unplanned/As Requested	Yes	As Needed	100	50	0	0%
Other Direct Hours						
Annual Risk Assessment & Audit Plan Development	Yes	Completed	150	150	95	63%
Special Projects						
Annual MOU Review	Yes	Completed	8	8	18	225%
CAO Retreat (Prep & Attend)	Yes	Ongoing	50	50	22	44%
Central Internal Audit Office Meetings & Reporting	Yes	Ongoing	200	200	38	19%
Hotline Management & Reporting	Yes	Ongoing	50	50	84	168%
Internal Audit Manual, Templates & SOP Updates	Yes	Ongoing	50	50	118	236%
OSA 90-Day Follow-Ups	Yes	Ongoing	50	50	37	74%
Participation in OSBM Peer Review Process	Yes	In-Process	200	200	134	67%
Quality Assurance & Improvement Program (QAIP)	Yes	In-Process	50	50	86	172%
Unplanned/As Requested	Yes	As Needed	50	50	107	214%
Technical Assistance						
All Other Committees (Prep & Attend)	Yes	Ongoing	100	210	146	70%
Board Meetings (Prep & Attend)	Yes	Ongoing	300	300	305	102%

UNC System Office
Internal Audit Plan Status Update as April 30, 2026
Fiscal Year 2026

Audit Activity	Included in Original Audit Plan	Status	Original Budgeted Hours	Revised Budgeted Hours	Actual Hours*	% Utilized**
CAO Search Committees (Prep & Attend)	Yes	Ongoing	100	100	87	87%
UNC Systemwide CAO Meetings & Outreach/Coordination w/ Other CAOs	Yes	Ongoing	80	80	87	109%
Unplanned/As Requested	Yes	As Needed	60	60	80	133%
Other Indirect Hours						
Holidays & Staff Leave	Yes	Ongoing	1,632	1,632	1,235	76%
Other Hours	Yes	Ongoing	20	20	0	0%
Professional Development	Yes	Ongoing	160	160	201	126%
Training Hours (Non-CPE)	Yes	Ongoing	100	100	359	359%
Unit Oversight, Staff Meetings & Misc. Admin Activities	Yes	Ongoing	392	392	425	108%
Total Hours to UNC System Office:			6,032	6,192	5,224	84%
Internal Audit Shared Services						
Internal Audit Services to NCSEAA	Yes	Ongoing	760	760	470	62%
Internal Audit Services to NCSSM	Yes	Ongoing	1,560	1,400	1,223	87%
Total Hours Per MOUs:			2,320	2,160	1,693	78%
Total Hours:			8,352	8,352	6,917	83%

*Hours have been rounded to the closest whole number

**The percent utilized is based off the revised budgeted hours compared to the actual hours

UNC System Office
Internal Audit Plan Status Update as April 30, 2026
Fiscal Year 2026

Highlights

Strategic Partner Initiative

To enhance Internal Audit's Strategic Plan goal, *Strengthen Collaboration and Communication*, the UNC System Office's Internal Audit team is dedicated to further becoming a strategic partner by collaborating with other departments and working groups to provide guidance and feedback. This has been demonstrated by internal audit being asked to partner with multiple committees including: Risk Review Board, Enterprise Risk Management (ERM), Emergency Communications Council, Annual Internal Controls Over Financial Reporting (AICFR), Business Process Compliance, Data Advisors, Data Stewards, several employment search committees, as well as additional committee participation at the North Carolina School of Science and Mathematics (NCSSM). Also, internal audit has been asked by management to assist with multiple special projects. For the universities, the System Office continues to hold collaborative meetings with the CAOs and is planning a CAO Retreat that will be very informative and during which we will share ideas and best practices. In addition, the System Office CAO is starting to plan her summer tour of the campuses where she hopes to meet with each CAO and meet all of their team members.

OSBM Peer Review Process

To enhance Internal Audit's Strategic Plan goal, *Enhance the Effectiveness of the Audit Processes*, the UNC System Office Chief Audit Officer is participating in the OSBM Peer Review Program. The Peer Review Program is a cooperative external review program that enables state agencies to obtain their required external Quality Assurance Review (QAR) in a method that is cost-effective and educational. It helps state agencies and universities comply with the Internal Audit Act, G.S.143-747(c)(6), and the Institute of Internal Auditors (IIA) Global Internal Audit Standards (Standards). IIA Standards require an independent and external QAR at least once every five years to evaluate and express an opinion on an agency's compliance with the Standards. The OSBM Peer Review Program was used for the System Office Internal Audit QAR in 2024. For the fiscal year 2026, the Chief Audit Officer was assigned to perform the QAR for the Department of Public Safety.

Staff Training

To enhance Internal Audit's Strategic Plan goal, *Professional Development and Talent Management*, Internal audit staff training offers a range of benefits that contribute to the professional growth and effectiveness of auditors within the agency. Some key advantages of training include enhanced knowledge and skills, improved decision-making, career growth, organizational performance, ethical standards, and career development. On top of the 40 hours of professional education required each year by the Institute of Internal Auditor (IIA), Internal Audit staff members are encouraged to participate in additional training programs that will enhance their audit skills and thereby support Internal Audit's Strategic Plan.

AGENDA ITEM

A-3. UNC System Enterprise Risk Management Status Update.....Bryan Heckle

Situation: The purpose of this item is to provide the Committee on Audit, Risk Management, and Compliance an update on enterprise risk management 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 Systemwide 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 a high-impact update on how enterprise risk management is delivering measurable progress by helping institutions mitigate top institutional risks and strengthening Systemwide alignment and engagement.

Action: This item is for information only.



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NORTH CAROLINA SYSTEM**

CAMPUS ENTERPRISE RISK MANAGEMENT SUCCESS

Bryan Heckle, Director Enterprise Risk Management
May 20, 2026

2025 UNC System Constituent Risk Overview

BUSINESS
OPERATIONS

FINANCIAL

PUBLIC SAFETY

CYBERSECURITY
& IT
INFRASTRUCTURE

STUDENT
RETENTION

REGULATORY
COMPLIANCE

FACILITIES
MANAGEMENT

TALENT
MANAGEMENT

MENTAL HEALTH

Impact of Collaboration

Strengthened Organizational Resilience

- Streamlined cross-campus risk coordination, enabling faster, more effective responses to emerging threats

Established Monthly ERM Meetings With All Constituent Institutions Within the UNC System

- Collectively driving cross-functional alignment

Spearheaded Annual ERM Retreat & Engagement

- Cultivating a proactive risk culture and increasing risk fluency

Example 1

Public Safety Risk

Strategic Partnerships

- Formalize connections between internal departments and external partners

Unified Communication

- Breaking down organizational silos to ensure seamless, real-time information flow across institutions & system

Integrated Technology

- Utilizing shared, real-time platforms for information sharing, reporting and emergency alerts

Collaborative Preparedness & Training

- Conducting joint, role-specific drills to ensure all community members understand their responsibilities

Example 2

Cybersecurity Risk

Collaboration

- CISOs sharing best practices and emerging topics
- Strengthening State, Local and Higher Ed partnerships

System Initiatives

- Shared governance and leadership
- Coordinated vendor risk management practices
- UNC System Attack Surface Visibility Initiative

Example 3

Mental Health Risk

Emergency Management Efforts

- Critical Incident Expansion Protocol (CIEP)
 - Framework for mutual aid capacity for mental health support
 - Active with individuals trained at each institution

Building Collaborative Support Capacity

- Coordinated behavioral support strategies
- Unified collaboration between public safety, counseling, and student support

Expanding Engagement

- Faculty, staff, and student participation
- Enhanced confidence supporting individuals facing mental health challenges
- Inclusion of K-12 stakeholders and external partners

Key Takeaways

- Enterprise Risk Management is strengthening systemwide coordination and collaboration
- Institutions moving towards integrated risk approaches
- Improved institutional resilience through shared governance, communication, and partnerships
- Continued engagement will further strengthen enterprise visibility, preparedness, and strategic decision-making across the UNC System

Questions?

AGENDA ITEM

A-4. A UNC System Approach to Emergency Communications.....Melissa Wargo
Andrea Weaver
Chuck McKinnon

Situation: The purpose of this item is to provide the Committee on Audit, Risk Management, and Compliance (CARMC) with an overview that the UNC System mandates that all constituent institutions establish robust, rapid communication protocols to issue timely alerts for campus emergencies. These requirements encompass immediate warnings regarding crime, severe weather, utility failures, and environmental hazards to protect campus safety. The goal is to ensure that when a significant emergency or dangerous situation is confirmed, the campus community is notified promptly, enabling people to make informed safety decisions.

Background: The UNC System constituent institutions have significantly evolved their crisis and emergency communications approaches over the past year. This transformation was driven by the adoption of Section 1300.7.3[R] of the UNC Policy Manual, *Regulation on Campus Emergency Communication and Alert Systems*, in February 2025, and the directive by the UNC System president to establish the Emergency Communications Council (ECC). Collectively, these actions represent a maturing institutional response to operational risk, compliance requirements, and reputation management. The established regulation and the ECC help identify or highlight successes, address gaps and offer strategic recommendations to strengthen crisis governance throughout the UNC System.

Assessment: Crisis communication is evolving into a specialized, cross-functional field that intersects executive leadership, public safety, and professional communications. This reality informs the membership of the ECC, which is comprised of campus professionals from these functional areas. Collectively, the ECC, together with System leadership, helps to ensure that all campuses meet regulatory requirements while bridging the gap between campus autonomy and Systemwide accountability, creating a structure that is both agile and defensible.

Action: This item is for information only.



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EMERGENCY COMMUNICATIONS COUNCIL

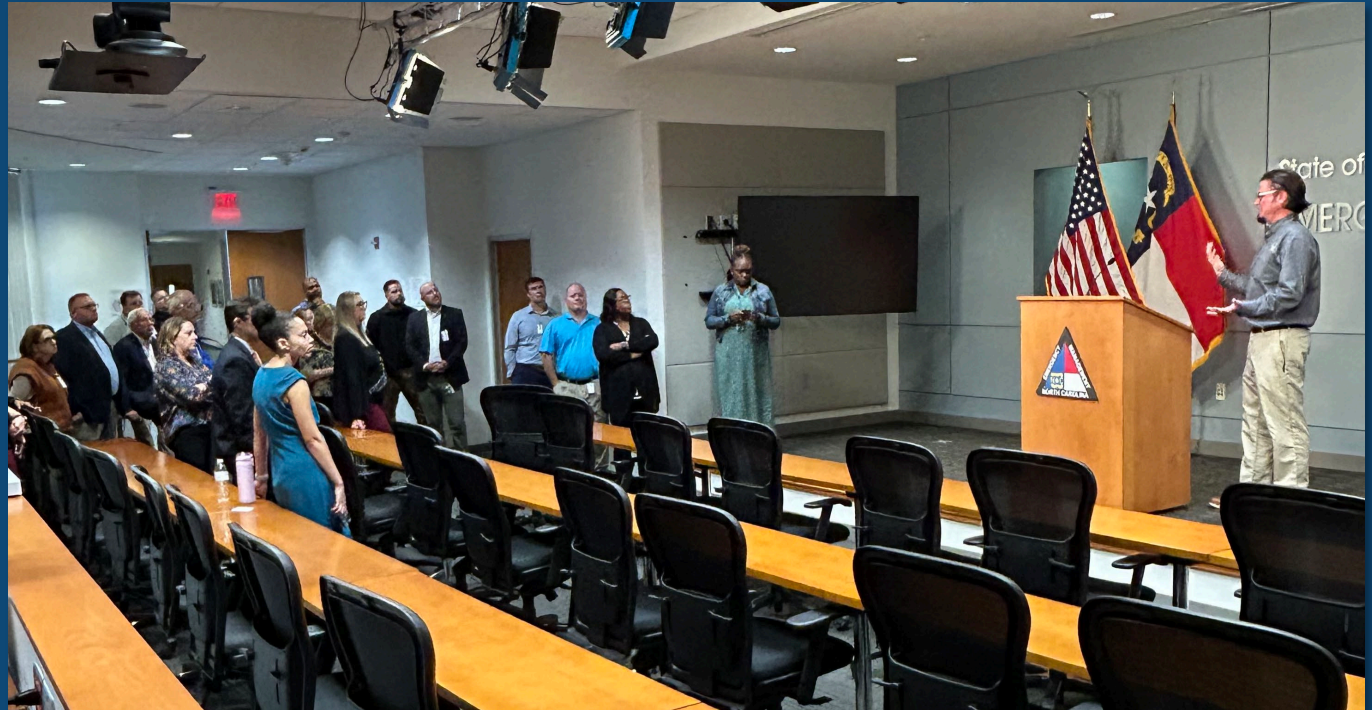
Progress Update: Year 1

2025 Regulation on Campus Emergency Communication and Alert Systems (1300.7.3[R])

- Minimum Systemwide standards
- Emergency alert system and designated coordinator at each institution
- Timely warnings, emergency notifications (Clery Act)
- Redundancies in case of outages
- Annual training
- Quarterly testing of alert systems
- Annual audit for compliance
- Establishment of Emergency Communications Council

Emergency Communications Council

- Purpose
- Structure
- Goal



Emergency Communications Council

- Progress Report: Year 1
 - Communications support and guidance
 - Fostering a culture of collaboration across **campuses** within the UNC System
 - Fostering a culture of collaboration across functional silos
 - Setting standards of expectations for consistency to share within the context of dynamic and evolving emergency/crisis situations

Emergency Communications Council

- Examples of ongoing work:
 - Developing a common glossary of terms for clarity across System
 - Expert trainings/presentations/case studies at the national level
 - System-level debriefs of campus incidents
 - Taking information back to each campus

Emergency Communications Council

- Progress examples:
 - Operational changes after taking recommendations back to campus
 - Development of uniform expectations for emergency communications parameters
 - Toolkit development
 - Increased accountability and consistency

Emergency Communications Council

- Progress examples:
 - Thoughtful, intentional resource pooling/sharing
 - Healthier, stronger, more collegial intercampus communication
 - Proactive planning
 - Rethinking messaging strategies
 - Learning from past incidents, sharing lessons learned, adapting from others' experiences

Emergency Communications Council

- Outcomes examples:
 - Fayetteville State using ECC model on its own campus. Training activities, sharpened emergency preparedness, and ongoing communications planning. Recognition that campus planning must be frequent, collaborative, and constantly evolving
 - WCU partnership with UNC Charlotte to ensure continuity of communication in case of major disaster

Emergency Communications Council

- Looking ahead — continued collaboration and resource building
 - More subject-matter experts, case studies
 - Increased partnerships
 - Building out and developing tools/resources
 - Inter-campus case studies and learning from one another
 - Continue sharing what we've learned from our training exercises, sharing resources

THANK YOU

QUESTIONS?