



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

November 14, 2019 at 1:00 p.m.
Elizabeth City State University
K.E. White Graduate Center, Room 130
Elizabeth City, North Carolina

AGENDA

OPEN SESSION

- A-1. Approval of the Minutes of September 19, 2019 James L. Holmes, Jr.
- A-2. Summary of UNC System-wide Internal Audit Activities for 2018-19 Lynne Sanders
- A-3. Approval of UNC System-wide Internal Audit Plans for 2019-20 Lynne Sanders

CLOSED SESSION

- A-4. Legal and Audit Update Tom Shanahan/Lynne Sanders

OPEN SESSION

- A-5. Adjourn



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

DRAFT MINUTES

September 19, 2019
University of North Carolina System Office
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 James L. Holmes, Jr. The following committee members, constituting a quorum, were also present: Thomas H. Fetzer, Mark Holton, and Robert A. Rucho. The following committee member was absent: Carolyn Coward.

Chancellors participating were Sheri Everts and Interim Chancellor Brian Cole.

Staff members present included Lynne Sanders, Thomas Shanahan, 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 11:30 a.m., on Thursday, September 19, 2019, and called for a motion to approve the open session minutes of May 22, 2019.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve the open session minutes of May 22, 2019, as distributed.

Motion: Robert A. Rucho

Motion carried

2. UNC School of Government Development Finance Initiative (Item A-2)

The chair introduced Michael R. Smith, dean of the UNC School of Government, who provided the committee with an overview of the Development Finance Initiative and the improvements made to the program since the internal audit issued in 2017.

This item was for information only.

3. Law Enforcement Project – Recommendations (Item A-3)

The chair welcomed Brent Herron, associate vice president for campus safety and emergency operations, Chief Andy Stephenson, Chief Charles Wilson, and Chief Paul Lester to the meeting and then called on Tom Shanahan, to provide the committee with an overview of the Hillard Heintze review of the University's law enforcement operations. Mr. Shanahan discussed the key observations and recommendations offered in the Hillard Heintze report.

This item was for information only.

4. UNC System Office Internal Audit 2018-19 Year-end Report (Item A-4)

Joyce Boni, chief audit officer, presented to the committee a year-end status update of the UNC System Office 2018-19 Internal Audit Plan.

This item was for information only.

5. Approval of UNC System Office 2019-20 Internal Audit Plan (Item A-5)

Ms. Boni presented to the committee the Fiscal Year 2019-2020 Internal Audit Plan for approval. Following the presentation, the chair called for a motion to approve the plan.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve the UNC System Office Fiscal Year 2019-2020 Internal Audit Plan and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Robert A. Rucho

Motion carried

6. Annual Report of CARMC 2018-19 (Item A-6)

Lynne 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 2018-19. The report for July 1, 2018, through June 30, 2019, 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 the Annual Report of CARMC for 2018-19 and accept the report for submission to the Board of Governors.

Motion: Thomas H. Fetzer

Motion carried

7. Summary Report of Major Associated Entities (Item A-7)

Ms. Sanders presented to the committee the annual review and report of the University's major Associated Entities.

This item was for information only.

8. Adjourn

There being no further business, the meeting adjourned at 1:00 p.m.

Carolyn L. Coward, Secretary



AGENDA ITEM

A-2. Summary of UNC System-wide Internal Audit Activities for 2018-19..... Lynne Sanders

Situation:	Annually, the Committee on Audit, Risk Management, and Compliance (CARMC) reviews a summary of internal audit activities for each constituent institution from the previous fiscal year.
Background:	In accordance with the CARMC Charter, the committee is to review an annual summary of work performed by the audit committee of each constituent institution's board of trustees. This report incorporates a summary of audits, reviews, investigations, or special assignments completed by the internal audit department of each constituent institution and the UNC System Office. This document also notes material reportable conditions and the status of their resolution.
Assessment:	As needed, the internal auditors have updated their internal audit plans to meet the changing demands at their respective institutions, and they have provided an update on the actions taken to address items included on the original approved plans and the changes made during the year.
Action:	This item is for information only.

INTRODUCTION

On behalf of the internal audit functions within the University of North Carolina System, we are pleased to report highlights of the work and accomplishments of internal audit departments across the UNC System for the period July 1, 2018, through June 30, 2019. The report contains the following sections:

- A summary of **Board of Trustees Audit Committee Activities for the 2018-19 Fiscal Year**.
- A summary of the **Planned Audit Hours for the 2018-19 Fiscal Year** as approved by university boards of trustees.
- A summary of **Actual Audit Hours Completed for the 2018-19 Fiscal Year** as reported by the institutions' chief audit officers.
- An overview and **Internal Audit Report Highlights** of audits performed in the 2018-19 fiscal year.
- An overview of **Internal Audit's Participation in University Initiatives** including external audit support, committee participation and consultation, and collaborative engagements.
- **Internal Audit – Being Responsive to Change** provides an overview of the use of technology, communication, staffing, and professional development.

Institutions within the UNC System, as well as the System Office, must constantly balance meeting its strategic objectives in consideration of available financial resources while at the same time maintaining a consciousness of risks that exist in higher education. Risks can result from regulatory changes promulgated by state, national, and international regulators as well as the Board of Governors (BOG) through UNC Policy change. Risks also exist when there is turnover of key executives and/or financial staff, and when there are new system implementations or changes to the information technology environment.

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

Boards of Trustees Audit Committee Activities for the 2018-19 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 2018-19 fiscal year.
2. Reviewed the results of the annual financial audit with representatives from the N.C. Office of the State Auditor (OSA), the chief audit officer and/or appropriate campus official(s), 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 from the State Auditor's Office, the chief audit officer and/or appropriate campus official(s).
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 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.

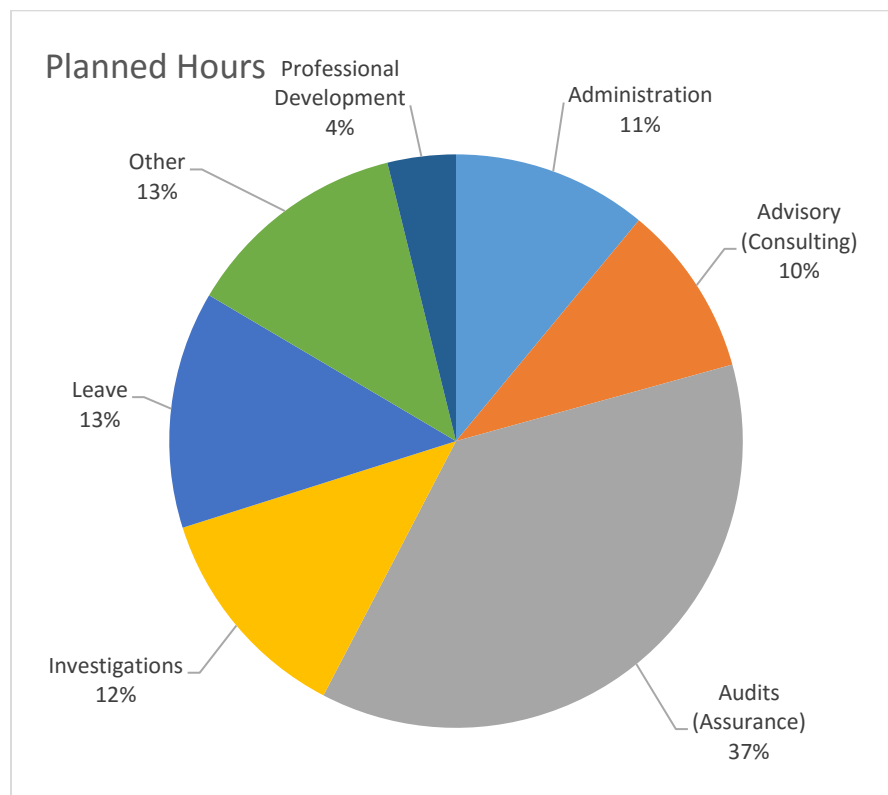
Each audit committee further attests:

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 institutions 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 2018-19 Fiscal Year

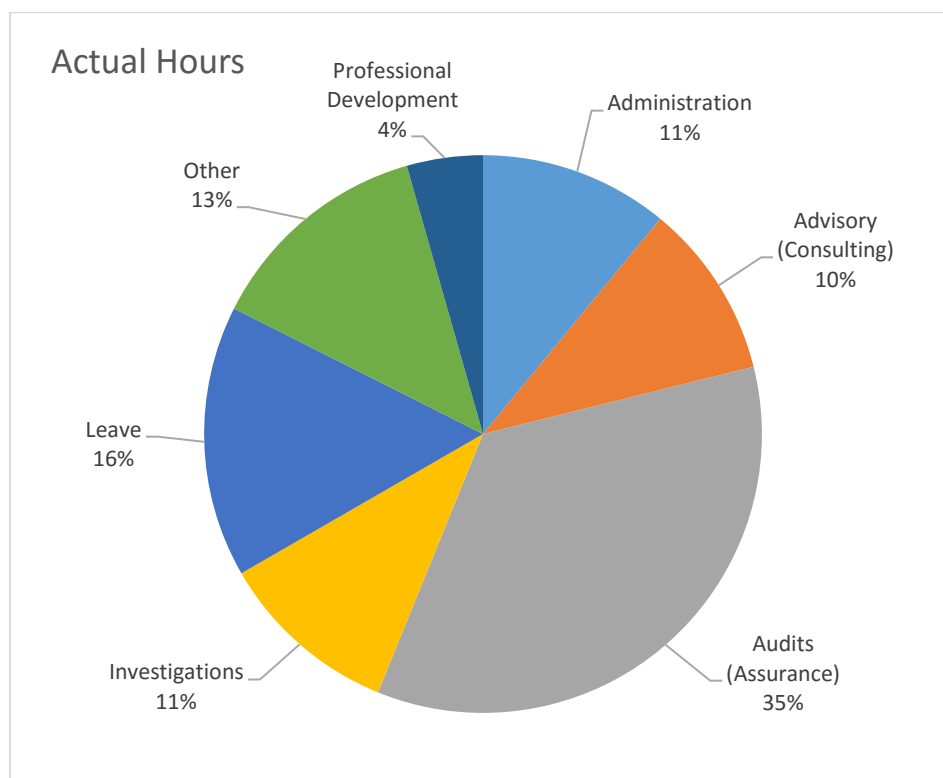
In November 2018, a summary of institutional internal audit plans were presented to CARMC for review and approval. Planned assurance and consulting assignments ranged from financial, compliance, and operational audits to reviews of general internal controls as well as information system controls. Based on the chart presented below, the majority of the planned work was in the area of audits (assurance).



Annual internal audit plans are developed for each institution and result from a comprehensive risk-based analysis of specific operations in relation to university operations as a whole. Once an institution's plan is drafted, it is forwarded to university 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 CARMC charter, these plans are then forwarded to the UNC System Office for CARMC review and approval.

Actual Audit Hours Completed for the 2018-19 Fiscal Year

In contrast to the previous chart, which highlighted planned audit hours for the 2018-19 fiscal year, the chart in this section presents the results of actual audit hours for the 2018-19 fiscal year. Consistent with planned hours, actual hours were mostly devoted to completion of audits.



Internal Audit Report Highlights

Between July 1, 2018 and June 30, 2019, internal audit departments across the UNC System completed assurance, advisory services, audit finding follow-ups, and investigations resulting in 280 reports (**Attachment 1**) that produced 312 recommendations for improvements to internal controls (**Attachment 2**). Corresponding management corrective actions were identified and agreed upon by university leadership. These internal audit results add value to each institution as it strives for compliance and effective and efficient operations.

Internal Audit's Participation in University Initiatives

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

External Audit Support – The Office of the State Auditor (OSA) performs annual audits of each institution within the UNC system. These audits typically include financial statement audits and statewide federal compliance audits. At most institutions, the chief audit officer works with the State Auditors on an as needed basis to assist during the external audit process. At the conclusion of each audit by the OSA, if audit findings are reported in the published report for the institution, the chief audit officer performs a 90-day follow-up to ensure that satisfactory progress is being made towards remediation of the issues reported. This follow-up is required per GS 116-30.1.

Committee participation and consultations – The expertise provided by the chief audit officers and other professional internal audit staff is invaluable to the institutions in the form of committee participation and consultations. For example, at UNC Greensboro, the director of internal audit serves in a consulting/advisory role on the Institutional Risk Management Steering Committee. The Institutional Risk Management Steering Committee reviews the institutions risk register with emphasis on Tier I risks and provides a senior-level perspective on UNCG's overall risk appetite. The identification of strategic risks and opportunity costs supplements the more narrow financial and compliance perspective in the construction of UNCG's Office of the Internal Auditor's annual audit plan.

In another example, The Office of Audit, Risk, and Compliance at WSSU developed the policies and governance structure for the establishment of enterprise risk management (ERM) processes at WSSU and UNCSA, facilitated its implementation, and continues to provide advice and oversight for the processes. (The Office of Audit, Risk, and Compliance at WSSU, is the provider for internal audit services at UNCSA and has been since 2011). The Chief Audit, Risk, And Compliance Officer also initiated the process to expand the oversight of the audit committees of the board of trustees at both universities to incorporate ERM and related activities. The committee charters were revised and committee names changed to the Audit, Risk, and Compliance Committee to recognize this expansion of roles and responsibilities.

Collaborative Engagements – Through Memorandum of Understanding arrangements, two institutions provided chief audit officer services to other institutions. These arrangements include: UNC System Office providing chief audit officer and internal audit staff services to NCSSM and the NC State Education Assistance Authority; and WSSU providing chief audit officer and internal audit staff services to UNCSA.

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

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

Internal Audit – Being Responsive to Change

Just as the University environment is one of continuous change, so is the internal audit profession. Chief audit officers, along with their audit teams, must constantly stay apprised of changes in the regulatory environment

(both at the state and federal level) and be responsive to emerging risks at their institutions. These emerging risks may be slow growing or they could rapidly infiltrate the institution's culture and environment. Part of the adaptability to addressing these risks lies in the way in which internal audit work is conducted and how internal audit departments are managed. The UNC System internal audit professionals remain responsive to change in the following ways:

Use of Data Analytics in Internal Audit Projects – During the 2018-2019 fiscal year, the Office of Internal Audit under the Office of State Budget and Management undertook a new initiative related to data analytics. Given that data analytics can be embedded throughout the audit process to perform audits faster, cheaper, and better, a statewide efficiency improvement initiative utilizing data analytics started June 2018. A cross agency workgroup (including UNC System internal audit staff) conducted research on data analytics and software tools. They also viewed demonstrations that were provided by some internal audit functions to showcase a specific tool and the types of data analytics performed, such as: duplicate payments; procurement card usage; and fraud risk analysis. The group determined there is no one perfect tool for data analytics but did select a user-friendly tool, Tableau, with visualization to improve data presentation. A one-year software license was provided to each internal audit function across state government and included comprehensive training sessions that started in May 2019. Training sessions will continue throughout the 2019-2020 fiscal year and, in subsequent years, each institution will have the opportunity to continue to purchase the software license for use with internal audit projects.

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

In addition to the monthly conference calls, the annual UNC Auditors Association conference was hosted by the eastern region of universities in Wilmington, NC in December 2018. The conference provided internal audit staff the opportunity to earn 11.5 hours of continuing professional education. Topics included data analytics and testing, university advancement, cybersecurity, enterprise risk management, generational diversity in the workplace, increasing internal audit's agility, joint investigations with university police department, Office of the State Auditor special investigations, and dealing with difficult situations.

Also, in May 2018, the UNC System Office of Compliance and Audit Services sponsored its sixth annual chief audit officers retreat in Chapel Hill. The training provided the chief audit officers the opportunity to earn 5 hours of continuing professional education, as well as have working sessions to discuss current topics and trends. In addition to updates provided by various departments within the System Office, primary topics included enterprise risk management, minors on campus, Information technology and security, and leadership.

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

Staffing – As of June 30, 2019, Internal Audit across the UNC System had fifty-three full-time employees, five part-time employees, one contract employee and two student workers. In addition, nine interns were used throughout the year.

This concludes the University of North Carolina System Annual Report on Internal Audit Activities for the fiscal year 2018-19. Please direct any questions to Lynne Sanders, CPA, Vice President for Compliance and Audit Services, at 919-962-4610.

ATTACHMENT 1- Summary of Reports (by institution) Issued July 1, 2018 - June 30, 2019

Appalachian State University

Access Review (3)
ADA TitleII Oversight
AREH, Inc. 6-30-2018
Athletics
Athletics FYE 6-30-2018
Basketball Camp Store
Bookstore
Budget Reconciliation (4)
CARE
Controls over Fund
Education & Technology (4)
Fee and Merchandise Sales Review
Fixed Asset Control (3)
Follow-up - AiM_CPPM
Follow-up - Baseball Camp
Follow-up - Business Continuity and Disaster Recovery Plans
Follow-up - Exempt Comp Time
Follow-up - FS Inventory Transfer
Follow-up - Gold to Banner
Follow-up - Housing Timekeeping
Follow-up - HPL Contract and Cash
Follow-up - ICOI
Follow-up - ITGC
Follow-up - Payment Card Services Policy
Follow-up - Payments to Students
Follow-up - UB Student Trips Review
Follow-up - Volleyball Camp Store
Gear Up Year 4
Gramm-Leach-Bliley Act (GLBA) Safeguards
Inventory FYE 2018
NCAA-Paid Attendance Ticket Audit
NRLP 12-31-2017
P-Card Expenditures (4)
Petty Cash & Change Fund Counts FYE 2018
Receipt Books FYE 2018
Review of IT Risk Assessment
State Auditor Referral - Secondary Employment
State Auditor Referral - SHS
Travel Disbursements (4)
Tuition Appeals

East Carolina University

2nd Follow-up - 1 Card Campus Security Controls
A&F Employee Retaliation Complaint
AA Faculty Member Perceived COI
Academic Affairs Student Employee Time Reporting
Accounts Payable Data Analytics
Allegations received from UNC System Office
Athletics Program Allegations
CCTV Security Cameras
Compliance with NC DHHS Contract-Telepsyc
Decentralized IT Controls
Donor Privacy Complaint
ECU Transit
Faculty Startup Funds
Follow-up - Americorps Background Checks
Follow-up - COI Management Plans
Follow-up - Export Controls
Health Sciences Billing Allegation
Health Sciences Employee Resource Use (2)
Health Sciences Research COI
HHP Payroll Overpayments
HS Employee Time and Leave
Internal Audit IIA Self-Assessment
IT DR and Functional COOP Plans
IT Policy Alignment with ISO-27002
SoDM CSLC Operations
Student Affairs Specific Unit Review
Student Conduct Process
Study Abroad Programs
XTender Controls

Elizabeth City State University

Club Account
Contract Approval Conflict of Interest
Follow-up - Admissions
Follow-up - Financial Aid Operations (2)
Grade Inflation for Students
IT General Controls
State Government Ethics Act
Travel Process

Fayetteville State University

Assessment of Internal Controls
 Broadwell College of Business and Economics
 Departmental Fixed Assets
 Financial Operations of FSU's Chapter of Phi
 EtaSigma National Honor Society
 Grant Investigation
 Hotline Referral from OSBM
 Review Results Hotline Allegations
 Review Results, Hotline Allegations, Business and
 Finance

North Carolina A&T State University

Follow-up – AggieMart E-Procurement
 Follow-Up – Employee Vehicle Registration
 Revenue
 Follow-up - Registrar's Office Surprise Cash Count
 Follow-up - Review of the University's Change
 Management Process
 Follow-up - Statewide Federal Compliance Audit
 Procedures
 Review of a Student Organization's Financial
 Records
 Review of a University Department's
 Procurement Card Transactions
 Review of Assessment of Internal Controls Over
 Financial Reporting For Fiscal Year Ending
 6/30/18
 Review of Internal Controls over Food Service
 Revenues

North Carolina Central University

Central Receiving Delivery
 Development Officers Travel & Credit Card Usage
 Follow-up - Accounts Payable (Brown Brothers
 Plumbing & Heating Company, Inc.)
 Follow-up - Business & Auxiliary Services
 Follow-up - Grant Change Fund
 Follow-up - Office of State Auditor Federal
 Compliance Review - Financial Aid
 Follow-up - School of Education (Attendance)
 Follow-up - Strategic Initiatives & School
 Partnerships
 Follow-up - University Police Towing Operations
 Martha Street Apartments
 Office of International Affairs
 P-Card Audit

North Carolina Central University (Continued)

School of Law Development Officer Travel &
 Credit Card Usage
 School of Law Review
 Transfer and Undergraduate Services

North Carolina State University

Follow-up - Campus Enterprises - NCSU Dining
 Timesheet Investigation
 Follow-up - NCSU CALS - Dept. of Animal Science
 Investigation
 Follow-up - NCSU College of Agriculture and Life
 Sciences - Business Processes
 Follow-up - NCSU College of Agriculture and Life
 Sciences - Poultry Sciences Feedmill Education
 Unit Investigation
 Follow-up - NCSU COS - Marine, Earth and
 Atmospheric Sciences Investigation
 Follow-up - NCSU Poole College of Management-
 Development and External Relations
 Follow-up - NCSU University Employee Time and
 Leave Management
 Follow-up - Utilities and Engineering Department
 - Timekeeping and Pay Investigation
 NCSU - College of Agriculture and Life Sciences -
 Dept. of Crop and Soil Sciences Investigation
 NCSU Campus Enterprises - NC State Dining -
 Vendor Processes Fraud Risk Assessment
 NCSU Campus Enterprises - NC State Stores -
 Vendor Processes Fraud Risk Assessment
 NCSU College of Agriculture and Life Sciences -
 Department of Crop and Soil Sciences -
 Consortium Uniting People for Sustainability
 (CUPS) Investigation
 NCSU College of Agriculture and Life Sciences -
 Poultry Sciences - Feed Mill Education Unit
 Investigation
 NCSU College of Agriculture and Life Sciences-
 Dept. of Food, Bioprocessing, and Nutrition
 Sciences Investigation
 NCSU College of Humanities and Social Sciences -
 Department of Social Work Investigation
 NCSU College of Natural Resources - Parks,
 Recreation, and Tourism Management
 Investigation
 NCSU Office of Finance & Administration -
 Facilities - Utilities and Engineering

North Carolina State University (Continued)

Department - Timekeeping and Pay Investigation
NCSU Office of Finance and Administration -
Materials Management Division Investigation
NCSU Poole College of Management -
Development and External Relations
Investigation

North Carolina School of Science & Mathematics

Follow-up - Student Records Access
Student and Constituent Support Services, Inc.
Credit Card Expenditures Review

University of North Carolina at Asheville

Athletics - NCAA
Networking Closets Physical Security

University of North Carolina at Chapel Hill

Conflict of Interest - Academic Advisor
Conflict of Interest - Clegg's
Conflict of Interest - Improper Travel
Development Finance Initiative
Electrical Distribution Services
Follow-up - African-American Studies/Public
Policy - African-American Studies
Follow-up - Auxiliary Services
Follow-up - Carolina Center for Education
Excellence
Follow-up - Cell Biology and Physiology
Follow-up - Dentistry
Follow-up - Development Finance Initiative
Follow-up - Energy Services
Follow-up - Environmental Sciences &
Engineering (2)
Follow-up - EPAP and Faculty Leave
Follow-up - Neurology
Follow-up - OSR Billing Receivables
Follow-up - School of Law
Follow-up - Special Review - Radiology
Follow-up - UNC Core Review
Follow-up Summary Report
Nutrition Research Institute (NRI) Special Review
Protein Core
Sexuality Studies
Vendor Maintenance

University of North Carolina at Charlotte

Administrative Review - Cato College of
Education
Building Access Controls + 49er Card
Construction Audit
Dean of Students Office
Design Services - Conflict of Interest
Design Services - Time & Attendance
HIPAA Information Privacy and Security
IT Disaster Recovery
NCAA Compliance – Football Attendance
NCAA Recruitment - Official Visits
Office of the Provost
Parking & Transportation Services
Scholarships and Restricted Gifts
Vivarium Operations

University of North Carolina at Greensboro

Athletics NCAA Agreed Upon Procedures
Conflict of Interest Disclosure
Parking Operations (Permits)
State Property (Misuse/Theft)
Student Accounts Receivable
Student Health Services Pharmacy
Weatherspoon Arts Foundation - Art Collection
Inventory

University of North Carolina at Pembroke

FERPA Compliance Review
Follow Up Memo to OSA Federal Compliance
Audit
Follow-up - Athletic Camps and Clinics Review
Follow-up - Deselected Library Media for Sale
Follow-up - Internal Controls of Deselected
Library Media for Sale
Givens Performing Arts Center (GPAC) Audit
Inventory Observation Conclusion Letter
Petty Cash Conclusion Letter
Potential Conflict of Interest
Response to State Auditor's Hotline Referral -
Swim Club
Review of Activities Related to the UNCP Campus
Garden and Apiary
Review of Controls over Direct Deposit
Enrollment and Changes

**University of North Carolina School of the Arts, by
Winston-Salem State University**

Follow-up - Vendor Contract Review
Human Resources
Risk Monitoring - Business Continuity
Management

University of North Carolina System Office

Alleged Noncompliance with the RFP Process
Follow-up - Travel and PCard

University of North Carolina Wilmington

Center for Innovation and Entrepreneurship (CIE)
College of Arts & Sciences Investigation
Environmental Health & Safety
Facilities (Project Management)
Facilities Investigation
Follow-up - Aramark Contract
Follow-up - Housing and Residence Life
Friends of UNCW
OSA Referral Investigation
Parking Services
Pcard
System Office Referral Investigation
System Office Referral Investigation-HAHS
(Health and Applied Human Sciences)

Western Carolina University

Capitalized Fixed Assets Residential Living
Consultative Review of Access to File Shares
Follow-up - Investigative Report
Follow-up - Lab and Safety Training E&T
Follow-up - Lab and Safety Training, HHS
Follow-up - Laboratory & Safety Training, Arts
and Sciences
Follow-up - Laboratory Safety and Training, FPAC
Hotline (3)
Investigation
IT Fixed Assets (10)
IT GC Human Resources Payroll
Memo Consultative Review of Access to Systems
and Applications
Review of Deposits (16)
Training for BEAP Camp Lab Gym and Field House
Training for BEAP Facilities Management
University Wide Audit of Grant Expenditures

Winston-Salem State University

Admissions
Community Service Leave Hours
Follow-up - Temporary Overtime
Immunization
OSA Federal Compliance Follow-up – Title III
Risk Monitoring - Clery Act Compliance
Risk Monitoring - IT Strategy Operations and
Performance
Risk Monitoring - P-Card Compliance
Risk Monitoring - Title IX Compliance
Risk Monitoring Memo - Lack of Controls
Regarding Access Security

**Winston-Salem State University / University of
North Carolina School of the Arts – Blended
Audits**

Center for Design Innovation Controls Review

Attachment 2: Resolution of Audit Findings July 1, 2018 - June 30, 2019

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
APPALACHIAN	Basketball Camp Store	Investigative	9/5/2018	1	Receipting and depositing of funds did were not performed in a manner compliant with Policy.	Resolved - Follow-up Completed
APPALACHIAN	Fixed Asset Control	Compliance	9/6/2018	1	One asset from one department was not in the location as specified in the department's inventory listing and was removed from campus without proper documentation and authorization.	Resolved - Follow-up Completed
APPALACHIAN	Budget Reconciliation	Compliance	9/6/2018	1	Fund Activity Reconciliation for two state funds were not completed at all. Fund Activity Reconciliation for one state fund was not completed for the month of May.	Not Resolved (referred to Budget Office)
APPALACHIAN	Travel Disbursements	Compliance	9/7/2018	1	One traveler's documentation reflected an instance of an advance not being settled or cleared during the reimbursement process which requires settlement no later than 30 days after the travel period ends or last date expenses are incurred.	Resolved - Follow-up Completed
APPALACHIAN	ADA Title II Oversight	Compliance	9/11/2018	1	University oversight of physical accessibility should be strengthened to more closely align with ADA Administrative Requirements and best practices.	Resolved - Follow-up Completed
APPALACHIAN	Education & Technology	Compliance	11/16/2018	1	One department improperly coded transactions totaling \$2,641 to E&T funds.	Resolved - Follow-up Completed
APPALACHIAN	Budget Reconciliation	Compliance	11/16/2018	5	<p>(1) Four trust funds were not assigned a reconciler, and therefore the Departmental Fund Activity Reconciliation Forms were not completed.</p> <p>(2) For three trust funds, the Departmental Fund Activity Reconciliations were not completed for any month during the quarter ended September 30, 2018.</p> <p>(3) For four trust funds, the Departmental Fund Activity Reconciliations were lacking supervisory review and approval signatures.</p> <p>(4) For eight trust funds, the Departmental Fund Activity Reconciliations were not completed and approved in a consistent and timely manner.</p> <p>(5) Regarding the follow-up to the quarter ended March 31, 2018, we determined that the findings are unresolved. For these funds, none of the Departmental Fund Activity reconciliations were completed as required per policy for the quarter ended September 30, 2018.</p>	Not Resolved (referred to Budget Office)

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
APPALACHIAN	Travel Disbursements	Compliance	11/16/2018	3	<p>(1) One traveler was reimbursed for additional expenses not associated with the authorized travelers.</p> <p>(2) Two travel reimbursement requests were submitted with insufficient supporting documentation. Specific dates of lodging must be listed on the reimbursement request, which shall be substantiated by a receipt from a commercial lodging establishment. Reimbursement for rail is limited to actual coach fare, substantiated by receipt.</p> <p>(3) One traveler was reimbursed for a duplicate charge listed on the reimbursement request.</p>	<p>(1) and (2) Resolved - Follow-up Completed</p> <p>(3) Not Resolved (traveler is no longer an employee)</p>
APPALACHIAN	Bookstore	Financial	11/26/2018	2	<p>(1) There was a lack of accounting internal controls in place for the A/R & A/P accounts. A/R control accounts include A/R-Due from Industry/Business Firms, A/R-Customers, and A/R-Returned Checks. For these receivable accounts, a breakdown of each account as to the age of the receivable, who owes and the amounts could not be determined. Credit memos received from vendors were not properly tracked internally and reconciled to Banner. The Bookstore could not provide a listing of what comprised the A/P balances. Monthly fund reconciliations were not performed to reconcile the Bookstore's internal departmental records of A/R & A/P activity to the activity posted to Banner.</p> <p>(2) The accounting internal controls for inventory can be strengthened regarding segregation of duties. Currently, one individual has duties which include: 1) administering the cycle physical inventory counts, 2) maintaining the inventory records, 3) accessing the inventory items, 4) approving adjustments to the inventory records, and 5) providing accounting entries annually to the Controller's Office for the recording of inventory totals to Banner.</p>	Resolution in Process
APPALACHIAN	Gramm-Leach-Bliley Act (GLBA) Safeguards	Information Systems	2/15/2019	1	Findings are confidential subject to NC GS 132-6.1c	Follow-up Pending
APPALACHIAN	Education & Technology	Compliance	2/28/2019	1	One department improperly coded one transaction totaling \$320.12 to E&T funds.	Resolved - Follow-up Completed
APPALACHIAN	P-Card Expenditures	Compliance	2/27/2019	2	<p>(1) One department had an unallowable expenditure of \$34 for an employee gift.</p> <p>(2) One department did not submit required supporting documentation to the P-Card Office in a timely manner as per Appalachian State University Policy 509.23 Procurement Card Program § 4.6.2 and the supporting documentation was not made available upon request.</p>	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
APPALACHIAN	Fixed Asset Control	Compliance	3/1/2019	1	Two assets from one department were not in the location as specified in the department's inventory listing and we were unable to locate the assets	Follow-up Pending
APPALACHIAN	Budget Reconciliation	Compliance	3/8/2019	4	(1) Three state funds were not assigned a reconciler, and therefore the Departmental Fund Activity Reconciliation Forms were not completed. (2) For six state funds, the Departmental Fund Activity Reconciliations were not completed for the entire quarter ended December 31, 2018. (3) For one state fund, the Departmental Fund Activity Reconciliations were lacking supervisory review and approval signatures. (4) For two state funds, the Departmental Fund Activity Reconciliations were not completed and approved in a consistent and timely manner.	Resolution in Process
APPALACHIAN	Controls Over Fund	Compliance	3/18/2019	1	(1) The controls over the collection of receipts can be strengthened to include physical safeguards that restrict access to cash, such as storing the receipts in locked safes (if kept overnight), making prompt deposits, and securely transporting cash and checks. The University has policies and procedures in place to control the risks related to the collection of receipts outside of the Cashiers Office. [ASU Policy Manual: Policy 503.3 Collection of Cash Outside University Cashier's Office; Policy 503.4, Storage and Safeguarding of Funds].	Follow-up Pending
APPALACHIAN	Fee and Merchandise Sales Review	Investigative	6/21/2019	3	(1) A certain fee not did not follow university process for approval/establishment and collection. (2) Merchandising repayments were not collected per University processes. (3) Lack of internal controls and violation of existing policy	Follow-up Pending
APPALACHIAN	P-Card Expenditures	Compliance	5/24/2019	1	One instance was found in which the supporting documentation that was required to be submitted with the P-Card reconciliation packet was not submitted.	Follow-up Pending
APPALACHIAN	Budget Reconciliation	Compliance	5/30/2019	1	Noncompliance with Policy 501.7: one academic department and one University business unit completed the required reconciliations but approvals were not completed in accordance with policy. Additionally, we found that four funds were open to be assigned so that the reconciliation process can be completed.	Follow-up Pending
ECU	Compliance with North Carolina Dept of Health and Human Services Contract-Telepsyc	Investigative	7/10/2018	1	Insufficient documentation of care resulted in over charges	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	ECU College of Health and Human Performance Payroll Overpayments	Investigative	8/28/2018	1	Administrative staff errors resulted in overpayments to four (4) employees in a one-year period	Resolved - Follow-up Completed
ECU	ECU Division of Academic Affairs Faculty Member Perceived COI	Investigative	9/10/2018	1	Faculty member's actions created the perception of a conflict of interest	Resolved - Follow-up Completed
ECU	ECU Transit	Investigative	10/9/2018	4	<p>(1) Supervisor and employee had a familial relationship while both were employed by Transit. The supervisor had shared authority for employment decisions related to the employee during this time. (Non-compliance with anti-nepotism policy)</p> <p>(2) Opportunities to reduce the complexity of the payroll process and increase management oversight of hours worked by self-help student employees.</p> <p>(3) There are no written policies or procedures related to self-help student employee motor vehicle record checks within Transit. Furthermore, there was no documentation retained to verify that motor vehicle records were run at time of hire for a sample of employees. Transit was able to provide current motor vehicle records for the selected samples, all of which had clean driving records.</p> <p>(4) There are no written policies or procedures related to self-help student employee motor vehicle record checks within Transit. Furthermore, there was no documentation retained to verify that motor vehicle records were run at time of hire for a sample of employees. Transit was able to provide current motor vehicle records for the selected samples, all of which had clean driving records.</p>	Follow-up Pending
ECU	Allegations received from UNC System Office	Investigative	10/26/2018	1	Travel Office Does not Monitor Open Travel Requests.	Resolved - Follow-up Completed
ECU	Faculty Startup Funds	Investigative	10/30/2018	1	No written guidelines for startup programs and an opportunity to enhance the review of startup program financial accounts	Resolved - Follow-up Completed
ECU	Athletics Program Allegations	Investigative	11/6/2018	1	Multiple instances of non-compliance with NCAA rules in a specific program.	Resolved - Follow-up Completed
ECU	Student Affairs Specific Unit Review	Compliance	11/12/2018	1	Instances of non-compliance with federal and state laws, regulations, and best practices. Opportunities to strengthen the management and compliance oversight of the function.	Resolved - Follow-up Completed
ECU	Health Sciences Employee Resource Use	Investigative	12/5/2018	1	Use of University computer and work time to perform tasks related to external business	Resolved - Follow-up Completed
ECU	IT Disaster Recovery and Functional Continuity of Operations Plans	Information Systems	1/21/2019	1	The ECU Primary Continuity of Operations Plan ("Plan") has not been updated and formally approved.	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	Academic Affairs Student Employee Time Reporting	Investigative	2/8/2019	1	Two employees falsified time reporting and were overpaid as a result.	Resolved - Follow-up Completed
ECU	Health Sciences Research Conflict of Interest	Investigative	3/15/2019	3	(1) ECU may have an ownership interest in the Intellectual Property being used by the external company (2) Former University employees had a conflict of commitment and may have used University resources for the benefit of an external company. (3) No contractual agreement is in place for the services being provided by the external company to ECU	Resolved - Follow-up Completed
ECU	Health Sciences Billing Allegation	Investigative	3/15/2019	3	(1) Patient care was intentionally coded at a lower level of service, resulting in undercharging patients at least \$32,649 (2) The provider's actions resulted in non-compliance with contractual obligations (3) Inaccurate charting resulted in numerous other patients being incorrectly charged	Resolved - Follow-up Completed
ECU	IT Policy Alignment with ISO-27002	Information Systems	3/21/2019	5	(1) Employees' teleworking expectations and security measures can be more formally codified. (2) There are no policies or standards for labelling information in accordance with a data classification scheme adopted by the University. (3) The University does not have a formal access control policy. (4) No policy or standard exists that governs controls over encryption keys (5) Limited documented guidance on the secure transfer of data or information to other entities.	(4) Resolved - Follow-up Completed All others: Follow-up Pending
ECU	Accounts Payable Data Analytics	Performance/Operational	4/5/2019	2	(1) Department Purchased Services from the Spouse of a Department Employee (2) Opportunities to Improve Vendor Records, Data Entry, and Business Process Efficiencies	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	Study Abroad Programs	Integrated	4/12/2019	8	<p>(1) MOUs with international institutions were not active for all 2018 bilateral exchange programs.</p> <p>(2) Opportunity to strengthen the integrity of the academic enterprise when a family member of a Faculty (2) Director is admitted into the Faculty Director's Faculty-Led study abroad program.</p> <p>(3) Opportunity to develop clear processes and procedures for approving and contracting program providers for Faculty-Led study abroad programs</p> <p>(4) There is no review of program expense reports by an individual not involved in the purchasing or reporting process for the Italy Intensives program.</p> <p>(5) The collection of application fees and deposits for Faculty-Led study abroad programs is done by AOCDE, while other program payments are received by OGA or the Cashier's Office.</p> <p>(6) There is not a written ECU policy or regulation outlining the requirements for the purchase of international health insurance or the requirements related to travel to locations with heightened travel advisory levels.</p> <p>(7) Opportunity to develop a written crisis management plan for study abroad programs (exchange and Faculty-Led programs)</p> <p>(8) Opportunity for Faculty Directors to provide OGA with a documented risk assessment for their program.</p>	<p>(7) Resolution in Progress All others: Resolved - Follow-up Completed</p>

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	Closed Circuit Television Security Cameras	Integrated	4/25/2019	8	<p>(1) There is no written guidance related to closed-circuit television cameras or footage.</p> <p>(2) Video surveillance on transit vehicles should be formally classified and an appropriate retention period should be determined.</p> <p>(3) The Office of Security Technology does not have written procedures for requests for installation of a CCTV camera.</p> <p>(4) The Office of Security Technology does not have written procedures on who can gain access to security footage and how to do so.</p> <p>(5) Audit logs within the Milestone system are not reviewed for inappropriate access or activity, and user access is not periodically reviewed for appropriateness and continued need.</p> <p>(6) CCTV cameras are not routinely checked for functionality and visibility and some have not been repaired or replaced in a timely manner.</p> <p>(7) A current list of CCTV cameras and related warranty information is not being maintained.</p> <p>(8) Security footage for the University's CCTV security cameras is not consistently retained for thirty days as required by NCGS 132- 1.4A.</p>	Follow-up Pending
ECU	Health Sciences Employee Resource Use	Investigative	6/4/2019	1	Use of University computer and work time to perform tasks related to external business and browse the internet for personal reasons	Resolved - Follow-up Completed
ECU	XTender Controls	Integrated	6/18/2019	4	<p>(1) The last security assessment of the Xtender application was completed in 2013 and contains incorrect information.</p> <p>(2) Several departments do not have written procedures related to Xtender.</p> <p>(3) Not all primary application approvers are performing annual quality reviews required by the Regulation.</p> <p>(4) Xtender users are not purging documents according to the University retention schedule.</p>	Follow-up Pending
ECU	Decentralized IT Controls	Information Systems	6/21/2019	3	<p>(1) Significant opportunities to strengthen oversight, communication, coordination, and sharing of expertise between ITCS and the decentralized IT units and personnel</p> <p>(2) Opportunities to strengthen distributed server management and agreements</p> <p>(3) Opportunity to strengthen the reporting structure and/or authority of the CIO</p>	Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECU	ECU School of Dental Medicine Community Service Learning Center Operations	Performance/Operational	6/24/2019	5	(1) Payment Plan payments and account balances are not identified as such, and some patients have not complied with the terms of their established payment plans (2) Reports and associated remedial action related to patient treatment documentation and charges are not always completed timely (3) Means Tested Care patient documentation is not always complete and accurate (4) Insurance Claim Submission Delays (5) Patient consent documentation is not always complete	Follow-up Pending
ECU	Student Conduct Process	Performance/Operational	6/30/2019	5	(1) University regulation lacks specific verbiage and expectations outlined in UNC policy (2) Documentation in Maxient case files does not consistently demonstrate that the Student Code of Conduct was clearly followed (3) Variance in recommended sanctions provided to the Student Conduct Board for similar cases (4) Opportunity to improve training for individuals involved in the student conduct process (5) Some recommendations made by external consultants have not been implemented	Follow-up Pending
ECSU	Club Account	Investigative	8/20/2018	2	(1) Dues collected from students were incorrectly accounted for by University Personnel. (2) Unauthorized policy/contract enforcement for an unapproved fee.	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
ECSU	Travel Process	Compliance	11/26/2018	8	(1) University Travel Policy did not reflect current procedures for required approval of International Travel and the Viking Shoppes authorization and reimbursement form packaged showed inconsistencies with current policies and procedures. (2) Non-Compliance with University Policies and Procedures for Authorizations (3) Non-Compliance with University Policies and Procedures for Reimbursements (4) Non-Compliance with University Policy and Procedures for Airline Travel (5) Unable to verify vehicle contract and payment compliance for Enterprise rental reimbursements. (6) Non-compliance with University Policy and Procedures for Travel Advances. (7) Non-compliance with University Policy and Procedures for the American Express Corporate Travel Card Program. (8) Non-compliance with University Policy and state travel policy and regulation occurred due to lack of internal controls for updating information in system and failure to reconcile reimbursement submission within thirty (30) days from travel completion within the Automated Travel System.	Follow-up Pending
ECSU	State Government Ethics Act	Compliance	4/16/2019	1	Non-Compliance with timeliness in updating and filing information to the NC Ethics Commission, in completing SEI filings and in ethics education requirements.,	Follow-up Pending
ECSU	Contract Approval Conflict of Interest	Investigative	4/25/2019	2	(1) Employee A participated in related party transactions that could create the appearance of conflict of interests. (2) A review of the transactions revealed deficiencies in the contract approval process.	Follow-up Pending
ECSU	IT General Controls	Compliance	5/14/2019	2	(1) No policy related to employee access termination (2) Four exceptions noted from the sample reviewed for employee access	Follow-up Pending
FSU	Financial Operations of FSU's Chapter of Phi EtaSigma National Honor Society	Investigative	9/6/2018	1	The Financial Operations of the Phi Eta Sigma Chapter were not in compliance with University policies and procedures.	Resolved - Follow-up Pending
FSU	Grant Investigation	Investigative	11/27/2018	2	(1) Control of Gift Cards (2) Equipment Accountability	Resolved - No Follow-up Needed
FSU	Departmental Fixed Assets	Compliance	4/15/2019	1	University departments were not in compliance with the Fixed Asset Policy relative to establishing and inventorying their departmental fixed assets.	Resolution in Process – Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
N.C. A&T	Review of a University Department's Procurement Card Transactions	Investigative	7/18/2018	3	(1) The purpose of the purchase was not always documented (2) The use of the procurement card was not the best method for payment of certain recurring charges (3) Auditors were unable to locate the original receipt for an allowable purchase	Follow-up Pending
N.C. A&T	Review of a Student Organization's Financial Records	Investigative	6/28/2019	7	(1) Necessary documentation was not maintained to ascertain the validity of the payment for expenditures. (2) No evidence of expenditures being properly authorized/approved. (3) Former employee (organization volunteer) maintained the organization's checkbook and there were questions about signature authority. (4) Former employee wrote checks made payable to cash. (5) Reconciliations were not being performed. (6) There was a lack of segregation of duties. (7) Funds received by the organization were not being deposited within 24 hours of receipt.	Follow-up Pending
NCCU	Transfer and Undergraduate Services	Investigative	7/10/2018	1	The job descriptions on file for both positions do not accurately reflect the requirement/expectation for these positions to attend various offsite programs and other activities. During these times, the employee is expectedly out of the office. The job descriptions on file for the Director of Transfer Services do not specifically state that this position requires a large amount of work away from the office. In the job description the need for flexibility is stated, and the need to coordinate with community colleges and transfer opportunities within a 60-mile radius, but no expressed statement of a need or expectation to be away from the office to perform duties exist. The job descriptions on file for the Public Communications Specialist and Marketing Coordinator do not specifically state that this position requires a large amount of work away from the office. The need for flexibility is stated, and the need to coordinate with internal and external partners of NCCU, but no expressed statement of a requirement or expectation of work away from the office to perform duties exist.	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
NCCU	P-Card Audit	Performance/Operational	1/2/2019	7	(1) Lack of a single and fully comprehensive document representing the official P-Card policy & procedures (2) Failure of P-Card management to enforce its own policy & procedures (3) Cardholders/approvers/reconcilers not following policy and procedures (4) Hardcopy reconciliation packets are not retained by departmental reconcilers (5) Policies and Guidelines are not consistent regarding the Bank of America billing cycle and reconciliation deadline date (6) P-Card transactions not recorded in the Banner system (7) Unallowable / Suspicious P-Card transactions	Follow-up Pending
NCCU	Office of International Affairs	Compliance	1/2/2019	2	(1) Outdated documents present on website (2) Lack of a student/faculty/scholar critical emergency plan	(1) Resolved - Follow-up Completed (2) Resolution in Process
NCCU	Development Officers Travel & Credit Card Usage	Performance/Operational	6/13/2019	1	Lack of proper documentation in respect to approving expenditures	Follow-up Pending
NCCU	School of Law Development Officer Travel & Credit Card Usage	Investigative	6/20/2019	10	(1) Overall fund management issues within the School of Law (2) The Department of Administration & Finance needs to revise the NCCU Spending Guidelines (3) NCCU Spending Guidelines are not being enforced (4) Lack of proper documentation with respect to approving expenditures (5) Some NCCU School of Law Development department staff have inappropriately received reimbursements for travel expenses submitted for payment on the corporate credit card (6) Fraudulent and altered invoice submitted to the university travel office in relation to the NCCU School of Law Development department staff trip to New Orleans, Louisiana (7) Unauthorized rental of motor vehicles (and lack of segregation of duties) by the administrative assistant (8) Invoices submitted to the university travel office have been fraudulently and digitally altered (9) The administrative assistant for the School of Law had been granted prohibited access to the SOL Development Officer's NCCU online account (10) A series of contracts executed between the School of Law and a vendor for development services was in violation of NCCU purchasing department bidding regulations	Follow-up Pending
NCCU	School of Law Review	Financial	6/20/2019	2	(1) Improper monitoring of cash values in trust funds by the Law School (2) Improper monitoring of cash values in trust funds by the University Budget Office	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
NCSSM	Student and Constituent Support Services, Inc. (SCSSI) Credit Card Expenditures Review	Performance/Operational	10/18/2018	3	(1) There is insufficient segregation of duties over the monitoring and management of SCSSI credit card activity. (2) There is insufficient guidance in the SCSSI procedures manual regarding credit card use and what signatures or oversight are required. (3) The SCSSI procedures manual has not been updated to match current practices, to provide sufficient guidance, or to adequately promote the monitoring of activities. Insufficient control activities, such as outdated policies and procedures and inadequate monitoring, could result in the misuse of SCSSI funds.	Follow-up Pending
NC STATE	NCSU Poole College of Management - Development and External Relations Investigation	Investigative	10/9/2018	1	Inadequate PCard Transaction Review	Resolved - Follow-up Completed
NC STATE	NCSU Office of Finance & Administration - Facilities - Utilities and Engineering Department - Timekeeping and Pay Investigation	Investigative	2/19/2019	1	Insufficient Communication and Coordination from Facilities Human Resources following WolfTime Go-Live	Resolved - Follow-up Completed
NC STATE	NCSU College of Agriculture and Life Sciences - Poultry Sciences - Feed Mill Education Unit Investigation	Investigative	2/19/2019	3	(1) Manager Deliberately Misrepresented Material Facts in Order to Gain Approval to Sell his Personal Vehicle to the Feed Mill Education Unit (2) Inadequate Review and Approval of Transactions (3) Culture of non-compliance	Resolution in Process
NC STATE	NCSU Campus Enterprises - NC State Dining - Vendor Processes Fraud Risk Assessment Final Audit Report	Risk Assessment	3/12/2019	2	(1) Non-Compliance with University IT Security Requirements (2) Use of Non-University Vendor Payment and Accounting Systems Creates Redundancy and Unnecessary Risk	Resolution in Process
NC STATE	NCSU Campus Enterprises - NC State Stores - Vendor Processes Fraud Risk Assessment Final Audit Report	Risk Assessment	3/12/2019	2	(1) Non-Compliance with University IT Security Requirements (2) Use of Non-University Vendor Payment and Accounting Systems Creates Redundancy and Unnecessary Risk	Resolution in Process
UNCA	Athletics NCAA	Compliance	10/12/2018	2	(1) Employee off-boarding checklist forms are not being maintained on file to ensure and verify the transfer of essential information and custody transfer of required records. (2) Tracking of athletic team travel was not consistently logged.	Resolution in Process
UNCA	Networking Closets Physical Security	Information Systems	6/17/2019	3	Confidential Findings	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNC-CHAPEL HILL	Development Finance Initiative	Investigative	5/19/2017	5	(1) Vendor Relationship (2) Financial Role (3) Outside Businesses and External Professional Activities for Pay (4) Payment Practices (5) Travel Payments and Reimbursements to Project Managers	Resolved - Follow-up Completed
UNC-CHAPEL HILL	Vendor Maintenance	Investigative	7/13/2018	1	The University needs to strengthen its processes for verifying that vendors are valid and not de-barred. Disbursement Services checks the State of North Carolina's (State) debarred vendor records (entities located in or that do business in North Carolina) for each new vendor request received but does not check the federal debarred list. The federal list includes additional vendors. Also, the process is manual and is only done for new vendors. There is no periodic monitoring to determine if existing vendors have been debarred since being set up in Connect Carolina.	Follow-up Pending
UNC-CHAPEL HILL	Special Review Nutrition Research Institute (NRI)	Investigative	8/17/2018	6	(1) Financial Sustainability (2) Financial Practices (3) Multiple Purchases from Same Vendor-Purchase Orders (4) Excess Balance in Deli change Fund and Unused Imprest Bank Account (5) Employee Recognition Award (6) Cash Advances	Follow-up Pending
UNC-CHAPEL HILL	Protein Core	Investigative	8/22/2018	3	(1) Review of the Core cost analysis is out of compliance to University policy. The last documented review of the Protein Expression and Purification Core occurred in 2011, over two years ago. (2) The Core does not have written policies and procedures to manage its day-to-day operations and billing practices. (3) The Core's project folders were not properly secured. Folders with processing notes, lab results and analysis were easily accessible folders on open lab shelves.	Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNC-CHAPEL HILL	Electrical Distribution Services (EDS)	Performance/Operational	11/21/2018	4	<p>(1) A process was not in place to monitor equipment use and systematically analyze and evaluate to determine that equipment was being effectively utilized. Information such as mileage or hours used was not captured and analyzed periodically or during the annual inventory process.</p> <p>(2) There was no process in place to reconcile the fuel loaded into the on-site diesel tank to the fuel pumped into EDS service trucks.</p> <p>(3) Fuel consumption by equipment was not being tracked over time to identify inefficiencies or waste.</p> <p>(4) Service trucks were assigned to individuals and not re-assigned or rotated to ensure even wear and tear.</p>	Follow-up Pending
UNCC	Administrative Review – Dean of Students Office	Performance/Operational	7/13/2018	4	<p>(1) Monthly Reconciliations. At any given time, the funds shown in the unit's shadow system do not reflect the true available balance.</p> <p>(2) Accuracy of Transaction Coding. Out of a sample size of 86 financial transactions, Internal Audit found six transactions (7% error rate) totaling \$16,448 to be coded to an incorrect account. All six transactions were corrected during the audit. Three contracts had been executed without proper authority. The three contracts were for one-time services and were not for material amounts.</p> <p>(3) Business Continuity Plan. The Dean of Students Office had a Plan; however, the Plan was missing some required elements.</p> <p>(4) Maxient System Access and Termination. The Dean of Students Office does not perform an annual review of access rights for users of the Maxient system.</p>	Resolved - Follow-up Completed
UNCC	IT Disaster Recovery	Information Systems	9/26/2018	2	<p>(1) The Business Continuity and Disaster Recovery (BCDR) plan states that it should be reviewed annually, which would meet industry best practices, but the revision history shows a gap between 4/28/2016, and 4/30/2018.</p> <p>(2) The Splunk security information and event management (SIEM) server is not currently included in the backup protection at Amazon Web Services (AWS), increasing the risk of losing vital forensic information.</p>	Resolved - Follow-up Completed
UNCC	Building Access Controls + 49er Card	Compliance	11/6/2018	3	<p>(1) Lack of governing policy</p> <p>(2) Inappropriate/unauthorized access</p> <p>(3) Inconsistent practices in training and granting access to Open Options</p>	Resolution in Process
UNCC	Scholarships and Restricted Gifts	Performance/Operational	1/17/2019	1	Restricted Funds with No Activity	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCC	Administrative Review - Cato College of Education	Performance/Operational	3/20/2019	4	(1) Monitoring TaskStream System User Access (2) Monitoring Banner System User Access (3) Adherence to Policy and Accuracy of Transaction Coding (4) Ongoing Maintenance and Communication of the Business Continuity Plan	Resolution in Process
UNCC	HIPAA Information Privacy and Security	Compliance	6/12/2019	4	(1) UNCC Policies 311.6 and 605.2 Need to be Updated (2) The UNCC Authorization to Release Healthcare Information Form is Not Compliant with the HIPAA Privacy Regulation (3) Ineffective Enforcement of Annual HIPAA Training Requirements (4) Improperly Executed BA Contracts	Resolution in Process
UNCC	Parking & Transportation Services	Performance/Operational	6/27/2019	5	(1) Reconciling Daily Revenue and Refund Transactions Using an Automated Report (2) Developing Policies and Procedures for Bad Debt and Write Offs (3) Reconciling and Documenting Management Oversight for Accounts Sent to the Third Party Collection Agency (4) Documenting Worker Hours for Special Events (5) Monitoring System User Access	Resolution in Process
UNCP	Review of Activities Related to the UNCP Campus Garden and Apiary	Compliance	1/14/2019	2	(1) Accounting transactions related to the Garden are not all recorded in one accounting system. The University receives grant funds for a program conducted utilizing the Garden. The transactions are recorded in the University's accounting system. However, other transactions are occurring related to the Garden and these funds are maintained in a private bank account outside of the University. (2) Our review concluded that the production and sale of products was not properly discussed with the appropriate University departments to determine if the activity was allowable and subsequently appropriately accounted for.	Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCP	Givens Performing Arts Center (GPAC) Audit	Compliance	3/19/2019	4	<p>(1) The Box Office Manager's duties include, but are not limited to, collecting cash from customers, writing receipts, preparing the deposits, and submitting the deposits to the Cashier's Office.</p> <p>(2) Deposit documentation was not reviewed or signed by a supervisor or other designee before being submitted to the Cashier's Office.</p> <p>(3) Deposits are not deposited in a timely manner in accordance with the Controller's Office Policy CO 08 95 Receipting/Depositing Collected Monies Policy and the Controller's Office Policy CO 02 10 Cash Management Plan.</p> <p>(4) No register of sales for concessions. Monies are counted and deposited without support documentation of sales.</p>	Resolution in Process
UNCW	Facilities	Performance/Operational	7/13/2018	17	<p>(1) Lack of approval and signature authority on contracts used by Project Management</p> <p>(2) Failure to obtain certificates of compliance for applicable projects</p> <p>(3) Noncompliance with HUB requirements</p> <p>(4) Compliance issues noted based on delegation of responsibilities</p> <p>(5) Lack of oversight of financial transactions related to project funding</p> <p>(6) Lack of reconciliation of Special Project budget fund</p> <p>(7) Inadequate asset tracking and documentation</p> <p>(8) Inconsistencies with state mandated insurance requirements</p> <p>(9) Lack of certificates of insurance for projects</p> <p>(10) Lack of adequate backup and cross training for critical functions</p> <p>(11) Critical processes in project closeout have not been completed</p> <p>(12) Improvements needed in the assessment and tracking of required OSHA training</p> <p>(13) Noncompliance with UNCW Policy 05.350, Operation of State-Owned Vehicles Policy</p> <p>(14) Lack of formal process over conflict of interest management</p> <p>(15) Violation of conflict of interest regulations</p> <p>(16) Noncompliance with Secondary Employment Policy</p> <p>(17) Inadequate staffing to meet current and future project demands.</p>	Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCW	Environmental Health & Safety	Performance/Operational	11/1/2018	8	(1) Lack of written procedures for lab safety inspections (2) Inadequate coverage for comprehensive lab inspections across the University (3) Untimely and inconsistent reporting of inspection results (4) Insufficient process for following-up on lab safety findings (5) Inadequate signage for communicating hazards in the workplace (6) Inaccessibility of training tools for certain employee classifications (7) Need to strengthen oversight and authority over continuity of operations plans (8) Noncompliance with UNCW Policy 05.141, Departmental Funds Receipting	Resolution in Process
UNCW	Pcard	Compliance	12/20/2018	10	(1) Incomplete documentation within the system of record resulting in the appearance of program noncompliance (2) Lack of review of payment of exempt sales tax (3) Lack of a formal process to review vendors for conflicts of interest or independent contractors (4) No formal process to monitor restricted vendors (5) Lack of review of transactions by Merchant Category Codes (MCCs) (6) Insufficient review of non-general fund purchases (7) Insufficient guidance on responsibility to monitor and deactivate Pcards (8) Incomplete or unclear guidance for certain purchases, including undocumented exceptions (9) Infractions are not consistently issued or clearly tracked (10) Noncompliance with reporting requirements for possible misuse of State property.	Resolution in Process
UNCW	Center for Innovation and Entrepreneurship (CIE) Audit	Performance/Operational	2/19/2019	7	(1) Lack of fully executed contracts (2) Noncompliance with North Carolina General Statute and UNCW Policy on deposit timeliness (3) Lack of complete tracking of computer equipment (4) Noncompliance with Facilities Use Policy and insurance requirements (5) Improvements needed in physical controls to the CIE facility (6) Noncompliance with UNCW Policy 05.120, Key Control (7) Lack of adequate backup and cross training for critical functions	(1) Resolution in Process (2) Resolved - Follow-up Completed (3) Resolved - Follow-up Completed (4) Resolution in Process (5) Resolved - Follow-up Completed (6) Resolution in Process (7) Resolution in Process

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
UNCW	Parking Services	Performance/Operational	6/4/2019	6	(1) Incomplete collection of faculty and staff parking permit sales (2) Noncompliance with North Carolina General Statute and the North Carolina Office of State Budget and Management guidance regarding unpaid citation fines (3) Noncompliance with North Carolina General Statute regarding late payment penalty fees for unpaid parking citations (4) Inconsistencies in reconciling parking meter and pay station revenue deposits (5) Lack of comprehensive review of T2 Flex access (6) Inaccurate parking permit data in T2 Flex	(1) Follow-up Pending (2) Follow-up Pending (3) Follow-up Pending (4) Resolution in Process (5) Resolution in Process (6) Follow-up Pending
UNCSA / WSSU	Center for Design Innovation (CDI) Controls Review	Investigative	9/17/2018	4	(1) Inadequate Control Measures (2) Deficient Exit Process (3) Inadequate Contract Management (4) Failure to Comply with Employment Disclosure Policies	Follow-up Pending
UNCSA	Human Resources	Integrated	2/4/2019	7	(1) Inconsistent and Noncompliant Hiring and Selection Process (2) Inappropriate System Access and Changes (3) Irregular Termination Process (4) Deficiencies with Protocols to Control Confidentiality (5) Insufficient Plans for Effective Operational Management (6) Ineffective Training and Development Program (7) Campus Perception of HR	Follow-up Pending
UNC System Office	Alleged Noncompliance with the RFP Process	Investigative	5/30/2019	1	Existing and newly hired System Office employees do not receive sufficient proactive training and on-going guidance about the state procurement requirements and the System Office's processes and procedures for a competitive bid. In addition, effective procedures are not in place to educate all employees on the responsibility to report improper activities, such as mismanagement or noncompliance with laws, rules, or regulations, and to inform the organization on the whistle blower protections that apply when improper activities are reported.	Follow-up Pending
WCU	Hotline	Investigative	10/22/2018	1	Allegation number one was substantiated however any emails submitted in lieu of an invoice to procure payment contained the elements of an invoice and provided the information needed to process an invoice.	Resolved - Follow-up Completed
WCU	Investigation	Investigative	10/26/2018	1	Employee used IT resources for personal gain	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
WCU	IT Fixed Assets, School of Nursing	Compliance	4/30/2019	1	We found that in one out of five assets sampled, or 20 percent, Western Carolina personnel in the School of Nursing did not complete the proper Permission to Remove University Assets from Campus Form. This resulted in an asset being inappropriately removed from Campus.	Resolved - Follow-up Completed
WCU	Audit of Active and Inactive IT FA Tracked by Instructional Technology and Desktop Services	Compliance	5/14/2019	2	(1) We found that six of the twenty-nine IT FA in active storage (not surplus) tested, or 21%, could not be located. Five of these twenty-nine IT FA's, or 17%, were documented as being in Stillwell 284. This storage space was lost when Stillwell building was razed in preparation for construction of the new science building. (2) We found that six of the twenty-nine IT FA in active storage (not surplus) tested, or 21%, could not be located. Five of these twenty-nine IT FA's, or 17%, were documented as being in Stillwell 284. This storage space was lost when Stillwell building was razed in preparation for construction of the new science building.	Resolution in Process
WCU	Review of Deposits College of Business	Consulting/Special Project	5/10/2019	1	We noted the issue that the custody of the receipt book was not transferred to the current employee responsible and was not in use.	Resolved - Follow-up Completed
WCU	Review of Deposits College of Health and Human Sciences	Consulting/Special Project	5/10/2019	2	(1) Physical Therapy - We noted the issue that they had not transferred custody of the receipt book to the current employee responsible for preparing deposits. (2) School of Health Sciences - We noted the issue that they had not transferred custody of the receipt book to the current employee responsible for preparing deposits.	Resolved - Follow-up Completed
WCU	Review of Deposits WCUPA	Consulting/Special Project	5/13/2019	1	We noted the issue that the receipt book was not being utilized to prepare deposits (another approved methodology was being used) and had not been returned to the Cashier's office.	Resolved - Follow-up Completed
WCU	Review of Deposits within the Division of Administration and Finance	Consulting/Special Project	5/30/2019	3	(1) We noted the issue that Facilities Management was not utilizing a WCU receipt book to document face to face transactions. (2) We noted the issue that the Daily Cash Report was not being prepared for deposits. (3) We noted the issue that Facilities Management was not submitting documentation to support daily cash reports.	Resolved - Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
WCU	Review of Deposits in Hunter Library	Consulting/Special Project	6/7/2019	3	<p>(1) The Library only depositing funds once a month.</p> <p>(2) Receipt book number 1394 was incorrectly checked out to an employee no longer working for the Library.</p> <p>(3) The Library was not submitting appropriate documentation to support daily cash reports because the cash register utilized to collect funds was old and did not generate the necessary source documentation.</p>	Resolved - Follow-up Pending
WCU	Review of Deposits within the David Orr Belcher College of Fine and Performing Arts	Consulting/Special Project	6/10/2019	6	<p>(1) We noted the issue that a receipt book checked out to the Belcher College of Fine and Performing Arts (CFPA) could not be located.</p> <p>(2) We noted the issue that the Bardo Arts Center (BAC) was not making timely deposits for the Fine Arts Museum Gift Shop.</p> <p>(3) We also noted the issue that the BAC was not attaching supporting documentation to the Daily Cash Report.</p> <p>(4) We noted the issue that receipt books were being returned to the cashier's office through campus mail. This circumvents the requirement that the receipt book is logged back to the custody of the Controller's Office.</p> <p>(5) We noted the issue that the School of Music was prefilling out receipts (names, amounts, fund numbers, and dates) evidenced by non-sequential receipts attached to the DCRs.</p> <p>(6) We also noted the issue that the School of Music was documenting credit card payments and receipting batched credit card deposits with a WCU receipts book.</p>	Resolved - Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
WCU	Review of Deposits within the Provost's Division	Consulting/Special Project	6/10/2019	7	<p>(1) We noted the issue that Center for Career and Professional Development (CCPD) was not submitting deposits timely.</p> <p>(2) We noted the issue that CCPD had not transferred custody of the receipt book to the current employee responsible for preparing deposits.</p> <p>(3) We noted the issue that the Mountain Heritage Center had not transferred custody of the receipt book to the current employee responsible for preparing deposits.</p> <p>(4) We noted the issue that the Daily Cash Report was not being prepared for deposits.</p> <p>(5) We noted the issue that the Registrar's office was not submitting deposits timely.</p> <p>(6) We noted the issue that Center for Community Engagement and Service Learning (CCESL) was not submitting deposits timely.</p> <p>(7) We noted the issue that CCESL had not transferred custody of the receipt book to the current employee responsible for preparing deposits.</p>	Resolved - Follow-up Pending
WCU	Review of Deposits within the Division of Information Technology	Consulting/Special Project	6/10/2019	1	We noted the issue that the receipt book had not transferred custody to the current employee.	Resolved - Follow-up Completed
WCU	Review of Deposits within the Division of Advancement	Consulting/Special Project	6/24/2019	1	We noted the issue that the Division of Advancement was not attaching supporting documentation to the Daily Cash Report. The Departmental Guidelines for Cash Receipting and Deposits Section entitled Daily Cash Report Instructions stated that, "The documentation that should be attached to the Daily Cash Report for verification of the total amount: Cash/Check Deposit-individual yellow receipt copies for each cash/check payment received or a batch report from the payment system which generates receipts." Internal Audit noted that with the prior software, this was not possible as there were no identifiable sessions or reports. Failure to provide proof of a complete deposit could to theft of cash and misappropriation of cash and checks.	Resolved - Follow-up Completed

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
WCU	Review of Deposits within the College of Education and Allied Professions	Consulting/Special Project	6/25/2019	3	<p>(1) We noted the issue that The Catamount School was not submitting deposits timely. The Departmental Guidelines for Cash Receipting and Deposits Section entitled Instructions for Using Campus Receipt Books number 4 stated that, "if any funds are collected, at least one deposit must be made weekly. More frequent deposits, daily if necessary, must be made an any time cumulative receipts exceed \$10.00." Bursar approved the change in cumulative receipts maximum limit before depositing from \$10 to \$100 for The Catamount School as they are located away from main campus. Failure to deposit funds per the prescribed timeline in the guidelines provides the opportunity for theft or misappropriation of funds if not adequately safeguarded.</p> <p>(2) Elementary & Middle Grades: We noted the issue that the receipt book was not in use and had not been returned to the Cashier's office.</p> <p>(3) We noted the issue that Human Services had not been attaching yellow copies of receipts to the daily cash reports.</p>	Resolved - Follow-up Completed
WCU	Review of Deposits within the Division of Student Affairs	Consulting/Special Project	6/25/2019	6	<p>(1) We noted the issue that Admissions was not utilizing a WCU receipt book to document face to face transactions.</p> <p>(2) We noted the issue that Admissions was not submitting documentation to support daily cash reports.</p> <p>(3) We noted the issue that although Financial Aid consistently deposits scholarship checks twice a week, they were not submitted in accordance with The Departmental Guidelines for Cash Receipting and Deposits Section entitled Instructions for Using Campus Receipt Books number 4 stated that, "if any funds are collected, at least one deposit must be made weekly. More frequent deposits, daily if necessary, must be made an any time cumulative receipts exceed \$10.00."</p> <p>(4) Department of Campus Activities - We noted the issue that two of the receipt books were not in use and had not been returned to the Cashier's office.</p> <p>(5) We noted the issue that the Bookstore was not submitting adequate supporting documentation from their point of sale system with the DCR.</p> <p>(6) CatCard. We noted the issue that the Daily Cash Report was not being prepared for deposits.</p>	Resolved - Follow-up Pending

Campus Name	Report Name	Audit Type	Date of Report	Number of Findings	Findings (Detail)	Status of Finding Resolution
WSSU	Risk Monitoring - Admissions	Investigative	7/3/2018	1	Admissions does not conduct regular and timely performance evaluations in accordance with university policies.	Resolution in Process
WSSU	Immunization	Investigative	7/25/2018	1	Noncompliance with Immunization Guidelines	Follow-up Pending
WSSU	Community Service Leave Hours	Investigative	11/28/2018	1	Mismanagement of Community Service Leave Hours	Resolution in Process
WSSU	Risk Monitoring Memo - Lack of Controls Regarding Access Security	Investigative	3/13/2019	1	Confidential Findings	Resolution in Process

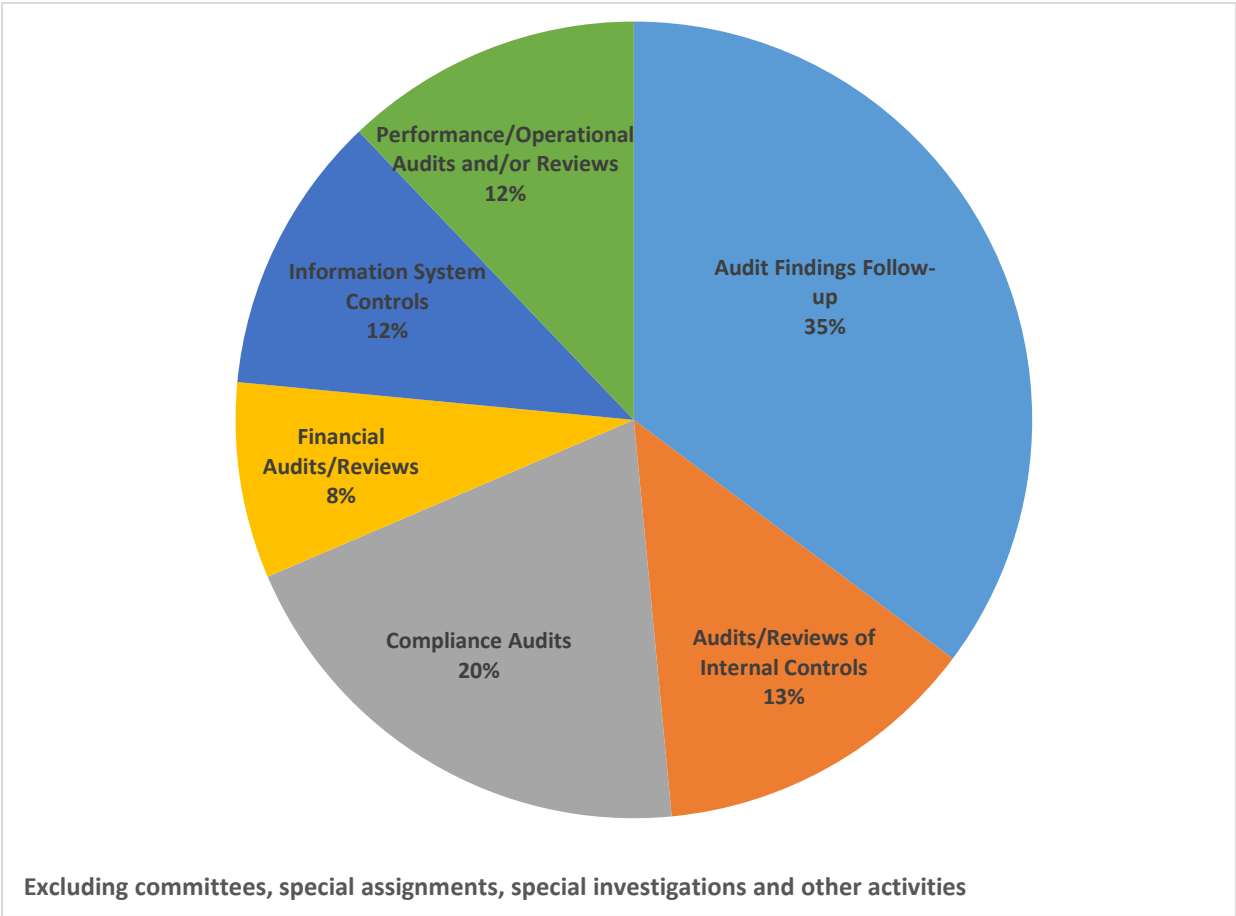
AGENDA ITEM

A-3. Approval of UNC System-wide Internal Audit Plans for 2019-20..... Lynne Sanders

Situation:	The 2019-2020 UNC System-wide internal audit plans are presented for review and approval.
Background:	Chapter 100.1 of the UNC Policy Manual – 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 Work for Fiscal Year 2019-2020

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 hours will be devoted to audit finding follow-up, compliance audits, and audits/reviews of internal controls.



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. 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, 2020

Specific Audits
Financial Audits/Reviews
Petty Cash/Change Fund Counts/Receipt Books - 6/30/19
Petty Cash/Change Fund Counts/Receipt Books - 6/30/20
Inventory Testing - 6/30/19
Inventory Testing - 6/30/20
New River Light & Power- 12/31/2019
Athletics - 6/30/2019
New River Light & Power- 12/31/2019
Information System Controls
Access Controls
Information Security - Confidential Data
IT Security Risk Assessment - Annual (12/19) completion and approval
Audits/Reviews of Internal Controls
Departmental Budget Reconciliations
Educational and Technology (E&T) Disbursement Testing
Campus Wide Asset Control
Travel Disbursements
Procurement Card Expenditures Review (to include BOA Works Access testing)
P3: Public/Private Partnerships - Oversight and Controls
Performance/Operational Audits and/or Reviews
Housing
Compliance Audits
NCAA - Paid Attendance Ticket Audit - 2019 Season
GEAR UP Grant - Year 5
Audit Findings Follow-up
Follow-Up - Boys Basketball Camp
Follow-Up - ADA
Follow-Up - Bookstore
Follow-Up - GLBA
Follow-Up - Housing Employee Timecards (2nd Follow-up)
Follow-Up - Controls Over Fund 226104
Follow-up - Volleyball Camp Store (2nd Follow-Up)
Follow-up - HSOM - Marching Band Fees and Merch Sales
Follow-up - Forest Products
Follow-Up - OT Comp to Exempt Employees (2nd Follow-up)
Follow-up - State Financial Audit
Follow-up - State Financial Audit: Single Audit
Follow-up - State IT Audit
Special Investigations
As Occur

Appalachian State University
Audit Plan
Year Ending June 30, 2020

Specific Audits
Special Assignments
Identity Management Committee
UNCAA - Office Held: Association Auditor (One Year Term)
Payment Card Oversight Committee
QAR - Assessment team
Pcard Review Committee
Information Security Advisory Council
Administrative Institutional Effectiveness Council
Internal Control Assessments Committee
Other
Quality Assurance and Improvement Program (QAIP)
Auto Audit Implementation
2018-19 Periodic Comprehensive Review (PCR)
Data Analytics Implementation Program

East Carolina University
Audit Plan
Year Ending June 30, 2020

Specific Audits
Information System Controls
Technology Security Assessment Process
IT Asset Management (ITCS and non-ITCS)
Controls over Privileged Accounts
Audits/Reviews of Internal Controls
Kronos and Timekeeping (F18032/A16038) (Data Analytics)
PeopleAdmin Position Approval Processes
SoDM Revenue Cycle (Data Analytics)
University Advancement (Gift Valuation and Accounting)
Sponsored Programs Time and Effort Reporting
Data Analytics Review of Payroll, Travel, Athletics, other (TBD)
Unpaid Adjunct Faculty Members
Automated Journal Vouchers Process
Performance/Operational Audits and/or Reviews
ERM Maturity Assessment
Research Compliance Staffing and Funding Model
Compliance Audits
Third Party Service Provider Controls
ADA/504 Compliance
Audit Findings Follow-up
Action Plan Tracking and Follow-Up (this project is used to account for hours following up on recommendations for which a full follow-up engagement will not be completed)
University Youth Programs (A18008)
Student Transit (L18021)
Americorps Grant (2nd Follow-Up) (F19022)
Security Camera Controls (A18017)
Student Conduct Process (A19021)
SoDM CSLCs (A18024)
Special Investigations
Specific engagements not listed here - we have budgeted 2520 hours (15% of the audit plan hours) to this category; as of 7/15/19, three (3) engagements are in process
Special Assignments
Routine/Other Consultations
Routine Data Analytics Support for Clients
University Committees Participation
ProCard Analytics for Chrome River
Assist with AICFR
Student Athlete Course Clustering
University Orientation Materials
Coordinate and Assist with External Audits, SBI Reports, Routine Tasks
Audit Software Admin and Maintenance
Student Intern Program
Required IIA QAIP/Self-Assessment
Develop Assurance Map
Risk Assessment/Audit Planning 2020-2021
Risk Assessment/Audit Planning 2019-2020

Elizabeth City State University
Audit Plan
Year Ending June 30, 2020

Specific Audits
Information System Controls
Banner Access
Performance/Operational Audits and/or Reviews
Athletic Operations
Student Health Services
Compliance Audits
Student Judicial Process
Audit Findings Follow-up
Admissions Operations
Financial Aid Operations
Office of State Auditor Reviews
Travel Process
Pro Card
Contracts and Grants
Associated Entity
Special Investigations
Pending
Special Assignments
Consultations and Advisory Services/Committees
Outreach-Training (Internal Control)
Risk Assessment/Audit Planning

Fayetteville State University
Audit Plan
Year Ending June 30, 2020

Specific Audits	
Information System Controls	
Implementation of UNC System Policy 1400.1 (IT Governance) and 1400.3 (User Identity and Access Control)	
Audits/Reviews of Internal Controls	
Internal Control Questionnaire	
Performance/Operational Audits and/or Reviews	
Departmental Budget Procedures	
Departmental Asset Inventories	
Quarterly Cash Counts	
Compliance Audits	
Compliance with the Clery Act	
PCI Data Security Compliance	
Title IX Compliance	
Banner Payroll Operations	
Selected Aspects of the Athletic Department	
Contracts and Purchase Card Review	
Admissions Office	
Special Investigations	
UNC System Hotline Referral - International Education	
Hotline Referral OSBM	
Special Assignments	
Banner Steering Committee	
Internal Control Committee	
Monitor University Helpline	
Controller Search Committee	

North Carolina A&T State University

Audit Plan

Year Ending June 30, 2020

Specific Audits
Information System Controls
BDM Xtender
Audits/Reviews of Internal Controls
Tuition Surcharge Process
Assessment of Internal Controls over Financial Reporting
Performance/Operational Audits and/or Reviews
University Travel Card
Compliance Audits
NCAA Compliance Phase II
Review of Selected Research Grants/Post Award
Audit Findings Follow-up
Review of Selected University Policies and Practices
US Department of Education - Student Financial Aid
4th Quarter Review Conflict of Interest Form Submission Process Follow-up
Review of Student Organization's Financial Records
Special Investigations
Investigation - In Progress 1
Investigation - In Progress 2
Investigation - In Progress 3
Investigation - Pending
Special Assignments
Committee Assignments - IT Security Advisory Committee, Clery, Internal Control Committee, etc.
Routine Consultations
NC State Ethics Commission Liaison
OSA Investigative Liaison
UNCAA Fall Conference - Triad Region Host
Other
Risk Assessment/Audit Plan
Required Internal Self Assessment (Quality Assurance Review
Quality Assurance Review - Team Member (Reciprocation)

North Carolina Central University
Audit Plan
Year Ending June 30, 2020

Specific Audits
Financial Audits/Reviews
Health & Safety Audit
Sports Performance Audit
Advancement Services
Information System Controls
ITS- Disaster Recovery Plan
Performance/Operational Audits and/or Reviews
University Police Operations
Compliance Audits
Purchasing
Athletics Compliance- Academics
Financial Aid
Audit Findings Follow-up
University College
Unidentified Follow-ups
Special Investigations
Unidentified Investigations
Special Assignments
Brite- A Financial Review

North Carolina School of Science and Mathematics
Audit Plan
Year Ending June 30, 2020

Specific Audits	
Compliance Audits	
Review of Construction and Repair & Renovation Activity	
Review of Additional Pay Policies and Procedures	
Audit Findings Follow-up	
Develop new Follow-up Tracking, Monitoring, and Reporting Process	
Special Investigations	
Unplanned / Various: Hold for unexpected investigations of internal or external hotline reports and other similar reported incidents.	
Special Assignments	
Advisory Services: ERM Working Group	
Advisory Services: NCSSM-Morganton Planning	
Advisory Services: Finance & Human Resources Policy/Procedures	
Advisory Services: Foundation & Advancement Policies/Procedures	
Advisory Services: Information Technology Policies/Procedures	
Other Routine Projects: NCSSM Annual Self-Assessment of Internal Controls over Financial Reporting; Charter Updates; Annual Certification Letters; External Auditor Assistance; Other Unplanned Projects	
Other	
Risk Assessment/FY2020 Audit Plan Development	
Risk Assessment/FY2021 Audit Plan Development	
Board & Management Meetings	
Unit Oversight, Marketing, Quality Assurance Improvement	

North Carolina State University
Audit Plan
Year Ending June 30, 2020

Specific Audits	
Financial Audits/Reviews	
Poole College of Management - Financial Business Processes	
Information System Controls	
Office of Finance and Administration - Environmental Health and Public Safety - Security Applications and Technologies - Physical Access Services	
Office of Finance and Administration - Facilities - Energy Management Systems - Cyber Security for University Power and Water Systems	
Performance/Operational Audits and/or Reviews	
College of Agriculture and Life Sciences - Prestage Department of Poultry Science	
College of Humanities and Social Sciences - Institute for Nonprofits - Business Processes	
College Information Technology Maturity Assessment	
Title IX Governance Processes	
Wilson College of Textiles - Nonwovens Institute - Business Processes	
Compliance Audits	
Administration and Compliance Over Salary Supplements	
Office of Finance and Administration - Facilities - Informal Construction Contracts Award Process	
Audit Findings Follow-up	
Audit of Expenditures from Special Academic Program Resources	
Campus Enterprises - NC State Dining - Vendor Processes Fraud Risk Assessment	
Campus Enterprises - NC State Stores - Vendor Processes Fraud Risk Assessment	
College of Agriculture and Life Sciences - Cooperative Extension Services - Business Process Governance	
College of Agriculture and Life Sciences - Prestage Department of Poultry Science - Feed Mill Education Unit Investigation [Phase 2]	
College of Engineering - Materials Science and Engineering - Investigation of a Faculty Member's Research Administration Activities	
College of Engineering - Materials Science and Engineering - Purchasing Investigation	
College of Engineering - Materials Science and Engineering - Vendor Management Investigation	
College of Sciences - General Information Technology Controls	
Non-Salary Year End Transfer of Expenses	
User Controls Over Ultra-Sensitive Data	
Special Investigations	
As Occur	
Special Assignments	
Health Insurance Portability and Accountability Act (HIPAA) Security Implementation Project	
Research Administration System Replacement - ERA (Enterprise Research Administration)	
University Information Technology (IT) Governance Committees	

University of North Carolina at Asheville
Audit Plan
Year Ending June 30, 2020

Specific Audits
Financial Audits/Reviews
Construction Payment Process and Funding Model
Information System Controls
Banner IT Reporting of System Changes
Campus Security Training
Audits/Reviews of Internal Controls
Assessment of Internal Controls over Financial Reporting
Performance/Operational Audits and/or Reviews
Athletics Box Office
Audit Findings Follow-up
Follow up on prior recommendations
Special Investigations
As Occur
Special Assignments
Enterprise Risk Management
Information Security and Governance
KPI Reporting
Athletics Peripheral Systems
Routine Consultations (Employee Offboarding, Purchasing Review Thresholds, System Implementations)
Risk Assessment
Other
Internal Audit Intern
Quality Improvement Program Activities

University of North Carolina at Charlotte
Audit Plan
Year Ending June 30, 2020

Specific Audits
Financial Audits/Reviews
Athletic Ticket Revenue Audit
Information System Controls
Data Security Plans Verification
IT Network/Cyber Security Review
General Computer Controls Review
IT Risk Assessment
Audits/Reviews of Internal Controls
Internal Control Testing
Performance/Operational Audits and/or Reviews
Emergency Response/Crisis Communications Review
EHSO - Radiation Safety Program
SACSCOC Accreditation Review
Admin Review - Student Affairs
Admin Review - Business Affairs
Compliance Audits
NCAA Compliance - Football Attendance Verification
ADA Compliance - Disability Services
I-9 Verification
Audit Findings Follow-up
Building Access Audit
Others
Special Investigations
As needed
Special Assignments
TeamMate Implementation
Complete Audits Started in FY 2019
Aux Services (Bookstore/Food Services)
Admin Review - Online/Distance Education

University of North Carolina at Chapel Hill

Audit Plan

Year Ending June 30, 2020

Specific Audits
Financial Audits/Reviews
Clinical Trials - Participant Remuneration
Revenue Recognition School of Pharmacy
Information System Controls
People Soft User Access Management
IT General Control Review
Audits/Reviews of Internal Controls
Donor Intent - Fundraising Restrictions
Undergraduate Admissions
Performance/Operational Audits and/or Reviews
Grant Closeout Controls
Campus Safety and Risk Management
Distance Education
New Hire Onboarding
Compliance Audits
Higher Education Opportunity Act
Athletics - Financial Aid Administration
Athletics - Student Athlete Employment
Athletics - Extra Benefits - Team Travel
Athletics - Extra Benefits Student Athlete Vehicles
Athletics - Eligibility Certification
Audit Findings Follow-up
EPAP & Leave of Absence - report # 499a - Special Project
Law School Faculty Course Load Report 502 - Special Project
National Joint Powers Alliance 503 - Special Project
Orthodontics to Report 504 - Special Project
Vendor Maintenance - Report 505 - Special Project
Nutrition Research Institute Report 508 - Special Project
Follow-up to Prior Internal Audit Findings Report #511 - Special Project
Lineberger Comprehensive Cancer Center - Cameras Report 515 - Special Project
UNC Protein Core Report 518 - Special Project
Electrical Distribution Services Report 521 - Special Project
Auxiliary Services Report 463 - Follow-up 519 - Special Project
Special Investigations
To be determined as needs arise
Special Assignments
To be determined as needs arise

University of North Carolina at Greensboro

Audit Plan

Year Ending June 30, 2020

Specific Audits
Financial Audits/Reviews
Departmental Reconciliations
Self-Assessment of Internal Controls
Weatherspoon Arts Foundation (inventory observation)
Compliance Audits
Child Care Program (regulatory compliance)
Clery Act (compliance)
Intercollegiate Athletics Program (assistance with Agreed-Upon Procedures review)
Misuse or Theft of State Property (reporting)
Purchasing Cards
Travel
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
Quality Assurance Review

University of North Carolina at Pembroke

Audit Plan

Year Ending June 30, 2020

Specific Audits
Financial Audits/Reviews
Annual Inventory Observation and Surprise Cash Counts
Audits/Reviews of Internal Controls
Approval of Interdepartmental Fees
Advancement
Service Awards
Collection of Accounts Receivable
Performance/Operational Audits and/or Reviews
Lean Process Committees
Financial Aid
Compliance Audits
Student Holds
Title IX/Clery
Serious Illness and Disability Leave for Faculty
Audit Findings Follow-up
Financial Aid - Federal Compliance Audit
Miscellaneous Follow-up as determined necessary
Special Investigations
As Occur
Special Assignments
Committee Assignments
Routine Consultations
Enterprise Risk Management Implementation Assistance
Other
Quality Assurance and Improvement Program
Continuing Professional Education (CPE)
Risk Assessment/Audit Plan
Tableau Training/Implementation

University of North Carolina School of the Arts
Audit Plan
Year Ending June 30, 2020

Specific Audits	
Audits/Reviews of Internal Controls	
Minors on Campus	
Campus Safety & Security	
Compliance Audits	
Environmental Health and Safety - Life Safety	
Clery Act Compliance	
Audit Findings Follow-up	
Student Life - Mental Health Counseling	
Housekeeping Survey	
10-month Employee Pay	
Housekeeping Investigation	
IT Performance & Operations	
IT Conflict of Interest	
Human Resources - Control Environment	
CDI - Post Investigative Review of Controls	
Special Investigations	
As Occur	
Special Assignments	
Audit, Risk, and Compliance Committee	
Assisting External Auditors and Oversight Agencies	
Search Committees - Various	
Meetings/Consults - University-Wide	
Chancellor's Cabinet - Chief Audit, Risk, & Compliance Officer only	
Enterprise Risk Management facilitation and committees - Chief Audit, Risk and Compliance Officer only	
UNCAA Committees - Conference Planning, etc.	
Other	
Annual Risk Assessment and Audit Planning	
Internal Audit Strategy Development and Implementation	
Quality Assurance and Improvement Program Activities	
Quality Assurance Review Preparation	
Annual Risk Monitoring Memos	
CPE	

University of North Carolina System Office
Audit Plan
Year Ending June 30, 2020

Specific Audits	
Information System Controls	
Security Review of the Data Mart Database (with external audit firm)	
Audits/Reviews of Internal Controls	
UNC System Office: Review of the Contracting Process	
Compliance Audits	
UNC-TV: Review of Compliance with Payment Card Industry Data Security Standards (for security of donor card data)	
Audit Findings Follow-up	
Develop a new Follow-up Tracking, Monitoring, and Reporting Process	
Follow-up on IT audits: OSA 2017 IT Audit of Banner Hosted Services and 2018 Internal Audit of End User Data Storage and Security Awareness	
Special Investigations	
Unplanned/Various as occurs: Investigations of internal/external hotline reports and similar types of investigations.	
Investigation of Questionable Travel (SAA)	
Special Assignments	
Consult: Design of UNC-TV Procurement/Purchasing Process	
Assist a Quality Assurance Review Team (assisting OIA)	
Advisory Services to Information Technology: Policy and Procedure Updates	
Advisory Services to Human Resources: Updates to Onboarding Procedures and Learning Management Implementation	
Advisory Services to Strategy and Policy: Innovation Lab Internal Procedures	
Advisory Services to UNC-TV: Repair and Renovation Budgeting Process	
Other Services/Committees: Other routine advisory services to UNC-TV and the System Office; assist external auditors; charter updates; annual certifications; CAO/OIA committee meetings; QAIP work; and other projects to be determined.	
Other	
Annual Risk Assessment/FY2020 Audit Plan Development	
Annual Risk Assessment/FY2021 Audit Plan Development	
Board Meetings, Unit Oversight, Staff Hiring, MOUs, and Marketing	
Professional Development (and related travel)	
Internal Audit Services to NCSSM and NCSEAA	

University of North Carolina Wilmington

Audit Plan

Year Ending June 30, 2020

Specific Audits
Financial Audits/Reviews
Friends of UNCW Financial Audit
Information System Controls
IT Security
Audits/Reviews of Internal Controls
Assessment of Internal Controls for Financial Report (AICFR) Control Testing
Performance/Operational Audits and/or Reviews
Center for Marine Sciences/MARBIONC
Facilities - Phase 2 (Architecture and Construction Services)
Human Resources
One Card
Payroll
Compliance Audits
Title IX
Audit Findings Follow-up
Various Follow Ups
Special Investigations
Free Speech
Various Investigations
Special Assignments
Information System Compliance Consultation
Testing Services Consultation
Various Micro Reviews
Committee Assignments
Routine Consultations
Campus Engagement
Data Analytics Enhancements
Other
Quality Assurance Activities
Other Routine Tasks (i.e. Reporting, Audit Team Collaboration, IIA/UNCAA)
FY20 Risk Assessment/Audit Plan
FY21 Risk Assessment/Audit Plan
Fraud Risk Assessment
Campus Training

Western Carolina University
Audit Plan
Years Ending June 30, 2020 and June 30, 2021 (Two-year plan)

Specific Audits
Financial Audits/Reviews
Audit of Deposits Process, University Wide
Information System Controls
Examination of the Number of User Accounts with Domain Administrator Privileges
Audit of Timely Removal of Disabled and Privileged Accounts.
Examination of Number of Users with the Ability to Change Passwords.
Continued Recertification of File Shares Files Harboring Sensitive Data, In Partnership with the Information Security Officer
Continued Recertification of Accounts with Elevated Permissions in Applications Harboring Sensitive Data, In Partnership with the Information Security Officer
Certification of Banner Modules, In Partnership with the Information Security Officer
Examination of SOC II Reports and Contracts Associated with Applications the Harbor Sensitive Data
Audits/Reviews of Internal Controls
Continued Review of Deposits Process. This is to prepare the University for a University Wide Audit of Deposits. (See Financial Audits/Reviews Above)
Continued Commitment to Review of Processes, New process not selected as of yet.
Compliance Audits
Student Wellness
Clery Act
Communication Sciences & Disorders, (Could include reviews of processes and operations)
Nursing, (Could include reviews of processes and operations)
Campus Activities, (Could include reviews of processes and operations)
Bookstore, (Could include reviews of processes and operations)
Continued audit of Laboratory Safety & Training, School of Nursing
Review of Business Continuity Plans in Partnership with the Director of Emergency Services
Audit Findings Follow-up
Prior Year, Laboratory Safety & Training, School of Nursing
Special Investigations
Two Hotlines
Two Investigations
Special Assignments
University of North Carolina Auditor's Association
Association of College and University Auditors
Information Technology Council
Institutional Effectiveness Council
Computer Security Incident Response Team
Export Control Committee
Data Security and Stewardship Committee
Enterprise Risk Management Council
University Safety Committee
Other
Risk Assessment
Quality Assurance Review Volunteer
Assisting the Purchasing Department with Tableau
Peer to Peer Collaboration with Chief Audit Officer at UNC Asheville

Winston-Salem State University
Audit Plan
Year Ending June 30, 2020

Specific Audits
Information System Controls
IT - Strategy, Operations & Performance
Audits/Reviews of Internal Controls
Worker's Compensation
Minors on Campus
Budget Office - Budgetary Controls
P-Card Monitoring
Compliance Audits
NCAA Compliance - Health and Safety
EHS - Fire Safety
Audit Findings Follow-up
Business Continuity Management
P-Card Fraud Investigation
Computer Accountability
Athletics' Fundraising
Travel Payments - Post-Follow-up
Human Resources - Employee Relations
Men's Basketball Coach - Recruitment Process
Information Technology - Post-Follow-up Review
Homecoming Parade
Athletics - Missing Receipts
Enrollment Management
Call Campaigns
CPR Class
Admissions
CDI Controls Review
Immunization Records
Temp Employee Overtime
Federal Compliance - Title III
Overtime Payments - Facilities
Special Investigations
Counseling Center
Housing
SAP

Winston-Salem State University
Audit Plan
Year Ending June 30, 2020

Specific Audits	
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 - Chief Audit, Risk, and Compliance Officer only	
Compliance Calendar and Monitoring - Chief Audit, Risk, and Compliance Officer & RCPS only	
Enterprise Risk Management facilitation and committees - Chief Audit, Risk, and Compliance Officer & RCPS only	
SACSOS Committees	
University's Administrative Assessment	
Meetings/Consults - University-Wide	
UNCAA Committees - Conference Planning, etc.	
Other	
Audit Planning & Assessment	
Internal Audit Strategy Development and Implementation	
Quality Assurance and Improvement Activities	
Quality Assurance Review Preparation	
Annual Risk Monitoring Memos	
CPE	