



Fiscal 2020-2021 Internal Audit Plan

July 2020

Internal Audit Department | UNC System Office

Joyce D. Boni, Chief Audit Officer

Carol Harris, Internal Auditor

UNC System Office Internal Audit Plan
Fiscal Year 2020-2021

Description	Planned Hours
Prior Year Carry Over	
Annual Risk Assessment/FY2021 Audit Plan Development Advisory Services Related to COVID-19 Pandemic	48
Assurance Engagements	
UNC-TV: Purchase Card Review	200
UNC System Office: North Carolina Gift Planning, LLC	200
To Be Determined	150
Monitoring and Reporting on Status of Management Corrective Actions	120
Investigations	
Unplanned/Various as occurs: Investigations of internal/external hotline reports and similar types of investigations.	120
Special Projects/Consultations	
Consult: Finance Detective Controls Project	80
Annual Risk Assessment/FY2022 Audit Plan Development	80
Technical Assistance/Other Audit Services	
Advisory Services to Finance: Finance DataMart; COVID-19 Relief Funding; Policy and Procedures Updates	42
Advisory Services to Information Technology: Remote Management Services; Business Continuity/Disaster Recovery Plan; IT Risk Register; Policy and Procedures Updates	20
Advisory Services to Human Resources: Updates to Onboarding Procedures and Learning Management Implementation; FFCA Leave Review; I-9 Documentation; Policy and Procedures Updates	16
Advisory Services to Academic Affairs: Digital Learning Enhancements; Policy and Procedures Updates	12
Advisory Services to Strategy and Policy: NCPFP/TP3; Policy and Procedures Updates	12
Advisory Services to System Office Departments: Continuation of Operations Plan Updates	24
Advisory Services to UNC-TV: R&R Planning; Purchasing Processes; Business Continuity; Policy and Procedures Updates	16
Board Meetings, Unit Oversight, Staff Hiring, MOUs, and Marketing	362
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.	186
Total Direct Hours to UNC System Office audit function	1,688
Other Hours	
Professional Development	170
Internal Audit Services to NCSSM and NCSEAA	1,520
Total Hours	3,378

 Bill Roper, Interim President

 Mark Holton, Committee Chair

APPENDIX G
Summary of the Planned Services

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

The planned hours and projects for this annual plan cover work from July 2020 to June 2021. The estimated hours include an allocation of time for a chief audit officer and one staff auditor. The hiring of another staff audit is contingent on the state budget impact. If during the year we are able to fill the position, the audit plan will be adjusted accordingly. A brief description of the projects are as follows:

Prior Year Carry Over includes the following internal audit projects from the prior year audit plan that have final reports to be issued and/or steps that are required to finalize projects during the beginning of fiscal 2020:

- **Risk Assessment/2021 Audit Plan Development:** This is the annual project to assess risk in order to develop the audit plan for the upcoming fiscal year. Procedures to complete this project will be conducted in the first quarter of fiscal 2021.
- **Advisory Services Related to COVID-19 Pandemic:** Audit staff has participated with a UNC System Office team and an external consultant to assist constituent institutions and affiliates with identifying relief funding for various expenses incurred during this unprecedented time. Also, staff has assisted an internal working group tasked to assess requirements and best practices for resuming onsite operations. Aspects of this work is expected to continue into fiscal 2021.

North Carolina Gift Planning LLC: The North Carolina Gift Planning, LLC was created to assist constituent institutions with the enhancement of their gift planning programs. The internal audit team will review the existing controls over financial transactions to ensure proper reporting to the constituent institutions and controls over contract compliance.

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

UNC-TV Purchase Card Review: Purchasing cards are necessary for the nature of the business at UNC-TV. The internal audit team will review controls over the purchase card program to ensure compliance with policies and guidelines regarding allowable use.

To Be Determined: Audit hours have been reserved in order to respond to any emerging risks related to the COVID-19 pandemic or returning to onsite operations.

Consult: Detective Controls Project: The internal audit team will provide consultative services to the business office on a special project to identify detective controls the business office wants implemented to improve financial processes.

Annual Risk Assessment: Internal audit will conduct a risk assessment as part of the annual process to develop an audit plan for the 2022 fiscal year. This involves identifying and ranking risks based on management input, current trends, prior audit results, and other factors. The result will be a risk-based audit plan as required by the Internal Audit Charter and the *International Standards for the Professional Practice of Internal Auditing (Standards)* issued by The Institute of Internal Auditors.

APPENDIX G

Technical Assistance / Other Projects: As needed, internal audit is available to provide technical advice and other services to management and staff as they consider operational changes, re-evaluate current practices and/or develop new processes and procedures. The objective is to provide proactive feedback, as needed, to help ensure effective controls and operating procedures are designed and, where applicable, promote compliance with state, federal, and UNC system rules. Some specific technical assistance that was requested by management include:

- **Finance:** Internal audit will provide advisory services to the business and finance staff as needed. Topics could include the development of the Finance DataMart, COVID-19 relief funding compliance, and policy and procedures updates.
- **Information Technology:** Internal audit will provide advisory services to Information Technology staff as needed. Topics could include remote management services, business continuity/disaster recovery plan, IT Risk Register project or policy and procedures updates.
- **Human Resources:** Internal audit will provide advisory services to Human Resources staff as needed. Topics could include the implementation of a Learning Management System to improve employee training and new employee on-boarding process, implementation and use of special leave categories related to the pandemic in accordance with the Families First Coronavirus Act, and I-9 compliance during remote working condition.
- **Strategy & Policy:** The NC Principal Fellows Program and the Transforming Principal Preparation Program are combining per legislation effective July 1, 2021. Internal audit will provide advice, as needed, as management prepares for this new combined program. Other advisory services, like policy and procedures updates, will be provided to staff in the Strategy & Policy division as needed.
- **Academic Affairs:** Internal audit will provide advisory services to Academic Affairs staff as needed. Topics could include the digital learning enhancements provided under the North Carolina COVID-19 Recovery Act or policy and procedures updates.
- **System Office Divisions:** Internal audit will provide advisory services, as needed, to various System Office departments and units as Continuation of Operations Plans (COOPs) are updated from “lessons learned” from the pandemic and adjustments made to facilitate remote working conditions.
- **UNC-TV:** Internal audit will provide advisory services to UNC-TV staff as needed. Management requested assistance with contract process flows and purchasing guidance. Other topics could include the development of an annual repair and renovation budget, fundraising strategies for a post-pandemic economy, business continuity, or policy and procedures updates.

Other/Unplanned - Internal audit has reserved time for possible investigations, consults, special projects, technical advisory services, and/or other needs that will likely arise during the year. Specifically, under the assurance engagements, some unplanned time has been reserved for needs that may arise due to unexpected conditions or possible special requests by the new president.

For all projects, internal audit will seek to incorporate an evaluation of how the organization communicates, directs, reinforces, and monitors adherence to the organization’s standards and policies. This will be used to assess the culture and governance structure and, where necessary, make appropriate recommendations for improving the governance process.