THE UNIVERSITY OF NORTH CAROLINA SYSTEM

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

May 24, 2022 at 4:00 p.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
140 Friday Center Drive, Room 128
Chapel Hill, North Carolina

AGENDA

OPEN SESSION

A-1. Approval of the Open Session Minutes of February 23, 2022 .... Mark Holton

A-2. Report on Strategic Pathways for
Campus Law Enforcement Personnel .... Matthew Brody and Fred Sellers

A-3. Information Technology Maturity Model: Recommendations .... Keith Werner

A-4. UNC System Office Internal Audit Update .... Lynne Sanders

CLOSED SESSION

A-5. Approval of the Closed Session Minutes of February 23, 2022 .... Mark Holton

A-6. Information Technology Maturity Model: Recommendations .... Keith Werner

OPEN SESSION

A-7. Adjourn

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

MEETING OF THE BOARD OF GOVERNORS
Committee on Audit, Risk Management, and Compliance
May 24, 2022

Closed Session Motion

Motion to go into closed session to:

- Prevent the disclosure of information that is privileged or confidential under Article 7 of Chapter 126 and § 143-748 of the North Carolina General Statutes, or not considered a public record within the meaning of Chapter 132 of the General Statutes; and

- Consult with our attorney to protect attorney-client privilege.

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

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

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

DRAFT MINUTES

February 23, 2022
Via Videoconference and PBS North Carolina Livestream
UNC System Office
140 Friday Center Drive, Board Room
Chapel Hill, North Carolina

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

Chancellors participating were Darrell Allison and Sharon Gaber.

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

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

The chair called the meeting to order at 12:30 p.m., on Wednesday, February 23, 2022.

The chair reminded all members of the committee of their duty under the State Government Ethics Act to avoid conflicts of interest and the appearances of a conflict of interest. The chair asked if there were any conflicts or appearances of conflict with respect to any matter coming before the committee. No members identified any conflicts at the time.

The chair next called for a motion to approve the open session minutes of November 9, 2021.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve the open session minutes of November 9, 2021, as distributed.

Motion: James L. Holmes, Jr.
Motion carried

2. UNC System Office Internal Audit Update (Item A-2)

UNC System Vice President for Compliance and Audit Services Lynne Sanders provided the committee with an update on the status of UNC System Office internal audit activities for the 2021-22 fiscal year.

This item was for information only.

3. North Carolina Internal Audit Award of Excellence (Item A-3)

Ms. Sanders called on Dean Weber, chief audit officer at the University of North Carolina at Chapel Hill, to introduce to the committee the recipient of the 2021 North Carolina Internal Audit Award of Excellence, Kara Hefner. Ms. Hefner has been a member of the UNC-Chapel Hill internal audit team since 2019.

This item was for information only.

4. Report on the UNC System Office Internal Audit Internship Program (Item A-4)

UNC System Audit Manager Lisa Outlaw presented to the committee an update on the UNC System Officer Internal Audit Internship Program. Ms. Outlaw shared the interns' successful completion of the Fall 2021 engagements and provided an overview of the Spring 2022 engagements in progress.

This item was for information only.

5. Audit Reports Issued by the Office of the State Auditor (Item A-5)

Ms. Sanders provided the committee with an update on the financial statement audit reports issued to date by the Office of the State Auditor. The Office of the State Auditor released 15 reports on the UNC System for the 2021 fiscal year, all with no audit findings.

This item was for information only.

6. Information Technology Maturity Model – Progress, Momentum and Maturity of Information Security in the UNC System (Item A-6)

UNC System Chief Information Officer Keith Werner provided the committee with an update on the implementation of the seven recommendations approved in April 2021 to improve and mature the information technology controls and information security posture for each institution.

Mr. Werner next introduced the new UNC System Chief Information Security Officer Kimberly Smodic to the committee.

This item was for information only.

7. Strengthening Campus Safety (Item A-7)

UNC System Senior Associate Vice President for Safety and Emergency Operations Fred Sellers provided a report on the Academia Security Virtual Symposium which took place on February 8-9, 2022. The two-day event, hosted by the UNC System Office and the Charlotte Field Office of the Federal Bureau of Investigation, is the first of several virtual offerings intended to address timely enterprise risks unique to the higher education community. The symposium was well attended by a diverse audience of campus staff and leadership.

This item was for information only.

8. Closed Session

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance move into closed session to Prevent the disclosure of information that is privileged or confidential under Article 7 of Chapter 126 and § 143-748 of the North Carolina General Statutes, or not considered a public record within the meaning of Chapter 132 of the General Statutes; and to consult with our attorney to protect attorney-client privilege pursuant to Chapter 143-318.11(a)(1) and (3) of the North Carolina General Statutes.

Motion: Terry Hutchens
Motion carried

THE MEETING MOVED INTO CLOSED SESSION AT TIME
(The complete minutes of the closed session are recorded separately.)

THE MEETING RESUMED IN OPEN SESSION AT 1:33 p.m.

9. Adjourn

There being no further business and without objection, the meeting adjourned at 1:34 p.m.

____
Terry Hutchens, Secretary

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

MEETING OF THE BOARD OF GOVERNORS
Committee on Audit, Risk Management, and Compliance
May 24, 2022

AGENDA ITEM

A-2. Report on Strategic Pathways for Campus Law Enforcement Personnel ...... Matthew Brody & Fred Sellers

Situation: Each institution in the UNC System maintains a police department staffed by sworn officers and headed by a police chief. In addition to performing traditional law enforcement functions, university police departments require special training and skills to work in and meet the unique public safety needs of the academic communities in which our students, faculty, and staff collaborate and interact.

Background: Preserving public safety on UNC System campuses requires adequate staffing, resources, training, and organization of operations. UNC System institutions continually seek ways to work together and leverage the benefits of the UNC System in these areas. With support from the committee in February 2021, the UNC System Office implemented several initiatives and strategies as options to attract and preserve the necessary public safety resources needed for each university police department.

Assessment: The UNC System Office and law enforcement leadership believe that providing educational opportunities, enhanced career ladders, career advancement opportunities, and proper compensation to well-trained police officers, will reduce the current department vacancy rates and better position each police department to better serve our campus communities. The four recommendations listed below were adopted by the Board of Governors as a strategic path for campus law enforcement:

1. *Eliminate the cap on tuition waivers for campus law enforcement officers*
2. *Enhance Career ladder/organizational Structure*
3. *Operational Readiness Training and Equipment*
4. *Dual Employment Between Campuses*

Action: This item is for information only.

THE UNIVERSITY OF
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CAMPUS POLICE OFFICER EHRA CLASSIFICATION & COMPENSATION STRUCTURE

Matthew S. Brody, Senior Vice President for Human Resources
Fred Sellers, Senior Associate Vice President for Safety and Emergency Operations

Background

- General Assembly granted UNC System EHRA authority for commissioned campus police officers in 2021
- System Office HR and Safety and Emergency Operations worked with campus police chiefs to explore needs

Why Is This Needed?

- Positions the University to more effectively recruit and retain sworn police officers in a highly competitive and dynamic labor market
- Police Executive Research Forum 2021 survey:
    - 18% increase in resignations over 2019-20
    - 45% increase in retirements over 2019-20

www.policeforum.org/workforcesurveyjune2021

Key Objectives

- Be more competitive with municipal law enforcement agencies with respect to total compensation
- Provide long-term career ladders and career progression for campus police officers with opportunities to increase pay through other than competitive promotional opportunities
- Preserve traditional SHRA job protections for non-executive police officer positions

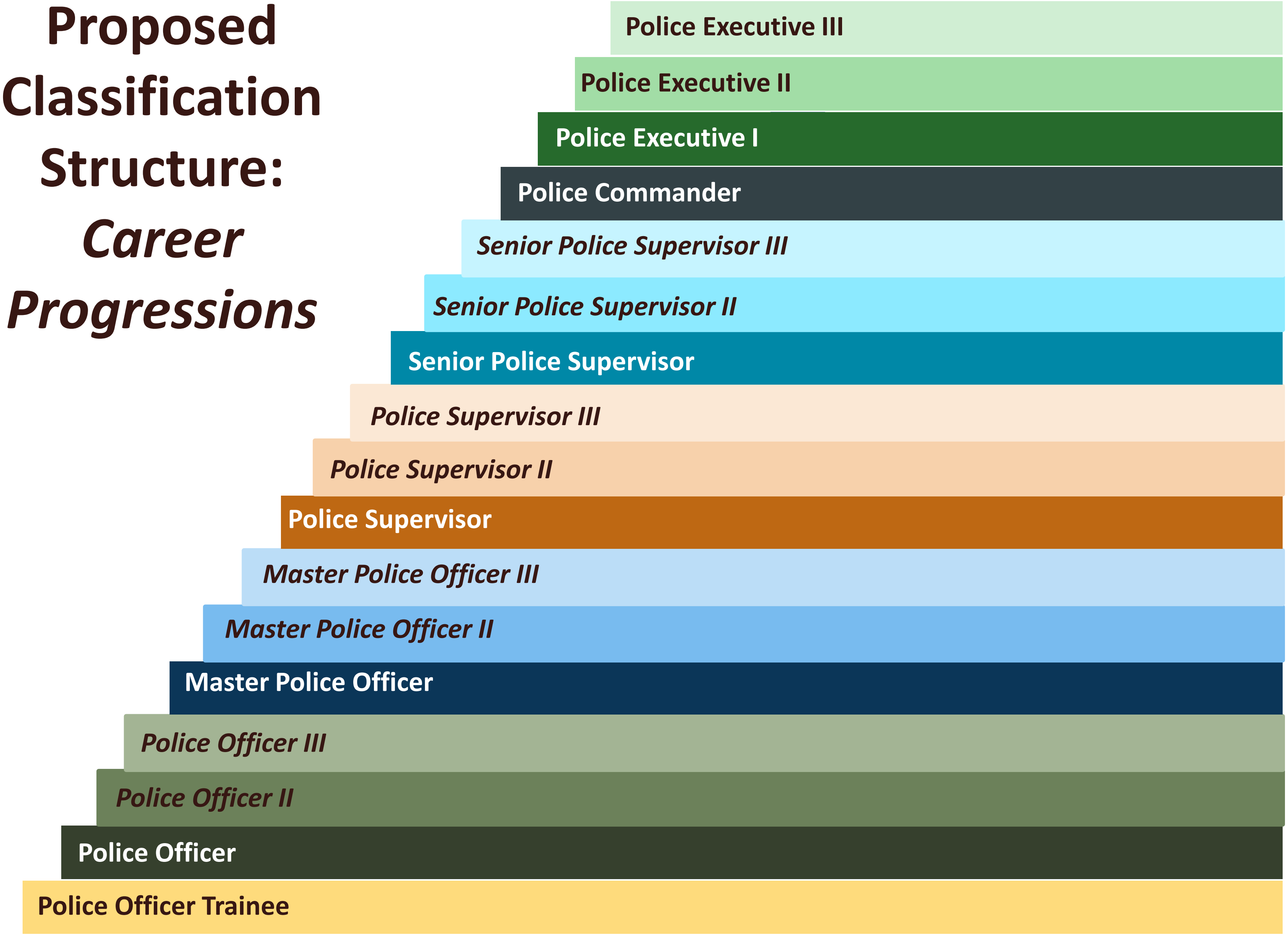
Key Objectives

- Link achievement of college degrees, years of law enforcement experience, and advanced law enforcement certifications to increased compensation opportunities

Annual Education Salary Supplements (Recurring):
$1,500 Bachelor's, $3,000 Advanced

Step Increases for Career Progression Ranks:
5% increase from current salary

Proposed Classification Structure: *Career Progressions*



Police Executive III

Police Executive II

Police Executive I

Police Commander

Senior Police Supervisor III

Senior Police Supervisor II

Senior Police Supervisor

Police Supervisor III

Police Supervisor II

Police Supervisor

Master Police Officer III

Master Police Officer II

Master Police Officer

Police Officer III

Police Officer II

Police Officer

Police Officer Trainee

Additional Points

- Despite EHRA status, campus officers below Police Executive will maintain job protections granted to SHRA employees
- Eligibility for overtime and premium pays (e.g., shift, holiday, etc.) are **not** impacted by change to EHRA classifications

Next Steps

- Implementation planning under way
- Planned rollout in Fiscal Year 2022-23

The law enforcement labor market is experiencing rapid and very intense challenges. While this new structure is a start, additional near-term refinements may likely be needed.

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Strengthening Campus Safety: Status Updates

Approved Action Item	Steps Taken	Current Status	Future
Eliminate Cap on Tuition Waivers for Campus Law Enforcement Officers	Proposed legislation removing previous cap of three courses per academic year	✓ May 7, 2021, legislative approval removed tuition cap. 17% of campus sworn LEOs currently participating in program.	Campus chiefs amplifying awareness of program and capturing metrics related to program impact on recruitment and retention.
Enhance Career Ladder / Organizational Structure	Worked with Campus Chiefs & UNC System Office HR to develop new EHRA class and compensation structure for campus police officers	✓ Finalizing implementation plan.	Individual campuses implementation of structure.
Operational Readiness Training & Equipment	Comprehensive training budget (training and equipment) and training catalogue developed	✓ Training budget and input from campus chiefs on training needs under review ✓ Vendor secured to conduct tabletop exercises	Budget approved and funding allocated. Tactical, technical, leadership, & soft skills being advanced. Tabletop exercises for each campus being implemented.
Dual Employment Between Campuses	Identified need to develop system for dual employment to gap-fill critical vacancies	✓ Samarcand Training Coordinator MOU with UNC System Office & UNC Greensboro in place	Future action can be taken for campus departments when vacancy rates are reduced.

THANK YOU

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THE UNIVERSITY OF NORTH CAROLINA SYSTEM

MEETING OF THE BOARD OF GOVERNORS
Committee on Audit, Risk Management, and Compliance
May 24, 2022

AGENDA ITEM

A-3. Information Technology Maturity Model: Recommendations .... Keith Werner

Situation: The purpose of this item is to provide the Committee on Audit, Risk Management, and Compliance (CARMC) a set of recommendations to improve and mature the information technology controls and information security posture for each institution.

Background: The committee has identified information governance and information security as areas of critical enterprise risk. The North Carolina Office of State Audit has concluded six information technology (IT) control audits on student data that have yielded consistent findings. Additionally, the UNC System brokered a system-wide third-party assessment with MCNC to develop baselines. In response, the CARMC requested that the UNC System Office develop a set of recommendations to address this issue with appropriate corrective actions. The UNC System Office Risk Review Board, in consultation with the Chief Information Officer (CIO) Council, drafted a series of recommendations to be presented in open and closed sessions. The presentation will include an update on the recommendations from April 2021, the timeline, and the initial recommendation for cybersecurity. Also, there will be an executive briefing on the Annual CIO Survey.

Assessment: Information technology is a dynamic environment and challenged with frequent and new security attack vectors. All constituent institutions in the UNC System have agreed to the International Organization for Standardization (ISO) 27002 framework and its associated 114 controls. This portion of the presentation focuses on the background and associated updates to the IT recommendations made in April 2021. Specifically, the presentation will address the status of the recommendations, the timeline, and the initial recommendation of providing annual updates and legislative or budgetary requests. The presentation will also provide an executive briefing on the Annual Report on Implementation of UNC Information Technology Policies, specific to: Information Technology Governance (1400.1), Information Security Governance (1400.2), and User Identity and Access Control (1400.3). There is also a written report included in BoardEffect.

Action: This item is for information only.

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Information Technology Maturity Model

Progress, Momentum and Maturity of Information Security

Keith Werner
UNC System Office CIO

2022

HIGHLIGHTS

- April 2021 CARMC Recommendations on track
- Cybersecurity codified as a a principal enterprise risk at all institutions
- Meaningful data collection efforts and thorough evaluation completed
- Consistent institution governance efforts for IT at the System Office and all institutions
- Increased and enhanced institutional culture, awareness, attention and action on cybersecurity
- Through the MCNC security assessment and OSA Audit themes, positioned to take actionable steps toward advanced cybersecurity

CARMC Approved Initiatives – April 2021	Status	Additional Information
1. **3rd Party Cyber Maturity Assessment for all 18 UNC institutions**	✓	Completed in April 2022 – results evaluated & foundational to recommendations
2. **All institutions leverage their risk management functions**	✓	Consistently documented as the top enterprise risk, all Charters have been completed and submitted to the System Office
3. **System Office vets optional vCISO contract consulting services for institutions absent a CISO**	✓	Completed and shared with all constituent institutions, currently 2 institutions are utilizing / No Open CISOs
4. **Dedicated, reviewable budget specific to cyber security**	✓	In Progress
5. **Coordinate with MCNC Security Services roadmap**	✓	Scheduled annual presentation / Services available thru MCNC, including DDOS Services and CrowdStrike (eDR)
6. **CIO and CISO onboarding programs**	✓	Enhanced and implemented to deliver on an as-needed basis
7. **Sharing of appropriate audit information at CIOC/ ISC**	✓	Resources now in place to provide pre/post Audit support to all Institutions (Utilized by ECSU and UNC-P)

Annual Survey Update Required by Policy

Executive Summary

1400.1 (IT Governance)

1400.2 (Information Security)

1400.3 (Identity & Access Mgmt.)

Note: Written Report in Board Materials

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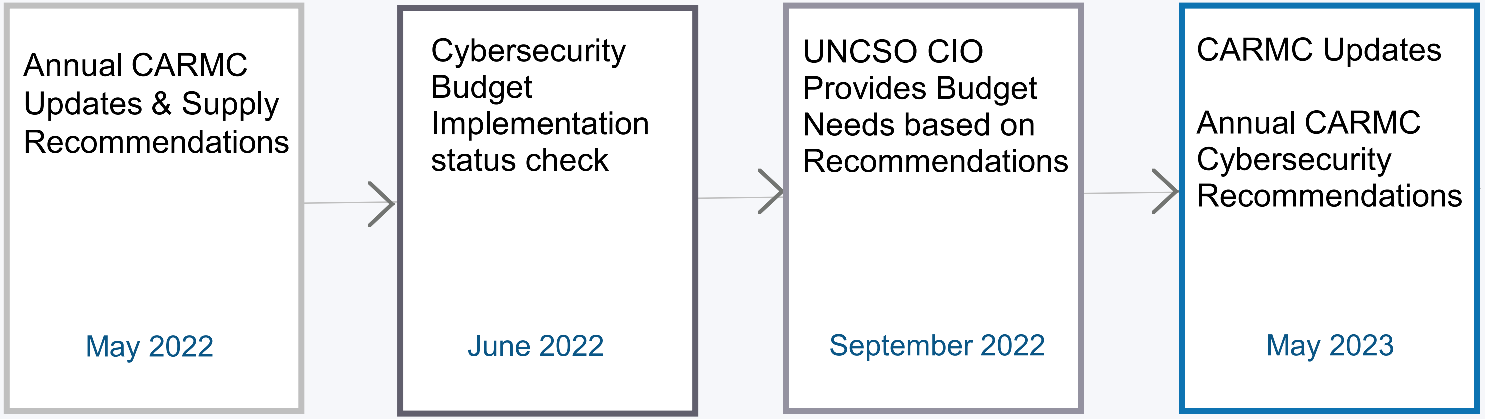
- Annual Reporting required by policy
- All institutions submitted timely
- Full compliance with 1400.2
- Institutions leveraging risk management functions for IT
- Substantive IT Governance maturity continues

Next Step: Cybersecurity Budget and CARMC Support

- **Align future recommendations with legislative budget cycle**
  - Present recommendations to CARMC in May
  - Present proposed cybersecurity budget to CARMC in September

- **Annual Exercise**
  - Cybersecurity is dynamic and will require annual identification of needs and budgetary requirements
  - Ensure timely consideration with UNC System Office for legislative agenda (where necessary)

PROPOSED TIMELINE



Annual CARMC Updates & Supply Recommendations

May 2022

Cybersecurity Budget Implementation status check

June 2022

UNCSO CIO Provides Budget Needs based on Recommendations

September 2022

CARMC Updates

Annual CARMC Cybersecurity Recommendations

May 2023

* *Annual CARMC calendar will include IT updates and cybersecurity presentations*

□ Recurring / Multiple Meetings

Q&A

Questions?

2022

Keith Werner
UNC System Office CIO

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

REPORT: 2022 Annual Report on Implementation of UNC Information Technology Policies

May 18, 2022

University of North Carolina System
Chapel Hill, North Carolina

TABLE OF CONTENTS

FOREWARD

Pursuant to the requirements of 1400.1 – Information Technology Governance policy, enclosed is the Annual Report on the Implementation of UNC Information Technology Policies, specifically 1400.1 (IT Governance), 1400.2 (Information Security Governance), and 1400.3 (User Identity and Access Control) of the UNC Policy Manual. The data collected is an annual survey that is provided to the institution Chief Information Officers (CIO) from the UNC System Office CIO. The CIO Council, the System-wide IT governance structure, is leveraged for the design and ultimate approval of the survey. In 2022, 100 percent of the institutions responded to the survey.

In 2020, the CIO Council updated the IT Governance Charter, including enhanced principles and guidelines. The charter was approved by the UNC System Office Risk Review Board (RRB), and the president forwarded the charter to all UNC System chancellors.

In 2020, the UNC System Office chartered the fore-mentioned Risk Review Board (RRB) and began meeting regularly to discuss enterprise risk and available treatments, to include information management. This foundational board is operating in an effective and sustainable manner, and will be critical to the ongoing maturity and improvement of these policy requirements.

The results of the 2022 annual survey demonstrate positive maturity in this long-term exercise of effective governance. Notably, both 1400.2 (Information Security Governance) and 1400.3 (User Identity and Access Control) have seen tremendous improvement and compliance. Given the updated principles and guidelines associated with 1400.1 (IT Governance), the expected new baseline data illustrates the need for targeted maturity and improvement; however, effective foundational work has largely been completed. The Risk Review Board and CIO Council will continue to monitor compliance and any potential actions, per the requirement in 1400.1: *The UNC System Office chief information officer shall work with the UNC System Office finance, audit, and legal staff, and the Chief Information Officers Council, to establish the process and criteria by which each constituent institution and the UNC System Office shall demonstrate that it is operating in accordance with the UNC System's information technology governance program.*

EXECUTIVE SUMMARY

Background

Beginning in January 2018, the Board of Governors voted to establish three information technology policies: 1400.1 (Information Technology Governance), 1400.2 (Information Security), and 1400.3 (User Identity and Access Contro). These policies emphasize strategic and coordinated governance and management of information technology to fulfill the University's mission. They also provide risk management related to unauthorized access to University data and information systems, and confirmation that an information security program is in place and overseen by a designated senior officer. The new policies also describe oversight activities that will be undertaken by the Board of Governors and the boards of trustees.

The UNC System Office chief information officer (CIO) provides an annual update on the status of 1400.1 – 1400.3 policy series compliance to the Committee on Audit, Risk Management and Compliance (CARMC). The aims of the policies are as follows:

- 1400.1 - Foster the development and maintenance of strategically aligned technology resources; consistent governance and management of IT; encourage collaboration; and, in alignment with "Guiding Principles"
- 1400.2 - Commit to an information security strategy, confirm core program and designate a responsible senior officer, accountable to chancellor/president
- 1400.3 - Risk-based implementation of identity confirmation and access control techniques, such as multi-factor authentication, to control access to sensitive University information

1400.1 – 1400.3 Series Policy Survey

The 1400.1 – 1400.3 Series Policy survey has been an annual survey conducted based on the requirements detailed in the 1400.1 – 1400.3 series policies as well as subsequent IT Governance charters and interpretations. The UNC System CIO conducted several meetings in advance of the annual survey to ensure all questions appropriately address the 1400.1 – 1400.3 policy series requirements and the objectives detailed in the IT Governance Charter.

2021 Survey Results Highlights

Compliance with 1400.1 – 1400.3 continues to mature. Despite COVID's impact, the institutions across the UNC System have continued to evolve program maturities. In 2020, the CIO Council updated the IT Governance Charter, including updated principles and guidelines. The charter was approved by the UNC System Office Risk Review Board, and the President forwarded the charter to all the UNC System Chancellors. Some key highlights related to 1400.1 – 1400.3 series are shown below:

Key Takeaways

1400.1

- In early 2021, President Hans sent updated supplemental “Principles and Guidelines” to chancellors.
- The System Office Enterprise Risk Review Board has been chartered, operating for the UNC System Office and elements throughout the entire system.
- Each institution submitted their RRB charters to the UNC System Office.

1400.2

- CIOs continue to indicate they are compliant with the requirements of this policy.
- The baseline maturity assessment outsourced to MCNC will help validate.

1400.3

- UNC institutions have more MFA in place than ever before.
- In March 2020, the System Office CIO issued the standard as required by the policy.
- All institutions reported their compliance status to the System Office CIO as required by the standard.
- Most institutions had gaps; all provided a written remediation plan update and most reported resource and budget level deficits to close their remaining gaps.

1400.1 – IT GOVERNANCE

Overview

The two following questions are based on the 1400.1 policy:

- Are you the chancellor-named designate for oversight of information technology governance and implementation of the information technology governance framework and program as required by 1400.1 at your institution?
- Can your organization produce an artifact that documents that designation?

Chancellor-named designate

100
PERCENT

Designation documented

94.1
PERCENT

Ownership and Accountability Structure-and-Process

All of the institutions already are in process of defining the IT governance oversight structure, approval processes, reporting lines and organizational structure required by the above charter. Most institutions felt they would be compliant with this within a 12-month timeframe. Below are additional questions associated with ownership and accountability.

94.1
PERCENT

Access to Senior Leadership – Yes/In Process/Maturing

Does your IT governance include the lines of authority to include access to senior leadership?

94.1
PERCENT

Project Prioritization– Yes/In Process/Maturing

Does your institution document its IT project prioritization?

94.1
PERCENT

Funding Approach – Yes/In Process/Maturing

Does your institution document its IT funding approach?

82.4
PERCENT

Strategic Plan Alignment – Yes/In Process/Maturing

Does the governance align with your institution's strategic plan?

For all of the above questions, the majority of the estimated timeframes to completion were within a 12-month period. IT governance is a continuous and maturing foundational element to proper IT decision-making, prioritization, and investment strategies. The CIO Council views IT governance as a continuous improvement model.

Transparency and Collaboration

All of the institutions have worked with the CIOC and its subcommittees through timely collaboration, defining and reducing gaps, and identifying potential shared service opportunities.
That collaboration is shown through institutional involvement in the CIO Council and its subcommittee structure: Shared services for Hosted ERP Services/RemoteDBAs (HISSC), Information Security Council (ISC), Shared Enterprise Applications & Services Committee (SEASC) and the Infrastructure and Operations Committee (I&O). This IT governance structure continues to see positive membership participation across all institutions.

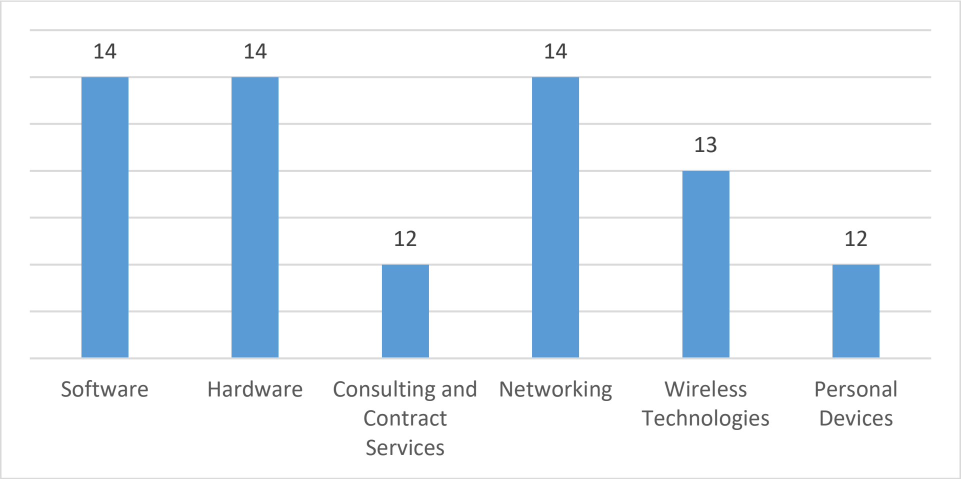
Policies, Standards, and Procedures

The policy, standards, and procedures section of the survey addressed whether an institution followed the principles and guidelines detailed in the IT Governance Charter. The specific survey question was asked as follows:

"Under the control of the University CIO (or chancellor-designated responsible campus party) and following your institution's approved risk management approach, does your institution follow the IT Governance charter regarding principles and guidelines on the following topics: software; hardware; acquisition of information technology including consulting and contract services; networking; wireless technologies and personal devices?"

Institutions acknowledged "yes" for most of the categories. Personal devices as well as acquisition of information technology including consulting and contract services scored lower. See Table 1 below.

Table 1. Policies, Standards and Procedures Survey Results



IT Policy Survey Additional Questions

Additional questions pertained to the institution's periodic self-monitoring and external monitoring, internal audits, and systems of accountability, as well as additional questions covered by 1400.1 – 1400.3 of the UNC Policy Manual. Below is a snapshot of those responses.

76.4
PERCENT

Periodic self- and external monitoring – Yes/In Process/Maturing

Does your IT Governance program provide periodic self-monitoring and external monitoring of the institution's compliance with the language of 1400.1?

82.4
PERCENT

Specialized expertise audits – Yes/In Process/Maturing

Does your IT Governance program include periodic audits of information technology and information resource issues by qualified auditors with specialized expertise?

82.4
PERCENT

Periodic audit/compliance/risk management to Board– Yes/In Process/Maturing

Does your IT Governance program provide periodic consideration of information technology matters by the audit/compliance/risk management committee of your institution's board?

88.2
PERCENT

Effective systems of accountability – Yes/In Process/Maturing

Does your IT Governance program maintain effective systems of accountability to identify and correct deficiencies?

IT Policy Survey Additional Questions – Survey Results continued.

88.2
PERCENT

Oversight of IT Governance – Yes/In Process/Maturing

Has the board of trustees of your institution assigned responsibility for oversight of IT governance to a standing committee of the board with audit responsibility?

76.5
PERCENT

Regular IT Governance Review – Yes/In Process/Maturing

Has the assigned committee with responsibility for IT governance reviewed and discussed audit activity relating to information technology matters, and addressed issues of importance in information technology governance on a regular basis at its scheduled meetings?

76.5
PERCENT

Disaster Recovery Plan (Yes within 12 months) – Yes/In Process/Maturing

Does your institution have a written, approved disaster recovery plan as described in the IT Governance Program Charter?

94.1
PERCENT

Risk Management requirements followed – Yes/In Process/Maturing

Does your institution follow risk management requirements described in the IT Governance Program Charter?

88.2
PERCENT

Annual Audit Plan – Yes/In Process/Maturing

Does your institution have an annual audit plan that considers possible audit activity for the year focused on information technology matters, based on annual risk assessments?

100
PERCENT

CIO Council and associated committees participation – Yes/In Process/Maturing

Does your institution participate in IT governance activities regarding planning, funding, evaluation, auditing, prioritization and information security via the CIO Council and associated committees as described in the IT Governance Program Charter?

94.1
PERCENT

Privacy Requirements followed described in IT Governance Program – Yes/In Process/Maturing

Does your institution follow privacy requirements described in the IT Governance Program Charter?

94.1
PERCENT

Defined IT oversight structure – Yes/In Process/Maturing

Has your institution defined the IT governance oversight structure, approval processes, reporting lines, oversight of distributed IT, organizational structure and staffing as required in the IT Governance Program Charter?

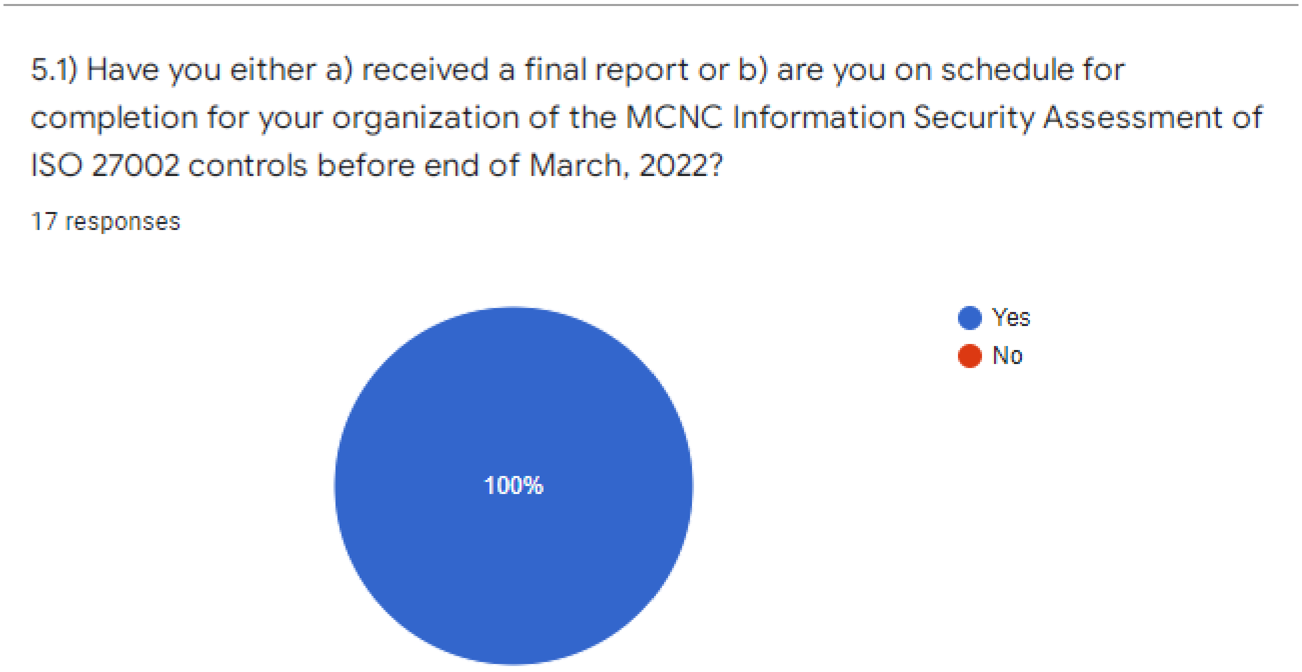
1400.2 – INFORMATION SECURITY

The 1400.2 portion of the survey questions focuses on assessing whether an institution follows all 1400.2 policy components.

- 4.1) Has your institution designated a senior officer, accountable to the president or chancellor, who is responsible for information security?" Do you have a written artifact to document designation?
- 5.1) Have you either a) received a final report or b) are you on schedule for completion for your organization of the MCNC Information Security Assessment of ISO 27002 controls before end of March, 2022?

100 percent of all UNC System institutions have designated a senior officer, accountable to the president or chancellor, who is responsible for information security. All but one have that as a written artifact.

Additionally, all institutions' responses indicate having no changes since last year's 1400.2 Information Security questionnaire.



5.1) Have you either a) received a final report or b) are you on schedule for completion for your organization of the MCNC Information Security Assessment of ISO 27002 controls before end of March, 2022?

17 responses

1400.3 – USER IDENTITY & ACCESS CONTROL

3.1) In 2021, every UNC institution reported user identity and access control program status in written form as required by the 1400.3 Standard (https://myapps.northcarolina.edu/it/system-wide-policies-guidelines/) to the CIO of the UNC System Office. Are you still on track with your roadmap produced to the UNC System Office CIO in 2022?

94.1 percent responded that they answered yes or commented that progress or incremental inmprovements have been made.

COMPLIANCE AND MONITORING

The Risk Review Board and CIO Council will continue to monitor compliance and any potential actions, per the requirement in 1400.1: *The UNC System Office chief information officer shall work with the UNC System Office finance, audit, and legal staff, and the Chief Information Officers Council, to establish the process and criteria by which each constituent institution and the UNC System Office shall demonstrate that it is operating in accordance with the UNC System's information technology governance program.*

In the newly updated principles and guidelines of the IT Governance Charter, it states:

Actively Designing IT Governance

The UNC System Office and all UNC institutions will participate in creating, reviewing, monitoring, and supporting one another:

- To actively design and maintain the framework defined by this charter.
- To adhere to the framework for IT Governance.
- To subsequently follow the UNC System policies.
- To subsequently provide guidance to each institution, allowing it to develop a campus-specific IT governance program that supports its unique structure.

Each IT governance effort will be subject to regular review not only by each institution but also collectively by the UNC CIO Council (CIOC). These reviews will be conducted to ensure adherence to best practices, to the CIOC Strategic Plan, and to the policies from both the Board of Governors and each relevant Institution.

The CIO Council will include this as an ongoing agenda item for the quarterly meetings, with the July meeting serving as the more in-depth and directional meeting.

THE UNIVERSITY OF NORTH CAROLINA SYSTEM

MEETING OF THE BOARD OF GOVERNORS
Committee on Audit, Risk Management, and Compliance
May 24, 2022

AGENDA ITEM

A-4. UNC System Office Internal Audit Update .... Lynne Sanders

Situation: The chief audit officer provides periodic updates on the UNC System Office's internal audit activities.

Background: In accordance with the committee charter and *International Standards for the Professional Practice of Internal Auditing (Standards)* issued by The Institute of Internal Auditors, the committee is to receive periodic updates on the UNC System Office's internal audit activities. This allows the committee to assess internal audit's performance relative to the approved annual audit plan.

Assessment: The attached document identifies the current status of the 2021-22 internal audit projects.

Action: This item is for information only.

UNC System Office Internal Audit Update
Fiscal Year 2022

Engagements	Status as of May 10, 2022
Prior Year Carry Over	
Annual Risk Assessment - FY2022 Audit Plan development	**Complete**
Assurance Engagements	
Operational - *University Advancement:* Collection, security, and privacy; management of donor information; operations of Advancement Shared Services and Gift Planning	**Complete – report issued April 2022**
Compliance - *Finance and Administration:* Subrecipient monitoring for COVID funds	**Complete – report issued January 2022**
Consultation Engagements	
Operational - *PBS NC*: Workflow analysis	**Complete – report issued January 2022**
Information Systems - *Infrastructure and Operations:* Configuration and vulnerability management of IT assets	**In Process**
Compliance - *Safety & Emergency Operations, PBS NC*: Security measures	**Defer to fall 2022**
Information Systems - Change management analysis	**In Process**
Performance - *Finance and Administration:* Performance metrics and goals for COVID funds	**Complete – report issued January 2022**
Information Technology: Clarification of UNC System Office responsibility surrounding information services at units not managed by the System Office	**Defer to fall 2022**
Technical Assistance to UNC System Office and PBS NC Management	**Ongoing**
Follow-up on Management Corrective Actions	
UNC System Office: • Contracting process • Payroll Shared Services • State Approving Agency/Human Resources • Datamart security audit • End user data storage • Security awareness • Alleged noncompliance and misuse of federal funds • Contracting process design *PBS NC:* PCI compliance review	**In Process**
Investigations	
Unplanned/Various as occurs: Investigations of internal/external hotline reports and similar types of investigations	**None in process**
Special Projects	
Data Analytics dashboard development	**In process**

UNC System Office Internal Audit Update

Fiscal Year 2022

Engagements	Status as of May 10, 2022
Development of UNC System Office Internal Audit Internship Program	**Ongoing**
Internal Audit Internship Program Management	**Ongoing**
Other Hours	
Board meetings, unit oversight, staff hiring, MOUs, and marketing other services/committees: other routine advisory services to PBS NC and the System Office; assist external auditors; charter updates; annual certifications; CAO/OIA committee meetings; QAIP work; and other projects to be determined	**Ongoing**
Professional development	**Ongoing**