



Audit, Risk and Compliance Committee

August 1, 2024

AGENDA

- | | | |
|------|---|-----------------------------|
| (1) | Call to Order | Trustee Yousry Sayed |
| (2) | Statement from State Government Ethics Act | Trustee Yousry Sayed |
| (3) | Approval of Minutes from April 25, 2024 | Trustee Yousry Sayed |
| (4) | Internal Audit Update | Kelly Mintern |
| (5) | Internal Audit FY25 Audit Plan | Kelly Mintern |
| (6) | Enterprise Risk Management Update | Kristy Burnette |
| (7) | Human Resources Update | Lori Preiss |
| (8) | Old Business | Trustee Yousry Sayed |
| (9) | New Business | Trustee Yousry Sayed |
| (10) | Adjournment | Trustee Yousry Sayed |

AGENDA ITEM

Approval of Minutes from April 25, 2024

Situation:

Approval of the minutes from the April 25, 2024 committee meeting.

Background:

N/A

Assessment:

N/A

Action:

This item requires a vote by the committee.

Supporting Documentation:

Draft Audit, Risk and Compliance Committee Minutes from the April 25, 2024 Meeting

DRAFT

Minutes of the Audit, Risk and Compliance Committee
Board of Trustees
The University of North Carolina Wilmington
April 25, 2024, 11:00 a.m.

The Audit, Risk and Compliance Committee held its regular quarterly meeting on April 25, 2024. Chair Sayed called the meeting to order and read the required ethics statement. No conflicts were identified. All committee members were in attendance, as well as the Board Chairman Mr. Fisher and other Trustees.

The meeting began with review and approval of minutes from the meeting of February 8, 2024.

Chief Audit Officer Kelly Mintern provided an overview of the work completed by the Office of Internal Audit for the quarter ending March 31, 2024. This work included the office's quality assurance review – self-assessment, two follow-up audits, and a compliance review, with three engagements in process at the end of the quarter. Information specific to the self-assessment review was shared to update the committee on areas of focus for Internal Audit. Audit findings continue to be monitored, with units making continued progress toward resolution of outstanding audit findings. Ms. Mintern also shared updates on the progress of the fiscal year 2024 audit plan, recruitment activity and other activities of the office, including education and outreach and service to the profession.

The next presenter was Mr. John Scherer who provided an annual update of UNCW's coordinated compliance, policy, and ethics program. He began by discussing compliance efforts, noting completed projects assisting Watson College of Education and D.C. Virgo in updating policies, assisting with policy conversion for new website, and providing contract provision updates to comply with federal accommodations law. He also discussed the preparation for a busy compliance environment, noting Title IX revisions and UNC System policy updates. Ongoing compliance activities include maintenance of the compliance calendar and committee service. In the area of policy review, there were 9 new or revised policies since April 2023. Regarding ethics, no issues have been reported.

The last presenter was Dr. Sharyne Miller who presented the annual update on Information Technology Services, focused on governance and risk updates. She began with an overview of information security, providing background on activity in this area as well as on-going cybersecurity issues. She also discussed top security challenges for 2024 as well as top compliance efforts. The presentation ended with partnership and staff highlights, recognizing significant technology efforts across campus and within the ITS team.

There being no further business, the meeting was duly adjourned.

AGENDA ITEM

Internal Audit Update by Kelly Mintern, Chief Audit Officer

Situation:

Update on quarterly activities of the Office of Internal Audit for the quarter ending June 30, 2024.

Background:

This report and presentation are required to fulfill responsibilities of the internal audit function as outlined in the Internal Audit Charter and to facilitate the Audit, Risk and Compliance Committee oversight responsibilities as outlined in the Audit, Risk and Compliance Committee Charter.

Assessment:

N/A

Action:

This item is for information only.

Supporting Documentation:

Internal Audit Quarterly Report

Internal Audit Update PowerPoint Presentation



OFFICE OF INTERNAL AUDIT QUARTERLY REPORT

Report for the Quarter Ending June 30, 2024

University of North Carolina Wilmington

Executive Summary

This report contains a summary of the Office of Internal Audit's operations for the quarter ending June 30, 2024. The following highlights provide an overview of the office's work.

Audits/Assurance Services

Completed Projects

- Enterprise Risk Management Maturity Assessment
- Campus Safety Review

Pending Projects

- IT Change Management Review
- Disability Resource Center Review

Follow-Up Audits

- Follow-up work was conducted on the following engagements:
 - Housing and Residence Life
 - Title IX
 - Targeted Expense
- 1 finding was closed during the quarter
- 7 findings are in process and 12 findings are open as of June 30, 2024

Investigations

Completed Project

- There was 1 minor investigation completed for the quarter ending June 30, 2024.

Pending Project

- Fundraising Investigation

Consultations/Advisory Services

Advisory Services

- Routine consultations included 7 minor projects and requests for information serving 2 UNCW units, 3 UNC institutions, and 2 state agencies.
- 5 individuals from 5 units representing 2 out of 5 of UNCW's divisions attended the Internal Controls course offered by Internal Audit.
- The office was involved with 7 UNCW committees.

Other

- A previously vacant staff auditor position was reclassified to a senior auditor position. Recruitment efforts for the senior auditor position are currently underway.
- The office's annual risk assessment and audit plan development was completed.
- A self-assessment and maturity model (SAMM) was completed as required by the North Carolina Council of Internal Auditing.
- The Chief Audit Officer served as team lead on a quality assessment review.
- Individuals from the office attended or participated in 6 University events/functions.
- Individuals from the office participated in various UNCW-offered training programs and external workshops/webinars, participating in 67 hours of CPE.

FY24 Audit Plan Update

One of the key performance indicators (KPIs) tracked by Internal Audit is completion of the annual audit plan. This report includes a summary of the status of the FY24 audit plan.

Work Allocation			
Audits/Assurance Services	Follow Up Audits	Investigations	Consultations/ Advisory Services

Audits/Assurance Services

Audits and assurance engagements include planned reviews of compliance, operations, information technology, financial activity, internal controls, and other topics. They also include integrated audits, which incorporate more than one of those categories in a single engagement. Audits are typically included in our office's annual audit plan (work plan), and they result in a formal audit report which includes an overall opinion of the area under review and any findings and recommendations that were identified.

Completed Projects

Enterprise Risk Management Maturity Assessment

An Enterprise Risk Management (ERM) Maturity Assessment review was completed. The primary objectives of the review were to assess the risk culture, risk governance, and risk identification and assessment processes at UNCW. The review also incorporated a review of compliance with UNC System Policy 1300.7, *University Enterprise Risk Management and Compliance*.

Based on the work performed, the review identified that UNCW is compliant with UNC System Policy 1300.7, *University Enterprise Risk Management and Compliance*. However, opportunities for improvement (findings) were identified that can assist in strengthening the ERM program at its current level of maturity and/or can assist in maturing the ERM program. There were five findings associated with this review, and we received positive responses to each finding from management.

The final report was issued May 22, 2024.

Campus Safety Review

A university-wide campus safety review was completed. The primary objective of the engagement was to evaluate aspects of UNCW's preparedness for an active attacker incident through review of training and other programs in place. This review was planned due to the identification of campus safety as a top risk for higher education institutions.

Based on the work performed, opportunities were identified to enhance the availability of and controls around training and resources in place for active attacker preparedness. There were four findings identified within the audit report, and we received positive responses to each finding from the responsible parties. It was also noted that current active attacker preparedness efforts are ongoing.

In addition, through review of the university's emergency operations planning to support the audit objectives, other recommendations related to emergency preparedness were identified. There were an additional two findings included within a supplemental audit memo, and we received positive responses to each finding from management.

The final report and memo were issued June 17, 2024.

Audits/Assurance Services (Continued)

Pending Projects

IT Change Management Review

A review of IT Change Management is in process. The specific focus and objective of the audit is to assess the overall effectiveness of UNCW's IT change management process.

Disability Resource Center Review

A review of UNCW's Disability Resource Center is in process. The scope of the audit was determined by conducting a thorough risk assessment at the beginning of the review. Specific objectives are to review the following areas:

- Accommodations processes and procedures
- Grievance processes
- Financial operations and budgeting processes
- Monitoring and feedback mechanisms
- Campus education and outreach
- General controls, including system access, document storage, and backup and cross-training
- Overall internal controls
- Effectiveness and efficiency of operations

Follow-Up Audits

Follow-up work is completed for any audit findings resulting from audit/assurance engagements and may be completed for other engagements as deemed necessary. We typically follow up on open audit findings on a quarterly basis. A formal memo is issued when all findings relating to an engagement are closed. If findings are not yet resolved, formal memos are also issued approximately one to two years after the initial audit to update all parties involved of progress. (Note that engagements prior to fiscal year 2023 are on a two-year timeframe, while fiscal year 2023 and future engagements are on an updated one-year timeframe).

Audit Finding Status

During the quarter ending June 30, 2024, follow-up work was completed related to open and in process findings from the following engagements:

- Housing and Residence Life
- Targeted Expense
- Title IX

The table on the next page displays the status of audit findings for the quarter ending June 30, 2024. A summary of in process and open audit findings is included at Appendix A.

- **Closed** – Findings which were confirmed to be resolved during previous quarters and the quarter ending June 30, 2024. This includes findings where sufficient progress has been made and additional follow-up work is not planned.
- **In Process** – Findings where progress toward remediation has begun but is not yet complete or there is not a sufficient population to test the effectiveness of corrective measures. Movement of findings from 'Open' to 'In Process' requires work to be performed by Internal Audit for verification.
- **Open** – Findings which have not been resolved as of the quarter ending June 30, 2024, or where Internal Audit has not yet performed follow-up work.

Follow-Up Audits (Continued)

Audit Finding Status (Continued)

Engagement	Original Report Date	Findings from Initial Review	Findings Closed (Previous Quarters)	Findings Closed (Current Quarter)	Number of In Process Findings	Number of Open Findings
Business Affairs						
Targeted Expense	7/25/2023	3	0	0	3	0
Enterprise Risk Management	5/22/2024	5	0	0	0	5
Chancellor						
Title IX*	8/18/2022	3	2	0	1	0
Multi-Divisional						
Campus Safety	6/17/2024	6	0	0	0	6
Student Affairs						
Housing and Residence Life	12/08/2023	7	2	1	3	1
Total for all Divisions		24	4	1	7	12
Findings % by Status			17%	4%	29%	50%

* As Title IX is a fiscal year 2022 engagement, the follow-up timeline is typically one year. Although progress has been made, closure of the remaining Title IX finding has been delayed due to recently issued updates to Title IX regulations. These updates impact training requirements for mandatory reporters, and thus, steps to remediate the outstanding finding in conjunction with adherence to the new regulations are being discussed. This will be further reviewed with the Director of Title IX and Clery Compliance in the upcoming quarter.

Investigations

Investigations result from tips reported to our office via the Office of State Budget and Management's hotline, our internal hotline, the UNC System Office, and other sources.

Completed Projects

Minor Investigations

Minor investigations occur when a complaint is received with no formal reporting requirement, and the complaint can be resolved by obtaining clarifying information or referral to another department. The Office of Internal Audit completed one minor investigation for the quarter ending June 30, 2024.

Pending Projects

Fundraising Investigation

In May 2024, our office received a referral via the UNCW Human Resources office. The initial complaint included allegations of potential lack of controls related to a fundraising event held for the benefit of a university department. Our office is currently reviewing this matter to ensure overall compliance with university protocols and accountability of funds received through the fundraising efforts.

Consultations/Advisory Services

Internal Audit provides consultative and advisory services which are intended to provide advice and information on internal controls, risk management, and sound business practices. This includes reviewing current practices, interpreting policies and procedures, participating on standing committees, completing limited-life projects, attending ad-hoc meetings, and responding to routine questions. In addition, our advisory work includes work with the UNC System Office and professional organizations and serving as liaisons between the University and various external auditors.

Advisory Services

Routine Consultations

The Office of Internal Audit provided advisory services through **7 minor projects and requests for information** during the quarter ending June 30, 2024.

Routine Consultations Served:

**2 UNCW Units
3 UNC Institutions
2 State Agencies**

INT 101: How to Pass an Audit (An Introduction to Internal Controls)

To proactively educate campus units about best practices for internal controls, we developed and teach a course on internal controls, currently offered through the Finance Certificate Program (via Percipio). Attendance for the quarter ending June 30, 2024, is included to the right.

INT 101 Attendees:

**5 employees
representing
5 units
and
2 out of 5 UNCW divisions**

Other Advisory Services

Advisory services were also provided through committee work.

Committee Work

- Athletic Eligibility
- Data Governance
- Emergency Planning Group
- Enterprise Risk Management Steering
- HR Liaison
- Internal Controls Assessment
- Systems Coordination

Other

This section contains a summary of the other projects and activities of the Office of Internal Audit.

Staffing Changes

During the quarter ending June 30, 2024, recruitment efforts were underway for the office's vacant auditor position. The position was reclassified from a staff auditor level to a senior auditor level based on needs within the office.

Annual Risk Assessment

Each year our office completes a risk assessment of UNCW operations as part of the audit planning process. Throughout fiscal year 2024, the Chief Audit Officer and Assistant Director engaged in ongoing risk discussions with management. In addition, throughout the course of our work, we continuously assess risks and areas of impact to the University which are used in the audit planning process. Based on this risk assessment, an audit plan for fiscal year 2025 was developed. The audit plan will be presented to the Audit, Risk and Compliance Committee of the Board of Trustees for approval at the August 2024 meeting.

Self-Assessment and Maturity Model (SAMM)

The North Carolina Council of Internal Auditing (through the North Carolina Office of Internal Audit) implemented a requirement for all state agencies, including universities, to complete a self-assessment and maturity model (SAMM) annually by July 15. The assessment is used as a 1) framework for assessment of internal audit standards and best practices, 2) communication vehicle for communicating what is meant by effective internal auditing, and 3) road map for improvement to address potential gaps and further develop the internal audit function. The assessment results provide a rating as to the extent the internal audit function performs the essential activities in each of the assessed topics.

The required SAMM was completed for the 2023-2024 cycle, and reported achievement of, or exceeding, in each of the assessed topics. The results were shared and discussed with the Chancellor and submitted as required to the North Carolina Office of Internal Audit.

Participation on Peer Review Team for NC A&T Quality Assessment Review

The Chief Audit Officer served as the team lead in conducting a quality assessment review for North Carolina Agricultural and Technical State University's (NC A&T) internal audit function. This work was performed on behalf of the Council of Internal Auditing Peer Review Program through the Central Internal Audit Office, Office of State Budget and Management. The objectives were to review the internal audit function and operations for compliance with the *International Professional Practice mandatory requirements (Standards)*. A final audit report was delivered June 13, 2024.

Other (Continued)

Participation in University Functions

Participating in University functions keeps our office informed of activities and events at UNCW, provides team-building opportunities, and creates an opportunity to interact with the University community outside of an audit setting. During the quarter ending June 30, 2024, staff participated in the functions noted below.

- Emergency Communication Listening Session
- Faculty Senate Meetings
- Human Resources Update Session
- Introductory Lunch with Incoming SGA Student Body President
- Office of Military Affairs Welcome Brunch
- Staff Senate Meetings

Professional Development / Training

Professional development is required for our certifications, and training allows our staff to stay informed of emerging topics and best practices, helping us to provide the best possible services to the University. During the quarter ending June 30, 2024, staff members attended the UNCW-sponsored and external training listed in the table below, **participating in 67 hours of continuing professional education (CPE).**

UNCW Training	External Training (Workshops/Webinars)
Finance Certificate Program Courses	Chief Audit Officers Retreat
Microsoft Excel Training Courses	Hands in the Cookie Jar Fraud Training
Professional/Personal Development Courses	Operational Audits and Report Writing
	Quality Assurance Review at NC Agricultural and Technical College Internal Audit Office
	The Secret to Teamwork

FY24 Audit Plan Update

One of the Key Performance Indicators (KPIs) tracked by Internal Audit is completion of the annual audit plan. The following table summarizes the status of the items on the FY24 Audit Plan as of June 30, 2024. The FY24 Audit Plan was approved at the July 2023 Audit, Risk and Compliance Committee meeting.

Engagement		Status
Audits/Assurance Services		
	University Police Department (UPD)	Deferred {a}
	Athletics	Deferred {a}
	Enterprise Risk Management (ERM) Maturity Assessment	Complete
	Disability Resource Center	In Process
	Campus Safety	Complete
	Friends of UNCW Financial Audit	Complete
	IT Change Management	In Process
	Disaster Recovery Planning	Deferred {a}
Audit Follow Ups		
	Various	In Process / Complete
Consultations/Advisory Services		
	Advisement and Support: New Colleges (CSE and CHSSA)	Complete
	Special Project Review - Policy Review and Aging Analysis	Complete
	Housekeeping Department Compliance Review	Complete
	Routine and Unplanned Consultations	Complete
	Committee Assignments	Complete
	Campus Engagement	Complete
Complete Prior Year Work		
	Housing and Residence Life	Complete
Other / Special Projects		
	Quality Assurance Activities	Complete
	Council Reporting Requirements (SAMM, Attestation, Annual Report, KPI)	Complete
	External peer review project team lead for North Carolina A&T (NC OSBM Peer Review program)	Complete
	Other Routine Tasks (i.e., Reporting, Audit Team Collaboration, IIA/UNCAA)	Complete
	FY25 Risk Assessment/Audit Plan	Complete
	Campus Training	Complete
	Data Analytics Enhancements	Complete
	Compliance Assurance Mapping	In Process
Investigations		
	Fundraising Investigation	In Process

{a} Deferred: Engagements will be assessed during the annual risk assessment process and considered for inclusion on the FY25 Audit Plan. Deferred engagements primarily due to staff turnover in the office.

Distribution List

Audit, Risk and Compliance Committee, UNCW Board of Trustees

Dr. Aswani K. Volety, Chancellor

Mr. Bradley Ballou, Chief of Staff & Assistant Secretary to the Board of Trustees

Ms. Kristy Burnette, Risk Manager

Mr. Miles Lackey, Vice Chancellor for Business Affairs

Mr. Michael Oblinger, Director, Athletics

Ms. Lori Preiss, Associate Vice Chancellor for Human Resources

Dr. Donyell Roseboro, Chief Diversity Officer

Dr. Christine Reed Davis, Vice Chancellor for Student Affairs

Mr. John P. Scherer II, General Counsel

Mr. Eddie Stuart, Vice Chancellor for University Advancement

Ms. Tiffany Tramontozzi, Associate Chief of Staff

Ms. Andrea Weaver, Chief Marketing and Communications Officer

Dr. James J. Winebrake, Provost and Vice Chancellor for Academic Affairs

Appendix A

UNCW Office of Internal Audit
In Process and Open Internal Audit Findings
As of June 30, 2024

Engagement	Original Report Date	Number of In Process Findings	Number of Open Findings
Business Affairs			
Targeted Expense	7/25/2023	3	0
Enterprise Risk Management	5/22/2024	0	5
Chancellor			
Title IX	8/18/2022	1	0
Multi-Divisional			
Campus Safety	6/17/2024	0	6
Student Affairs			
Housing and Residence Life	12/08/2023	3	1
Total for all Divisions		7	12

Business Affairs

Targeted Expense

In Process Findings

1. UNCW Policy 05.001, *Discretionary Trust Funds Spending Policy*, is outdated and requires revision
2. UNCW Policy 05.107, *Business Entertainment Expenditures*, is outdated and requires revision
3. Travel policies are outdated and require revisions

Enterprise Risk Management

Open Findings

1. Updates needed to UNCW Policy 01.240, *Risk Management Policy*
2. Opportunities to enhance integration of Enterprise Risk Management (ERM) across the university
3. Opportunity to formally articulate risk appetite/tolerance
4. Opportunities for enhancement in risk identification and assessment practices and documentation
5. Opportunity to enhance and formalize risk response protocols

Chancellor

Title IX

In Process Findings

1. Improvements needed to enhance faculty and staff education and training on Title IX reporting requirements

Appendix A (Continued)

Multi-Divisional

Campus Safety

Open Findings

1. Need to clarify requirements and develop a monitoring process for active attacker training for employees
2. Assess active attacker training provided to students enrolled at the university
3. Need to formalize active attacker annex to supplement the base plan of the existing Emergency Operations Plan
4. Lack of documentation related to building assessments performed as a means of active attacker preparedness
5. UNCW Policy 05.601, *Building Emergency Coordinator Policy*, is outdated and requires review
6. Updates needed to the Emergency Operations Plan, including completion of building specific Emergency Action Plans

Student Affairs

Housing and Residence Life (HRL)

In Process Findings

1. Lack of formal process to ensure compliance with the two-year housing residency requirement
2. Lack of recurring reconciliations performed for HRL revenue activity
3. Improvements needed over warehouse controls and inventory reconciliation

Open Findings

1. Enhancements needed in key management practices

Office of Internal Audit Update

Presentation to the Board of Trustees
Audit, Risk and Compliance Committee

August 1, 2024



UNIVERSITY *of*
NORTH CAROLINA
WILMINGTON

BOARD *of* TRUSTEES

A close-up, low-angle shot of a dragon's head, showing its scales and teeth. The dragon is positioned diagonally across the frame, with its head pointing towards the bottom right. The scales are a mix of green and blue, with some lighter, almost white, scales on the snout. The background is a solid teal color.

Internal Audit Update

Quarter Ending June 30, 2024

Quarterly Activities

- Completed and Pending Engagements
- Audit Findings Status
- Self-Assessment and Maturity Model (SAMM)
- FY24 Audit Plan Status Update
- Staffing Updates and Achievements

Completed and Pending Engagements

Completed Engagements

- Enterprise Risk Management (ERM) Maturity Assessment
- Campus Safety Review
- FY25 Risk Assessment and Audit Plan Development

Pending Engagements

- IT Change Management Review
- Disability Resource Center Review
- Fundraising Investigation

Audit Findings Status

Engagement	Report Date	Findings from Initial Review	Findings Closed (Previous Quarters)	Findings Closed (Current Quarter)	In Process Findings	Open Findings
Business Affairs						
Targeted Expense	7/25/2023	3	0	0	3	0
Enterprise Risk Management	5/22/2024	5	0	0	0	5
Chancellor						
Title IX	8/18/2022	3	2	0	1	0
Multi-Divisional						
Campus Safety	6/17/2024	6	0	0	0	6
Student Affairs						
Housing and Residence Life	12/8/2023	7	2	1	3	1

Self-Assessment and Maturity Model (SAMM)

- Required Annually; Completed for the 2023-2024 cycle
- Provides a rating as to the extent the internal audit function performs the essential activities in each of the assessed topics
- Reported achievement of, or exceeding, in each of the assessed topics

Topic	IPPF Compliant	Level Achieved
Services/Role of Internal Auditing	3	3.5
Professional Practices	3	3.6
Performance Management/Accountability	3	3.5
People Management	3	3.4
Organizational Relationships	3	3.7
Governance Structures	3	4.3

FY24 Audit Plan Status Update

Audit Plan Engagements	
Engagements Planned as of July 1, 2023	12
Added to Plan	3
Engagements as of June 30, 2024	15

FY24 Audit Plan Engagement Status – As of June 30, 2024		
Completed	9	60%
In Process	3	20%
Not Started	3	20%

Staffing Updates and Achievements



Recruitment pending for Auditor III (Senior Auditor) position



Passed Certified Information Systems Auditor (CISA) Exam



Office of Internal Audit

Risk Assessment and Audit Plan

Annual Risk Assessment and Audit Planning Process – Why?

- Required to comply with IIA Standards
- Required to submit to UNC System Office/BOG
- Determine the priorities of the Internal Audit office based on the assessment of risks that may affect UNCW's ability to accomplish its objectives



Annual Risk Assessment and Audit Planning Process – How?

Define/Update Audit Universe

- Vision, mission and strategic plan
- Organizational charts

Consider External Factors

- Recent external audits completed
- UNC System/BOG directives
- External environment and other considerations

Consider Internal Factors

- ERM information
- Core business practices (support functions)
- Financial activity
- Changes in leadership and operations

Annual Risk Assessment and Audit Planning Process – How? (Continued)

Campus Risk Discussions

- Discussions with senior and mid-level management
- IT Risk Assessment

Other Factors

- Audit coverage over time
- Previous audit findings
- Quasi-cyclical audit rotation model

Resource Availability

- Available audit hours
- Carryforward engagements
- Other requests and needs

Annual Risk Assessment and Audit Planning Process – Result

- A work plan/list of priorities for Internal Audit
 - All high-risk areas will not be included on plan due to many factors (i.e. avoidance of duplication of efforts, other compliance/assurance work, resource limitations, etc.).
- Includes hours for unplanned consultations and investigative audits – based on historical trends
- Flexible; can and will change if new priorities or requests emerge
- Changes will be brought to the Chancellor and Board for approval

FY25 Audit Plan

Audits/Follow Ups	Consultations	Prior Year Carryforward	Other Projects	Investigations
<ul style="list-style-type: none">• Athletics• Conflict of Interest (COI) Compliance• Minors on Campus Compliance• Scholarship Administration and Awarding• Sponsored Programs & Research Compliance• Friends of UNCW Financial Audit• Disaster Recovery Planning• System Access Management• Follow Ups	<ul style="list-style-type: none">• University Police Department (UPD)• Routine and Unplanned Consultations• Committee Assignments• Campus Engagement	<ul style="list-style-type: none">• Disability Resource Center• IT Change Management• Fundraising Investigation	<ul style="list-style-type: none">• Quality Assurance Activities• Reporting• External Peer Review• Other Routine Tasks• Risk Assessment/Audit Planning• Campus Training• Data Analytics Enhancements• Compliance Assurance Mapping	<ul style="list-style-type: none">• General Investigations

FY25 Audit Plan

What Impacts Our Plan?

- Staffing changes
- Major investigations
- Management requests
- Audit budget vs. actual hours
- Emerging risks

Action Item

Approval of the FY25 Annual Audit Plan for Internal Audit



Thank You!

AGENDA ITEM

Internal Audit FY25 Audit Plan by Kelly Mintern, Chief Audit Officer

Situation:

Review and request for approval of the FY25 Internal Audit Plan

Background:

As required by the Standards of the Institute of Internal Auditors and the Audit, Risk and Compliance Committee Charter, each year the Office of Internal Audit's annual audit plan is presented for approval at the summer Committee meeting. The audit plan is the result of a comprehensive risk assessment conducted by Internal Audit and vetted with UNCW senior leadership.

Assessment:

N/A

Action:

This item requires a vote by the committee, with a vote by the full Board of Trustees.

Supporting Documentation:

Internal Audit FY25 Audit Plan - DRAFT

Internal Audit Update PowerPoint Presentation

UNC Wilmington
Office of Internal Audit
Audit Plan - DRAFT FOR APPROVAL
Fiscal Year 2025

Audits*

	DIVISION {a}	BUDGETED HOURS
Complete Prior Year Work		
Disability Resource Center	SA	300
IT Change Management	IT	150
Fundraising Investigation	AA	50
Operational/Compliance		
Athletics	CH	350
Conflict of Interest (COI) compliance	AA	200
Minors on Campus compliance	BA	250
Scholarship administration and awarding	AA/UA	350
Sponsored Programs & Research Compliance: Post-Award Activities	AA	400
Financial		
Friends of UNCW Financial Audit	BA	80
Information System		
Disaster recovery planning	IT	250
Decentralized IT system controls review - system access management	IT/All	200
Audit Follow Ups		
	All	250
Consultations		
University Police Department (UPD)	BA	250
Routine and Unplanned Consultations	All	300
Committee Assignments	All	250
Campus Outreach / Engagement	All	200
Other/Special Projects		
Quality Assurance Activities - Quality Assurance Review improvements - QAIP workpaper reviews - New Standards readiness assessment, and implementation/update of practices for new Global Internal Audit Standards	IA	300
Council Reporting Requirements (SAMM, Attestation, Annual Report, KPI)	IA	60
External peer review project team lead for Department of Cultural and Natural Resources (NC OSBM Peer Review program) <i>Notes: Review due July 2025</i>	IA	200
Other Routine Tasks (i.e. Reporting, Audit Team Collaboration, IIA/UNCAA)	IA	350
Risk Assessment/Audit Planning	IA	250
Campus Training	IA	100
Data Analytics Enhancements	IA	100
Compliance Assurance Mapping	IA	150
Investigations		
General Investigations	All	250

Total Audit Plan Hours 5,590

Budgeted Audit Hours Available {b} 5,800

Hours Available for Other Projects 210

*Audits are listed based on the category of primary focus. Most audits will have aspects of more than one category.

Notes:

- {a} Divisions:
AA = Academic Affairs
BA = Business Affairs
CH = Chancellor's Division
IA = Internal Audit (Note: IA is a department, not a division.)
IT = Information Technology (Note: May relate to IT in individual departments)
SA = Student Affairs
UA = University Advancement

{b} Budgeted audit hours based on having all Internal Audit positions filled throughout FY25; pending recruitment finalized and candidate onboarded by September 2024.

AGENDA ITEM

Enterprise Risk Management Update by Kristy Burnette, Enterprise Risk Management Coordinator

Situation:

Update on the university's top identified risks for FY24/FY25

Background:

This presentation engages the Audit, Risk and Compliance Committee in its oversight responsibilities for risk management as outlined in the Audit, Risk and Compliance Committee Charter. It also assists in meeting compliance with UNC Policy 1300.7, University Enterprise Risk Management and Compliance, which requires procedures for providing periodic updates to the chancellor and the board of trustees.

Assessment:

N/A

Action:

This item is for information only.

Supporting Documentation:

ERM Update PowerPoint Presentation

Enterprise Risk Management Update

Presentation to the Board of Trustees
Audit, Risk and Compliance Committee
August 1, 2024



UNIVERSITY *of*
NORTH CAROLINA
WILMINGTON

BOARD *of* TRUSTEES

ERM Maturity Audit: Overview

Objective:

- Assess the risk culture, risk governance, and risk identification and assessment processes
- Review compliance with UNC System Policy 1300.7, University Risk Management and Compliance

Overall opinion:

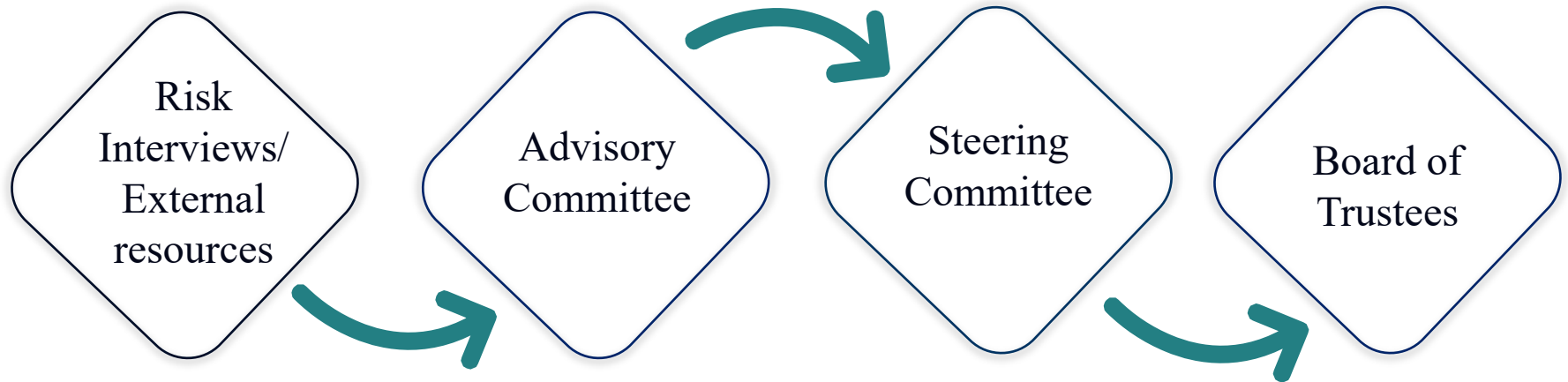
- In compliance with UNC System policy
- Opportunities exist to enhance maturity of UNCW's ERM program



ERM Maturity Audit: Findings

1. Updates needed to UNCW Policy 01.240, Risk Management Policy
2. Opportunities to enhance integration of ERM across the university
3. Opportunity to formally articulate risk appetite/tolerance
4. Opportunities for enhancement in risk identification and assessment practices and documentation
5. Opportunity to enhance and formalize risk response protocols

ERM Update: Risk Identification



- The aforementioned risk identification process occurs over the spring/summer.
- Risk mitigations assessed and reported on in the fall/winter.

ERM Update: Prevailing Risks & Structural Resources

Enrollment Management

- Regular reporting to Chancellor's Cabinet
- Active monitoring via dashboards
- System Office Reporting
- Collegiate Housing Foundation (CHF) reporting

Mental Health

- Student Affairs
 - Student Health Center
 - CARE Office
 - Student Counseling Center
- Human Resources
 - Employee Assistance Program
 - Calm App

Revenue/Funding Sufficiency

- Independent Audit of Annual Financial Statements
- Moody's Credit Rating Reviews
- All Funds Budget Development (and related oversight):
 - Exec. Budget Committee
 - BOT & BOG
- OSBM Oversight



ERM Update: Active Risk Descriptions

Risk Category	Description
Cyber/Data Security	Risk includes concerns about cyber security, threat detection, phishing, and data governance which could result in a data breach, financial loss, unavailability of information technology resources, and/or disruption of operations.
Human Capital	Risk includes concerns about employee satisfaction and retention, new faculty workload policy, workforce shortages in specialized positions and ensuring proper training.
Safety and Security	Risk refers to the potential of personal injury on campus.

Questions?



AGENDA ITEM

Human Resources Update by Lori Preiss, Associate Vice Chancellor for Human Resources

Situation:

Informational presentation on two Human Resources related reports:

- 2024 EEO/AA Plan Report
- Employment of Related Persons Report

Background:

2024 EEO/AA Plan Report

The 2024 UNCW Equal Employment Opportunity and Affirmative Action (EEO/AA) Plan is presented for informational purposes to the Board of Trustees to provide an overview of the Plan and inform the Board of Trustees of the University's equal opportunity progress.

Employment of Related Persons Report

As required in UNCW's 08.190 Employment of Related Persons (Anti-Nepotism) Policy, Human Resources is responsible for reporting to the Board of Trustees cases in which the policy was invoked during the preceding year. Approved management plans for each case are on file in Human Resources.

- Academic Affairs Division - 19
- Business Affairs Division - 3
- Chancellor's Division - 1
- Student Affairs Division - 1
- University Advancement Division - 1

Assessment:

N/A

Action:

This item is for information only.

Supporting Documentation:

2024 EEO/AA Plan Executive Summary Report
Employment of Related Persons Report

Human Resources Update

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Human Resources Update

2024 EEO/AA Plan Report

Employment of Related Persons Report

2024 EEO/AA Plan

In compliance with state and federal laws, the University prepares an annual plan setting forth our commitment to providing equal employment opportunities. It includes:

- Annual evaluation of UNCW's permanent workforce representation by the following categories.
 - Women – 58.47% (slight increase from 58.40% in 2023 plan)
 - Minorities – 22.46% (increase from 21.09% in 2023 plan)
 - Individuals with Disabilities – 4.20% (increase from 3.31% in 2023 plan)
 - Protected Veterans – 4.20% (slight decrease from 4.25% in 2023 plan)
- Reaffirmation of UNCW's commitment to equal employment opportunity and documentation of good faith efforts towards achieving labor market parity



2024 EEO/AA Plan

Our Commitment

- Conduct federally mandated workforce analyses of faculty and staff
- Advise departments and search committees on recruiting and retaining a diverse workforce
- Investigate and resolve complaints
- Promote programs to ensure an environment free of unlawful discrimination and harassment



Employment of Related Persons Calendar Year 2023

As required in UNCW policy 08.190 Employment of Related Persons (Anti-Nepotism), Human Resources is responsible for reporting to the Board of Trustees cases in which the policy was invoked during the preceding year.

- University becomes aware through:
 - Job application
 - Independent contractor form
 - Self-reports
- Addressed through a formal written management plan to ensure compliance with the policy





Thank you