



## BOARD *of* TRUSTEES

### **Audit, Risk and Compliance Committee**

April 24, 2025

#### **Committee Members:**

Trustee Malcomb D. Coley, Sr. (Chair)  
Trustee Frances “Perry” Chappell  
Trustee Jeffrey D. Clark  
Trustee Robert S. Rippy  
Trustee Yousry Sayed  
Trustee Jimmy T. Tate

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### **AGENDA**

- |     |  |                              |
|-----|--|------------------------------|
| (1) | <b>Call to Order</b>                                       | <b>Trustee Malcomb Coley</b> |
| (2) | <b>Statement from State Government Ethics Act</b>          | <b>Trustee Malcomb Coley</b> |
| (3) | <b>Approval of Minutes from February 6, 2025</b>           | <b>Trustee Malcomb Coley</b> |
| (4) | <b>Internal Audit Update</b>                               | <b>Kelly Mintern</b>         |
| (5) | <b>Annual Compliance Update</b>                            | <b>John Scherer</b>          |
| (6) | <b>Information Technology Services (ITS) Annual Update</b> | <b>Sharyne Miller</b>        |
| (7) | <b>Old Business</b>  | <b>Trustee Malcomb Coley</b> |
| (8) | <b>New Business</b>  | <b>Trustee Malcomb Coley</b> |
| (9) | <b>Adjournment</b>   | <b>Trustee Malcomb Coley</b> |

## **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 March 31, 2025.

### **Background:**

This report and background 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  
Office of Internal Audit Strategic Plan  
Internal Audit Update PowerPoint Presentation



## Office of Internal Audit

### **Strategic Plan** *Fiscal Year 2025-2030* *(Effective 3/1/2025)*

#### *Mission, Vision, and Goals*

##### **MISSION STATEMENT**

To strengthen the university's ability to create, protect, and sustain value by providing stakeholders with independent, risk-based and objective assurance, advice, insight and foresight. The Office of Internal Audit helps the university accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

##### **VISION**

To be recognized as a trusted advisor and partner, promoting a culture of accountability, transparency, and continuous improvement to support the university's mission and goals.

##### **STRATEGIC GOALS**

**Deliver high-quality assurance and advisory services to effect positive change in the university's governance, risk management, and control activities to ensure risks are being managed and university objectives should be met**

- ❖ Understand and assist with enhancing the university's governance, risk management, and control environment
- ❖ Maximize the value of Internal Audit
- ❖ Continuously improve audit processes
- ❖ Develop a sustainable, highly skilled audit team

## Strategic Goals

***Deliver high-quality assurance and advisory services to effect positive change in the university's governance, risk management, and control activities to ensure risks are being managed and university objectives should be met***

Objective 1: Understand and assist with enhancing the university's governance, risk management, and control environment	
Strategy 1: Conduct annual and ongoing risk assessments	
Actions	<ol style="list-style-type: none"> <li>1. Identify the university's risk universe and risk factors utilizing the annual risk assessment, Enterprise Risk Management (ERM) Committee activities, and prior audits. <i>(ONGOING - * Specific efforts will be outlined at the start of each fiscal year).</i></li> <li>2. Increase collaboration with compliance, information technology (IT), and risk management functions to coordinate coverage of risks. <i>(ONGOING)</i></li> </ol>
Strategy 2: Develop and execute an optimal annual audit plan	
Actions	<ol style="list-style-type: none"> <li>1. Develop and execute an optimal annual audit plan. <i>(Annually complete at least 80% of the annual audit plan, as approved by the Chancellor and the Audit, Risk and Compliance Committee (taking into consideration transitions in staffing)).</i></li> <li>2. Expand audit coverage to include key areas/initiatives on a regular basis and all areas/initiatives over time. <i>(Assess audit coverage over time for quantifiable growth across division's and assess percentage of engagements directly tied to key risks or strategic priorities).</i></li> </ol>
Strategy 3: Provide education on aspects related to governance, risk management, and controls	
Actions	<ol style="list-style-type: none"> <li>1. Educate the campus about internal controls, best practices for effectiveness and efficiency, and fraud awareness (i.e. INT 101 course offerings). <i>(ONGOING)</i></li> <li>2. Identify effective methods to provide control tips for good governance, risk management, and internal controls (i.e., newsletters, website updates). <i>(ONGOING)</i></li> <li>3. Develop tools and provide information to campus units about internal controls to facilitate independent monitoring. <i>(ONGOING)</i></li> <li>4. Maintain the fraud and abuse reporting hotline and distribute fraud flyers to campus units. <i>(ONGOING)</i></li> </ol>

## Strategic Goals (Continued)

***Deliver high-quality assurance and advisory services to effect positive change in the university's governance, risk management, and control activities to ensure risks are being managed and university objectives should be met***

Objective 2: Maximize the value of Internal Audit	
Strategy 1: Understand and meet evolving stakeholder needs and expectations of Internal Audit	
Actions	<ol style="list-style-type: none"> <li>1. Attend Committee meetings and other campus functions. <i>(ONGOING)</i></li> <li>2. Participate in events across campus that provide opportunities for networking and outreach to enhance/build relationships with other campus units. <i>(ONGOING)</i></li> <li>3. Solicit campus feedback on audit service needs. <i>(To be completed every other year or when significant changes in leadership occurs).</i></li> </ol>
Strategy 2: Elevate the presence and understanding of Internal Audit	
Actions	<ol style="list-style-type: none"> <li>1. Provide information to campus units and other key stakeholders about internal audit processes, services, and value. <i>(ONGOING)</i></li> <li>2. Serve as a resource to other campus units through routine consultations. <i>(ONGOING)</i></li> <li>3. Enhance Internal Audit website and other communication tools. <i>(ONGOING)</i></li> <li>4. Engage in Internal Audit Awareness activities. <i>(The audit team will engage in at least two outreach activities each year specifically focused on Internal Audit awareness).</i></li> </ol>
Strategy 3: Complement assurance work with appropriate advisory services	
Actions	<ol style="list-style-type: none"> <li>1. In conjunction with the above, promote and attempt to increase the amount of consulting activities and outreach across the university. <i>(ONGOING)</i></li> </ol>

## Strategic Goals (Continued)

***Deliver high-quality assurance and advisory services to effect positive change in the university's governance, risk management, and control activities to ensure risks are being managed and university objectives should be met***

Objective 3: Continuously improve audit processes	
Strategy 1: Improve the effectiveness and efficiency of the internal audit process to optimize internal auditing value given the current resources	
Actions	<ol style="list-style-type: none"> <li>1. Annually review and update audit processes, as needed. <i>(ONGOING)</i></li> <li>2. Monitor auditor productivity. <i>(Maintain auditor productivity at a level that is directed by the Chancellor and the Audit, Risk and Compliance Committee, in order to fulfill responsibilities. Auditor productivity, the percentage of hours spent on direct, chargeable activity such as assurance and advisory services, will be at or above 70% annually, excluding unforeseen medical situations or other emergencies).</i></li> <li>3. Continue to utilize current methods and apply new approaches to improve efficiency and timeliness of audit process. <i>(ONGOING)</i></li> <li>4. Leverage existing and new technology (data analytics, etc.). <i>(ONGOING)</i></li> <li>5. Explore new audit management software that provides all-in-one packaging of audit planning, budgeting, process, timekeeping, reporting activities, as well as other new functionalities for a more efficient audit process. <i>(ONGOING and Budget Dependent)</i></li> </ol>

## Strategic Goals (Continued)

***Deliver high-quality assurance and advisory services to effect positive change in the university's governance, risk management, and control activities to ensure risks are being managed and university objectives should be met***

<b>Objective 4: Develop a sustainable, highly skilled audit team</b>	
<b>Strategy 1: Assess and inventory the knowledge, skills, and abilities needed to meet Internal Audit's strategic goals and objectives</b>	
Actions	<ol style="list-style-type: none"> <li>1. Conduct a performance skills gap analysis and assess gaps for audit needs. <i>(Complete every other year or with key transitions in staffing).</i></li> </ol>
<b>Strategy 2: Create a development plan to meet staff's professional goals and the university's and department's mission and objectives</b>	
Actions	<ol style="list-style-type: none"> <li>1. Continue to utilize individual training development plans for each staff member to enhance auditor growth and business acumen. <i>(Each auditor will spend an average of at least 40 hours engaged in professional development annually).</i></li> <li>2. Pursuit of professional certifications to enhance expertise. <i>(Each auditor (classified as Auditor II, SHRA-Journey, or higher) will maintain at least one professional certification relevant to internal auditing (where not yet obtained, pursuit is underway)).</i></li> </ol>
<b>Strategy 3: Evaluate the number of audit positions to ensure Internal Audit's service delivery needs can be met</b>	
Actions	<ol style="list-style-type: none"> <li>1. Work with Human Resources and Chancellor's Office to evaluate position needs. <i>(ONGOING)</i></li> <li>2. Evaluate different methods for supplementing/increasing staffing (i.e. interns, time-limited positions). <i>(ONGOING)</i></li> </ol>



## Appendix A: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>• Defined internal audit vision, mission, values, and charter</li><li>• Strong reputation</li><li>• Communication</li><li>• Collaboration</li><li>• Strong external quality assurance reviews in fiscal years 2011, 2016, and 2021</li></ul>	<ul style="list-style-type: none"><li>• Skill gaps – specialized IT knowledge</li><li>• Limited audit coverage due to resource limitations</li><li>• Limited career paths within Internal Audit</li></ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>• More specialized training for staff</li><li>• Hire/supplement staff with specialized skills/knowledge</li><li>• Collaborate with other assurance/risk management functions throughout the year and during risk assessment</li><li>• Further educate campus on internal audit's role and capabilities</li><li>• Increased use of data analytics and other audit tools</li></ul>	<ul style="list-style-type: none"><li>• Emerging and changing risks increase skill gaps</li><li>• Change in leadership/reorganizations</li><li>• Limited resources for additional staffing/outourcing</li><li>• Limited resources for additional audit tools</li></ul>



# **OFFICE OF INTERNAL AUDIT QUARTERLY REPORT**

Report for the Quarter Ending March 31, 2025

University of North Carolina Wilmington

## Executive Summary

This report contains a summary of the Office of Internal Audit's operations for the quarter ending March 31, 2025. The following highlights provide an overview of the office's work.

### Audits/Assurance Services

#### *Completed Projects*

- Procurement Card Program Compliance Review
- Protection of Minors on Campus Compliance Review

#### *Pending Projects*

- Athletics Review

### Follow-Up Audits

- Follow-up work was conducted on the following engagements:
  - Campus Safety
  - Disability Resource Center
  - Enterprise Risk Management
  - Housing and Residence Life
- 3 findings were closed during the quarter
- 9 findings are in process and 8 findings are open as of March 31, 2025

### Investigations

#### *Completed Projects*

- Online Complaint (Project Management)
- UNCW Motor Pool Complaint
- Minor Investigation

### Consultations/Advisory Services

#### *Advisory Services*

- Routine consultations included 7 minor projects and requests for information serving 3 UNCW units and 4 UNC institutions.
- 12 individuals from 9 units representing 2 out of 5 of UNCW's divisions attended the Internal Controls course offered by Internal Audit.
- The office was involved with 5 UNCW committees.
- The Chief Audit Officer currently holds the Auditor position for the UNC Auditor's Association (UNCAA) Board.
- The Chief Audit Officer presented at various sessions, including Business Week for the Cameron School of Business, a Beta Alpha Psi meeting on behalf of the Institute of Internal Auditors (IIA), and the IIA's Mid Atlantic District Conference.

### Other

- Recruitment efforts were successful for the office's vacant auditor position.
- The IIA's Global Internal Audit Standards became effective January 9, 2025.
- Risk assessment planning began as a part of the office's annual risk assessment process.
- The office's Strategic Plan was reviewed and extended to cover fiscal years 2025-2030.
- Individuals from the office attended or participated in 5 University events/functions.
- Individuals from the office participated in various UNCW-offered training programs and external workshops/webinars and conferences, participating in approximately 57 hours of CPE.

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

### *Procurement Card Program Compliance Review*

Our office completed a compliance review of the university's procurement card programs. Although not originally included in the office's annual audit plan, the review was conducted in accordance with Section 1300.7.2[R] of the UNC Policy Manual, *Regulation on University Procurement and Purchasing Card Programs* (the Regulation), adopted November 7, 2024. The Regulation requires each institution's Chief Audit Officer to evaluate compliance with the Regulation and applicable state law related to the use of procurement cards and report the results of the review annually.

Based on the work performed, the areas of the university's procurement card programs subjected to review were determined to be compliant with the Regulation. There were no findings identified as a part of this review. **The final report was issued February 21, 2025.**

### *Protection of Minors on Campus Compliance Review*

Our office completed a review of Protection of Minors on Campus program compliance. The audit was completed to assess compliance with Protection of Minors on Campus program requirements, as outlined within UNCW Policy 02.250, *Protection of Minors*, and evaluate operational processes that support compliance. Specific areas reviewed included the following:

- Education/outreach of Covered Program requirements
- Process for registration, approval, and tracking of Covered Programs involving minors
- Training and background check processes
- Adherence to policy compliance for a sample of Covered Programs occurring between July 2023 and November 2024
- General controls, including backup and cross training and data security and storage
- Overall internal controls
- Effectiveness and efficiency of operations

In our opinion, based on the work performed, some improvement is needed with respect to the areas reviewed for Protection of Minors on Campus program compliance. There were five findings associated with this review, and we received positive responses from management to the findings. **The final report was issued March 14, 2025.**

## Audits/Assurance Services (Continued)

### Pending Projects

#### *Athletics Review*

A review of Athletics is in the planning phase. The overall objective of the review is to evaluate operations within Athletics, with a focus on business and financial operations. The specific scope areas included in the review will be determined by conducting a thorough risk assessment of Athletics 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 year after the initial audit to update all parties involved of progress.*

### Completed Follow-Ups

#### *Housing and Residence Life*

During fiscal year 2024, our office completed a review of Housing and Residence Life (HRL), and seven findings were identified. Follow-up work was completed throughout fiscal years 2024 and 2025 to determine whether steps were taken to adequately and effectively address the findings identified. Based on the work completed, we determined that of the seven original findings, **five findings are closed, and two remain in process**. Although there are two findings not yet fully resolved, considerable progress has been made towards resolution, and management has plans in place to ensure ongoing implementation of corrective measures. As our office is confident that these planned measures will continue and oversight from management will occur, no additional formal follow-up procedures will be performed. Updates on progress will be reported to the Office of Internal Audit as requested and findings will be revisited during future reviews of HRL. **A final memo was issued March 28, 2025.**

### Audit Finding Status

In addition to the above, during the quarter ending March 31, 2025, follow-up work was also completed related to open and in process findings from the following engagements:

- Campus Safety
- Enterprise Risk Management
- Disability Resource Center

The table on the next page displays the status of audit findings for the quarter ending March 31, 2025. A *summary of in process and open audit findings is included in Appendix A.*

- **Closed** – Findings which were confirmed to be resolved during previous quarters and the quarter ending March 31, 2025. 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 March 31, 2025, 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
<b>Business Affairs</b>						
Enterprise Risk Management	5/22/2024	5	0	0	4	1
Protection of Minors on Campus	3/14/2025	5	0	0	0	5
<b>Multi-Divisional</b>						
Campus Safety	6/17/2024	6	2	1	3	0
<b>Student Affairs</b>						
Housing and Residence Life*	12/8/2023	7	5	2*	0	0
Disability Resource Center	12/16/2024	4	0	0	2	2
<b>Total for all Divisions</b>		<b>27</b>	<b>7</b>	<b>3</b>	<b>9</b>	<b>8</b>
<b>Findings % by Status</b>			<b>26%</b>	<b>11%</b>	<b>33%</b>	<b>30%</b>

\*Refer to the previous page for additional information on follow-up review. Although two findings remain in process, as there are no additional formal follow-up procedures planned at this time, the findings are reported in the closed column above for reporting purposes.

## 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

### Online Complaint (Project Management)

In February 2025, the Office of Internal Audit received an anonymous complaint via the office's reporting hotline. The complaint included allegations relating to a potential conflict of interest with a vendor utilized by Project Management, as well as concerns over the quality of work performed. Based on the work performed, we determined:

- There was merit to the allegation of potential conflict of interest concerns as a familial relationship exists with a vendor being used. While the relationship was verbally disclosed and appeared to be managed through supervisory oversight, there may be a perception of conflict based on the familial relationship. Based on the actions taken since the complaint, the perceived conflict has been appropriately addressed.
- The allegation of concerns around the contracted work did not have merit. Through discussion with management, the contracts awarded were within reasonable costs and the work provided was satisfactory.

No further work regarding this complaint is necessary by our office, and **we consider this investigation closed. A final memo was issued March 31, 2025.**

## Investigations (Continued)

### Completed Projects (Continued)

#### *UNCW Motor Pool Complaint*

In February 2025, a concern was reported within UNCW's Motor Pool operations, organizationally structured under Physical Plant, Office of Facilities. The concern included an incident of potential misuse of UNCW's Motor Pool vehicle inspection station, with an employee of that department performing an inspection of their personal vehicle. The Office of Internal Audit partnered with Physical Plant management to perform an investigative review. As Physical Plant had access to the vehicle inspection records and expertise with specific protocols regarding inspections, some of the investigative work was performed by Physical Plant. The Office of Internal Audit participated in an advisement role to ensure appropriate review and that all risks were considered.

Based on the work performed, the incident of personal use was confirmed, noting that personal use appeared to be isolated to the incident in question. The Office of Facilities management has taken or is in the process of implementing appropriate action in response to this incident. Understanding that pending actions will continue, no further work is necessary by our office, **and we consider this investigation closed. A final memo was issued March 31, 2025.**

#### *Minor Investigation*

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 March 31, 2025.

## 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 March 31, 2025.

#### Routine Consultations Served:

**3 UNCW Units**  
**4 UNC Institutions**

#### 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 March 31, 2025, is included to the right.

#### INT 101 Attendees:

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

#### Other Advisory Services

Advisory services were also provided through committee work, service to the profession, and time spent educating others.

Committee Work	Service to the Profession	Educating Others
<ul style="list-style-type: none"><li>Athletic Eligibility</li><li>Data Governance</li><li>Emergency Planning Group</li><li>ERM Steering</li><li>Systems Coordination</li></ul>	<ul style="list-style-type: none"><li>Chief Audit Officer participated in a panel presentation at the IIA Mid Atlantic District Conference</li><li>Chief Audit Officer serving in Auditor position for UNC Auditor's Association (UNCAA) Board</li></ul>	<ul style="list-style-type: none"><li>Business Week, Cameron School of Business – <i>Understanding Internal Auditing and Auditing Governmental Agencies</i></li><li>Beta Alpha Psi, Institute of Internal Auditors – <i>UNCW Student Engagement Night</i></li></ul>

Other

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

Staffing Changes

During the quarter ending March 31, 2025, recruitment efforts were successful to fill the office’s vacant auditor position. Nicholas Koller will be joining the office in April 2025 as a Senior Internal Auditor.

Internal Audit Standards Implementation

The Institute of Internal Auditors (IIA) released new Global Internal Audit Standards, with an effective date of January 9, 2025. Updates to assist with the Office of Internal Audit’s conformance with the new Standards and to review additional enhancements to office processes are ongoing.

Annual Risk Assessment

Each year our office completes a risk assessment of UNCW operations as part of the audit planning process. During the quarter ending March 31, 2025, risk assessment planning began, and the office has started to schedule risk discussions with management. The information gained will be assessed and used as consideration in the development of the fiscal year 2026 audit plan.

Strategic Plan

The Office of Internal Audit’s existing strategic plan was reviewed and extended to cover fiscal years 2025-2030. Overall strategic goal is to deliver high-quality assurance and advisory services to effect positive change in the university’s governance, risk management, and control activities to ensure risks are being managed and university objectives should be met. Specific objectives include:

- Understanding and assisting with enhancing the university’s governance, risk management, and control environment
- Maximizing the value of Internal Audit
- Continuously improving audit processes
- Developing a sustainable, highly skilled audit team

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 March 31, 2025, staff participated in the functions noted below.

<ul style="list-style-type: none"><li>• 2025 CAA Men’s Basketball Champions Welcome Back Event</li><li>• Faculty Senate Meetings</li><li>• Tabletop Exercise – Lithium-Ion Battery Fire</li></ul>	<ul style="list-style-type: none"><li>• Staff Senate Meetings</li><li>• Retirement Celebration: Business Affairs Division employee</li></ul>
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## Other (Continued)

### 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 March 31, 2025, staff members attended the UNCW-sponsored and external training listed in the table below, **participating in approximately 57 hours of continuing professional education (CPE).**

UNCW Training	External Training
Active Attacker Training	2025 Annual Higher Education Virtual Conference
Finance Certificate Program Courses	2025 Professional Ethics & Conduct
Human Resources Webinar: AETNA 101	Applying Agile Principles for Internal Audit
Human Resources Webinar: Employee Leave Programs	Encouraging Innovation and Experimentation with AI
Lunch and Learn: Technology Training	Enhancing Auditor-Client Relationships
Purchasing Card Refresher Training	Hot Topics in Athletics
	IIA Mid-Atlantic District II Conference
	Internal Controls & the 2025 AICFR
	Quality Assessment Challenges and Opportunities for 2025 and Beyond
	Risk Assessment and Identification Courses
	The New Era of Fraud in Higher Education

## Distribution List

Audit, Risk and Compliance Committee, UNCW Board of Trustees

Dr. Aswani K. Volety, Chancellor

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. Christine Reed Davis, Vice Chancellor for Student Affairs

Mr. John P. Scherer II, General Counsel

Mr. Eddie Stuart, Vice Chancellor for University Advancement

Ms. Mary Sullivan, Special Assistant to the Chancellor

Ms. Tiffany Tramontozzi, Associate Chief of Staff & Assistant Secretary of the Board

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 March 31, 2025**

Engagement	Original Report Date	Number of In Process Findings	Number of Open Findings
<b>Business Affairs</b>			
Enterprise Risk Management	5/22/2024	4	1
Protection of Minors on Campus	3/14/2025	0	5
<b>Multi-Divisional</b>			
Campus Safety	6/17/2024	3	0
<b>Student Affairs</b>			
Disability Resource Center	12/16/2024	2	2
<b>Total for all Divisions</b>		<b>9</b>	<b>8</b>

### Business Affairs

#### *Enterprise Risk Management*

##### In Process Findings

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

##### Open Findings

1. Opportunity to enhance and formalize risk response protocols

### *Protection of Minors on Campus*

##### Open Findings

1. Lack of resources available to promote compliance with UNCW Policy 02.250, *Protection of Minors*
2. Lack of standardized documentation and centralized inventory of Covered Programs
3. Lack of documented procedures for Protection of Minors on Campus program
4. Need for enhanced oversight of third-party programs
5. *Finding includes details of information technology security – redacted herein pursuant to North Carolina General Statute 132-6.1(c)*

## Appendix A (Continued)

### Multi-Divisional

#### *Campus Safety*

##### In Process 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. Updates needed to the Emergency Operations Plan, including completion of building specific Emergency Action Plans

### Student Affairs

#### *Disability Resource Center*

##### In Process Findings

1. UNCW Policy 04.190, *Disability Accommodations for Students*, requires updates
2. Opportunity to enhance monitoring and feedback mechanisms within the Disability Resource Center

##### Open Findings

1. Need to further assess training needs across campus and establish a more formal training program related to disability services
2. User access roles and permissions should be reviewed regularly and be restricted based on business need

# Office of Internal Audit Update

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

April 24, 2025



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 March 31, 2025

# Quarterly Activities

- Completed and Pending Engagements
- FY26 Risk Assessment and Audit Planning
- Audit Findings Status
- FY25 Audit Plan Status Update
- Staffing and Recruitment Update
- Other IA Activities
- Internal Audit Strategic Plan

# Completed and Pending Engagements

## Completed Engagements

- Procurement Card Program Compliance Review
- Protection of Minors on Campus Compliance Review
- Housing and Residence Life Follow-Up
- Online Complaint (Project Management) Investigation
- UNCW Motor Pool Complaint Investigation

## Pending Engagements

- Athletics Review
- Scholarship Administration and Awarding (engaged in April 2025)
- FY26 Risk Assessment and Audit Planning

# FY26 Risk Assessment and Audit Planning

- Determine the priorities of the Internal Audit office based on the assessment of risks that may affect UNCW's ability to accomplish its objectives

Define/Update  
Audit Universe

Consider  
External  
Factors

Consider  
Internal  
Factors

Campus Risk  
Discussions

Other Factors

Resource  
Availability

# Audit Findings Status

Engagement	Report Date	Findings from Initial Review	Findings Closed (Previous Quarters)	Findings Closed (Current Quarter)	In Process Findings	Open Findings
<b>Business Affairs</b>						
Enterprise Risk Management	5/22/2024	5	0	0	4	1
Protection of Minors on Campus	3/14/2025	5	0	0	0	5
<b>Multi-Divisional</b>						
Campus Safety	6/17/2024	6	2	1	3	0
<b>Student Affairs</b>						
Housing and Residence Life	12/8/2023	7	5	2	0	0
Disability Resource Center	12/16/2024	4	0	0	2	2



# FY25 Audit Plan Status Update

Audit Plan Engagements	
Engagements Planned as of July 1, 2024	17
Added to Plan	6
Engagements Projected Through June 30, 2025	23

FY25 Audit Plan Engagement Status - As of March 31, 2025		
Completed	14	61%
In Process	3	13%
Not Started	6	26%

# Staffing and Recruitment Update



Recruitment efforts were successful to fill the office's vacant Senior Internal Auditor position

# Other IA Activities

## Educating Others/Outreach

- Participation in Business Week Sessions, Cameron School of Business
- Participation in Beta Alpha Psi, Institute of Internal Auditors - *UNCW Student Engagement Night*

## Service to the Profession

- CAO participation in a Chief Audit Executive panel presentation at the IIA Mid Atlantic District Conference

## Implementation of Global Internal Audit Standards

- Ongoing efforts to review both conformance and performance, with a focus on quality

# Internal Audit Strategic Plan

- Existing Strategic Plan was reviewed and extended to cover fiscal years 2025-2030
- **Deliver high-quality assurance and advisory activities to effect positive change in the university's governance, risk management, and control activities to ensure risks are being managed and university objectives should be met**
  - Understanding and assisting with enhancing the university's governance, risk management, and control environment
  - Maximizing the value of Internal Audit
  - Continuously improving audit processes
  - Developing a sustainable, highly skilled audit team





Thank You!

## **AGENDA ITEM**

Annual Compliance Update by John Scherer, General Counsel

### **Situation:**

Update on UNCW's coordinated compliance, policy and ethics activities

### **Background:**

This presentation engages the Audit, Risk and Compliance Committee in its oversight responsibilities to annually review management's compliance processes as outlined in the Audit, Risk and Compliance Committee Charter.

### **Assessment:**

N/A

### **Action:**

This item is for information only.

### **Supporting Documentation:**

Annual Compliance Update PowerPoint Presentation

# UNCW's Coordinated Compliance, Policy, and Ethics Activities

Annual Update  
May 2024 – April 2025



# Overview

- **Compliance** – Refers to legal and operational obligations with a reporting or filing deadline but also addresses day-to-day legal standards.
- **Policy** – Refers to the ongoing review and revision of existing policies, as well as the creation of new policies to respond to emerging issues.
- **Ethics** – Refers to UNCW's workplace culture, professional standards and codes of conduct. Seeks to ensure: (i) reporting processes are available and made known, (ii) subject-specific policies contain appropriate ethical standards, and (iii) accountability exists.

# Compliance

## Completed Projects

- ❖ Assisted Student Affairs, UPD, and working group with review and updates to policies, practices, and documents related to Free Expression and Demonstrations.
- ❖ Updated policies on new website, as well as assisted with compliance questions on accessibility.
- ❖ Helped Business Affairs and Academic Affairs (Research) on policy updates.

# Compliance (Continued)

## Ongoing Activities

### ❖ Compliance Calendar and Policies Page

- Housed on the compliance website, a campus-wide compliance calendar lists filing and reporting deadlines as well as programmatic compliance owners.

### ❖ Busy and Dizzying Compliance Environment

- Federal actions and executive orders (Title VI, Title IX)
- 2026 Web Accessibility Guidance/Requirements from U.S. DOJ
- House Settlement and NIL
- Various UNC System policies

# Compliance (Continued)

## Ongoing Activities (Continued)

### ❖ Ongoing Policy Review/Advising

- D.C. Virgo
- Facility Use

### ❖ Committee Service

- Serve on various university committees & formal workgroups.

# Policy

## Completed Reviews and Revisions

### Policies New/Revised April 2024-March 2025

- 01.250 Data Governance and Management Policy
- 02.340 Freedom of Expression by Non-University Individuals or Groups
- 02.360 Policy on Displays
- 02.370 Policy on Demonstrations
- 03.100 Academic Honor Code
- 03.250 Policy on Faculty Workload
- 03.320 Serving as an Investigator on Sponsored Programs
- 03.350 Institutional Base Salary for Sponsored Programs Policy
- 05.001 Discretionary Trust Funds Spending Policy

# Policy (Continued)

## Completed Reviews and Revisions (Continued)

### Policies New/Revised April 2024-March 2025 (Continued)

- 05.002 Investment Policy for Institutional Trust Funds
- 05.102 Establishment of University Banner Fund
- 05.107 Business-Related Entertainment Expenditures
- 05.119 Communications Allowance Program
- 05.151 Function of Purchasing Services and General Purchasing Policies
- 05.160 Purchasing Card Program
- 05.164 University Equipment (Fixed Assets)
- 05.190 UNCW Travel Card Program
- 05.191 University Business Travel

# Policy (Continued)

## Completed Reviews and Revisions (Continued)

### Policies New/Revised April 2024-March 2025 (Continued)

- 05.192 Conferences, Training Sessions, Retreats, & Informal Guests of the Chancellor
- 05.326 University Hospitality Properties
- 05.410 UNCW Micro Mobility Policy
- 07.100.05 Employees' Incidental Personal Use of Electronic Resources
- 08.112 SHRA & EHRA Faculty & Non-Faculty Teleworking Policy & Procedures
- 08.350 Non-Salary and Deferred Compensation Policy
- 08.430 Employee Emergency Loan Program

# Ethics

## Reported Issues

- ❖ No issues reported within the Compliance Program.

# Other

## Trainings

- ❖ Multiple conversations/presentations on UNC Equality Policy, Institutional Neutrality and the Prohibition on Compelled Speech.
- ❖ Free Expression (student staff)



Thank You!

## **AGENDA ITEM**

Information Technology Services (ITS) Annual Update by Dr. Sharyne Miller, Chief Information Officer

### **Situation:**

Update on IT Governance and Risks, including key security initiatives.

### **Background:**

This presentation engages the Audit, Risk and Compliance Committee in its oversight responsibilities for information technology governance and information security as outlined in the Audit, Risk and Compliance Committee Charter. It assists in meeting compliance with reporting requirements as outlined in UNC Policy 1400.1, Information Technology Governance, and UNC Policy 1400.2, Information Security.

### **Assessment:**

N/A

### **Action:**

This item is for information only.

### **Supporting Documentation:**

ITS Annual Update Report

ITS Annual Update PowerPoint Presentation



UNIVERSITY of NORTH CAROLINA WILMINGTON

**TO:** UNCW Board of Trustees  
**FROM:** Dr. Sharyne A. Miller, Chief Information Officer & Associate Vice Chancellor  
for Information Technology Services  
**DATE:** April 8, 2025  
**SUBJECT:** Annual IT Governance & Risk Update

Trustees,

This report provides a brief overview of the Information Technology Services (ITS) offices whose primary responsibilities include managing and supporting daily operations related to information security, governance, risk, and compliance. Details on the activities conducted by these offices are included to highlight the threats and risks the University faces on an on-going basis.

### **Key Offices and Leadership**

- Office of Information Security: Led by Aaron Culler, Director of Information Security, with a team of four staff members and four apprentices.
- Office of Governance, Risk, and Compliance: Led by Steve Perry, IT Assessment, Policy, and Governance Officer, with three additional staff members.

### **Information Security Highlights**

- Firewall: Blocked nearly 97 million malicious connections in one day.
- Security Events: Over 850 cybersecurity investigations in the last 30 days.
- Vulnerabilities: Resolved 53 vulnerability tickets since January 2025.
- Phishing: Over 100 phishing emails reported in the last 30 days.
- Security Awareness Training: 53% completion rate among university employees.
  - This number continues to rise as reminder notices are sent across campus.

### **Emerging Risks**

- **Expansion of CUI and NIST Compliance:** The Federal Government is expanding the scope of Controlled Unclassified Information (CUI) to include more data types, impacting research and institutional administration. UNCW must become compliant with National Institution for Standards and Technology (NIST) 800-171, which mandates 110 security controls. Establishing and maintaining compliance with NIST 800-171 will require additional staff, technological resources, and third-party audits.
- **Artificial Intelligence:** AI tools pose risks such as training with sensitive data, invalidating data use agreements, and AI-generated cyber-attacks. The advanced capabilities and rapid implementation of AI tools pose a considerable risk to the



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University. The main concerns include the retention of sensitive user inputs by AI models for training, the risk of invalidating previous data use practices as integrated into services, and the use of AI tools to efficiently create phishing emails, cyber-attack scripts, and gather open-source intelligence.

### Planning and Risk Mitigation Strategies

- **Security Baseline (Windows):** The ISO 27002 security framework guides cybersecurity strategies at UNCW. As we look towards broader NIST compliance for campus, ITS has adopted the Center for Internet Security (CIS) Benchmarks for Windows Endpoints to enhance protection and align additional controls with the NIST framework.
- **Vulnerability & Patch Management:** ITS is refining its process with a unified console for rapid deployment and monitoring and inclusion of threat intelligence in priority remediation.
- **2FA Changes:** Enhancements to multi-factor authentication have been implemented to reduce compromised accounts.
- **National Guard Penetration Test and Incident Response Planning:** UNCW partnered with the North Carolina National Guard for a penetration test and is reviewing/updating its incident response plan. The test was a success with minimal findings.
- **Theat Intelligence Hub:** ITS developed a cyber intelligence hub to centralize cyber threat information. Providing the ability to manage various intelligence sources, submitting indicators of compromise, and providing an intrusion analysis workflow. ITS plans to present our Cyber Intelligence solution to the broader UNC system to aid our sister schools in threat intelligence and risk management.

### Operation Tobacco Road

- **National Cybersecurity Exercise:** Operation Tobacco Road is a comprehensive cybersecurity exercise where multiple teams collaborate to defend attacks using real-world tools and techniques over several days. The UNCW IT Security team placed second last year, just behind the North Carolina National Guard, earning recognition for their technical skills from event sponsors and the UNC System.

### Recent Threats

- **PowerSchool Breach:** Thousands of student information records were exfiltrated and auctioned on the dark web.
- **National Student Clearinghouse:** Student information data breach affecting 890 schools.
- **Lumma Stealer Campaign:** Malware targeting U.S. state, local, tribal, and territorial government organizations. Targeted UNCW, defeated by IT Security.



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## **Governance Programs**

**IT Governance:** UNCW's IT Governance Program is overseen by the Chief Information Officer and supported by the IT Governance Steering Committee and subcommittees has recently focused on mitigating risks associated with technology proliferation and outsourcing services. Efforts include integrating governance principles into existing processes, identifying duplicative services, and creating an inventory of reviewed software for campus use.

**Data Governance:** UNCW's Data Governance Program has established an enterprise data warehouse (EDW) to support data-driven decision-making. The EDW enhances efficiency, consistency, security, and scalability for strategic initiatives. The Seahawk Insights Portal provides access to dashboards visualizing data such as strategic metrics, admissions trends, and student lifecycle information. Security measures include "FERPA 101" training and access control tickets to ensure data protection.

## **Third-Party Risk Management**

The IT Vendor Risk Management (VRM) Program addresses risks associated with third-party software. Improvements in the software review process have reduced approval times from over 30 days to around 5 days. The program conducts formal third-party risk assessments to ensure data protection, collaborating with the Office of the General Counsel to negotiate data protection terms in contracts. Assessments are conducted for third-party solutions and systems that access, process, store, or otherwise utilize sensitive University data. In FY25, 40 third-party risk assessments have been completed, with an additional 10 pending. These assessments cover various data scopes, including student records, human resources, finance, and more.

## **Compliance**

As the University expands its research efforts into new areas, handling research data compliance will require increased resources in ITS and other departments. Non-compliance can result in loss of future opportunities with research sponsors, fines, potential criminal charges, and damage to the University's reputation. The primary concern for ITS is the new use of CUI data and identifiable health information. These emerging compliance requirements will need new resources for implementation and support for policy alignment, training, dedicated software and hardware, and IT security monitoring and reporting.



# IT Governance & Risk Update

Dr. Sharyne A. Miller  
Chief Information Officer

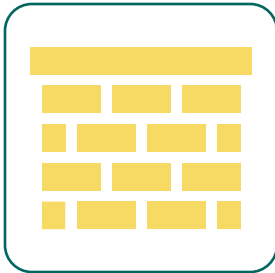
April 24, 2025

# Agenda

- Overview of Information Security Strategies
  - Security by the Numbers
  - Cyber Threat Intelligence Hub
- Understanding Governance, Risk, and Compliance
  - Seahawk Insights Portal
  - Campus Software Inventory
  - Vendor Risk Management
  - Accomplishments and Initiatives

# Information Security by the Numbers

IT Security is charged with safeguarding the confidentiality, integrity, and availability of all information processed, stored, or transmitted using university electronic resources.



## Firewall

In 24 hours, the firewall blocked:

- 96,893,506 malicious connections
- 14,434,171 malicious actors



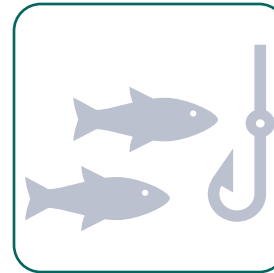
## Security Events

In the past 30 days, over 850 cybersecurity event and incident investigations completed



## Vulnerabilities

53 vulnerability tickets have been resolved since January 2025



## Phishing

More than 100 emails submitted to the ITS Phishing inbox in the last 30 days.



## Security Awareness

53% completion rate

This number continues to rise as reminder emails are sent across campus.

# Information Security – Threat Intelligence

## The challenge:

- Securing **64,700** Active Directory accounts and 11,000 devices against 731 known attack behaviors
- Equates to  **$11 \times 10^{211}$**  possible attack patterns. That's an 11 followed by 211 zeros

## The approach:

- Prioritize risks by identifying, tracking, and defending against critical threats
- Utilize tools to combat common tactics employed by threat actors
- Engage in training designed to correlate with real-world threats
- Mature investigation techniques that target specific threat vectors

## Cyber Threat Intelligence Hub

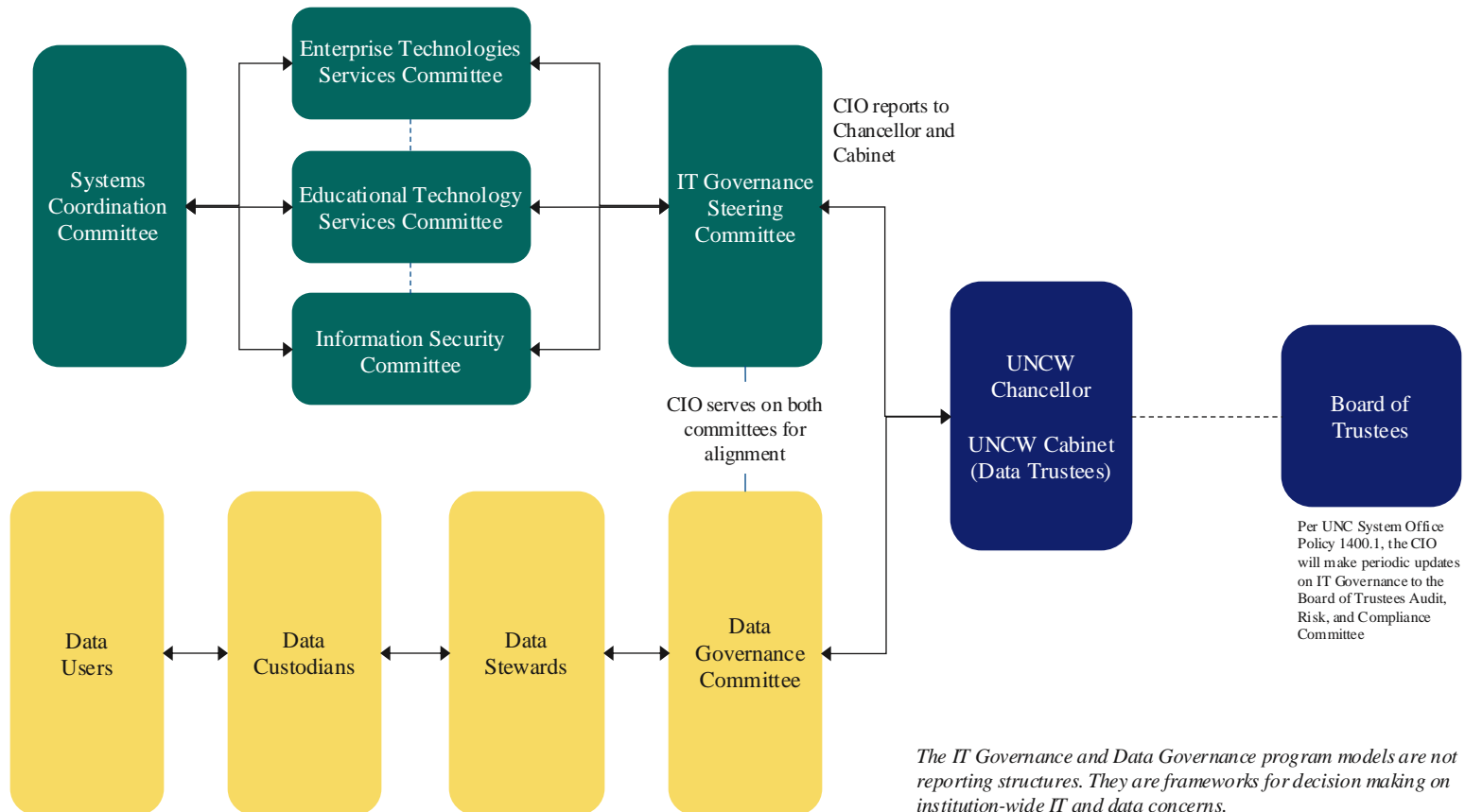
The Cyber Threat Intelligence Hub interface displays a dashboard with several key sections:

- Upcoming Adversary Holidays:** A calendar view showing upcoming holidays for various threat actors, including the Birthday of Kim Il-sung (North Korea) on April 15, Good Friday (Nigeria) on April 18, and Easter Monday (Nigeria) on April 21.
- Logos and Links:** Logos for Slack (Slack | REN-ISAC), SANS (SANS | Internet Storm Center), and USA SPENDING (UNCW Federally Funded Research).
- Office of Information Security | CTI Indicator Submission Form:** A form for submitting indicators of compromise, including fields for Date of Activity and a Submit Indicators of Compromise button.
- Table of Indicators:** A table listing various indicators and their status.
- Adversary Analysis:** A section showing analysis of various threat actors, including APT, AKB, and others.
- Current info from Cyber Resources:** A section providing current information from various cyber resources.

UNCW Name	PEIR Name	Microsoft Name	CrowdStrike Name
Akira	Akira	NOT TRACKING	Punk Spider
Andarrel	Andarrel	Onyx Sleet	Silent Chellima
APT17	APT17	Heart Typhoon	Aurora Panda
APT18	APT18	Checkered Typhoon	Deep Panda
APT20	APT20	Midnight Dragon	Gary Bear
APT37	APT37		

# Governance, Risk, and Compliance

## IT & Data Governance Structures



# Governance, Risk, and Compliance

## Seahawk Insights Portal

### Public Dashboards



[View Public Dashboards](#)

The publicly available dashboards provide a comprehensive overview of enrollment trends, freshmen and new transfer admissions & performance, financial aid statistics, degrees awarded, and strategic performance metrics. Dashboards here are created by either UNCW or the UNC System.

### UNCW Dashboards



[View UNCW Dashboards \(Restricted\)](#)

Includes dashboards curated by UNCW staff and partners to provide insight for operational data and trends regarding student admissions, enrollment, course success, retention, graduation, and financial aid, using the UNCW Enterprise Data Warehouse.

### UNC System Insight Dashboards







[View UNC System Insight Dashboards \(Restricted\)](#)

Includes dashboards curated by UNC System Data Analytics which use snapshots of data to analyze trends over time for student admissions, enrollment, retention, and graduation, as well as analysis of IPEDS staff & faculty data.

# Governance, Risk, and Compliance

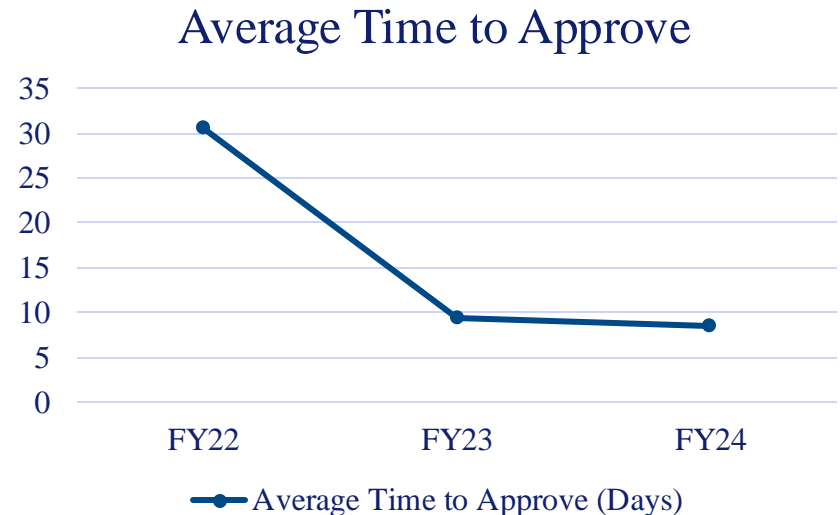
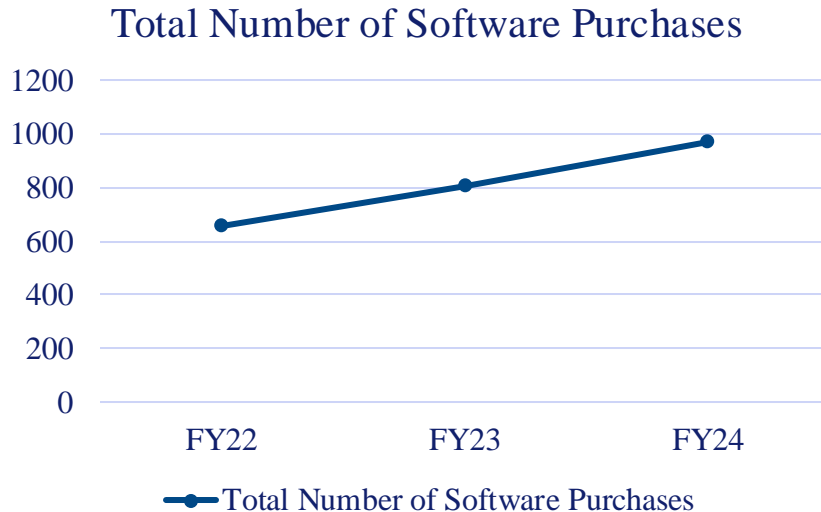
## Coming soon – Campus Software List

 Software Title	 Keywords	 Platform Availability	 License Type
Kahoot!	polling	Web-based	Departmental Purchase
Whova	scheduling, conference management, communication	Web-based	Departmental Purchase
Sched	scheduling, conference management, communication	Web-based	Departmental Purchase
Rev.com	transcription, research	Web-based	Departmental Purchase
Cyberduck	cloud server file transfer	Windows Mac	Free
Mathematica	computation, data analysis, visualization	Windows Mac Linux	Available to Campus
Matlab	data analysis, research, signal and image processing	Windows Mac Linux	Available to Campus
R	statistical analysis, data analysis, research	Windows Mac Linux Horizon	Free
RStudio	statistical analysis, data analysis, research	Windows Mac Linux Horizon	Free
Zotero	research, citation management	Windows Mac Linux	Free
Read&Write	literacy support	Windows Mac	Free
Tableau Reader	data visualization	Windows	Available to Campus
G Power	statistical analysis, research	Windows	Available to Campus

# Governance, Risk, and Compliance

## IT Vendor Risk Management Program

### Fiscal Year 2022 – 2025 Trends



# Governance, Risk, and Compliance

- Recent Accomplishments:
  - 01.250 Data Governance and Management Policy updated
  - New Data Trustee and Data Steward appointments
  - Data Classification Matrix review and updates
- On-going & Future Initiatives:
  - IT risk alignment with Enterprise Risk Management
  - University privacy resources webpage
  - Campus approach to responsible use of AI



A close-up photograph of a green parrot's tail feathers, showing the intricate pattern and color of the plumage. The feathers are a vibrant green with darker green and black markings. The background is a solid teal color.

Thank You!