



**Compliance, Audit, Risk Management and Legal Affairs (CARL) Committee**  
**November 29, 2022**  
**10:15 a.m.**

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**Action Item**

CARL-1      Consent Agenda

**Background Information**

The attached documents are being submitted to the CARL Committee for approval by consent agenda.

**Attachments (see below)**

- 1.1      Minutes of the September 27, 2022 Meeting
- 1.2      Revised 2022-2023 Internal Audit Work Plan



**Compliance, Audit, Risk Management and Legal Affairs (CARL) Committee**  
**September 27, 2022**  
**10:15 a.m.**

**DRAFT MINUTES**

**MEMBERS PRESENT:** Mona Edwards (Chair), Anita Bachmann, Margaret S. Benjamin, Dr. Ernest J. Grant, Betsy Oakley, Dean Priddy

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Chancellor Franklin Gilliam; Jerry Blakemore, Vice Chancellor for Institutional Integrity and General Counsel; Kristen Bonatz, Deputy General Counsel; Jeanne Madorin, Associate Vice Chancellor for Human Resources; Katherine Skinner, Director of Internal Audit; Debbie Storrs, Provost and Executive Vice Chancellor; Waiyi Tse, Chief of Staff; Enyonam Williams, Associate General Counsel; Kelly Harris, Associate Chief of Staff and Assistant Secretary to the Board of Trustees; and other members of the administration and staff.

**PROCEEDINGS:**

Chair Edwards called the meeting to order at 10:15 a.m.

Trustee Margaret Benjamin was welcomed as a new Committee member. The Committee was also introduced to Katherine Skinner, the new Director of Internal Audit, and Ron Fulton, the new Internal Auditor.

The Chair reminded the Committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and advised that any conflict of interest or appearance thereof with respect to any matter before the Board of Trustees or the Committee needed to be raised at that time. None were identified.

Quorum was confirmed through roll call.

**Approval of the Minutes of the March 22, 2022 Meeting**

Chair Edwards called for a motion to approve the minutes of the March 22, 2022, meeting as presented. Ernest Grant made the motion, which was seconded by Betsy Oakley. The motion carried unanimously.

## **Actions Items:**

### **CARL-1 Consent Agenda**

Chair Edwards noted the items on the Committee's consent agenda, which were: (1) the proposed 2022-2023 CARL Committee Work Plan; (2) the proposed 2022-2023 Internal Audit Work Plan; and (3) proposed revisions to the CARL Committee Charter. Materials for each of the consent agenda items were included in the Committee's pre-meeting materials.

There being no requests to remove any of the items from the consent agenda to the regular agenda, Chair Edwards invited a motion to approve the consent agenda. Betsy Oakley made the motion, which was seconded by Margaret Benjamin. The motion carried unanimously and, as recommended by the Committee, the proposed revisions to the CARL Committee Charter will be submitted to the Board of Trustees for approval.

### **CARL- 2 Proposed Revisions to Internal Audit Charter**

Katherine Skinner, Director of Internal Audit, reviewed proposed revisions to the Internal Audit Charter with the Committee. She highlighted certain new sections that have been added to the Charter, as well as existing sections that have been enhanced. Skinner also noted that the proposed revisions address the deficiencies in the Charter that were identified in the June 2021 external Quality Assurance Review and will bring the Charter into compliance with internal audit standards.

Chair Edwards invited a motion to approve the proposed revisions to the Internal Audit Charter. Ernest Grant made the motion, which was seconded by Betsy Oakley. The motion carried unanimously and, as recommended by the Committee, the proposed revisions to the Internal Audit Charter will be submitted to the Board of Trustees for approval.

## **Discussion Items:**

### **CARL-3 Audit Review for Board of Trustees**

Skinner also reported on the results of three audits that have been completed since the March 22, 2022, CARL Committee meeting. The first was an internal compliance audit of the University's purchasing card program that was conducted by the former Interim Director of Internal Audit. Skinner informed the Committee that, according to the audit report prepared by the former Interim Director of Internal Audit, there were no findings. However, there was one recommendation in the audit report to improve documentation related to the purchase of electronic gift cards. In response to that recommendation, a consulting engagement for procurement card monitoring has been added to the 2022-2023 Internal Audit Work Plan.

Skinner reported that the second audit was an external statewide federal compliance audit of enrollment status update procedures conducted by the North Carolina State Auditor's Office. She informed the Committee that there were no findings for the audit, but there was one identified control deficiency related to reporting enrollment status changes. Skinner advised that Internal Audit has performed follow up procedures related to that control deficiency and corrective action

has been implemented. A follow up internal audit has been added to the 2022-2023 Internal Audit Work Plan.

Skinner reported that the third audit was an information systems audit conducted by the North Carolina State Auditor's Office. She informed the Committee that there were findings for the audit that are being kept confidential due to the nature of the information included in the findings, but that the full audit report is available to the Committee members for their review. Skinner advised that Internal Audit has performed follow up procedures related to the findings and that Information Technology Services is making satisfactory progress. A consulting engagement has been added to the 2022-2023 Internal Audit Work Plan to ensure progress is documented through full implementation of corrective action.

#### CARL-4 Policy and Compliance Update

Jerry Blakemore, Vice Chancellor for Institutional Integrity and General Counsel, reminded the Committee that, as the result of a recent reorganization, Internal Audit, Title IX, and Policy and Compliance functions have been transitioned to the Office of General Counsel, which is now the Office of Institutional Integrity and General Counsel. In connection with that transition, Kristen Bonatz, Deputy General Counsel, now serves as Chair of the Policy Advisory Group, and Enyonam Williams, Associate General Counsel, now oversees the University-wide compliance program. Bonatz and Williams then provided a summary of their actions to date with respect to policy and compliance and shared their plans going forward for these functions.

#### **Information Items:**

CARL-5 Supplementary Audit Documents provided to the System Office

CARL-6 Office of Institutional Integrity and General Counsel (OIIGC) Transition Update

As information items, the Committee was provided with copies of supplementary audit documents that have been provided to the UNC System Office and an update on the transition of Internal Audit, Title IX, and Policy and Compliance functions to the Office of Institutional Integrity and General Counsel.

At the request of the Committee, Blakemore, who now serves as Vice Chancellor for Institutional Integrity in addition to General Counsel, commented on the new expanded organizational structure for his office and reviewed highlights of the work being done in connection with the transitioned functions.

With no further business before the Committee, the meeting was adjourned at 11:28 a.m.

Respectfully submitted,

Kelly Harris  
Assistant Secretary to the Board of Trustees

## Internal Audit

### Proposed Revisions to the Internal Audit Work Plan, November 2022

| FY 2022 - 2023 Internal Audit Work Plan, revised 10/2022           |   |                                       |                        |
|--|---|---------------------------------------|------------------------|
| No.  | Audits & Other Engagements and Activities   | Short Title or Abbreviation           | Standard Or Contingent |
| <b>Audits/Review of Internal Controls</b>                          |   |                                       |                        |
| 1  | Weatherspoon Arts Foundation (inventory observation - Required)                       | WAF Audit                             | S                      |
| 2  | Financial Aid (time permitting & specific topic is TBD)                               | Financial Aid Audit                   | C                      |
| <b>Compliance Audits</b>   |   |                                       |                        |
| 3  | Department Reconciliations  | Dept Recon Audit                      | S                      |
| 4  | <del>Intercollegiate Athletics Program (assistance with agreed-upon procedures)</del> | <del>Athletics Agreed Upon Proc</del> | <del>S</del>           |
| 4  | Travel Expense and Reimbursement Policy   | Travel Audit                          | S                      |
| 5  | Employee Compliance with Leave Policies   | Employee Leave Audit                  | S                      |
| 6  | Follow-up on I9 Compliance, 1/21/22 Report (Required)                                 | I9 Follow-up Audit                    | S                      |
| <b>Consultation &amp; Advisory</b>                                 |   |                                       |                        |
| 7  | Work with IT to track progress on OSA audit findings                                  | OSA-ISA ITS Consulting                | S                      |
| 8  | Work with P-Card Coordinator to develop monitoring plan                               | P-Card Consulting                     | S                      |
| 9  | HEERF Funds - Consult/advise on compliance-related internal controls                  | HEERF Funds Consulting                | S                      |
| <b>Follow-up Resolution of Audit Findings (of external audits)</b> |   |                                       |                        |
| 10   | OSA - Single Audit, Enrollment Status Updates (Required)                              | OSA-Single Audit Follow-up            | S                      |
| 11   | OSA - ISA, Cyber Security Controls over Sensitive Data (Required)                     | OSA-ISA Audit Follow-up               | S                      |
| 12   | OSA/Other Audit Follow-up (TBD)   | OSA/Other Audit Follow-up             | C                      |
| <b>Special Assignments</b>   |   |                                       |                        |
| A  | Self-Assessment of Internal Controls  | AICFR                                 | S                      |
| B  | Risk Assessment (for developing the FY2023 internal audit plan)                       | FY 2023 Risk Assessment               | S                      |
| C  | Quality Assurance and Improvement Program (QAIP)                                      | QAIP                                  | S                      |
| D  | Key Performance Indicators  | KPI                                   | S                      |
| E  | Update Audit Manual   | Audit Manual                          | S                      |
| F  | Update Audit Charter  | Audit Charter                         | S                      |
| G  | FY2023 Annual Audit Plan  | FY 2023 Audit Plan                    | S                      |
| H  | Follow-up (external) Quality Assurance Review (QAR)                                   | QAR                                   | S                      |

**FY 2022 - 2023 Internal Audit Work Plan, revised 10/2022**

| No.                   | Audits & Other Engagements and Activities   | Short Title or Abbreviation | Standard Or Contingent |
|-----------------------|---|-----------------------------|------------------------|
| I                     | Risk Assessment (for developing the FY2024 internal audit plan)   | FY2024 Risk Assessment      | S                      |
| J                     | FY2024 Annual Audit Plan  | FY 2024 Audit Plan          | S                      |
| <b>Other</b>          |   |                             |                        |
| 11                    | Potential Audit Follow-up (internal)  | Potential Audit Follow-up   | C                      |
| <b>Investigations</b> |   |                             |                        |
| 12                    | TBD - as determined by tips/leads from other agencies or UNCG   |                             | C                      |
| <b>Key</b>            |   |                             |                        |
| S                     | Standard - refers to audits, engagements, or activities that will be completed as part of the standard audit plan |                             |                        |
| C                     | Contingent - refers to audits, engagement, or activities that will be completed <u>if time allows.</u>            |                             |                        |

**Revisions:**

1. Remove Athletics assistance with agreed upon procedures – because Internal Audit should not prepare financial statements and Internal Audit should engage in activities that add value to the University and improve organizational operations of the University.
2. Add Travel Expense and Reimbursement Policy Audit – to assist Finance and Administration with identifying opportunities to improve efficiency and develop a plan for implementing improvements.

Fiscal Year 2023 Audit Work Plan, Revised 11/2022

