



January 25, 2023
Hill Ballroom, The Carolina Inn

OPEN SESSION

FOR INFORMATION

1. **Update on the Office of Internal Audit Activities Through the Second Quarter
FY2023**
Dean Weber, Chief Audit Officer
2. **Campus Safety Update**
George Battle, Vice Chancellor for Institutional Integrity and Risk Management
Darrell Jeter, Director, Emergency Management and Planning
Brian James, UNC-Chapel Hill Chief of Police

*Some of the business to be conducted is authorized by the N.C. Open Meetings Law to be conducted in closed session.

COMMITTEE MEMBERS

Marty Kotis, Chair
Malcolm Turner, Vice Chair
Dave Boliek, ex-officio
Allie Ray McCullen
John Preyer



January 25, 2023

***Information Item 1 Update on the Office of Internal Audit Activities Through the Second Quarter
FY2023***

Situation: Provided as an information item for Committee review is an update on the activities of the Office of Internal Audit through the end of the second quarter of fiscal year 2023.

Background: The University of North Carolina at Chapel Hill Internal Audit Charter prescribes for the Chief Audit Officer to provide the Board of Trustees with periodic updates on the status of activities of the Office of Internal Audit.

This includes updates on the standing of engagements defined within the organization's risk-based internal audit work plan. The work plan is developed each fiscal year and is presented for approval by the Audit, Compliance, and Risk Management Committee and the university's Chancellor.

Committee updates are to address communication of the impact of resource limitations affecting the internal audit plan; recommended adjustments, as necessary, in response to the university's business, risks, operations, programs, systems, and controls; communication of significant interim changes to the internal audit plan; and provide information on internal audit's follow-up on engagement findings and corrective action.

Lastly, the Audit, Compliance, and Risk Management Committee Charter provides for Committee notification of the results of the external financial audit of the university. This update will be provided as part of the Budget, Finance, and Infrastructure Committee by the Vice Chancellor for Finance and Administration.

Assessment: N/A

Action: This item is for information only and does not require a vote by the Committee.

Audit, Compliance, and Risk Management Committee

Fiscal Year 2023 Second Quarter Update on Activities of the Office of Internal Audit

Fiscal Year 2023 Internal Audit Work Plan

The Audit, Compliance, and Risk Management Committee and the university's Chancellor approved the Office of Internal Audit's (OIA) *Fiscal Year 2023 Internal Audit Work Plan* on May 18, 2022. The Plan provides for the completion of 22 planned engagements and five carry-over engagements ongoing but not completed on June 30, 2022, and one postponed engagement. Separately, the *Work Plan* provides budgeted hours for the completion of Special Project/Advisory Requests arising during the fiscal year.

The OIA experienced a significant number of special project/advisory project requests for completion during the first half of FY2023. A total of 14 such requests were received compared to the FY2022 timeframe where seven projects were supported.

On December 31, 2022, the current fiscal year's Work Plan engagement composition by project category comprised 14% carry-over engagements from FY2022, 53% defined work plan engagements, and 33% new special/advisory projects.

Fiscal Year 2023 Work Plan Achievements on December 31, 2022

The OIA accomplished significant progress in meeting defined *Work Plan* initiatives with the completion of 15 engagements fiscal year-to-date. Through the end of the second quarter, the OIA received a total of 14 new special project/advisory project requests. One work plan, five carry-over, seven special projects, and two advisory projects have been completed. On December 31, 2022, 67% of project engagements were completed or underway.

Project Source	Total Engagements	Number Concluded	Number Underway	Number Not Initiated	Percent Concluded Underway
FY2023 Planned Audits	22	1	8	13	41%
Carry-over Audits	3	2	0	1	67%
Work Plan Total:	25	3	8	14	44%
New Special Projects	10	7	3	0	100%
Carry-over Special Projects	2	2	0	0	100%
New Advisory Projects	4	2	2	0	100%
Carry-over Advisory Projects	1	1	0	0	100%
Cumulative Total:	42	15	13	14	67%

Management Corrective Actions - OIA Follow-up Assessments

The OIA maintains a structured process to follow up on prior audit report recommendations provided to leadership to assess the successful implementation of management corrective action plans drafted in response to internal audit report recommendations.

On December 31, 2022, 63 prior audit recommendations are in queue for evaluation of management corrective action plans by the OIA; with five closed during the first half of the fiscal year. Approximately 50% of the 63 recommendations are now due for implementation evaluation in the second half of this fiscal year.

Anticipated Completion of FY2023 Work Plan Engagements

The *Fiscal Year 2023 Internal Audit Work Plan* provides the roadmap for audit engagement activities for the period. Engagement composition is fluid to afford for completion of special project and advisory project requests as they arise. At the mid-point of the work plan year, the OIA is behind in the desired number of completed work plan engagements. This is attributable to the significant number of special and advisory projects received and the resignation of a team member during the first quarter. The audit team will focus efforts on the completion of risk-based audits during the remainder of the fiscal year with no change to the current Work Plan engagement composition being recommended.

Office of Internal Audit Professional Development

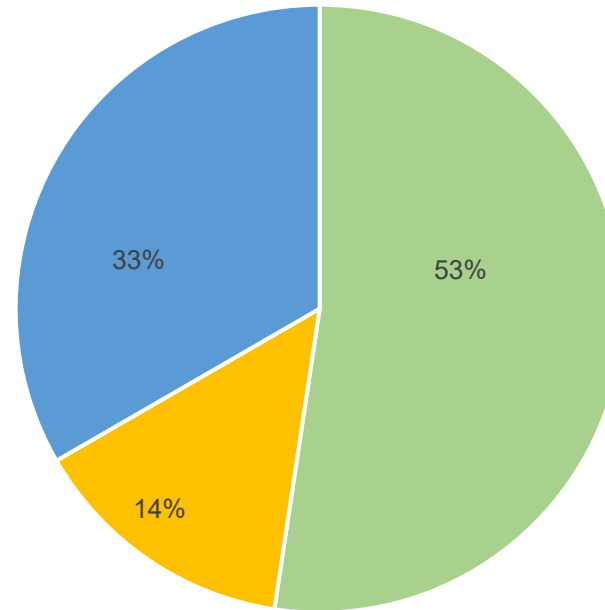
Staff members have attained the required professional development training for the calendar year ending December 31, 2022. The OIA adheres to the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*. The Standards prescribe requirements for internal audit professionals to attain defined continuing professional educational (CPE) training. The OIA affords each auditor the opportunity to obtain 40 CPE hours per calendar year in support of their individual professional certification requirements and knowledge building.

Office of Internal Audit Second Quarter Fiscal Year 2023 Status Update of Achievements

***UNIVERSITY of NORTH CAROLINA
at CHAPEL HILL***

Dean Weber, CIA, CRMA
Chief Audit Officer
January 25, 2023

Office of Internal Audit Fiscal Year 2023 Work Plan Engagement Composition



■ Planned Engagements ■ Carry-over Engagements ■ Special Projects/Advisory Projects

Presented as of December 31, 2022

Fiscal Year 2023 Achievements - Through Second Quarter

- One planned audit, five carry-over engagements, seven new special projects, and two new advisory projects were concluded.
- Eight planned engagements, three special projects, and two advisory projects were underway on December 31, 2022.
- Thirteen planned and one carryover audit contained in the work plan were not yet initiated.

Project Source	Total Engagements	Number Concluded	Number Underway	Number Not Initiated	Percent Concluded/Underway
FY2023 Planned Audits	22	1	8	13	41%
Carry-over Audits	3	2	0	1	67%
Work Plan Total:	25	3	8	14	44%
FY2023 New Special Projects	10	7	3	0	100%
Carry-over Special Projects	2	2	0	0	100%
FY2023 New Advisory Projects	4	2	2	0	100%
Carry-over Advisory Projects	1	1	0	0	100%
Cumulative Total:	42	15	13	14	67%

Office of Internal Audit

Management Corrective Actions

- The OIA maintains a formal tracking and reporting process to periodically assess the disposition of management responses in reply to all completed internal audit engagements.
- The following chart summarizes the current fiscal year's activity:

Fiscal Year 2023 Summary of Follow-up Assessments of Prior Audit Recommendations	
Prior Recommendations Unverified (6/30/22)	66
New Recommendations Added During Fiscal Year 2023	2
Prior Recommendations Verified as Resolved During Fiscal Year 2023	5
Total Recommendations to be Verified on December 31, 2022	63

NOTE: Of the 63 unverified recommendations, 43 are from fiscal year 2022 completed engagements.

Office of Internal Audit

Fiscal Year 2023 Work Plan Outlook

- Behind prior year completion rate for planned engagements due to increased special and advisory project requests.
- New hire starting January 2023; replacing team member resignation in 1st quarter.
- Focus on the attainment of planned engagements by June 30, 2023.
- No change to Work Plan engagements are currently proposed.
- Unfulfilled engagements will be reevaluated based on risk for carryover to the FY2024 Work Plan.

Office of Internal Audit

Team Member Professional Development

- IIA Standards require obtaining continuing education.
- Professional certifications mandate specific continuing education credits annually.
- The OIA budgets 40 hours per auditor within the Annual Work Plan for team member training.
- All team members attained required continuing professional education requirements.
- The OIA presented at the Association of College and University Auditors National Conference in September 2022.

Questions/Comments



AGENDA ITEM

Information Item 2 Campus Safety Update

Situation:	Vice Chancellor George Battle, Director of Emergency Management and Planning Darrell Jeter, and UNC-Chapel Hill Police Chief Brian James will update the Committee on several aspects of campus safety.
Background:	The Committee in its oversight role needs information on various aspects of campus safety. This presentation will update the Committee on campus safety initiatives and developments.
Assessment:	N/A
Action:	This item is for information only and does not require a vote by the Committee.

Emergency Preparedness & Active Shooter Response Initiatives

Presentation to the UNC-Chapel Hill Board of Trustees Audit, Compliance, and Risk Management Committee

January 25, 2023



**INSTITUTIONAL INTEGRITY
AND RISK MANAGEMENT**

Campus Emergency Preparedness Initiatives for Students, Faculty, & Staff

Building Emergency Action Planning:

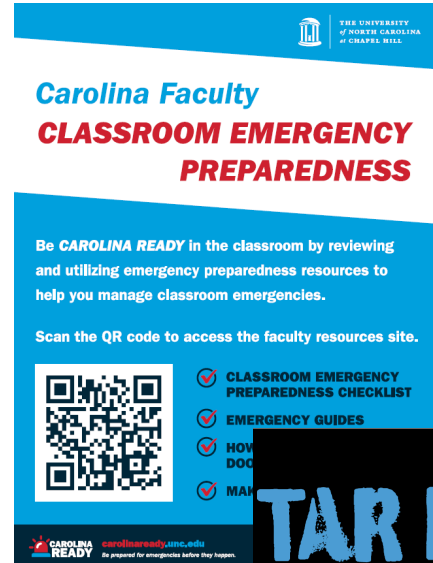
- Facility walkthroughs with schools/depts
- Carolina Ready in the Office

Classroom Emergency Preparedness:

- New resource website for Faculty
- Classroom preparedness checklist
- Classroom door locks webpage
- QR Codes for Instructors (*1100+ distributed*)

Zombie Preparedness Festival

- September 22, 2022



2022 Zombie Preparedness Festival Highlights

Event Participants

- 27 Campus, Local, and State Partners
 - NC Jaycee Burn Center
 - Campus EMS
 - UNC Health
 - Orange County Emergency Services
 - Chapel Hill Fire
 - National Weather Service & Others
- 14 Event Sponsors
 - Gillings School of Global Public Health
 - UNC General Alumni Association
 - IIRM
 - The Rams Club
 - Insomnia Cookies & Others
- Commissioner Mike Causey, State Fire Marshall
- Dir Will Ray, NC Division of Emergency Mgt

Activities:

- 14 Preparedness Demonstrations
- Self-defense
- Fire extinguishers
- Sprinkler trailer
- DUI simulator
- Compression-only CPR
- & More

Media Coverage:

- ~7 News Outlets Covering
 - WRAL
 - News & Observer
 - CBS 17
 - & Others
- 1,615,000 online articles
- 278,496 local viewership

2022 Zombie Preparedness Festival Highlights *(cont'd)*

“Zombies draw
students,
employees into
information fair”

*Susan Hudson,
The Well*



Emergency Preparedness & Active Shooter Training *for Campus Officials*

Chancellor's Cabinet & Senior Administrators

- Sept 1, '22
- Emergency Coordination Training
- UNC Charlotte '19 Shooting Case Study
- Tabletop Exercise

Emergency Management Officials

- Oct '22 thru Feb '23 - EMO Awareness Level Training
- March '23 - Active Shooter Tabletop

~Summer '23 - Active Shooter Functional/Full Scale Exercise

