



NCCU BOARD OF TRUSTEES MEETING

Internal Audit

Robert Gaines, Director
March 20, 2025



NCCentral
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Where Purpose Takes Flight



Internal Audit Agenda

- Audit Plan/Audit Progress Update
- FOL25001 – Band Review
- State Financial Audit Follow-up
- Procurement Card Review
- QAR
- Internal Audit Charter – New Standards





FY25 Audit Plan Progress

	Audit Engagement	Risk Category	Functional Area
➡	FOL25003 Human Resources	Operational/Compliance	Human Resources
➡	FOL25001 Band Review	Compliance	Admin & Finance
	AUD25001 Travel Card	Operational/Financial	Admin & Finance
	AUD25003 Sponsored Research	Operational/Financial	Academic Affairs
	IAH25001 – Ph. D Program	Operational/Compliance	Academic Affairs
	AUD25002 Eagle Card	Operational/Financial	Administration & Finance
	FOL25007 State-Owned Vehicles	Operational/Compliance	Administration & Finance
	FOL25009 Student Affairs Transportation	Operational/Compliance	Student Affairs
	FOL25010 Cash Audit	Operational/Compliance	Administration & Finance
	FOL25011 Accounts Payable	Operational/Compliance	Administration & Finance
	Self-Assessment Maturity Model (SAMM)	Compliance	Internal Audit Office
	FOL25005 P-Card	Operational/Compliance	Administration & Finance
	AUD25004 Residence Life	Operational/Financial	Student Affairs
	FOL25002 Alleged Misuse of University Equipment (MGT19003)	Compliance	Administration & Finance



- ➡ Previously Reported
- ➡ Progress achieved during this reporting period





FY25 Audit Progress

	Current Audit Stage			
	Planning	Fieldwork	Reporting	Completed
FOL25008 – State Audit Findings				
FOL25006 –UNIV 1100 Instructors				
FOL25004 – Secondary Employment				
FOL25003 – Human Resources				
FOL25001 – Band Review				
AUD25003 – Sponsored Research				
IAH25001 – Ph.D Program				
AUD25001 – Travel				

-  Previously Reported
-  Progress achieved during this reporting period





Completed Audits

- **FOL25001 – Band Review**
- **Finding #1** Non-Compliance with NCCU inventory Policy – **Closed**
- **Finding #2** Lack of Policy Concerning Volunteer Participation on NCCU Campus – **Closed**





Other Reviews

- **State Financial Audit Follow-Up**

- Critical Vacancies Filled
- Restructuring of the Finance & Administration Division and Process Improvements
- Standard Operating Procedures and Succession Planning

- **Procurement Card Review**

- Cardholders
- Agreements
- Regulations





North Carolina Central University

External Quality Assurance Review

February 12, 2025



NC Central
UNIVERSITY

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Quality Assessment Review (QAR)

GC – “Generally Conforms” means that the assessor or the assessment team has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual Standard or element of the Code of Ethics and at least partial conformity to the others within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the *Standards* or the Code of Ethics and has not applied them effectively or achieved its stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

PC – “Partially Conforms” means that the assessor or assessment team has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics or a section or major category but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or the Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

DNC – “Does Not Conform” means that the assessor or assessment team has concluded that the internal audit activity is not aware of, is not making good-faith efforts to comply with or is failing to achieve many or all of the objectives of the individual standard or element of the Code of Ethics or a section or major category. These deficiencies will usually have a significantly negative impact on the internal audit activity’s effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.





Quality Assessment Review (QAR) - Results

Opinion as to conformance with the Standards and Code of Ethics

It is our overall opinion that the NCCU's OIA **Generally Conforms** with the Standards and the IIA code of Ethics. This level of conformance demonstrates a clear intent and commitment to achieving the Core Principles and the Definition for the Professional Practice of Internal Auditing.

Governance		Staff		Management		Process	
Standard	Rating	Standard	Rating	Standard	Rating	Standard	Rating
1000	GC	1200	GC	2000	GC	2200	GC
1100	GC			2100	GC	2230	GC
1300	GC			2600	GC	2400	GC
Code of Ethics	GC					2500	GC





Enhancements to Compliance with the standards

- The reviewers recommended and the Internal Audit Office accepted the following enhancements to our compliance with the standards:
 1. The consideration of an “IT” auditor in Internal Audit
 2. Increase documentation of workpapers





Suggestions for Continuous Improvement

- The reviewers suggested the following enhancements could strengthen the Internal Audit program at North Carolina Central University:
 1. Further tailor engagements to identify risks to the University
 2. Update Audit Charter and Policies and Procedures
 3. Enhance the Internal quality assessment program
 4. Elevate the awareness and benefits of Internal Audit to the University



Action Items – Internal Audit Charter

- Effective January 2025, the Institute of Internal Audit revised their standards. As a State agency, North Carolina Central is required to comply with these changes. Standard 6.1, “Internal Audit Mandate”, requires the addition of the following language to our Internal Audit Charter for FY25.
- The following excerpt is from the amended Internal Audit Charter*

MANDATE

The Internal Audit Office mandate is found in three governing documents:

- North Carolina General Statute (NCGS) 116-40.7, which establishes the internal auditor role at state universities.
- NCGS 143, Article 79, “The North Carolina Internal Audit Act”, which requires the OIA to comply with current Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA).
- Audit-related requirements from the University of North Carolina (UNC) Board of Governors, the UNC System Office and the North Carolina Council of Internal Auditing.

