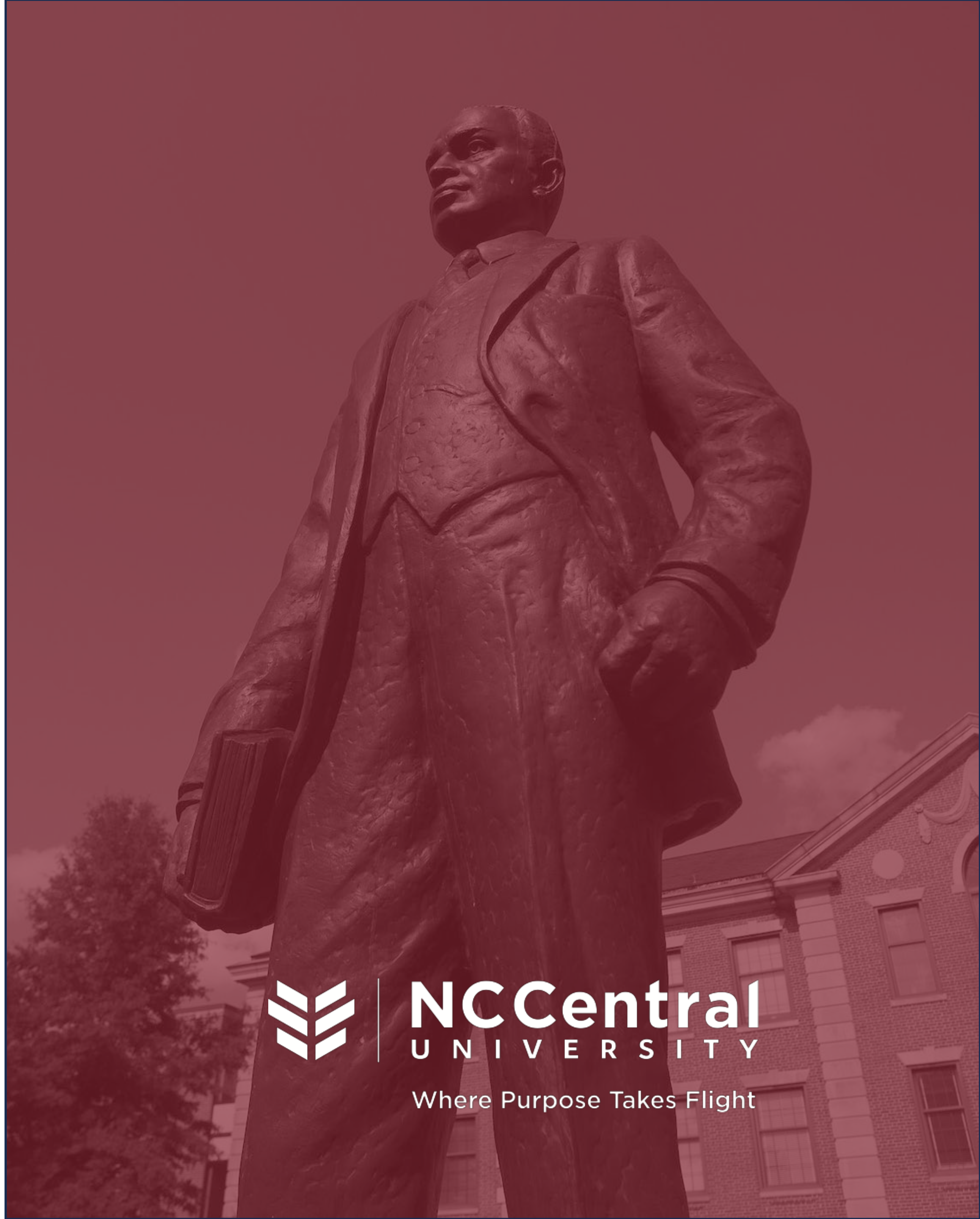
NORTH CAROLINA CENTRAL UNIVERSITY

NCCU BOARD OF TRUSTEES MEETING

Internal Audit

Robert G, Gaines, Director

June 24, 2026



Internal Audit Agenda

- Audit Plan/Audit Progress Update
- AUD26003 – Emergency Communication
- Audit Committee Charter
- Internal Audit Charter
- FY27 Risk Assessment (July 1, 2026 – June 30, 2027)
- FY27 Audit Plan/Budgeted Hours (July 1, 2026 – June 30, 2027)
- Action Items

FY26 Audit Progress
(July 1, 2025 – June 30, 2026)

Current Audit Stage

	Planning	Fieldwork	Reporting	Completed
AUD26003 – Emergency Communication				
AUD26004 – Sponsored Research				
FY27 – Risk Assessment				

Previously Reported

Progress achieved during this reporting period

FY26 Audit Plan – Completed
(July 1, 2025 – June 30, 2026)

Audit Engagement	Risk Category	Audit Functional Area
AUD&FOL26001 - Procurement Card Reg	Operational/Compliance	Business & Finance
FOL25007 – State-Owned Vehicles (MGT23001) & Transportation (MGT23002)	Operational/Compliance	Facilities
AUD26003 – Emergency Communication & Alert Systems	Operational/Compliance	Police
AUD26004 – Sponsored Research	Operational/Compliance	Academic Affairs
Self-Assessment Maturity Model (SAMM)	Compliance	Internal Audit Office
FY27 Risk Assessment	Operational/Compliance	Internal Audit Office

FY26 Audit Plan – Not Completed

Audit Engagement	Risk Category	Audit Functional Area
AUD – Budget & Financial Planning	Operational/Compliance	Business & Finance
AUD – Eagle Card	Operational/Compliance	Business & Finance
AUD – Business System Analyst	Operational/Compliance	Business & Finance
FOL – Accounts Payable	Operational/Compliance	Business & Finance
FOL – Integrated Biosciences Ph. D Program	Operational/Compliance	Academic Affairs

*FOL25007 - Vehicles is two follow-up audits combined
*AUD&FOL26001 – Procurement Card Regulation is new audit & follow-up combined

FY26 Added to Audit Plan – Completed
(July 1, 2025 – June 30, 2026)

Audit Engagement	Risk Category	Audit Functional Area
FOL25014 – State Single Audit	Operational/Compliance	Business & Finance
IAH25002 – Hazardous Waste	Operational/Compliance	Facilities
AUD26002 – Gas Cards	Operational/Compliance	Facilities

AUD26003 – Emergency Communication and Alert Systems

A. Findings	B. Recommendations	C. NCCU Response
NCCU Emergency Communication policies and procedures were not fully aligned with UNC System Regulation 1300.7.3(R).	Update NCCU policies and procedures to address regulatory requirements and clarify responsibilities.	Public Safety will develop a comprehensive Emergency Communications Policy to address identified gaps by June 2026.

AUD26003 – Emergency Communication and Alert Systems

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A. Findings

Only 15% of eligible contacts were enrolled in emergency text messaging alerts.

B. Recommendations

Strengthen controls to improve mobile number accuracy and text alert enrollment.

C. NCCU Response

Public Safety will work with campus partners to improve data integration and increase enrollment rates by August 2026.

AUD26003 – Emergency Communication and Alert Systems

A. Findings	B. Recommendations	C. NCCU Response
Emergency communication training requirements were not fully implemented or documented.	Establish and document recurring emergency communication training.	Public Safety will implement a formal training program and maintain training records.

AUD26003 – Emergency Communication and Alert Systems

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A. Findings	B. Recommendations	C. NCCU Response
Required quarterly testing and documentation of emergency notification systems were not consistently performed.	Implement formal testing schedules, reporting, and monitoring controls.	Public Safety will enhance testing, record retention, and monitoring processes.

Audit Committee Charter

Recognize a clear functional reporting relationship of the chief audit officer to the chair of the Audit Committee or his/her designee.

Review and determine that the University's internal audit department has a charter that clearly outlines its roles and responsibilities.

Receive, review and approve, at the beginning of the audit cycle, the annual audit plan for the internal audit department.

Review with the chief audit officer the internal audit budget, resource plan, activities and organizational structure of the internal audit function.

Receive quarterly reports from the university's chief audit officer

On a regular basis, meet separately with the chief audit officer to discuss any matters that the committee or internal audit believes should be discussed privately.

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Internal Audit Charter.

The Internal Audit Office (IAO) is an independent, objective activity guided by the philosophy of ADDING VALUE to improve operations.

The Office shall remain from interference by any element in the University including audit selection, scope, procedures. Interference or obstruction of internal audit activities is a Class 2 misdemeanor as codified in NCGS § 143 - 749

The Office IS NOT authorized to make decisions or engage in management responsibilities.

The Director of Internal Audit reports administratively to the Chancellor and functionally to the Audit Committee.

Dedicated to providing risk-based audits and objective insight. The Office shall also conduct follow-up reviews to ensure that the recommendations made have been implemented by management

Annually, the Office shall prepare and present an audit plan that is risk based and approved by the Chancellor and Audit Committee. Updates on the audit plan shall be provided to the Chancellor and Audit Committee by the Office

FY27 Risk Assessment

(July 1, 2026 – June 30, 2027)

- 7 Divisions
- Reduced to 15 Risk Factors
- 120/122 Units Responded
- 98% Completion

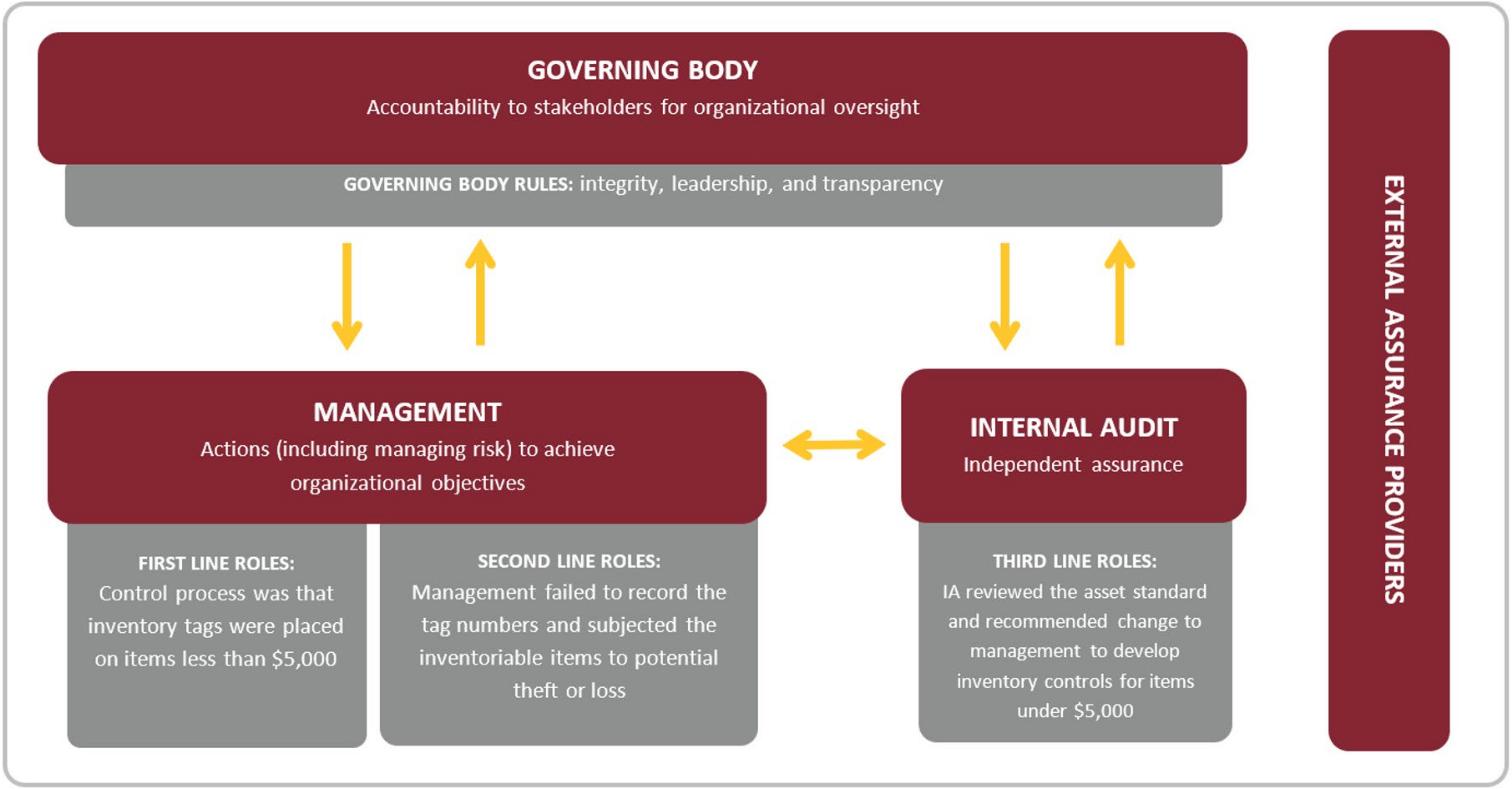
Distributed Assessments to Departments

Reviewed by Management and Executive Team Leaders

Submitted to Internal Audit for Analysis

Collaborative Discussion with Senior Management, Chancellor & Audit Chair

An Illustration of the IIA's Three Lines Model



Key: ↑ **Accountability, reporting** | ↓ **Delegation, direction, resources, oversight** | ↔ **Alignment, communication, coordination, collaboration**

Audit Plan FY27
(July 1, 2026 – June 30, 2027)

Audit Engagement	Risk Category	Audit Functional Area
AUD – Eagle Card	Operational/Compliance	Business & Finance
AUD – Student Accessibility Services	Operational/Compliance	Student Affairs
AUD – Access Control	Operational/Compliance	Information Technology
AUD – Registrar	Operational/Compliance	Academic Affairs
AUD/FOL - Procurement Regulation	Operational/Compliance	Business & Finance
AUD/FOL - Emergency Comm & Alert Systems	Operational/Compliance	Police/Public Safety
Other Required Projects	**Risk Category**	**Audit Functional Area**
Self-Assessment Maturity Model (SAMM)	Compliance	Internal Audit Office
Risk Assessment	Operational	Internal Audit Office
Investigations/Follow-Ups	Operational/Compliance	Various
Internal Quality Assurance Review	Compliance	Internal Audit Office

Audit Plan FY27
(July 1, 2026 – June 30, 2027)

Audit Engagement	Audit Functional Area	Risk Category	Anticipated Start Date
AUD – Eagle Card	Business & Finance	Operational/Compliance	July 2026
AUD – Student Accessibility Services	Student Affairs	Operational/Compliance	September 2026
AUD – Access Control	Information Technology	Operational/Compliance	July 2026
AUD – Registrar	Academic Affairs	Operational/Compliance	October 2026
AUD/FOL - Procurement Regulation	Business & Finance	Operational/Compliance	December 2026
AUD/FOL - Emergency Comm & Alert Systems	Police/Public Safety	Operational/Compliance	February 2027
Other Required Projects			
Self-Assessment Maturity Model (SAMM)	Internal Audit Office	Compliance	July 2026
Risk Assessment	Internal Audit Office	Operational	February 2027
Investigations/Follow-Ups	Various	Operational/Compliance	Ongoing
Internal Quality Assurance Review	Internal Audit Office	Compliance	July 2027

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Where Purpose Takes Flight

FY27 Audit Plan – Budgeted Hours
(July 1, 2026 – June 30, 2027)

Engagement Projects (Budgeted Hours)

AUD – Eagle Card	800
AUD – Student Accessibility Services	300
AUD – Access Control	400
AUD – Registrar	525
AUD – Procurement Regulation	350
AUD - Emergency Communication & Alert Systems	350

Other Projects

Self-Assessment Maturity Model (SAMM)	500
Risk Assessment	600
Internal Quality Assurance	900
Investigations/Advisory	1,451
Total Project Hours	**6,176**

Non-Work Plan Hours

Professional Development	120
Administrative Hours	936
Total Non-Work Plan Hours	**1,056**

Work Plan Hourly Detail

Total Available Audit Hours (4 auditors @ 2,080 hours)	8,320
Less Employee Leave (Annual Sick/Holiday)	-1,088
Less Work Plan hours	**-6,176**
Less Non-Work Plan hours*	**-1,056**
Total Hours	**8,320**

FY27 Action Items*

- FY27 Audit Committee Charter
- FY27 Internal Audit Charter
- FY27 Audit Plan

* FY27 (July 1, 2026-June 30, 2027)