



Internal Audit

Progress Update for June 2024



Internal Audit Agenda

- Audit Committee Charter
- Internal Audit Charter
- Risk Assessment and Audit Plan
- Accounts Payable Report
- Committee Approval Vote

Audit Committee & Internal Audit Charters



Audit Committee Charter

Internal Audit

- A. Receive quarterly reports from the university's chief audit officer that, at a minimum, reported material (significant) reportable conditions, the institution's corrective action plan for these conditions and a report once these conditions have been corrected.
- B. Recognize a clear functional reporting relationship of the chief audit officer to the chair of the Audit Committee or his/her designee.
- C. Review and determine that the University's internal audit department has a charter that clearly outlines its roles and responsibilities



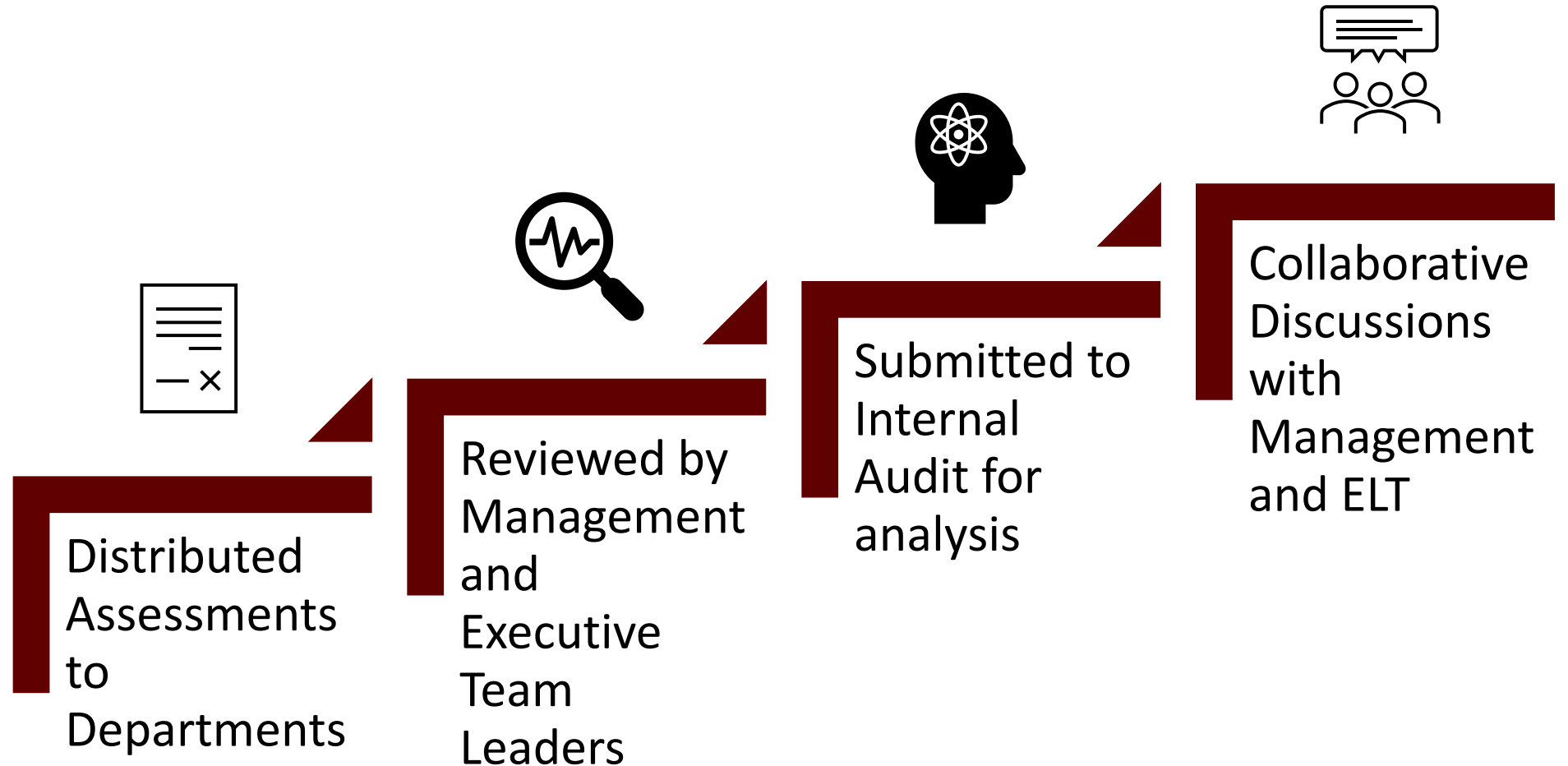
Internal Audit Charter

Internal Audit Plan

- At least annually, the chief audit officer will submit to the Chancellor and the audit committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as resource requirements for the next fiscal year
- The internal audit plan will be developed based on a risk-based methodology, including any risks or control concerns identified by senior management, the chancellor, or the audit committee. Any significant deviation from the approved internal audit plan will be communicated to the chancellor and the audit committee through periodic activity reports

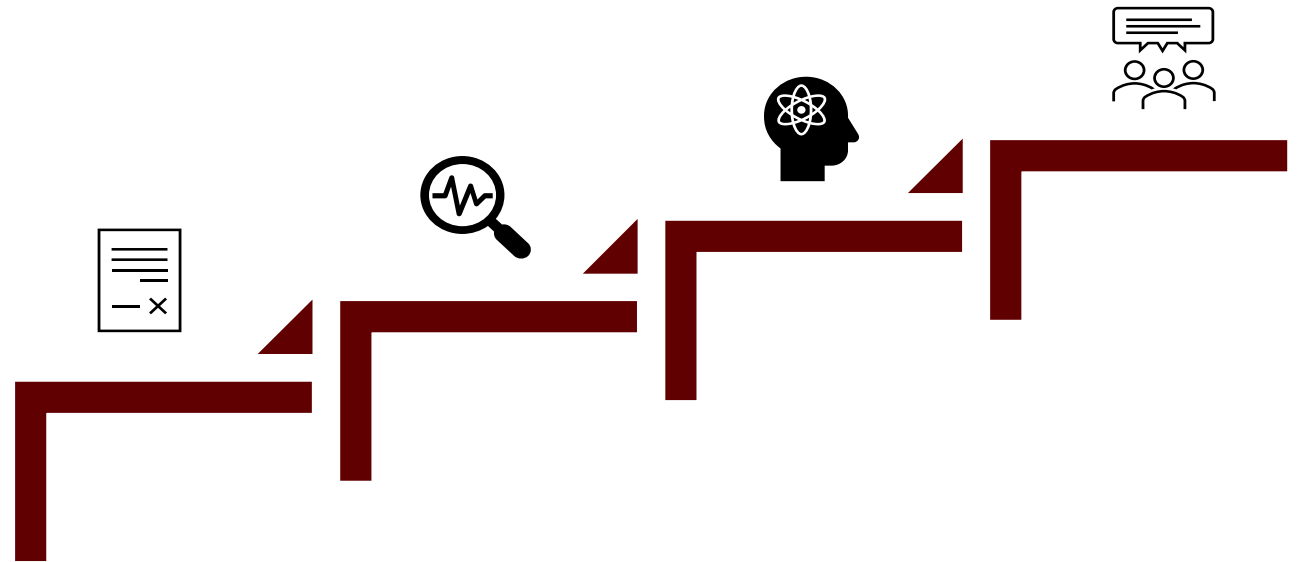
Risk Assessment and Audit Plan

Risk Assessment



Risk Assessment

- 91% Completion Rate
- Standard Operating Procedures Power Point provided to units



Audit Plan – New Audits

Audit Engagement	Risk Category	Audit Functional Area
AUD25## Travel Card	Operational/Financial	Administration & Finance
AUD25## Eagle Card	Operational/Financial	Administration & Finance
AUD25## State Audit Findings	Compliance	Administration & Finance
AUD25## Sponsored Research	Operational/Financial	Academic Affairs
AUD25## Residence Life	Operational/Financial	Student Affairs
FOL19002 Band Review	Compliance	Administration & Finance
FOL20005 Alleged Misuse of University Equipment (MGT19003)	Compliance	Administration & Finance
FOL23001 Human Resources	Operational/Compliance	Human Resources
FOL23002 P-Card	Operational/Compliance	Administration & Finance
FOL23003 State-Owned Vehicles	Operational/Compliance	Administration & Finance
FOL23004 Student Affairs Transportation	Operational/Compliance	Student Affairs
FOL23005 Cash Audit	Operational/Compliance	Administration & Finance
FOL23006 Accounts Payable	Operational/Compliance	Administration & Finance
Self-Assessment Maturity Model (SAMM)	Compliance	Internal Audit Office

Audit Plan – Follow-up

Audit Engagement	Risk Category	Audit Functional Area
AUD25## Travel Card	Operational/Financial	Administration & Finance
AUD25## Eagle Card	Operational/Financial	Administration & Finance
AUD25## State Audit Findings	Compliance	Administration & Finance
AUD25## Sponsored Research	Operational/Financial	Academic Affairs
AUD25## Residence Life	Operational/Financial	Student Affairs
FOL19002 Band Review	Compliance	Administration & Finance
FOL20005 Alleged Misuse of University Equipment (MGT19003)	Compliance	Administration & Finance
FOL23001 Human Resources	Operational/Compliance	Human Resources
FOL23002 P-Card	Operational/Compliance	Administration & Finance
FOL23003 State-Owned Vehicles	Operational/Compliance	Administration & Finance
FOL23004 Student Affairs Transportation	Operational/Compliance	Student Affairs
FOL23005 Cash Audit	Operational/Compliance	Administration & Finance
FOL23006 Accounts Payable	Operational/Compliance	Administration & Finance
Self-Assessment Maturity Model (SAMM)	Compliance	Internal Audit Office

AUD24001 - Accounts Payable

All findings and recommendations have been accepted by management.

Findings

1. Outdated Policies

Recommendation: Update policies to reflect State Procurement Manual and current practice

2. Lack of documented Standard Operating Procedures

Recommendation: Develop Standard Operating Procedures

3. Unavailable Accounts Payable Aging Report

Recommendation: Create an AP Aging Report in Banner and reconcile with Eagles' Purch

Findings

4. Lack of Segregation of Duties within Eagles' Purch system

Recommendation: Utilize control settings within Eagles' Purch to require appropriate oversight of invoice approvals;

Update NCCU Policy to require Segregation of Duties

5. Invoices paid more than 30 days after receipt

Recommendation: Implement additional training for End Users to be completed annually

6. Invoices paid without documented receipt

Recommendation: Implement additional training for End Users to be completed annually;

Update NCCU Policy to clarify when it is appropriate for AP to pay invoices without receipts

Findings

7. Duplicate payments

Recommendation: Develop Standard Operating Procedures and use them to retrain staff

8. Invoices paid without Purchase Order

Recommendation: Implement additional training for End Users to be completed annually;

Update NCCU Policy to clarify when it is appropriate for AP to pay invoices without Purchase Orders

9. Invoices not sent to Accounts Payable Office

Recommendation: Implement additional training for End Users to be completed annually

All items require approval votes by
the Audit Committee