

Office of Internal Audit

Report for the Quarter Ending March 31, 2019



University of North Carolina Wilmington
Office of Internal Audit

Executive Summary

This report contains a summary of the Office of Internal Audit's activity for the quarter ending March 31, 2019. The following highlights provide an overview of the office's work.

Audits/Assurance Services

Completed Project

- Center for Innovation and Entrepreneurship (CIE) Review

Pending Projects

- Fraud Risk Assessment
- Parking Services Review

Follow Up Audits

- Follow up work was conducted for Housing and Residence Life and Cameron School of Business
- 7 findings closed during the quarter
- 56 open findings as of March 31, 2019 (8 findings are considered to be "in process")

Investigations

Completed Project

- Investigation – Referral from General Counsel and Title IX

Pending Projects

- UNC System Office Referral (January 2019)
- UNC System Office Referral (March 2019)

Consultations/Advisory Services

Advisory Services

- Routine consultations included 16 minor projects and requests for information.
- Individuals from 7 departments representing 3 out of 5 of UNCW's divisions attended the Introduction to Internal Controls course taught by Internal Audit.
- The office was involved with 7 UNCW committees.
- Individuals from the office delivered presentations for Business Week for the Cameron School of Business and at Staff Senate.

Other

- Elizabeth Davis joined the Office of Internal Audit as an auditor in March of 2019.
- Kelly Mintern, CPA, CIA, received a Certificate of Completion for participating in the Rising Leader Certificate program.
- Individuals from the office attended or participated in 6 University events/functions.
- Individuals from the office participated in 3 UNCW training programs. In addition, they attended 1 workshop and 8 webinars earning 14 hours of CPE.

Work Allocation			
Audits/Assurance Services	Follow Up Audits	Investigations	Consultations/ Advisory Services

Audits/Assurance Services

Audits and assurance engagements include planned reviews of compliance, operations, information technology, financial activity, internal controls, and other topics. They also include integrated audits, which incorporate more than one of those categories in a single engagement. Audits are typically included on our office’s annual audit plan (work plan), and they result in a formal audit report which includes an overall opinion of the area under review and any findings and recommendations that were identified.

Completed Project

Center for Innovation and Entrepreneurship (CIE) Review

A review of the Center for Innovation and Entrepreneurship (CIE) was completed to assess and evaluate select operational, compliance, and administrative functions of CIE including the underlying internal controls. Our review focused on select operations within the CIE based on a risk assessment completed by our office. Specific objectives were to review:

- Accuracy, completeness, and proper reporting of financial activity
- Analysis and review of revenue streams
- Contract management
- Procurement processes
- Tracking, security, maintenance and disposition of departmental assets and equipment
- Facilities use and insurance requirements
- Physical security/access management
- General controls and data security practices

In our opinion, some improvement is needed for the system of internal control with respect to the areas reviewed within the Center for Innovation and Entrepreneurship. There were 7 findings associated with this review, and we received positive responses from management to the findings. The final report was issued February 19, 2019.

Pending Projects

Fraud Risk Assessment

Planning for a fraud risk assessment for the University began during the previous quarter. Due to investigations referred to our office, and a vacant auditor position, additional work on this engagement did not occur this quarter. We hope to be able to resume additional work in May 2019.

Audits/Assurance Services (Continued)

Pending Projects (Continued)

Parking Services Review

A review of Parking Services is in process. The scope of the audit was determined by conducting a thorough risk assessment at the beginning of the review. Specific objectives are to review:

- Accuracy, completeness, and proper reporting of financial activity
- Analysis and review of revenue streams (parking permits, citations, meters, special events, etc.)
- Parking citation appeal process
- Compliance with established policies, procedures, and external regulations
- Budgeting and long-term planning
- General controls and data security practices

Fieldwork is close to completion and we plan to schedule an exit meeting in April 2019.

Follow Up Audits

Follow up work is completed for any audit findings resulting from audit/assurance engagements and may be completed for other engagements as deemed necessary. We typically follow up on open audit findings on a quarterly basis. A formal memo is issued when all findings relating to an engagement are closed. If findings are not yet resolved, formal memos are also issued approximately two years after the initial audit to update all parties involved of progress.

Completed Follow Ups

Housing and Residence Life

During fiscal year 2018, our office completed a review of Housing and Residence Life (HRL), and 6 findings were identified. Follow up work was completed in August 2018 and March 2019 to determine whether HRL had taken steps to adequately and effectively address the findings. Based on the work completed, **the 6 audit findings associated with the initial review have been closed.** A final memo was issued March 28, 2019.

In addition to the above, during the quarter ending March 31, 2019, follow up work was also completed related to open findings from the Cameron School of Business review.

Audit Finding Status

Audit findings are reported below in the following categories:

- **Closed** – Findings which were confirmed to be resolved during previous quarters and the quarter ending March 31, 2019
- **Open** – Findings which have not been resolved as of March 31, 2019

Note: A summary of open audit findings is included at Appendix A.

Engagement	Original Report Date	Findings from Initial Review	Findings Closed (Previous Quarters)	Findings Closed (Current Quarter)	Number of Open Findings
Academic Affairs					
College of Arts & Sciences {a}	9/18/2017	15	6	0	9
Cameron School of Business {b}	12/19/2017	4	0	1	3
Center for Innovation and Entrepreneurship (CIE)	2/19/2019	7	0	0	7
Business Affairs					
Project Management (Facilities)	7/13/2018	19	0	0	19
Environmental Health & Safety (EH&S)	11/1/2018	8	0	0	8
Purchasing Card (Pcard)	12/20/2018	10	0	0	10
Student Affairs					
Housing and Residence Life	3/27/2018	6	0	6	0
Total		69	6	7	56

Follow Up Audits (Continued)

{a} Of the 9 open findings for the College of Arts & Sciences, 6 are considered by Internal Audit to be in process. A status of “In Process” indicates progress toward remediation has begun but is not yet complete or there is not a sufficient population to test the effectiveness of corrective measures.

{b} Of the three open findings for the Cameron School of Business, 2 are considered by Internal Audit to be in process.

Investigations

Investigations result from tips reported to our office via the Office of State Budget and Management’s hotline, our internal hotline, the UNC System Office, and other sources.

Completed Project

Investigation – Referral from General Counsel and Title IX

In January 2019, the Office of General Counsel and Office of Title IX & Clery Compliance requested the Office of Internal Audit’s involvement in reviewing allegations included in an employee’s termination complaint and appeal letter. The allegations included in the referenced documents related to potential violations of University policies and practices within the College of Arts & Sciences (CAS) and Human Resources. The allegations expressed concerns related to:

- Classification/compensation reviews; pay practices
- Appropriate use of travel dollars
- Allocation and use of unspent, budgeted funds
- Due process in the initial grievance procedure (obligation to adequately inform of the process)
- Hiring practices

We evaluated each of the allegations. With the exception of due process in the initial grievance procedure, the allegations above were determined to not have merit. The allegation regarding a failure to clearly provide options for appeal does have merit. This was discussed with Human Resources management and corrective measures are currently being implemented.

No further work is necessary by our office. The final investigation memo was issued March 13, 2019.

Pending Projects

UNC System Office Referral (January 2019)

In January 2019, the UNC System Office provided information on a conflict of interest complaint that was brought to the System Office’s attention involving a faculty member in the College of Health and Human Services. We have completed fieldwork and plan to issue a final memo in April 2019.

UNC System Office Referral (March 2019)

In March 2019, the UNC System Office provided information on a complaint that was brought to the System Office’s attention involving UNCW. Our office is currently reviewing this matter.

Consultations/Advisory Services

Internal Audit provides consultative and advisory services which are intended to provide advice and information on internal controls, risk management, and sound business practices. This includes reviewing current practices, interpreting policies and procedures, participating on standing committees, completing limited-life projects, attending ad-hoc meetings, and responding to routine questions. In addition, our advisory work includes work with the UNC System Office and professional organizations and serving as liaisons between the University and various external auditors.

Advisory Services

Routine Consultations

In addition to formal advisory work such as serving on committees and leading training, the Office of Internal Audit provided advisory services through 16 minor projects and requests for information during the quarter ending March 31, 2019.

INT 101: How to Pass an Audit (An Introduction to Internal Controls)

In order to proactively educate campus departments about best practices for internal controls, we teach the course INT 101: How to Pass an Audit (An Introduction to Internal Controls), offered through the Finance Certificate Program. During the quarter ending March 31, 2019, 10 individuals took the course, representing 7 departments and 3 out of 5 divisions at UNCW.

Other Advisory Services

Other advisory services were also provided through committee work and time spent educating others.

Committee Work

- Athletic Eligibility
- Enterprise Risk Management (ERM)
- HR Liaison
- Information Security Steering Committee (ISSC) Working Group
- IT Advisory Council
- Leadership Council
- Systems Coordination

Educating Others

- Cameron School of Business Week presentation - Careers in Internal Auditing
- Staff Senate Presentation - Internal Audit Update

Other

This section contains a summary of the other projects and activities of the Office of Internal Audit.

Staffing Changes

Elizabeth Davis joined the Office of Internal Audit as an auditor in March of 2019. Before joining UNCW, Elizabeth worked as an internal auditor for the North Carolina Department of Agriculture in Raleigh, NC and for the Texas Department of State Health Services in Austin, TX. Elizabeth is a Certified Fraud Examiner (CFE) and eligible to sit for the Certified Internal Audit (CIA) exam.

Staff Accomplishments

Kelly Mintern, CPA, CIA, received a Certificate of Completion for participating in the Rising Leader Certificate program offered by the UNCW Dare to Learn Academy.

Participation in University Functions

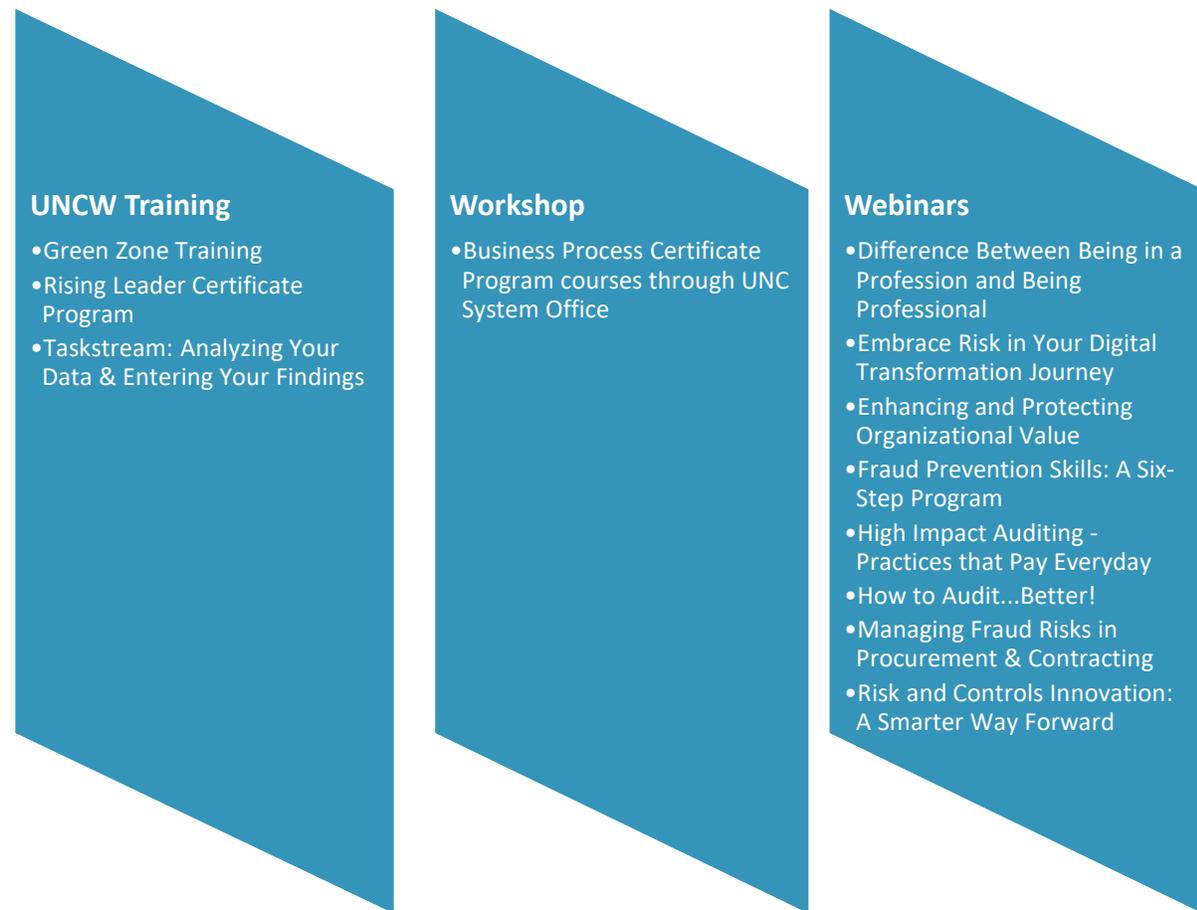
Participating in University functions keeps our office informed of activities and events at UNCW, provides team-building opportunities, and creates an opportunity to interact with the University community outside of an audit setting. During the quarter ending March 31, 2019, staff participated in the following functions.

- Budget Managers Meetings
- Faculty Senate Meetings
- Finance Year End Forum
- Leavekeeper Meeting
- Staff Senate Meetings
- UNC Employee Engagement Survey Forums

Other (Concluded)

Professional Development / Training

Professional development is required for our certifications, and training allows our staff to stay informed of emerging topics and best practices, helping us to provide the best possible services to the University. During the quarter ending March 31, 2019, staff members attended the UNCW-sponsored and external training listed in the table below, obtaining 14 hours of CPE.



Distribution List

Audit, Risk and Compliance Committee, UNCW Board of Trustees

Dr. Jose V. Sartarelli, Chancellor

Mr. Bradley Ballou, Chief of Staff

Ms. Sharon Boyd, Associate Vice Chancellor for Business Services

Mr. Jim Koebel, Assistant General Counsel

Mr. Miles Lackey, Vice Chancellor for Business Affairs

Mr. Mark Lanier, Assistant to the Chancellor and Assistant Secretary, Board of Trustees

Ms. Pat Leonard, Vice Chancellor for Student Affairs

Ms. Stefanie Powell, Interim Associate Vice Chancellor for Finance and Controller

Mr. John P. Scherer II, General Counsel

Dr. Marilyn Sheerer, Provost and Vice Chancellor for Academic Affairs

Mr. Eddie Stuart, Vice Chancellor for University Advancement

Appendix A

UNCW Office of Internal Audit Open Internal Audit Findings As of March 31, 2019

Engagement	Original Report Date	Number of Open Findings
Academic Affairs		
College of Arts & Sciences {a}	9/18/2017	9
Cameron School of Business {b}	12/19/2017	3
Center for Innovation and Entrepreneurship (CIE)	2/19/2019	7
Business Affairs		
Project Management (UNCW Facilities)	7/13/2018	19
Environmental Health & Safety (EH&S)	11/1/2018	8
Purchasing Card (Pcard)	12/20/2018	10
Total		56

{a} Of the 9 open findings for the College of Arts & Sciences, 6 are considered by Internal Audit to be in process. A status of "In Process" indicates progress toward remediation has begun but is not yet complete or there is not a sufficient population to test the effectiveness of corrective measures.

{b} Of the three open findings for the Cameron School of Business, 2 are considered by Internal Audit to be in process.

Appendix A (Continued)

Academic Affairs

College of Arts & Sciences

1. Per UNCW Policy 05.164, *University Equipment*, departments are responsible for the appropriate use, safeguarding, and tracking of all University equipment assigned to their respective department. In addition, departments are responsible for notifying the UNCW Fixed Asset department whenever fixed asset items are transferred to another department or relocated.
2. Per UNCW Policy 07.200.05, *Purchase, Inventory, Replacement and Disposal/Surplus of IT Resources*, “Each department/division is responsible for maintaining an accurate listing including serial number and location of their computer equipment.” Computer equipment includes computers, laptops, iPads, and tablets. *(In Process)*
3. Per UNCW Policy 05.164, *University Equipment*, departments are responsible for the appropriate use, safeguarding, and tracking of all University equipment assigned to their respective departments, whether or not the equipment meets the fixed asset definition. Equipment not meeting the fixed asset definition includes non-consumable equipment costing less than \$5,000 (furniture, lab equipment, etc.).
4. Identifying maintenance needs, prioritizing deferred maintenance, and strategizing for long-term building and equipment requirements is at the core of facility management. Future repair and maintenance needs should be tracked to assist in planning. *(In Process)*
5. Continuity of operations plans (COOPs) ensure departments have planned and coordinated procedures to ensure business operations continue despite interruptions.
6. UNCW Policy 05.141, *Departmental Funds Receipting*, outlines various requirements for collecting funds, including implementing and maintaining internal controls by establishing departmental procedures, performing monthly departmental reconciliations, and ensuring the safekeeping of all un-deposited receipts held by the department. *(In Process)*
7. Cash handling responsibilities should be segregated to facilitate appropriate backup. *(In Process)*
8. Financial transactions should be recorded and classified in the most appropriate accounts in Banner based on the nature of the transaction. Miscellaneous accounts should only be used for one-time transactions and activities that are nonrecurring in nature. *(In Process)*
9. UNCW Policy 08.135, *Supplemental Payments for UNCW Employees*, states “All requests for supplemental pay must be approved in writing before the actual activity is scheduled to begin”. *(In Process)*

Appendix A (Continued)

Cameron School of Business

1. Appropriate segregation of duties in business operations ensures proper oversight and decreases the potential for errors, fraud, or other inappropriate activity. *(In Process)*
2. For donor-funded scholarships, all scholarship award recipients must meet the donor criteria and awarding parameters, as documented in the donor gift agreement, for the scholarship they receive. Any known deviations should be fully documented. *(In Process)*
3. Continuity of operations plans (COOPs) ensure departments have planned and coordinated procedures to ensure business operations continue despite interruptions.

Center for Innovation and Entrepreneurship (CIE)

1. The Center for Innovation and Entrepreneurship (CIE) initiates contracts for tenant occupancy and facility rentals. All contracts should be fully executed and maintained on file by the CIE.
2. North Carolina General Statute (NCGS) 147-77, *Daily deposit of funds to credit of Treasurer*, and UNCW Policy 05.141, *Departmental Funds Receipting*, require any employee or department collecting funds to deposit the funds at least weekly. In addition, funds are required to be deposited daily when they equal or exceed \$250. All credit card deposits are required to be deposited daily, regardless of amount.
3. Per UNCW Policy 07.200.05, *Purchase, Inventory, Replacement, and Disposal/Surplus of IT Resources*, "Each department/division is responsible for maintaining an accurate listing including serial number and location of their computer equipment".
4. Per the University's Facilities Use Procedures, Section F. Insurance:
 - "Non-University groups using University facilities will be required to provide a certificate of general liability insurance listing the University as an 'additional insured'. This includes all non-University groups that co-sponsor events with University entities."
 - "Coverage will not be less than: Bodily injury \$1,000,000 each person, \$3,000,000 each occurrence, \$1,000,000 property damage each occurrence".
 - "All agreements with non-University groups shall include a clause requiring that the groups indemnify and hold harmless the University and its employees or agents from all liability, loss, damage, costs and all other claims for expenses asserted against the University and its employees or agents that may arise during or result from the approved use".
5. Per ISO 27002, *Information Technology-Security techniques*, Section 9.1.2, Physical entry controls:
 - Secure areas should be protected by appropriate entry controls to ensure that only authorized personnel are allowed access.
 - Access rights to secure areas should be regularly reviewed and updated, and revoked when necessary.

Appendix A (Continued)

Center for Innovation and Entrepreneurship (CIE) (Concluded)

6. UNCW Policy 05.120, *Key Control*, provides guidance and procedures for the control of keys to promote the safety and security of the University community and its property. Designated Key Control Persons (DKCs) within campus departments are responsible for:
 - Administering the department's key control program by preparing key related forms, issuing, tracking, transferring, and retrieving keys, reporting lost or stolen keys, and performing periodic audits of the department's key control program.
 - Keeping accurate and up-to-date key records including the loss, theft, and transfer of all keys.
 - Keeping Locksmith Services apprised of permanent key transfers within their respective departments.
7. For continuity of operations, more than one person should be trained to complete important functions and tasks, with tasks documented in desktop procedures that can be accessed by others in the department.

Business Affairs

Project Management (UNCW Facilities)

1. University contracts should be reviewed by the Office of General Counsel to ensure that contract risk is managed appropriately. In addition, contracts should only be signed by authorized employees; those with an express written delegation from the Chancellor or a written sub-delegation from a Vice Chancellor, as noted on the signature authority chart managed by General Counsel.
2. For projects requiring design professionals, architects and/or engineers must issue a signed and sealed certificate of compliance. Per NCGS 131-1.1, *Certain buildings involving public funds to be designed, etc., by architect or engineer*, Section (b)(2), on all projects requiring the services of an engineer, an engineer shall conduct frequent and regular inspections or such inspections as required by contract and shall issue a signed and sealed certificate of compliance.
3. North Carolina General Statute (NCGS) guidelines provide requirements that the University must abide by regarding the recruitment of minority participation for contract selection and the reporting of Historically Underutilized Business (HUB) data. Project Management has required documents (HUB-1 and Minority Business Enterprise (MBE)), included in its Project Manual, that function to capture information necessary for HUB reporting purposes.
4. Appropriate oversight of project management ensures compliance with all external requirements, department procedures, and proper execution of the project. Any delegation of responsibility should be communicated to all relevant parties and documented.
5. Appropriate oversight of financial transactions help ensure the accuracy of the information and decreases the potential for errors or fraud.

Appendix A (Continued)

Project Management (UNCW Facilities) (Continued)

6. Fund reconciliations ensure that all activity has been accounted for. Reconciliation of the Special Project budget fund would ensure that the detailed project data within AiM agreed to the Banner finance fund.
7. Appropriate oversight of asset procurement and disposal ensures accountability for University assets. In addition, to ensure proper repair and maintenance for procured assets, assets should be entered into AiM (asset management system). Asset disposals should be coordinated with the UNCW Surplus department.
8. Project Management maintains insurance guidelines within the General Conditions section of their bid package to contractors. The insurance guidelines in the General Conditions are used for all projects managed by Project Management and have remained the same for over 13 years.
9. A certificate of insurance (COI) is a document used to provide information on specific insurance coverage. The certificate provides verification of the insurance and usually contains information on types and limits of coverage, insurance company, policy number, named insured, and the policies' effective periods. Certificates of insurance should be on file for all projects.
10. For continuity of operations, more than one person should be trained to complete important functions and tasks, with tasks documented in procedures that can be accessed by others in the department.
11. For continuity of operations, critical processes should be fully executed in a timely manner.
12. Departments should have a process in place for assessing, tracking, and monitoring required training needs, including federally mandated training required by OSHA (Occupational Safety and Health Act) standards.
13. UNCW Policy 05.350, *Operation of State-Owned Vehicles*, applies to all UNCW employees who operate state-owned vehicles or motor fleet lease vehicles regardless of employment status or type. It establishes the requirements for each department head to oversee safe operation of state-owned vehicles.
14. UNC Policy 300.2.2, *Conflict of Interest and Commitment*, states, "All members of the University community are expected to avoid conflicts of interest and conflicts of commitment that have the potential to directly and significantly affect the University's interests or compromise their objectivity in carrying out their University Employment Responsibilities, including research, service and teaching activities and administrative duties, or otherwise compromise performance of University responsibilities, unless such conflicts are disclosed, reviewed and appropriately managed in accordance with the provisions of this Policy."
15. According to North Carolina General Statute 133-32, *Gifts and Favors Regulated*, subsection (a), It shall be unlawful for any officer or employee of a governmental agency who is charged with the duty of:
 - (1) Preparing plans, specifications, or estimates for public contracts; or
 - (2) Awarding or administering public contracts; or
 - (3) Inspecting or supervising construction

Appendix A (Continued)

Project Management (UNCW Facilities) (Concluded)

willfully to receive or accept any such gift or favor.

A violation of subsection (a) shall be a Class 1 misdemeanor.

16. Per UNCW Policy 08.120, *Secondary Employment*, “the employment responsibilities to the State are primary for any employee working full-time; any other employment in which that person chooses to engage is secondary. An employee shall have approval from the dean or department director (or designee) before engaging in any secondary employment. The purpose of this approval procedure is to determine that the secondary employment does not have an adverse effect on the primary employment and does not create a conflict of interest.” Employees shall obtain approval via the completion of a Request for Approval of Secondary Employment form.
17. Sufficient staffing is needed to ensure campus/department needs and objectives are met while ensuring compliance with applicable guidelines.

Note: Two additional findings relating to campus building floor plans were shared in a separate memo to management pursuant to North Carolina General Statute 132-1.7(a), as they included details of sensitive public security information.

Environmental Health & Safety (EH&S)

1. Departments should have written procedures to promote consistency and uninterrupted processes during staff absences or changes.
2. Per OSHA Standard Number 1910.1450 Appendix A, *National Research Council Recommendations Concerning Chemical Hygiene in Laboratories (Non-Mandatory)*, Section B.1.d, the Chemical Hygiene Officer has the responsibility to conduct regular inspections of laboratories.
3. Regarding lab safety inspections, OSHA Standard Number 1910.1450 Appendix A, Section C.4.d, notes that an inspection report containing all findings and recommendations should be prepared for management and other appropriate workers.
4. Regarding lab safety inspections, OSHA Standard Number 1910.1450 Appendix A, Section C.4.e, notes that one element of an inspection is management following-up on the inspection to ensure that all corrections are implemented.
5. In order to protect employees from exposure to hazardous chemicals, employers must inform employees and visiting employees of chemical hazards. Hazard communication signs provide critical information to lab users, visitors, and emergency responders as they communicate potential hazards located within the lab.
6. The OSHA Act of 1970 states employers are responsible for providing a safe and healthful workplace. Training is an essential part of every employer’s safety and health program to protect workers from injuries and illnesses.

Appendix A (Continued)

Environmental Health & Safety (EH&S) (Concluded)

7. Ensuring campus departments have a COOP will assist in minimizing interruption to the University in the event of an emergency.
8. UNCW Policy 05.141, *Departmental Funds Receipting*, outlines various requirements for collecting funds, including implementing and maintaining internal controls by establishing departmental procedures, ensuring adequate segregation of duties, and obtaining departmental funds receipting privileges should funds be received as part of the department's normal operation.

Purchasing Card (Pcard)

1. Bank of America WORKs is the system of record for Purchasing Card transactions. All transactions are to have complete supporting documentation. Any deviations from this requirement should be documented within Bank of America WORKs.
2. Effective July 1, 2004, UNCW became exempt from North Carolina state sales tax in accordance with G.S. 105-164.13(52) which notes that items purchased by a NC State agency for its own use are exempted from state sales tax.
3. Per UNCW Policy 05.156, *Procurement of Contracted Personal Services and Consulting Services*:
 - Section III. A. 5. Conflict of Interest states, “No university employee may benefit from any contract with the university, and no current or prior personal/professional relationship shall exist with the service provider that would constitute a conflict of interest or nepotism”.
 - Section IV. A. General Procedure states, “A department seeking to hire an individual or group of individuals to perform contracted personal services must obtain approval from the Office of Human Resources, Tax Compliance Office, and Purchasing Services before making a commitment to the individual or the works begins”.

In addition, in accordance with the Purchasing Card Summary Guidelines, purchases from independent contractors or individuals should be processed through uShop, the University’s e-procurement system. This process serves as an internal control to ensure appropriate reporting for tax compliance.

4. Debarment is a process by which a contractor, individual, or other entity is prohibited from submitting a bid, having a bid considered, or entering into a state contract during a period of time specified in a debarment order. North Carolina Department of Administration manages the State’s debarred vendor list, in which UNCW is subject to.
5. Merchant category codes (MCCs) are numbers that classify businesses by what they sell or the service they provide. Pcard program controls can include monitoring and analyzing MCC data to identify unusual or suspicious purchases. Further, Pcard programs can utilize these codes to block MCC for unallowable purchases.

Appendix A (Concluded)

Purchasing Card (Pcard) (Concluded)

6. General funds are commonly most restrictive and therefore are less susceptible to fraud and abuse. Trust funds and grant funds can be used for a wider array of purchases making them more susceptible to fraud and abuse.
7. Per the Statewide Term Contract 946A – Procurement Card, “At least annually, the card program administrator at each location shall review account activity and determine whether inactive cards should be canceled”.
8. Best practices include providing consistent information in order to eliminate uncertainty. Any and all approved exceptions should be documented and stored in a central location.
9. Issuing and maintaining accurate records of infractions is necessary to promote program success and minimize issues. Tracking infractions also helps Purchasing identify problem areas that cardholder training could improve.
10. UNCW is subject to North Carolina General Statute (NCGS) 143B-920, *Department heads to report possible violations of criminal statutes involving misuse of State property to State Bureau of Investigation*. UNCW Policy 02.300, *Reporting and Investigating Misuse or Theft of University Property*, requires any employee who receives information on possible misuse or theft to report the information or evidence to their supervisor, the UNCW Police Department, the General Counsel, or Chief Audit Executive within 72 hours.