

# September 17, 2021 Facilities, Finance & Audit Committee

9/17/2021 12:00:00 AM 09:00 AM - 12:00 PM



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VIRGINIA STATE UNIVERSITY BOARD OF VISITORS  
COMMITTEE ON FACILITIES, FINANCE & AUDIT  
FRIDAY, SEPTEMBER 17, 2021  
9:00 A.M.

The Welcome Center @ VSU Multipurpose Center  
(No Public Comment Period Scheduled)

**DRAFT AGENDA**  
(as of 9.13.21)

CALL TO ORDER ..... Mr. William Murray, Vice Chair

ROLL CALL

INVOCATION (*Pastor Jasmyn Graham, Director of Campus Ministries*)

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

PRESIDENT'S REMARKS ..... Dr. Makola M. Abdullah

REPORTS AND RECOMMENDATIONS

- Internal Audit ..... Ms. Sheila Alves  
Chief Audit Executive
  - Information Items
    - Internal Audit Team Update
    - Corrective Action Plan Status
    - Case Workload
    - Internal Audit Strategic Plan
    - Audit Plan Status
    - Internal Audit Survey
    - Commonwealth Update
    - Consulting Services
  
- Division of Finance ..... Mr. Kevin Davenport  
Vice President for Finance & Administration/CFO
  - Information Items
    - Budget to Actual Financial Reports as of June 30, 2021
    - Actual to Actual Financial Reports as of June 30, 2021
    - Comparative Cash Reserves as of June 30, 2021
    - Recommended FY 2022 Auxiliary Reserve
    - Report on Status of Capital Projects
    - Investment RFP Update
  
- Technology Services Update ..... Mr. Hubert D. Harris  
Chief of Staff
  
- Institutional Compliance Update ..... Ms. Shawri King-Casey  
Senior Advisor, Institutional Equity, Ethics & Compliance

**Committee on FACILITIES, FINANCE & AUDIT**  
**Friday, September 17, 2021**  
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CLOSED SESSION

OTHER BUSINESS

ADJOURNMENT

*\*\*All start times for committees are approximate. Meetings may begin either before or after the posted approximate start time as committee members are ready to proceed. Meetings may also end either before or after the posted time. The Board reserves the right to change its schedule as needed.*

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS  
ELECTRONIC FACILITIES, FINANCE AND AUDIT COMMITTEE  
DRAFT MEETING MINUTES  
THURSDAY, APRIL 22, 2021**

**CALL TO ORDER**

Dr. Valerie Brown, Chair, called the Facilities, Finance and Audit Committee meeting to order at approximately 1:00 p.m. The meeting was held via Cisco WebEx.

**ROLL CALL**

A quorum was present.

*Committee Members Present:*

Dr. Valerie Brown  
Mr. Michael Flemming (absent)  
Mr. Charlie Hill  
Mr. Raul Herrera  
Mr. William Murray  
Mr. Jay Stegmaier (absent)  
Mr. Wayne Turnage (absent)  
Mr. Gregory Whirley  
Mr. Huron Winstead, Rector (ex-officio)

*Others Board Members Present:*

Mr. Glenn Sessoms  
Ms. Pamela Currey

*Administration Present:*

Makola M. Abdullah, Ph.D., President  
Dr. Donald Palm, Senior Vice President/Provost  
Hubert D. Harris, Chief of Staff  
Kevin Davenport, Vice President, Finance/Administration/CFO  
Regina Barnett-Tyler, Interim Associate VP, Student Success & Engagement  
Charmica Epps Harris, Interim Associate VP, Institutional Advancement  
Sheila Alves, Chief Audit Executive  
Tanya Simmons, Office of Human Resources  
Dr. Tia Minnis, Associate Vice Provost/Executive Director, OPIE  
Rodney Hall, Asst. Vice President/Enrollment Services  
Eldon Burton, Director, Government Relations  
Dr. Annie C. Redd, Special Asst. to President/Board Liaison

*Legal Counsel Present:*

Deborah Love, Senior Assistant Attorney General, Chief, Education Section

*Others Present:*

Jane Harris, Asst. Vice President/Capital Outlay  
Yourdonus James, Director, Conference Center  
Benjamin Houck, Finance

**Facilities, Finance & Audit Committee**

**April 22, 2021**

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Adrian Petway, Budget Office  
Travis Edmonds, Technology Services  
Danette Johnson, President's Office  
Deborah Jefferson, President's Office  
Danika Clemmons, Student Health Center

**OPENING REMARKS**

Dr. Valerie Brown, Chair, invited Pastor Jasmyn Graham, Director of Campus Ministries, to offer the invocation.

**APPROVAL OF AGENDA**

The Committee approved the meeting agenda by roll call vote.

**APPROVAL OF PREVIOUS MEETING MINUTES**

The Committee approved minutes from the February 5<sup>th</sup> Committee meeting by roll call vote.

**PRESIDENT'S REMARKS**

Dr. Abdullah made opening remarks introducing Ms. Shawri King-Casey, Senior Advisor to the President for Institutional Equity, Ethics, and Compliance.

**CLOSED SESSION**

The Chair called for the closed session as the first item of business. The Committee convened a closed session at 1:15 p.m. pursuant to § 2.2-3711 (A)(7) of the Code of Virginia for consultation with legal counsel and briefings by staff members or consultant pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. More specifically, discussion and update on the National Institute of Food and Agriculture (NIFA) matching funds.

The motion called for President Makola M. Abdullah, Kevin Davenport, VP for Finance & Administration/CFO, Dr. Donald Palm, Provost/Senior VP, Shawri King-Casey, Senior Advisor to the President, Mike Reinholtz, Manager APA, Sheila Alves, Chief Audit Executive, Benjamin Houck, Special Asst. to VP, Finance/CFO, Stephen Huffman, Controller, and Dr. Annie C. Redd, Board Liaison, and Deb Love, Senior Assistant Attorney General, to attend the closed meeting because (1) their presence in the closed meeting is deemed necessary; and/or (2) their presence will aid the Board in its consideration of this matter.

The Board re-convened in open session at 2:05 p.m. with a roll call vote that the Committee discussed or considered only those public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such public business matters as were identified in the motions by which the closed meeting was convened.

## **REPORTS AND RECOMMENDATIONS**

### Internal Audit

Ms. Alves presented a summary by year of the total items in the corrective action plan, including a breakdown of the categories items including source, such as APA or Internal Audit. Ms. Alves stated that, from a corrective action perspective, she is concerned that only two cases have been closed, stating that we need to pick up the pace. She noted that with respect to the Capital Outlay audit, more detail about what will be put into place for corrective action was received. She believes Ms. Harris has been spending time working on the resolution.

In presenting a historical overview of hotline cases, Ms. Alves emphasized that this was the second straight meeting with no hotline cases. Ms. Alves followed up on other items such as the Commission's report and the status of the grants audit and the enrollment audit.

Ms. Alves presented the updated audit plan, stating that she would like the Board to approve it, inviting questions if there were any. A Visitor stated that the plan is okay for a risk-based audit, but wondered if there is any room to add additional monitoring for the accounts receivable issue that was discussed a couple of meetings ago. Ms. Alves replied that her area is working on that currently, noting the objective to understand the root cause of the issue.

A Visitor noted that Internal Audit is performing a grants review, but emphasized their concern regarding the application of indirect costs. The Visitor pointed out that the university has billed about \$2.3 million in indirect costs to grants and has experienced significant issues in the application of overhead relating to NIFA. The Visitor noted their objective to ensure that the university is applying percentage correctly to other grants. Ms. Alves replied that there are quite a few items on the grants report. She stated that they tried not to duplicate APA findings, but rather check that what was carried out matches what was required in the grant. She noted that we do have some areas to improve in the grants space.

A Visitor noted that, based on their review of the audit reports going back seven years, they wonder if we are in a worse place now. The Visitor emphasized that the goal of the audit report is to give attention to problem areas so that they can be addressed. The Visitor asked Ms. Alves if she believes that we are better or worse than we used to be. Ms. Alves stated that she actually sees a decline, noting that we are not moving as fast as we need to be in resolving corrective items. She emphasized that if we want to move to Level II, we are going to be evaluated by how well these issues are resolved.

A Visitor stated that they are troubled by the fact that the person closest to the situation sees it getting worse. The Visitor emphasized their hope that fellow board members are also troubled to the point to take a look at what needs to be done to reverse this trend. The Chair stated that these comments are taken under serious advisement and there will be areas in the finance that address these concerns, including adding staff where needed and making Level II a priority. The Chair emphasized that these concerns are not falling on deaf ears and are being addressed.

## **Facilities, Finance & Audit Committee**

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A Visitor noted that many of these issues were raised in 2015. The Visitor commented that if the concerns about NIFA had been addressed in 2015 we would not still be talking about it today. The Chair stated that she, along with most of the current board were not serving at that time – so she cannot comment on why this matter was not addressed at the time. However, the Chair went on to provide assurance that everyone on the board now understands the seriousness of these issues and that the board is doing all that it can to ensure that we are still not having this conversation five years down the road.

A Visitor shared concerns about how long it is taking to address these issues, asking for some type of expectations about how many of these findings can be address by next year. The Visitor emphasized the request to have some kind of expectation for next meeting about when these issues will be resolved. The Chair noted this request. The Chair also pointed out that there will be special presentation tomorrow about indirect costs, asking Visitors to hold further questions on that matter until that discussion.

Ms. Alves presented additional matters such as the audit charter, measuring client services feedback, and a staffing plan update.

A Visitor asking about a memorandum from April 6<sup>th</sup> regarding health holds, noting their concern that students had been validated with health holds. Dr. Palm stated that this is one of the areas he took over when he became the Vice President for Academic Affairs and Provost. Dr. Palm stated there are several reasons for health holds including physicals and immunizations, noting that physicals are not required to enter the university. Dr. Palm discussed challenges relating to cases where students do not have complete records of their immunizations, highlighting efforts to utilize the Virginia Department of Health's records in these instances. He also discussed efforts to immunize students on campus, including antibody tests in cases where students have had prior immunizations but lack records. He noted that Dr. Clemmons is leading these efforts. Ms. Alves clarified that the concern at hand strictly related to immunization records and not physicals. She clarified that the item had been cleared based on the fact that the files had been improved.

A Visitor inquired why health holds were implemented again. Dr. Palm provided additional information about cases where we are not able to identify the immunization records of students. He explained that for Virginia students who believe they have been immunized but lack records, the Virginia Immunization Information System can be leveraged. For students outside of this database with the same circumstance, a blood test can be performed to test if antibodies are present. In cases where it has been established that a student was not vaccinated, students can be vaccinated on campus. Additional challenges have been present due to many students being off campus.

Dr. Abdullah elaborated that one of the challenges is that, until students register, it is very difficult to provide health or financial assistance. He stated that the decision was made to have a doctor on site, who was able to immunize students on the spot if they didn't have immunization records. He noted that there were students who came in after move in that were missed, stating that health holds were released so that these students could be assisted. He stated that the objective was to comply in a humane way to keep students in school, however the process was not perfect.

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A Visitor thanked Ms. Alves and her team for the work they do to try to protect Virginia State University. The Chair emphasized that we are in agreement that we are all on the same team for the benefit of the university, noting that while constructive criticism can be painful, it is not anyone's intent to be adversarial.

### Division of Finance

The Chair called Mr. Reinholtz of the Auditor of Public Account to present the report on internal controls for fiscal year 2019. He stated that an unmodified opinion is being issued and that the internal report had eight findings. In presenting the findings, he noted that the NIFA related finding has already been discussed with the board. Mr. Reinholtz then highlighted the following findings, noting that some of them were repeat findings:

- Improve documentation of sole source procurement. Twenty three sole source procurements were reviewed and sixteen of them had issues with documentation.
- Improve internal controls for reporting of capital assets. Two capital projects were completed before 2019 and should have been included as depreciable assets.
- A project that was not considered a capital project could have been considered a capital project.
- Improve process of employment eligibility relating to the federal I-9 form. Forms were being completed late or proper documents were not being submitted. Corrective action will be followed up on in the FY20 audit.
- Improve process of payroll and HR reconciliations. The first reconciliation was been done quarterly whereas it needs to be done monthly. The second reconciliation was not being completed to the level required by VRS.
- Periodically review stagnant grants and contracts. It needs to be determined which stagnant grant funds need to be used and which ones need to be returned.

A Visitor expressed surprise that improvement was not seen in the stagnant grant accounts. Mr. Davenport clarified that the auxiliary and local accounts had been reviewed and resolution has been brought to many of those accounts. He explained that it is a very similar process with the grants. This process will likely require going through storage to find old documentation and possibly reaching out to people who have left the university.

Mr. Reinholtz noted that student financial aid is back in cycle for the FY21 audit. Whether or not corrective action has been implemented is something that will be reviewed in December. A Visitor asked how we get our hands around these corrective actions and how a process can be put in place to resolve them. The Chair stated that a process will be put into place to address these items. Mr. Reinholtz stated that it appears that significant progress has been made with NIFA. He also noted that, given the timing of the audit, certain issues will automatically remain as issues for the next fiscal year. He emphasized that APA wanted to give VSU time to resolve the NIFA matter, but that the most important priority was for the unallowable

## **Facilities, Finance & Audit Committee**

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expenditures to stop. Mr. Reinholtz outlined the few audit adjustments, one relating to NIFA and the other related to capital assets.

The Chair introduced Mr. Davenport who presented the Agency 212 cash and reserve balances. He noted that the VCAN money will be a permanent addition. He went through the various key line items such as general funds and higher education operating. He noted a solid increase in E&G cash position. He discussed how the cash is tracking as of June 30<sup>th</sup> and stated that he projects a surplus E&G cash position of about \$4.7 million. He highlighted a projection of auxiliary reserve cash balances noting an expected balance of \$50 million. He discussed when debt savings will be realized and also spending of the various aid sources.

Mr. Davenport replied to a Visitor's follow up question about the location of the MacKenzie Scott gift. The Chair stated that it could be an opportune time for the Committee to form a task force to look at how the university invests its money, noting that managers invest in accordance with what is in the investment policy and this may need to be updated to better reflect the objectives and risk tolerance of the Committee. The Chair noted that this could include an RFP. Mr. Davenport noted that if the MacKenzie Scott gift is added to the current endowment, VSU would have a total endowment of approximately \$100 million which would put the university in very special company, probably top 5 for an HBCU.

The Chair asked if there was an adequate plan to spend the Agency 234 balances. Mr. Davenport stated that he is working with Dr. McKinnie to develop a spending plan.

Mr. Davenport presenting the budget to actual report noting that the university only lost 7% on enrollment as opposed to the 20% that was budgeted, noting that the product performed better than expected during this time. Due to this performance, revenue exceeded budget by \$18 million.

Mr. Davenport presented the quarterly financial statement, highlighting the MacKenzie Scott gift, CARES money, and sponsored programs. Mr. Davenport presented auxiliaries, noting a phenomenal job to incur savings in areas such as food services and student activities. He highlighted the debt services and noted when the expected savings is expected to be incurred. He stated that his expected drawdown from auxiliary reserves is most likely to be \$7 or \$8 million as opposed to the \$15 million expected. A Visitor followed up with a question whether aid funds can be used to further offset this expected drawdown from auxiliary reserves. Mr. Davenport responded that we still do have some COVID related expenses, and we do expect all of the aid money to be drawn down.

Mr. Davenport presented the budget, noting that it is very conservative and much lower than what would be expected in the event of a full opening. He stated that there will be a very big emphasis on strengthening academics, hiring to strengthen compliance, and innovation. He summarized that it is a very conservative budget, but that investment is being made. He also spoke to the collaborative nature of the development of this budget.

Mr. Davenport highlighted certain elements of the budget noting that the \$7.4 million in carry forward is not a permanent amount. However, the VCAN funds will be allowed to be carried forward until next year. He highlighted amounts for upgrading technology, hiring new faculty members for the College of

## **Facilities, Finance & Audit Committee**

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Engineering, and an additional \$3 million of institutional support. He noted we are still balanced with the \$11 million dollar budgeted increase on the E&G side. A Visitor asked if the MacKenzie Scott gift could be presented more accurately, perhaps as a transfer instead of as revenue.

The Chair mentioned a potential reformatting of how we present the summers. The Chair also asked about the issue of early retirement. Dr. Abdullah stated that the university has a unique opportunity to realize some savings using an early retirement plan. A Visitor asked if this plan has been vetted by DHRM and the Attorney General. Dr. Abdullah replied that he believe we have an approval item that is appropriate for the Board.

Dr. Palm discussed the RFP for the proposal to address salary equity as well as the climate survey. A Visitor asked when this will be implemented. Dr. Palm explained that the faculty just approved the plan to select and onboard the vendor.

The Chair stated that this is a great budget which handled lots of moving parts and presented a strong narrative. The Chair thanked the members of the team for their work in preparing this budget. Dr. Abdullah echoed the comments of the chair praising the team on fiscal management during the last year, in particular, Ms. Adrian Petway, Assistant Vice President for Budget and Financial Planning.

A Visitor stated their hope that the MacKenzie Scott gift would be Board restricted and that the interest would be used to support special projects, treating it somewhat like the university's endowment. The Visitor noted that it seems unclear right now what the intent is, further pointing out the potential merits of investing the principal and drawing down 4.7% annually. The Chair replied noting the intent to remain flexible on the use of the gift at this point in time, stating the intent to put this matter in the hands of the Committee to make suggestions to the full board.

Mr. Davenport presented for approval an additional \$1 million in unfunded scholarships, giving a breakdown that \$1 million will support engineering and science and that \$500,000 will be used for the general needs of the students. Mr. Davenport replied affirmatively to a Visitors' request for clarification that we are well within the maximums that can be approved by the board for unfunded scholars.

Mr. Davenport presented the final item for approval, the 2022-2028 Capital Outlay Plan, noting that items for which the university might want to seek approval from the state must be in place on this plan. He explained that the 2020 legislative session was quite historic for VSU, reviewed major approved projects from this session such as a \$108 million academic building and a \$10 million agriculture research and education building. Dr. Abdullah added clarification that the new agriculture building was from a non-general fund.

The Chair offered congratulations and kudos to those who have been lobbying and requested a report showing the planned start and completion dates for these projects.

**Technology Services**

Mr. Hubert Harris provided an update on Technology Services starting with an update on the Tier III data center build out which will include hosting from Amazon web services. He went on to discuss classroom support upgrades for face to face and virtual classrooms, including an audio/visual upgrade.

Mr. Harris provided an update on the VOIP replacement project and fiber optic upgrade/rerouting. He explained the need to relocate the fiber hub from Jackson Place, noting that the Governor's budget team has not released the funds to do so yet. He stated that his team remains in close contact with them about this matter.

**ADJOURNMENT**

There being no further business, the Chair adjourned the meeting at approximately 5:00 p.m.

APPROVED:

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Chair

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Date

**VIRGINIA STATE UNIVERSITY  
BOARD OF VISITORS  
FACILITIES, FINANCE, AND AUDIT COMMITTEE**

**AGENDA  
September 17, 2021**

**I. Approval Items: Resolution:**

None.

**II. Special Reports and Emerging Issues**

- A. Internal Audit Team Update
- B. Corrective Action Plan Status
- C. Case Workload
- D. Report Summary
- E. Internal Audit Strategic Plan
- F. Audit Plan Status
- G. Internal Audit Survey
- H. Commonwealth Update
- I. Consulting Services

**III. Discussion/Private Meeting (As Necessary)**

None.

## Audit Summary

### VIRGINIA STATE UNIVERSITY Petersburg, Virginia

<b>Date: 9/17/2021</b>	<b>Board Committee:</b> Facilities and Finance and Audit
	<b>Initiating Unit:</b> Office of Internal Audit
<b>Board Action: None.</b>	<b>Additional Information Included in Board Package: None.</b>

#### TOPIC: Audit Update

Internal Audit Team introduction for the new members of the Board of Visitors was provided including the mention of 56 collective years of team experience, reporting structure, governance role and rating of excellence on the Quality Assurance Review (performed by an external source) and the review of the Hotline Investigation Process performed by the Office of the State Inspector General.

The Office of Internal Audit has no new/open hotline cases since our last meeting. There are 15 open special investigations. Six new recommendations from the Grant Review were added to the corrective action plan. Seven items were closed. Total of 54 open corrective action plan items. **Special Mention:** The six of the seven items were cleared by Jane Harris. The seventh item was closed by Dale Mason. Thank you Jane and Dale for closing items in less than a year. Internal Audit is concerned that management still has not made addressing the open items a priority. The lack of timely completion will have an effect on obtaining the goal of Level II status, the collective health of the campus community and increases the reputational risk of the University.

The Grant Review results included untimely submission of FY17, FY18, and FY19 SF425's, resulting in National Institute Food and Agriculture (NIFA) requiring VSU to report financials twice a year vs. annually. VSU was restricted from drawing down \$824,039 of grant funds until receipt of cleared financial obligation to NIFA. We identified lack of oversight and policies and procedures to govern the grant process, unauthorized purchases of vehicles totaling more than \$150,000, no required Conflict of Interest Review, and no bi-annually inventory review and equipment not secured. Brief discussion of cost recovery control gaps were discussed. Management structure change does not address management overrides and access has not been restricted from Agency 212 to book entries for Agency 234. **[High Risk]**

The Title III (Funding used to promote academic growth) review identified that management could not provide evidence to demonstrate accurate payment to adjuncts using Title III funds, and noncompliance with completion of required documentation and Library of Virginia Records Management Retention requirements. **[High Risk]**

Accounts Receivable Write-Off Review noted: Management is not aggressively collecting revenue in accordance with the Code of Virginia Section, 2.2-4800. Noncompliance with Commonwealth Accounting Policies and Procedures Manual (CAPP) regarding enrolling students with balances from the previous year. Extending the Validation period, and its effects on the State Council of High Education for Virginia (SCHEV) reported numbers. **[High Risk]**

Untimely reporting of stolen devices and potential second employment concerns were discussed. **[Low Risk]**

Senior management's interference with Internal Audit's investigation of non-compliance with CDC and VSU social distancing and masks requirements. Students were reported to be shoulder-to-shoulder/hip-to-hip, and masking varied. Some students wore masks covering their nose and mouth, some did not have masks and some wore masks covering their mouth only. Internal Audit was restricted from gathering information to conduct their investigation. **[High Risk]**

Audit Strategic Plan focus on Strategic Priorities 4 and 5 - Assisting management with identifying ways to improve their internal control environment to change and improve our compliance story.

Audit changes: Two weeks for report responses and 40 days to corrective action plan items for closure due to expecting large number of items closing.

Survey of Internal Audit staff performance while conducting the Grant Review resulted in an excellent rating in all categories. **[Congratulations Malika Blume]**

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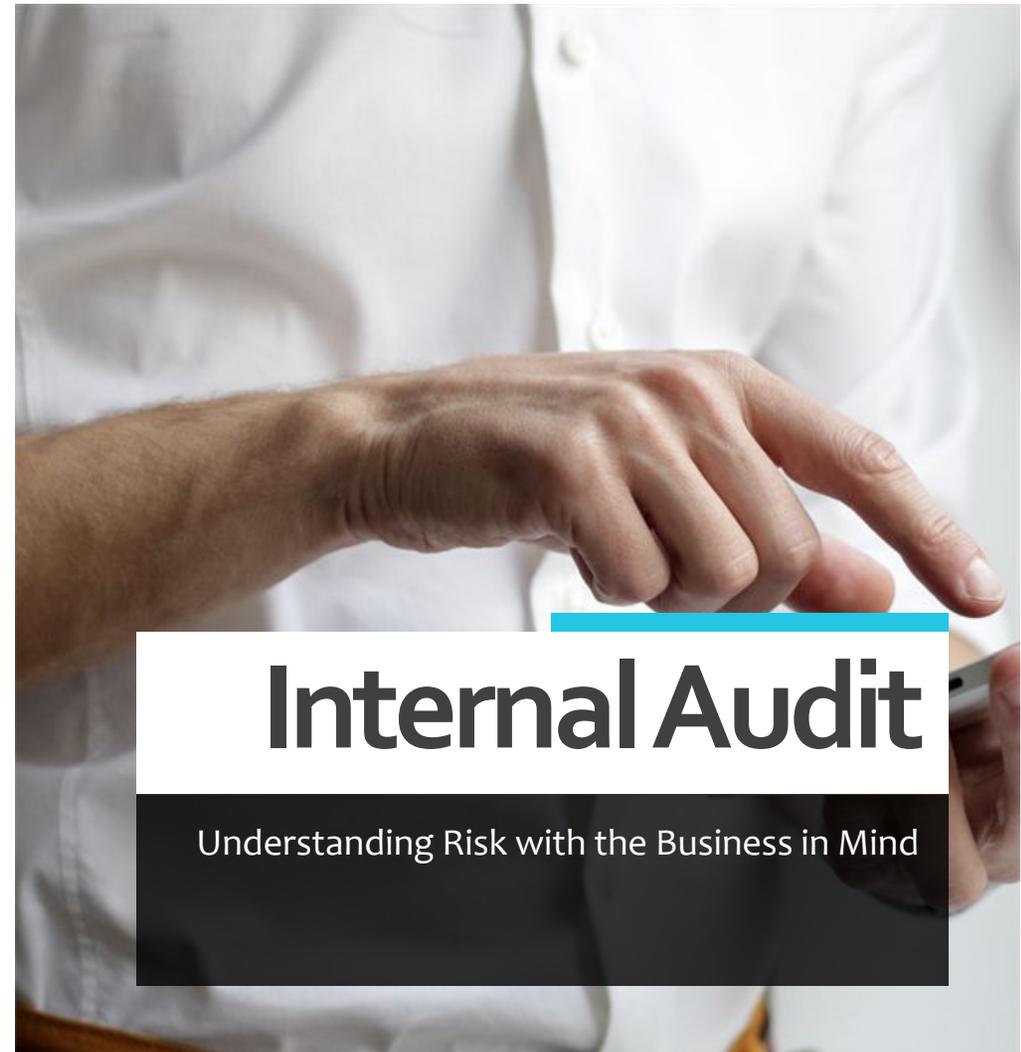
# VSU Board of Visitors

Internal Audit Update to the Board of Visitors

By: Sheila Alves CIA, CISA, CFE  
Chief Audit Executive  
September 17, 2021

# Agenda

- Internal Audit Team
- Corrective Action Plan Status
- Case Workload
- Report Summary
- Internal Audit Strategic Plan
- Audit Plan Status
- Audit Survey
- Commonwealth Update
- Consulting Services



## Internal Audit Team – Who Are We?



**Sheila Alves**  
Chief Audit Executive



**Malika Blume**  
Senior Auditor



**Tasha Owens**  
IT Auditor

# Over 56 Years of Audit Experience

Experience (Higher Education, Public and Private Industries)

## Tasha Owens

IT Auditor

- Virginia State University
- Auditor of Public Accounts
- Chesterfield County
- Virginia Department of Transportation
- Owens and Minor
- State Police
- Virginia Community College System
- Heilig Meyers
- Leadership

## Malika Blume

Senior Auditor

- Virginia State University
- Christopher Newport University
- Suntrust Bank
- Virginia Department of Transportation
- Real Estate
- Attorney's Office
- Virginia Army National Guard
- Leadership

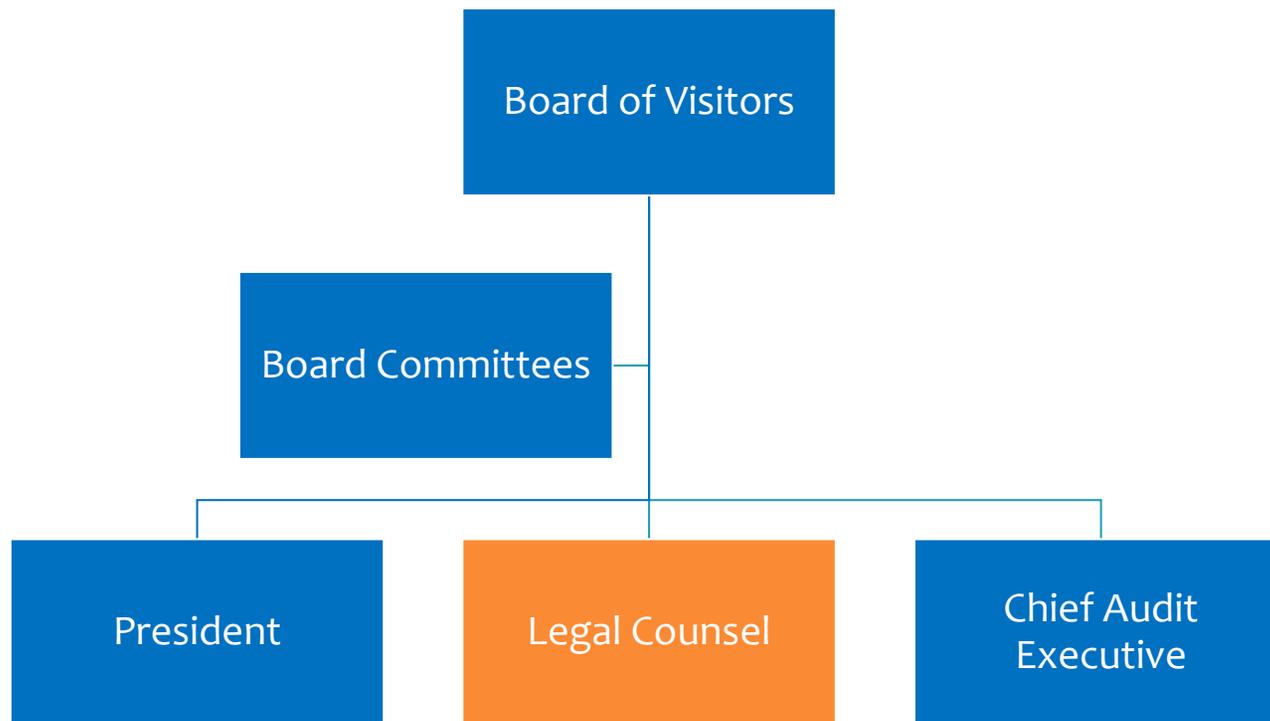
## Sheila Alves

Chief Audit Executive

- Virginia State University
- Virginia Information Technologies Agency
- Federal Reserve Bank
- Wachovia Bank
- Jefferson National Bank
- Westvaco – Paper, Chemical & Packaging
- Crestar Mortgage Corporation
- Pacific Gas & Electric
- Cal Poly State University, San Luis Obispo
- Health Clinic
- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor(CISA)
- Certified Fraud Examiner(CFE)
- Leadership



# Virginia State University's Governance Management Structure



# Internal Audit Structure Should be Designed to Promote Integrity

Internal Audit Provides Oversight of University Operations to the Board of Visitors(BOV) and Management

## Independence

- Reporting directly to the BOV allows Internal Audit to conduct audits and investigations free from:
  - Impeding of investigation, and
  - Retaliation

## External Governing Bodies

- The Office of Internal Audit also works with the following entities:
  - Auditor of Public Accounts (APA)
  - Office of the State Inspector General (OSIG)

# Internal Audit- Our Role at the University

**Our Structure is Important-** We report to the Board of Visitors to ensure Independence from our oversight duties.



**We are like an experienced race car pit crew. We want to make sure that the University is running efficiently and effectively.**

## **Main Focus**

- Work with management to improve operations with a business focus
- Report any fiduciary concerns

# How Does Internal Audit Rate?

Virginia State University's Office of Internal Audit Ratings

## Quality Control Review (QAR)

**Scope** – Audit structure, methodology, testing and reporting according to the Institute of Internal Audit Standards (IIA)

**Rating: “Generally Conforms” (the best)** means that the IA activity has policies, procedures, and a charter in place, and follows practices that were judged to be in accordance with applicable *IIA Standards*; however, opportunities for improvement may exist.

## Office of the State Inspector General (OSIG)

**Scope** – Hotline testing methodology and workpaper review.

**Feedback:** “...VSU working papers and reports found that the Internal Audit Department is extremely thorough in the documentation process of its Hotline investigations.”

“VSU’s investigative processes and techniques can be used in future Hotline investigations.”

# Charter and Alignment with The Institute of Internal Auditor Standards

Reasons for our High Rating (Team Experience and Adherence to the IIA Standards)

## Charter

*“In order to fulfill its responsibilities, the Internal Audit Department has unrestricted access to all personnel, facilities, records, reports, data bases, documents, or other University information or material that is needed to accomplish its audit objectives. No legitimate source of information is to be closed to the internal auditor.”*

## IIA Standards – Organizational Independence

*1110.A1 – The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results. The chief audit executive must disclose such interference to the board and discuss the implications.*



# Corrective Action Plan

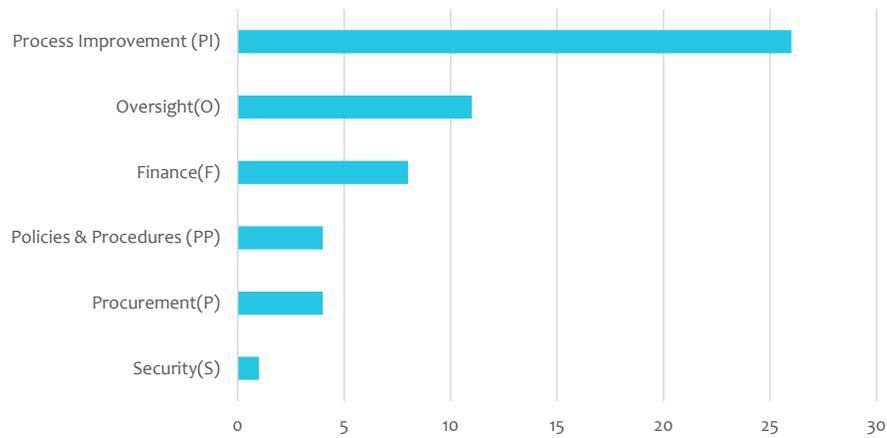
## Quarterly Updates

- Total of Corrective Action Plan Items (61)
- Total of New Items Since last Board Meeting (6)
- Total of Closed Corrective Action Plan Items (7)
  - APA items closed and verified by Internal Audit(0)
  - SCHEV items closed and verified by Internal Audit(0)
  - Items closed and verified by Internal Audit (7)
- Total of Open Items (54)

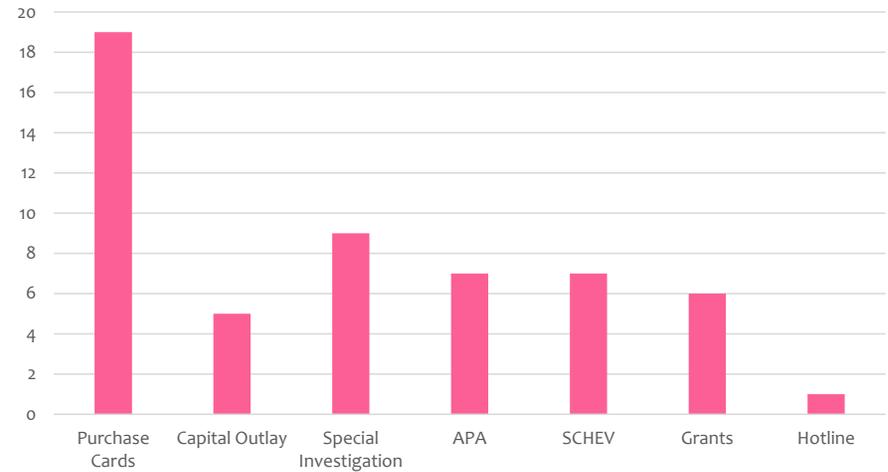
# Corrective Action Plan Distribution

Based on Risk Categories

Audit Findings by Risk Category

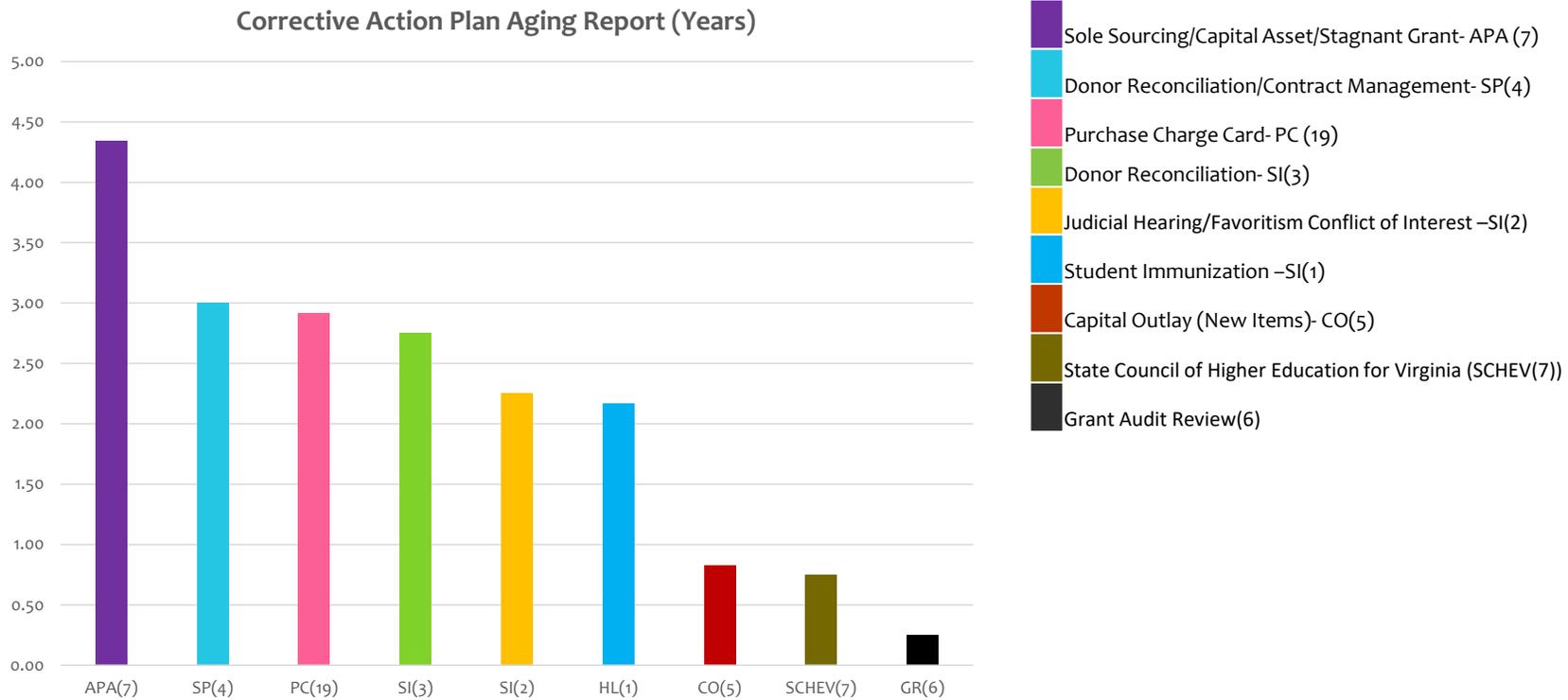


Audit Findings by Source



# Corrective Action Plan Aging

## Aging of Open Corrective Action Plan Items





# Case Workload

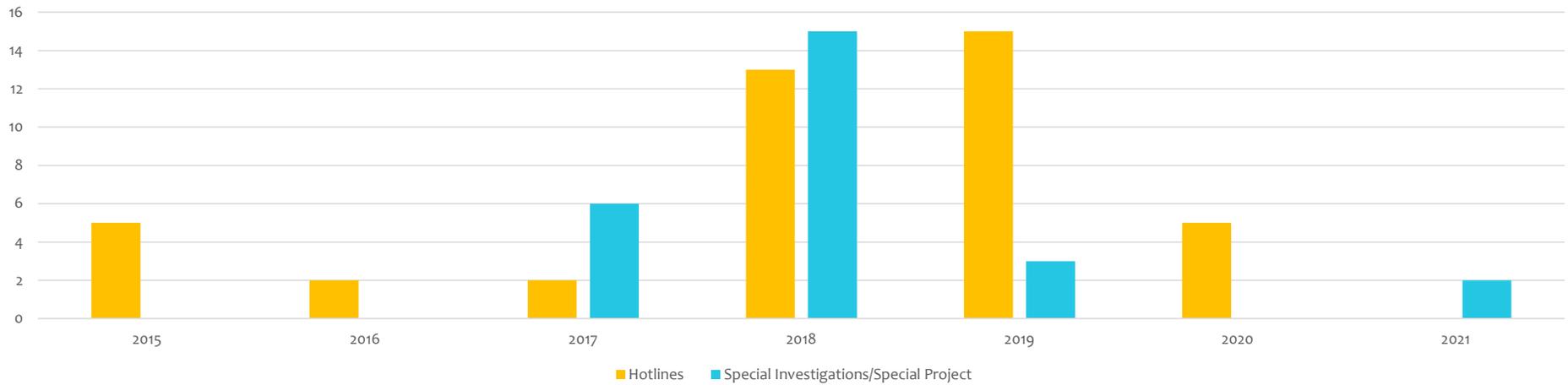
Hotlines and Special Investigations (As of 8/31/2021)

15 cases total

- 0 Hotline cases
- 15 Special Investigations

# Hotline and Special Investigation Distribution

Investigation Workload



- Total of 15 Hotlines and Special Investigations
- 15 Special Investigations
- 0 Hotline Investigations

**\*Note: Tracking Special Investigations began in 2017**



# Hotline Status

## Hotline Investigation Breakdown

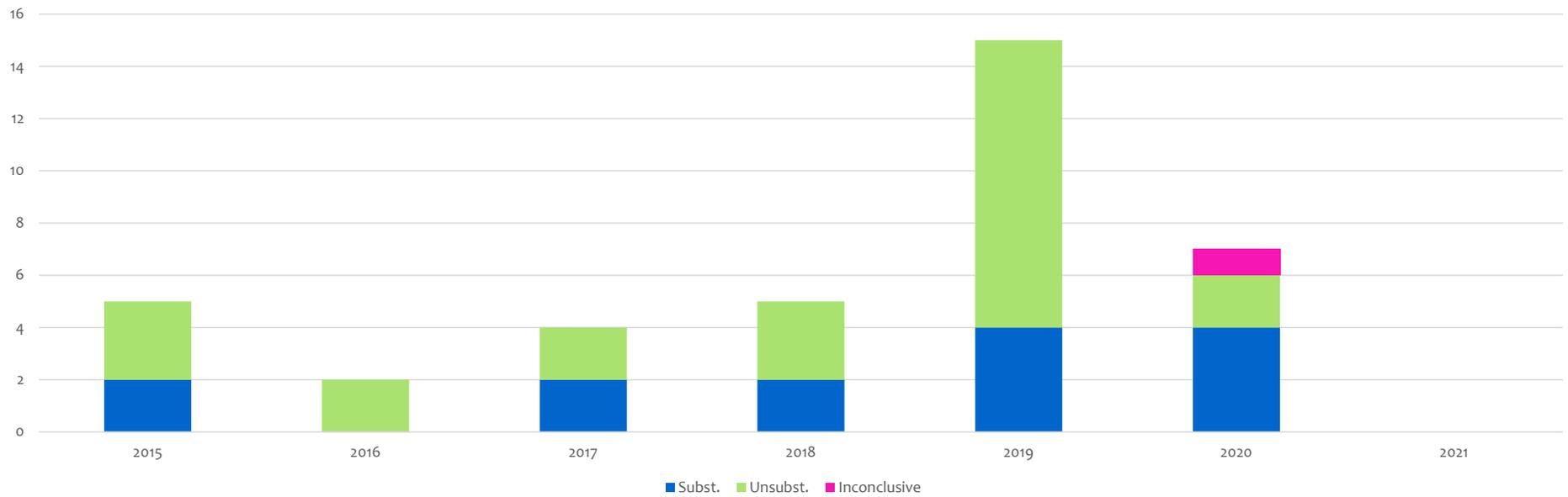
0 cases total

- 0 cases are closed
- 0 cases were screened-out
- 0 cases are open

# Historical View of Hotlines

Number of cases assigned

Completed Hotlines





# Special Investigation Status

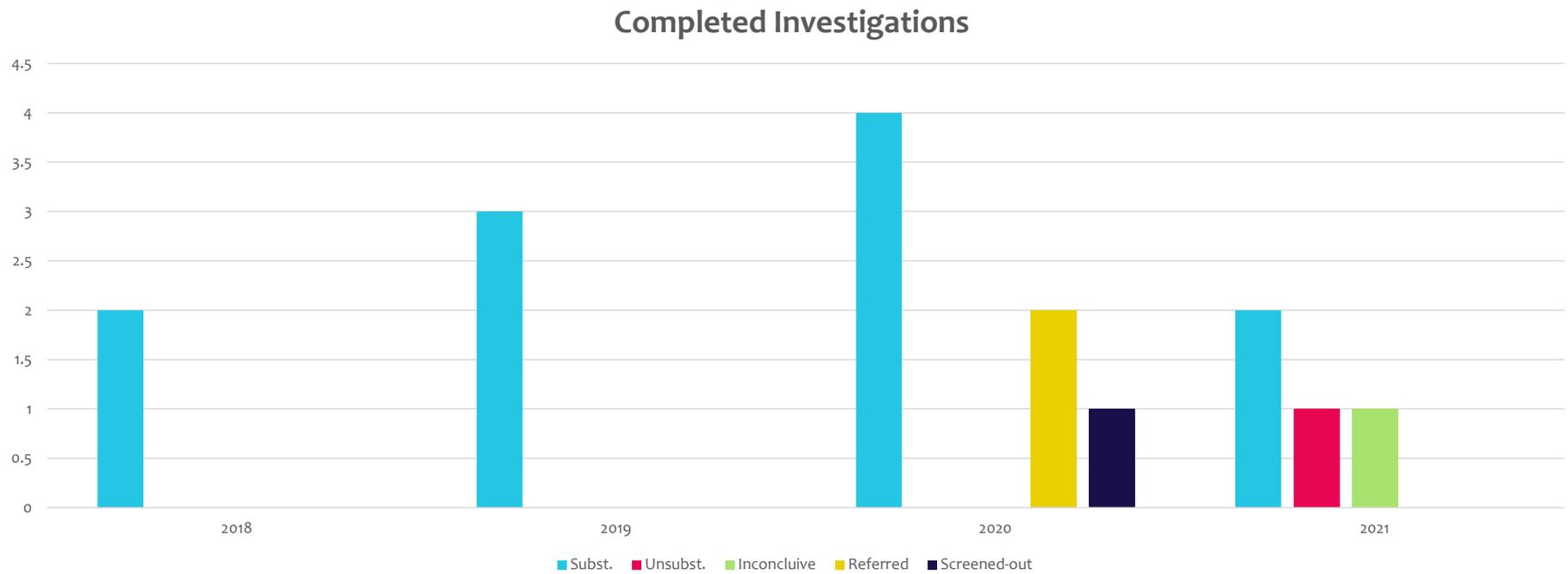
## Special Investigation Breakdown

15 cases total

- 4 cases are closed
- 0 Screened-out
- 0 Referred
- 11 cases are open

# Historical View of Special Investigations

Number of cases completed.





# Report Summary

## Audit and Investigation Summary

- Grant Review
- Title III Reconciliation/Documentation
- Stolen Devices
- Accounts Receivable
- COVID-19/Internal Audit Investigation

# Grant Review

Scope of the two reviews

## National Institution of Food & Agriculture (NIFA)

**Scope:** Indirect cost & overhead cost reporting

**Performed by:** Auditor of Public Accounts (APA)

**Results:** Management scheduled to complete payment by December 2021.

### Exposure Remaining:

- New organizational structure does not address potential management overrides [**Medium risk**]
- Account access still remains in Agency 212 which increases the risk of unauthorized transactions could be booked incorrectly [**High risk**]
- Matching concerns outstanding

## Grant Management

**Scope:** Grant Management Process and compliance with NIFA required practices

**Performed by:** Internal Audit

### Results:

- Untimely financial reporting (FY17, FY18 & FY19) [**Non-compliance**] [impact to drawing down funds: \$824,039 withheld pending receipt of cleared obligation, now reporting to NIFA two times a year vs. annually]
- No Oversight/comprehensive Policies & Procedures
- Unauthorized Equipment Purchases (\$150,000 without prior approval) [**Non-compliance**]
- No Conflict of Interest Review [**Non-compliance**]
- Equipment not Secured, and no Periodic Review or Oversight of Purchased Equipment [**Non-compliance**]

Risk Alert: **High Risk**

# Title III Program and Accounts Receivable

## Title III

**Scope:** Adjunct allocation of Title III Funds (generally used to promote academic growth)

**Results:**

- Title III Program Funds Guidance (13 of 17 Personnel Activity Reports were submitted late and did not have the appropriate sign-off) [**Non-compliance**]
- Inadequate Reconciliation Practices [impact: lacking evidence to support adjunct payments: Incomplete Rosters, Missing or Incomplete Personnel Activity Reports, and Missing internal payroll data]
- Inadequate Records Management and Retention of Payroll Reports [**Non-compliance**]

Risk Alert: **High Risk**

## Accounts Receivable

**Scope:** Identifying root cause for Accounts Receivable Write-off Issue & Appearance of Large Accounts Receivable

**Results:**

- 49 students enrolled with balances from the previous year [**Non-compliance**]
- Continual Extension of Validation Date Weakens Collections Process
- No Reconciliation of Tickets and Vehicle Decals
- Off-Boarding Debt Retrieval Opportunity

**Note:** The collective acts of removing holds, allowing students to register for classes with previous balances, not reconciling tickets/decals, and not consistently attempting to collect on the University's Accounts Receivables is negatively impacting the University's potential revenue.

Risk Alert: **High Risk**

# Stolen Devices and CDC /Internal Audit Investigation

## Stolen Devices

**Scope:** Employee untimely reporting of stolen devices

**Results:**

- iPad and iPhone were not timely reported
- Notification not provided to all entities noted in policies
- Policy inconsistencies were identified and alignment of policies were recommended
- Potential second employment concerns

Risk Alert: **Low Risk**

## Non-compliance with CDC Guidelines

**Scope:** Student social event moved from outside into Foster Hall

**Results:**

- Students were shoulder-to-shoulder, hip-to-hip, some masked, some partially masked and some unmasked  
**[Non-compliance]**
- Senior management inserting themselves and interfering with the collection of information for the investigation  
**[Non-compliance with Audit Charter and IIA Standards]**

Risk Alert: **High Risk**

# Internal Audit Team – Strategic Plan



## Strategic Priority #4

Define the VSU Brand by Telling Our Story

## Strategic Priority #5

Increase and Diversify Financial Resources and Enhance Operational Effectiveness

## Improving Audit Infrastructure

Increase staff to support audit coverage efforts

Obtaining Audit Software to improve efficiencies and effectiveness of the Department

## Partnership Development with Management and VSU Stakeholders

Assisting management with identifying ways to improve their internal control environment to change and improve our compliance story



# Audit Plan Status

## Workload

- University Grants (Completed)
- Enrollment (Underway)
- CARES Act Review (Underway)

## Internal Audit Process Change

Untimely Responses from Management has an Impact on Our Ability to Timely Inform the Board of Visitors

Internal Audit responses now due 2 weeks after the Exit Conference

Memo released 4/27/2021 in anticipation of large number of corrective action plan items closing. (at least 45 days in advance of the material submission to the board)



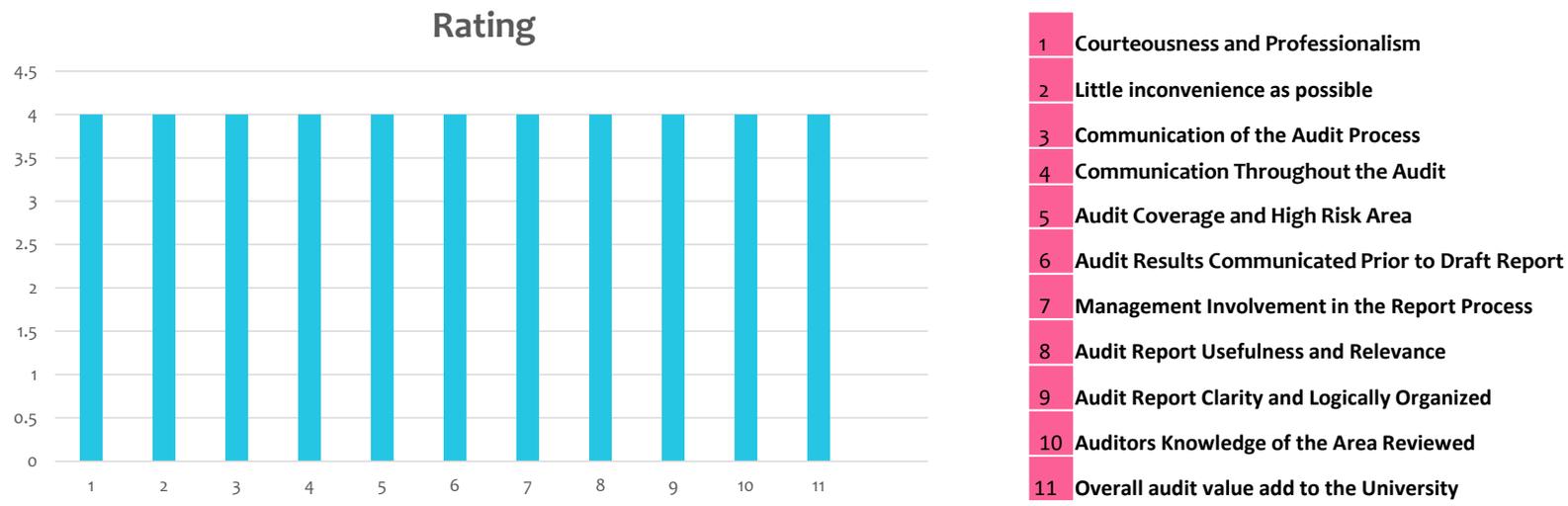
# Audit Survey

## Workload

- Feedback from management in the Grant Review

# Audit Client Survey (Feedback) –Measuring Services Provided

The information below is based on feedback from the Grant Review. (Derived from 11 questions)



**Audit Services Attributes**

**General feedback:** None provided.

**Rating Scale:** 1=Poor 2=Fair 3=Good 4=Excellent

 Represents Highest Rating



# Audit Staffing Plan

## Workload

- New employee will arrive in September 2021
- Audit Software – In Procurement Process Phase (Pending VITA approval)



# Commonwealth Activities

Networking with Chief Executive Auditors (CAE)

- Office of the State Inspector General's State CAE Roundtable
- Colleges & University Auditors of Virginia Fall Meeting



# Consulting Services

## Workload

- Trojan-One Card – Reconciliation Process

A modern conference room with a large window, a long table, and chairs. The text "Questions ???" is overlaid on the image.

Questions ???



## Corrective Action Plans Status a/o 08/21

### State Council of Higher Education for Virginia (SCHEV)

APA Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
1a.  <b>F</b>	Failed Financial Standards -NIFA	Ensure that internal control structure surrounding the NIFA material control weakness has been strengthened.	<del>06/21</del> <b>12/21</b>	Kevin Davenport	U	Initial Plan 11/20	<p><u>Agency 234 Capacity Funds and Matching Funds Policy</u> The University will create a policy that will establish that proper internal controls to ensure that Capacity Funds and Matching Funds are spent in accordance with NIFA guidelines and that associated NIFA reporting requirements are met. In order to establish clear-cut responsibilities of these funds the Policy will use the structure of roles suggested by NIFA, assigning full discretion of the funds and approval authority to the Extension Administrator and Research Director.</p> <p><u>Settling Post-2016 Liabilities to NIFA</u> The University has submitted overdue SF-425 reporting for FY2017 and FY2018 along with requests for a partial waiver of the matching funds requirement for each of those fiscal years. The University is currently in the process of submitting SF-425 reporting for FY2019 (Extension will be submitted on schedule, Research was granted a one year extension). Following the review of the SF-425 reports by NIFA for these years, the University will know the extent of any further liability to NIFA. At this point the University will request a payment plan for any liability that is determined.</p> <p><u>Spending Plan</u> As stated, in order to better manage the liability to NIFA, the University sought and was granted approval from NIFA to extend the range of transactions used to match each federal award up until the final month of the 24<sup>th</sup> month of the federal reporting period.....the University will develop a spending plan that strategically allocates new resources to Research and Extension in a way to both accelerate the re-synching of the reporting period and accomplishing key agriculture program objectives.</p> <p>04/21 -Policy developed and approved by a working group comprising of the University and College of Agriculture. The policy is in the process of being approved through the University's process for approving new policies. -The University has met with NIFA to settle the post-2016 liability. The university is still awaiting a response, but it did pay \$200,000 on April 5, 2021 against the outstanding liability. -Spending Plan is in the process of being developed. Initial meetings have occurred between the President and the College of Agriculture. A spending plan is being developed based on the initial meetings.</p> <p><b>08/21 The University has approved a policy which clearly defines roles with respect to the capacity and matching funds, giving full authority for expenditure of these funds to the Extension Administrator and Research Director in the structure specified by NIFA. The policy establishes processes for reporting, ongoing monitoring of expenditures, and regular meetings.</b></p>



# Corrective Action Plans Status a/o 08/21

## State Council of Higher Education for Virginia (SCHEV)

APA Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
1b. <b>F</b>	Failed Financial Standards- Accounts Receivable	Ensure Accounts Receivable are aggressively pursued in order to collect and timely written-off.	12/21	Kevin Davenport	U	Initial Plan 11/20  04/21	<ul style="list-style-type: none"> <li>Hire temporary staff to fill in current staffing gaps</li> <li>Ensure existing procedures are followed:</li> <li>Fill vacant collections positions:</li> <li>Follow new collections timeline</li> </ul> <ul style="list-style-type: none"> <li>Temporary staff has been hired. The university has under contract the former Bursar and a former collections analyst.</li> <li>The Bursar is responsible for ensuring existing procedures are followed.</li> <li>Vacant collections positions are being filled. The current supervisor over the area has submitted personnel action forms to fill a vacant collections position and a separate part-time position.</li> </ul> <p>A collections timeline was developed based on existing procedures. The Bursar will be responsible for ensuring the timeline is being followed.</p> <p><b>08/21 The Bursar is following existing procedures for writing off accounts. Also the university paid off all student balances for spring 2020, fall 2020 and spring 2021.</b></p>
2a. <b>PI</b>	Student Enrollment measures	Performance Measure 1 (PM1) (in-state undergraduate headcount enrollment) will meet at least 95% of its State-council-approved biennial projections for in-state undergraduate enrollment.	06/24	Dr. Palm	U	Initial Plan 11/20  04/21	<p>A new strategic plan was implemented which focuses on enhancing enrollment through the development of new innovative degree programs, online degree programs and certificates. This includes the following:</p> <ol style="list-style-type: none"> <li>I. Implementation of a university-wide comprehensive academic success plan;</li> <li>II. Actively engaging all students through a high-tech and high touch tailored service based on profile analysis;</li> <li>III. Supplemental instructional programs to support students' academic progress and progression;</li> <li>IV. Implementation of academic support counselors and graduation specialist in each College;</li> <li>V. Engage in data analytics to identify effective strategies that support student success; and</li> <li>VI. Integrate increased access to academic advisement through the use of technology.</li> </ol> <p>Each of these initiatives are designed to aid in strategically increasing our enrollment, in particular, our in-state undergraduate enrollment, and aid in the successful retention of our students.</p> <p>ONGOING New calculations will be submitted to SCHEV in May 2021 and collected data will be reviewed in 2023</p> <p><b>08/21 ONGOING New calculations were submitted to SCHEV in May 2021 and collected data will be reviewed in 2023</b></p>
2b. <b>PI</b>	Student Enrollment measures	PM2(in-state bachelor degree awards) will meet at least 95% of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards	06/24	Dr. Palm	U	Initial Plan 11/20  04/21	<p>Revisit the process for estimating targets to identify more accurate and attainable targets we have engaged in in-depth analysis of our trends and have reevaluate the basis for these projections. We are also working directly with the SCHEV IR team as we continue to refine our predictive analytics. In addition, the institution has ramped our <i>Out-In-Four</i> efforts to improve graduation rates. We are leveraging technology and an early alert system to assist with monitoring student progression toward graduation. The university advisement technology and 3 degree audit system (DegreeWorks) is routinely monitored and updated with the most accurate degree completion information.</p> <p>ONGOING New calculations will be submitted to SCHEV in May 2021 and collected data will be reviewed in 2023.</p> <p><b>08/21 ONGOING New calculations were submitted to SCHEV in May 2021 and collected data will be reviewed in 2023</b></p>



## Corrective Action Plans Status a/o 08/21

### State Council of Higher Education for Virginia (SCHEV)

APA Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
2c. <b>PI</b>	Student Enrollment measures	PM3(in-state STEM-H bachelor degree awards) will meet at least 95% of its State Council-approved biennial projections for the number of in-state STEM-H associate and bachelor degree awards	06/24	Dr. Palm	U	Initial Plan 11/20	<p>We anticipate that our <i>Out-In-Four</i> efforts to improve graduation rates for all students including our STEM-H students. The early alert system will be used to with monitoring STEM-H students' progression toward graduation. In addition, we believe that our new initiatives with the Tech Talent Pipeline and IPPA will help increase the number of in-state STEM-H bachelor degree students and degrees awarded by the institution.</p> <p>04/21 ONGOING New calculations will be submitted to SCHEV in May 2021 and collected data will be reviewed in 2023.</p> <p><b>08/21 ONGOING New calculations were submitted to SCHEV in May 2021 and collected data will be reviewed in 2023</b></p>
2d. <b>PI</b>	Student Enrollment measures	PM5(in-state bachelor degrees awarded to students from underrepresented populations will meet at least 95% of its State Council-approved biennial projections for the number of in-state, upper level-sophomore level for two-year institutions and junior and senior level for four-year institutions – program-placed, full-time equivalent students.	06/24	Dr. Palm	U	Initial Plan 11/20	<p>The institution has reviewed the defined underrepresented population for this performance measure. Our recruitment efforts have been enhance to directly target the defined population of students. With the addition of new innovative, job-based, and online degree and certificate programs, we anticipate in increase on the number of non-traditional and underrepresented students.</p> <p>04/21 ONGOING New calculations will be submitted to SCHEV in May 2021 and collected data will be reviewed in 2023.</p> <p><b>08/21 ONGOING New calculations were submitted to SCHEV in May 2021 and collected data will be reviewed in 2023</b></p>
2e <b>PI</b>	Student Enrollment measures	PM6 (in-state 2-year transfers) number of in-state two-year transfers to four-year institutions will be maintained or increased	06/24	Dr. Palm	U	Initial Plan 11/20	<p>VSU has employed a number of new initiatives to increase the total enrollment of in-state 2-year transfer students. One of our newest initiatives, the Trojan Alliance Program, is an academic pathway program with two-year colleges and community colleges. This program allows students in eligible degree programs to earn a 4-year degree at VSU after completing the two-year program at their respective institutions. Eligible students enter VSU as juniors, completing a 4-year degree in two years. Our first Trojan Alliance Program, with Richard Bland College, includes our Business, Biology, Chemistry, Computer Science, and Social Work degree programs. We are now in the process of developing similar pathway programs with John Tyler Community College, and J. Sargent Reynolds Community College. With these, and other initiatives, we do anticipate an uptake in the in-state 2-year transfers. In addition, the institution is also working with SCHEV and the various transfer initiatives such as the Passport Program and the Pathways Maps Policy.</p> <p>04/21 ONGOING New calculations will be submitted to SCHEV in May 2021 and collected data will be reviewed in 2023.</p> <p><b>08/21 ONGOING New calculations were submitted to SCHEV in May 2021 and collected data will be reviewed in 2023</b></p>



## Corrective Action Plans Status a/o 08/21

### Auditor of Public Accounts (APA) Report on Audit Year Ended June 2019

APA Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
1. <b>P</b>	Improve Documentation of Sole Source Procurement- <b>Partial Repeat 2017</b>	Sole source procurement activity will include required supporting documentation to justify procurement decision	<del>06/21</del> <b>12/21</b>	Kevin Davenport	U	Initial Plan 02/21	<p>The Office of Procurement Services will implement the following actions to correct this audit finding:</p> <ol style="list-style-type: none"> <li>1. Revise the internal emergency and sole source requirement checklist to include price reasonableness and conflict of interest documents.</li> <li>2. Ensure the internal sole source requirement checklist is utilized by the Purchasing staff for all procurements that meet the criteria.</li> <li>3. Provide mandatory procurement training to the University Executives, Department Heads and End Users defining what constitutes sole source procurements, as well as the requirements for sole source procurements</li> <li>4. Review current term contract to identify possible goods and services to procure which could minimize the need for future sole source procurements</li> <li>5. Survey University departments and department heads to identify potential term contract needs which could reduce the need for sole source procurements.</li> </ol>
						04/21	Comment was issued in Feb. 2021 and Office of Procurement Services will implement the above workplan by June 2021.
						<b>08/21</b>	<b>OPS is continuously reviewing sole source procurements to ensure that proper documentation is maintained and that competitive bids are obtained where needed.</b>
2. <b>PI</b>	Improve Internal Controls Over Financial Reporting for Capital Assets <b>Partial Repeat 2018</b>	Properly capitalize Capital Outlay project to align with Commonwealth Accounting Policies and Procedures (CAPP) Manual Requirements to ensure that tracking and evaluating project costs meet the required thresholds	<del>06/21</del> <b>10/21</b>	Kevin Davenport	U	Initial Plan 02/21	<p>The University will implement the following actions to correct this finding:</p> <ol style="list-style-type: none"> <li>1. Capital Outlay and the Controller's Office will communicate throughout the year as to the status of on-going projects, including the completion dates of any such projects.</li> <li>2. Quarterly meeting scheduled to discuss both on-going and upcoming projects</li> </ol>
						04/21	The Controller's Office has been more active in discussing project status with Capital Outlay and will re-initiate quarterly meetings in July 2021.
						<b>08/21</b>	<b>Capital Outlay and the Controller's Office remain in communication throughout the year and capital outlay has added to their process to send over documentation of every project close-out throughout the year to ensure projects are properly moved from CIP to their respective asset categories. (Next step: Ready to</b>



## Corrective Action Plans Status a/o 08/21

### Auditor of Public Accounts (APA) Report on Audit Year Ended June 2019

APA Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							<b>submit supporting documentation to Internal Audit for review)</b>
5. <b>PI</b>	Establish a Process for Periodically Reviewing Stagnate Grants and Contributions <b>Repeat 2018</b>	Develop a process 1. The Payroll Accountant now performs the reconciliation monthly, documents that the report has been reviewed in instances where there are no discrepancies, and makes adjustments for all exceptions identified during the reconciliation process. 2. The Human Resources Office has developed a process to ensure the creditable compensation from the benefits system is reconciled to the human resource system. to periodically review grants and contributions that are unused for extended periods of time. In addition implement a plan to address the significant unused grants and contributions included in the unearned revenue balance.	<del>06/21</del> <b>12/21</b>	Kevin Davenport	U	Initial Plan 02/21	The Grants & Contracts Office will perform the following tasks:  1. Develop a comprehensive list of all stagnant grants and dollar amounts, as well as the responsible PI at the time of the grant award. 2. Pull supporting documentation for grants identified to determine original award and what costs were allowable. 3. Determine the cause of the unspent funds and contact PI's and granting agencies based. 4. Develop a policy to review grant spending more frequently to ensure grants do not become stagnant.
						04/21	Grants & Contracts Manager position is currently being filed and we expect to have someone in this role prior to June 2021.
						<b>08/21</b>	<b>Of the stagnant grants identified in the FY20 audit, approximately 90% will have been concluded upon as to whether to return the funds to the grantor or to retain the funds for other University use by September 30, 2021.</b>
6 <b>PI</b>	Match Federal Grants with Qualifying State Expenses	Ensure that the Cooperative Extension and Agricultural Research Services (Cooperative Extension) totalling \$8,588,761 in unallowable matching state expenses for two federal land grants for federal fiscal years 2015 through 2019 is addressed and methods approved by NIFA.	<b>12/21</b>	Kevin Davenport	U	Initial Plan 02/21	The University and College of Agriculture will implement the following actions to correct this audit finding:  1. Establish a formal review and approval process for all research and extension expenditures to ensure no expenses have been charged from outside of research and extension. 2. Work with NIFA to determine the due dates for repayment of the 2015-2017 undermatched expenditures and return all funds within the agreed upon timeframe. 3. The University will continue to work with the College of Agriculture to get back on cycle where the University uses current year state expenditures to match federal awards
						04/21	<ul style="list-style-type: none"> <li>Policy developed and approved by a working group comprising of the University and College of Agriculture. The policy is in the process of being approved through the University's process for approving new policies.</li> <li>The University has met with NIFA to settle the post-2016 liability. The university is still awaiting a response, but it did pay \$200,000 on April 5, 2021 against the outstanding liability.</li> </ul>



## Corrective Action Plans Status a/o 08/21

### Auditor of Public Accounts (APA) Report on Audit Year Ended June 2019

APA Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							<ul style="list-style-type: none"> <li>Spending Plan is in the process of being developed. Initial meetings have occurred between the President and the College of Agriculture. A spending plan is being developed based on the initial meetings.</li> </ul>
							<p><b>08/21 The University is holding bi-weekly meetings to discuss the NIFA grant and status. All undermatched amounts from FY14-FY18 have now been repaid to NIFA and the University is working towards matching expenditures in the initial award year of the grants.</b></p>
7. <b>PI</b>	Retain Documentation to Support Transactions and Respond to Audit Inquires	Timely provide APA supporting documentation for audit did not retain proper documentation and support for small purchase charge card transactions and purchase orders related to expense vouchers.	<del>06/21</del> <b>06/22</b>	Kevin Davenport	U	Initial Plan 02/21	<p>The Office of Procurement Services will implement the following actions to correct this audit finding:</p> <ol style="list-style-type: none"> <li>1. Director of OPS to ensure staff are properly informed as to what documentation should be included with files/submissions in eVa</li> <li>2. Office of Procurement will perform an internal review of files to ensure that the documentation needed is properly included</li> <li>3. For charge cards, a thorough review will be performed to ensure that current cardholders have all proper documentation and proof of the need for the card</li> <li>4. The University is looking into setting up documentation within Banner using BDM for record retention</li> </ol>
						04/21	Continuous communication with staff to ensure procedures/checklists are being followed.
							<p><b>08/21 The University has moved towards electronic documentation within eVa as well as BOA Works, which houses credit card transactions. OPS has also taken a much more active role in ensuring that both documentation and reconciliations are completed timely and accurately.</b></p>
8. <b>PI</b>	Establish and Maintain a Complete Contract Listing	Ensure proper contract administration practices to include the assemblment and maintaintence of a master list of all contracts to include the initial aperiod and number of renewals. As a best practice, the contract listing should also include, vendor name, contract	12/21	Kevin Davenport	U	Initial Plan 02/21	<p>The Office of Procurement Services will implement the following actions to correct this audit finding:</p> <ol style="list-style-type: none"> <li>1. Director of OPS to ensure staff are properly informed as to what documentation should be included with files/submissions in eVa</li> <li>2. Office of Procurement will perform an internal review of files to ensure that the documentation needed is properly included</li> </ol>



## Corrective Action Plans Status a/o 08/21

### Auditor of Public Accounts (APA) Report on Audit Year Ended June 2019

APA Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
		description, procurement type, contract number, yearly spend amount, contract officer, and contract administrator.					<p>3. For charge cards, a thorough review will be performed to ensure that current cardholders have all proper documentation and proof of the need for the card</p> <p>4. The University is looking into setting up documentation within Banner using BDM for record retention</p> <p>04/21 Continuous communication with staff to ensure procedures/checklists are being followed.</p> <p><b>08/21 OPS has been maintaining the contract listing with all proper information included as directed by the APA. In addition, beginning on 7/1/21, all contracts entered into eVa will be verified/added onto the contract listing throughout the year</b></p>
9. <b>PI</b>	Improve Reporting to National Student Loan Data System	Ensure that enrollment data is accurately reflected by the service provider	<del>06/21</del> <b>06/22</b>	Dr. Palm	U	Initial Plan 02/21	<p>1 - Generate report to capture students who fail to return from a given semester or term to ensure that the enrollment status for these students are reported accurately.</p> <p>2 - Review all batches uploaded to the NSLDS to ensure that batches are accepted without errors, and/or correct errors that are reported.</p> <p>3 - Each Semester, quality control reviews will be conducted in collaboration with staff from the Financial Aid Office to ensure timely and accurate reporting</p> <p>04/21 ONGOING</p> <p><b>08/21 Reviews are being completed each semester to ensure that there is timely and accurate reporting, free of errors. Any inaccuracies or errors are being documented and analyzed for correction. The Registrar's Office is currently fulfilling positions to also assist in these reviews and corrections, as necessary.</b></p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
3 F	Reconcile monthly	Reconcile charitable and non-charitable contributions	07/18 <del>04/19</del> <del>06/19</del> 06/20 <del>08/20</del> <del>02/21</del> 12/21	<del>Reshunda Mahone</del> Kevin Davenport	U	Initial Plan 08/18  12/18	<p>Beginning with the new fiscal year (FY19) a monthly reconciliation will be performed by both Finance and Institutional Advancement. (To included ensuring that donations are place in appropriate fund as requested by donor.)</p> <p>Ongoing. A monthly reconciliation by Finance and Institutional Advancement has not been performed. Staff vacancies and completion of the CAFR for the year-end external audit have prevented a reconciliation from being completed.</p> <p>Management intends to further evaluate the reconciliation and to have an efficient reconciliation process in place by 4/30/19.</p> <p>03/19 Staff vacancies (Assistant Controller, 2 Accountants) have prevented progress. Management expects vacancies to be filled in May. Plans are being made to complete a reconciliation by June 30<sup>th</sup>.</p> <p>09/19 Ongoing. Continued staff vacancies (Assistant Controller, Director of Financial Reporting, and 3 Accountants,) have delayed completion. Resources are not available for monthly reconciliations however yearly reconciliations will be completed.</p> <p>10/19 Ongoing. Several staff vacancies have been filled in October Plans are to complete a FY 20 reconciliation after fiscal year-end. Staff intends to begin reconciliation progress well before year end and will seek opportunities to automate the reconciliation process as needed.</p> <p>01/20 In Progress. On hold until staff can be hired. Note: The vacant Director of Financial Reporting position was filled with an internal promotion thus creating another vacancy.</p> <p>04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit,</p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress, vacancies in Advancement and Finance, also pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Manager of Financial Reporting is responsible for reconciling grants. The position is currently vacant but has recently received approval for recruitment. The position expects to be filled before April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>The University has implemented a new gift administration process. As of fiscal year 2022, all gifts must be remitted to the Office of Institutional Advancement, whether solicited by departments or schools. The Director of Financial Operations and Compliance is preparing the July 2021 reconciliation and developing desk procedures to assist Finance staff with the monthly reconciliation process.</b>
6 F	Validate financial data to the Board of Visitors	Ensure financial data from Institutional Advancement to the Board has been reviewed and agreed upon to accuracy prior to reporting to the board	<del>10/18</del> <del>02/19</del> <del>11/19</del> <del>02/21</del> 12/21	Kevin Davenport	U	Initial Plan 08/18	This will be addressed during the reconciliation process as discussed above. In addition, Finance agrees to review IA financial data prior to each Board meeting.
						12/18	Ongoing.
						03/19	Finance will continue to review IA financial data prior to each Board meeting. Finance will also perform a reconciliation.
						09/19	Resources are not available within the Finance Unit to review all financial data from Institutional Advancement before being presented to the Board and the IA Committee. The materials are reviewed for reasonableness by the Vice President for Finance prior to being presented.
						10/19	Finance has developed procedures to ensure data presented in the Institutional Advancement's Annual Report is reviewed prior to distribution. The VP for Finance is reviewing Institutional Advancement materials presented to the board.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							<p>01/20 <del>Completed</del>. Resended. Sufficient human resources are not available with Finance to validate BOV reports from Institutional Advancement. The President has acknowledged the risk accordingly.</p> <p>04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p> <p>07/20 No progress, vacancies in Advancement and Finance, also pandemic.</p> <p>08/20 No change.</p> <p>11/20 No progress has been made.</p> <p>01/21 The Manager of Financial Reporting is responsible for reconciling grants. The position is currently vacant but has recently received approval for recruitment. The position expects to be filled before April 2021.</p> <p>04/21 No further update.</p> <p><b>08/21 The Director of Financial Operations and Compliance is working directly with the Office of Institutional Advancement to develop and document a formal review process to provide the University with reasonable assurance that the financial data is accurate and reliable.</b></p>
7 <b>F</b>	Validate financial data in Institutional Advancement's	Ensuring that financial data presented in Institutional Advancement's Annual Report has been reviewed by Finance	<del>10/18</del> <del>02/19</del> <del>11/19</del> <del>08/20</del>	Kevin Davenport	U	Initial Plan 08/18	Finance will review IA financial data prior to printing and distribution of Advancement's Annual Report.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
	Annual Report	prior to printing and distribution.	<del>02/21</del> 12/21				<p>12/18 Ongoing.</p> <p>03/19 Finance reviewed IA financial data prior to printing of the most recent Annual Report.</p> <p>09/19 There is one additional phase to complete this process.</p> <p>10/19 Finance has developed procedures to ensure financial data presented in the Institutional Advancement's Annual Report is reviewed prior to publication and distribution. Finance has also provided evidence of the review of the most recent Annual Report.</p> <p>01/20 <del>Completed.</del> Resended. Sufficient human resources are not available with Finance to validate Institutional Advancement data for inclusion in its Annual Report. The President has acknowledged the risk accordingly.</p> <p>04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p> <p>07/20 No progress, vacancies in Advancement and Finance, also pandemic</p> <p>08/20 No change.</p> <p>11/20 No progress has been made.</p> <p>01/21 The Manager of Financial Reporting is responsible for reconciling grants. The position is currently vacant but has recently received approval for recruitment. The position expects to be filled before April 2021.</p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						04/21	No further update.
						<b>08/21</b>	<b>The Director of Financial Operations and Compliance is working directly with the Office of Institutional Advancement to develop and document a formal review process to provide the University with reasonable assurance that the financial data is accurate and reliable.</b>
8 <b>F</b>	Conduct Cash Collection Point Training	Ensure that individuals who have been identified as working as a Cash Collection Point have periodic training [at least annually]	<del>12/18</del> <del>03/19</del> <del>11/19</del> <del>06/20</del> <del>02/21</del> <del>07/21</del> <b>10/21</b>	Kevin Davenport	U	Initial Plan 08/18	Beginning with the new fiscal year (FY2019), formal Cash Collection Point training will be provided annually. Also, Cash Collection Point training will continue to be provided to all new employees involved in the Cash Collection processes. Finance will review its resource allocation to determine if Cash Collection training can be offered to all student organizations.
						12/18	Ongoing. New employees have received the Cash Collection Point training. Also, training materials have been revised for annual mandatory training which is being planned for March 2019.
						03/19	Formal Cash Collection Point training will be provided on April 16, 2019 in the President's House. The training will be offered in 2 sessions.
						09/19	Ongoing.
						10/19	The Office of Finance completed Cash Collection Training to individuals identified as cash collection points. This training included training to approximately 15 staff in Institutional Advancement. Consideration was given to training student organizations but it was determined that training was only applicable if their funds are maintained by the University.
						01/20	Ongoing. Finance completed some Cash Collection Training. Consideration was given to training external student organizations but limited resources prevented this from occurring. Instead, the University issued a memorandum to advisors to student organizations regarding critical cash collection compliance.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
			07/20				No progress due to pandemic.
			08/20				No change.
			11/20				No progress has been made.
			01/21				Training was provided before the pandemic. Staff will have to meet with Internal Audit to review documentation determine if gaps still exist.
			04/21				No further update.
			<b>08/21</b>				<b>The Director of Financial Operations and Compliance is reviewing the May 2021 training documentation and working with the University Cashier's Office to assess the effectiveness of internal controls over cash handling throughout the University.</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates	
2 PP	Purchase Card and Program Administrator written procedures	Develop and document written procedures for the Purchase Cards (SPCC/ILTC/ATC/GC), and for the Program Administrator.	<del>02/19</del>	Kevin Davenport	U	Initial Plan	Charge card procedures will be developed and be on file for the all Program Administrators.	
			<del>09/19</del>			09/18		
			<del>11/19</del>			12/18		Ongoing, pending installation of Adobe software by Technology Services.
			<del>05/20</del>			03/19		Ongoing.
			<del>02/21</del>			09/19		Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
			<del>10/21</del>			10/19		Ongoing. Draft policies were reviewed and approved through Vice President Council. The new policies will be distributed to all program administrators and the campus community in November 2019.
						01/20		Draft policies were reviewed and approved through Vice President Council. The new policies was distributed to all program administrators and the campus community in December 2019. Required procedures are pending.
						04/20		The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20		No progress due to vacancies, budget and pandemic.
						08/20		No change.
	11/20	No progress has been made.						



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>Policies have been updated.</b>
4 <b>PI</b>	Create a request form for employees to request and obtain a SPCC and/or ILTC	Create a consistent request process (i.e. form) that is required to be utilized by employees requesting to obtain a SPCC and/or ILTC. The request should be retained in the employee's file.	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	New request forms for both existing and new cardholders and supervisors are being developed. All existing and new cardholders and supervisors will complete new request forms to be placed on file in the Office of Procurement Services.
						12/18	Ongoing.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	New request forms for authorized users have been created and loaded on a secure folder on the O drive. The documentation includes summary workbooks which serve as high-level checklists confirming the required agreements are in place.
						01/20	New request forms for authorized users have been created and loaded on a secure folder on the O drive. The documentation includes summary workbooks which serve as high-level checklists confirming the required agreements are in place.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit,



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>Form created.</b>
5 ○	Unauthorized purchases made using the SPCC	Create a periodic review process to help ensure unauthorized purchases are not made.	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>04/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	A process is being developed for the Program Administrator to randomly audit selected transactions on a weekly basis to monitor SPCC compliance. All non-compliance findings will be reported to the Procurement Director and Vice President for Finance.
						12/18	Ongoing, staff needs to review the percentage
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	No progress on random audits due to vacancy of the Program Administrator. New policy revisions included random audits for SPCC. New deadline date of April 2020 established.
						01/20	No progress on random audits due to vacancy of the Program Administrator. New policy revisions included random audits for SPCC. New deadline date of April 2020 established.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>SPCC transactions are being reviewed to help ensure unauthorized purchases are not made.</b>
6 <b>PI</b>	Supervisors did not complete review training for the SPCC and/or ILTC	Implement a process to monitor and ensure Supervisors complete the reviewer training for the SPCC and/or ILTC in accordance with the Capp Manual.	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	A process will be developed to monitor and confirm all Supervisors complete Annual Online DOA Reviewer training. In addition, Supervisors are required to complete Mandatory Internal Charge Card training by November 15, 2018. Supervisors who fail to complete both trainings will lose supervisory privileges until completion of both trainings. Beginning November 15, 2018 Supervisors will be required to complete both the Online DOA Reviewer training and the Mandatory Internal Charge Card training annually. Evidence of completion will be maintained in the Office of Procurement Services.
						12/18	Ongoing.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						10/19	Supervisors completed new training and the evidence is loaded on a secure folder on the O drive.
						01/20	Ongoing.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>Supervisors are completing training for SPCC and ILTC.</b>
7 O	No approval by Supervisor for employee to obtain SPCC and/or ILTC	Implement a process that will ensure Supervisor approval is obtained and retained for employees to get a SPCC and/or ILTC.	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	The form used to request a card is being updated (see #4 above). Supervisors will be required to approve the form prior to issuance of a charge card. Charge cards will not be issued without proper supervisor approval.
						12/18	Ongoing.
						03/19	Ongoing.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							09/19 Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
							10/19 Forms showing Program Administrator approved for cards to be issued is loaded on a secure folder on the O drive.
							01/20 Ongoing.
							04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
							07/20 No progress due to vacancies, budget and pandemic.
							08/20 No change.
							11/20 No progress has been made.
							01/21 The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
							04/21 No further update.
							<b>08/21 Supervisors are approving transactions.</b>
8 O	No approval by Program Administrator for employee	Ensure Program Administrator signs and approves the purchase card request indicating review	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> 05/20	Kevin Davenport	U	Initial Plan 09/18	The form used to request a charge card will be updated (see #4 above). The Program Administrator will be required to review and approve the charge card request form prior to issuance of the charge card. Charge card request forms will include justification for the charge card request which has been approved by the



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
	to obtain SPCC and/or ILTC	and approval of request. Supporting documentation should be retained in the cardholder's file.	<del>02/21</del> 10/21				cardholder's supervisor. Charge cards will not be issued without approval of the Program Administrator.
						12/18	Ongoing.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	Forms showing Program Administrator approved for cards to be issued is loaded on a secure folder on the O drive.
						01/20	Ongoing.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.
							<u>Audit:</u> All work on internal and external audits have been suspended until further notice.
							Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						<b>08/21</b>	<b>Fillable pdf card request and employee agreement forms completed and begun to be used effective July 2021. Completion of forms by cardholder, cardholder supervisor, and program administrator is a prerequisite to issuing cards. Office of Procurement Services (OPS) will be ready for testing to commence September 2021. OPS will contact Office of Internal Audit to schedule testing.</b>
9 O	No evidence of signed Purchase Card Employee Agreement for the SPCC and/or ILTC	Ensure Purchase Card Employee Agreements are signed by the employee prior to obtaining SPCC/ILTC and every three years at renewal.	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	<p>All cardholders will be issued new Purchase Card Employee Agreements. The agreements will be signed by the cardholder and supervisor prior to November 15, 2018 in order to use the charge cards beyond November 15, 2018. In addition, the Program Administrator will develop a process to ensure Purchase Card Employee Agreements are complete, current, and renewed within every three years of charge card issuance. Evidence of completion will be maintained in the Office of Procurement Services.</p> <p>12/18 Ongoing</p> <p>03/19 Ongoing.</p> <p>09/19 Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.</p> <p>10/19 Forms showing evidence of purchase card employee agreement is loaded on a secure folder on the O drive.</p> <p>01/20 Ongoing.</p> <p>04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>Fillable pdf card request and employee agreement forms completed and begun to be used effective July 2021. Completion of forms by cardholder, cardholder supervisor, and program administrator is a prerequisite to issuing cards. OPS will be ready for testing to commence September 2021. OPS will contact Office of Internal Audit to schedule testing.</b>
10 O	SPCC and/or ILTC annual cardholder training is not completed	Ensure cardholder completes annual SPCC and/ILTC cardholder training. Supporting documentation retained in cardholder's file.	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	A process will be developed to monitor and confirm all cardholders complete Annual Online DOA Cardholder training. In addition, Cardholders are required to complete Mandatory Internal Charge Card training by November 15, 2018. Cardholders who fail to complete both trainings will lose purchasing privileges until completion of both trainings. Beginning November 15, 2018 Cardholders will be required to complete both the Online DOA Cardholder training and the Mandatory Internal Charge Card training annually. Evidence of completion will be maintained in the Office of Procurement Services. Charge cards will only be issued by the Program Administration upon completion of required training by the cardholder.
						12/18	Ongoing. All cardholders and supervisors have been trained. Staff is working on developing a process
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	Forms showing evidence of purchase card employee agreement is loaded on a secure folder on the O drive.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						01/20	Ongoing.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>Training is complete.</b>
11 <b>PI</b>	Timely Cancellation of employee's SPCC and/or ILTC	Implement a process to deactivate/cancel employee SPCC and/or ILTC upon employee's termination and/or suspension.	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	Processes will be developed to monitor and unsure cardholders annually complete DOA Online Cardholder training and evidence is maintained in the Office of Procurement Services. In addition, Mandatory Internal Charge Card training is required of all cardholders and supervisors and be completed by November 15, 2018 and thereafter (see #10 above).
						12/18	Ongoing. All cards for cardholders who did not complete training have been deactivated. Need to set a process in place.
						03/19	Ongoing.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	All cards for cardholders who did not complete training have been deactivated. The Program Administrator is included on the university-wide distribution list of terminated employees from Human Resources. The program administrator cancels cards for any terminated employees.
						01/20	Ongoing.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>OPS will receive monthly report from Office of Human Resource (OHR) for cardholder and cardholder supervisors who have completed annual DOA online training. Report will be used to verify completion of DOA training and kept on file</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
12 <b>F</b>	Untimely reconciliation of SPCC packages	Ensure reconciliation packages are completed by the 23 <sup>rd</sup> of each month.	<del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	<p style="color: blue;"><b>in OPS. OPS will be ready for testing to commence October 2021. Will contact Office of Internal Audit to schedule testing. Mandatory internal charge card training is being developed in power point format which will be provided to all cardholders and supervisors versus in person instruction by program administrator. OPS will be ready for testing to commence October 2021. OPS will contact Office of Internal Audit to schedule testing.</b></p> <p>A process will be developed in conjunction with the Office of Human Resources for the Program Administrator to timely deactivate/cancel charge cards upon notification by the Office of Human Resources that the cardholder or supervisor has been terminated or reassigned.</p>
						12/18	Ongoing.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	Ongoing. Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process will go into effect with the distribution of the new policy expected in November 2019.
						01/20	Ongoing. Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process went into effect with the distribution of the new policy in December 2019. Issues still need to be resolved for the comment to be complete.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.
							<p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for</p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>SPCC packages are being reconciled timely.</b>
13 O	SPCC and/or ILTC annual cardholder training is not completed	Ensure cardholder completes annual SPCC and/ILTC cardholder training. Supporting documentation retained in cardholder's file.	<del>01/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	A process will be developed to ensure timely reconciliation of SPCC transactions online and receipt of completed SPCC packages in the Office of Procurement Services by the 23 <sup>rd</sup> of each month. In conjunction with the applicable department and Office of Human Resources, the Program Administrator is to ensure cardholder information is correct and remains current. Policy 5504 will be enforced to address violations or noncompliance.
						12/18	Ongoing. Need to develop a process.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	Forms showing cardholders completed training is loaded on a secure folder on the O drive.
						01/20	Ongoing.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						04/20	<p>The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p>
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>Training complete and documentation in file.</b>
14 O	Supervisor did not approve reconciliation package	Ensure there is an updated cardholder Supervisor-VP spreadsheet indicating the supervisor authorized to approve the cardholder's reconciliation. In addition, consider working with Human Resources in order to be notified of changes involving employees and their supervisors.	<del>01/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	<p>A process will be developed to ensure timely reconciliation of SPCC transactions on line and receipt of completed SPCC packages in the Office of Procurement Services by the 23<sup>rd</sup> of each month. In conjunction with the applicable department and Office of Human Resources, the Program Administrator is to ensure supervisor information is correct and remains current. Policy 5504 will be enforced to address violations or noncompliance.</p>
						12/18	Ongoing.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary



# Corrective Action Plans Status a/o 08/21

## Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							staff are being hired and trained while recruitments for permanent replacements proceed.
			10/19		Ongoing.		Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process will go into effect with the distribution of the new policy expected in November 2019.
			01/20		Ongoing.		Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process went into effect with the distribution of the new policy in December 2019. Issues still need to be resolved for the comment to be complete.
			04/20				The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
			07/20				No progress due to vacancies, budget and pandemic.
			08/20				No change.
			11/20				No progress has been made.
			01/21				The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						04/21	No further update.
						<b>08/21</b>	<b>Supervisors are approving reconciliation package.</b>
15 O	Cardholder and/or Supervisor did not sign the Bank of America statement	Ensure cardholders and supervisors review and sign the monthly BOA bank statements.	<del>12/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	The SPCC administrator will ensure all bank statements are reconciled and signed off by the cardholder and supervisor. Cardholder and supervisor are to sign the Bank of America issued monthly statement for standardization and consistency.
						12/18	Ongoing. Need to sample and test bank statements for compliance.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	Ongoing. Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process will go into effect with the distribution of the new policy expected in November 2019.
						01/20	Ongoing. Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process went into effect with the distribution of the new policy in December 2019. Issues still need to be resolved for the comment to be complete.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit,



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### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>Cardholders and supervisors are signing off on monthly transactions.</b>
16.	Account Manager did not approve charges to its index code	Officer ensure purchases are not charged to the Index Code without evidence of approval from the assigned Account Manager. This should be obtain by signature in the reconciliation package.	<del>02/19</del> <del>04/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18 12/18	The SPCC administrator will ensure all bank statements are reconciled and signed off by the cardholder and supervisor. Cardholder and supervisor are to sign the Bank of America issued monthly statement for standardization and consistency.
						03/19	Ongoing. Requires coordination with Budget.
						09/19	Ongoing.
							Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	Ongoing. Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process will go into effect with the distribution of the new policy expected in November 2019.
						01/20	Ongoing. Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process went into effect with the distribution of the new policy in December 2019. Issues still need to be resolved for the comment to be complete.



# Corrective Action Plans Status a/o 08/21

## Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
			04/20				<p>The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p>
			07/20				No progress due to vacancies, budget and pandemic.
			08/20				No change.
			11/20				No progress has been made.
			01/21				The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
			04/21				No further update.
			<b>08/21</b>				<b>Effective July 2021, charge card monthly reconciliations are to be completed online in BofA Works by the 23<sup>rd</sup> of each month. SPCC policy has been updated to reflect this. Paper monthly reconciliation process is no longer practiced. Paper copies of monthly reconciliation packets are no longer submitted to OPS and Accounts Payable. Online monthly reconciliation process in Works encompasses allocation of funds, receipt imaging, and sign off by cardholder and cardholder supervisor. Charge cardholders submit request to index access through an internal process via the VSU intranet. Cardholder supervisor who is the account/financial manager for the index must approve access to index. OPS will be ready for testing to commence October 2021. OPS will contact Office of Internal Audit to schedule testing.</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
17 F	SPCC reconciliation was not completed and submitted to Invoice Processing	Ensure SPCC cardholders complete and submit reconciliation packages to Invoice Processing.	<del>01/19</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	SPCC cardholders will be complete online reconciliations and reconciliation packages will be received in the Office of Procurement Services by the 23 <sup>rd</sup> of each month. Punitive action will be enforced for cardholders and supervisors who do not timely complete online reconciliation and submit reconciliation packages in the Office of Procurement Services in a timely manner. See #13 above.
						12/18	Ongoing, first packages were due on 1/23 and are currently being evaluated.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	Ongoing. Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process will go into effect with the distribution of the new policy expected in November 2019.
						01/20	Ongoing. Finance staff have agreed-upon a process to a paper free reconciliation process. The reconciliation process will take place over the Bank of America works platform. Procurement policies have been updated to reflect the change. The new process went into effect with the distribution of the new policy in December 2019. Issues still need to be resolved for the comment to be complete.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						07/20	No progress due to vacancies, budget and pandemic.
						08/20	No change.
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>Effective July 2021, charge card monthly reconciliations are to be completed online in BofA Works by the 23<sup>rd</sup> of each month. SPCC policy has been updated to reflect this. Paper monthly reconciliation process is no longer practiced. Paper copies of monthly reconciliation packets are no longer submitted to OPS and Accounts Payable. Online monthly reconciliation process in Works encompasses allocation of funds, receipt imaging, and sign off by cardholder and cardholder supervisor. OPS will be ready for testing to commence October 2021. OPS will contact Office of Internal Audit to schedule testing.</b>
18. <b>PI</b>	SPCC industry restrictions removed without proper approval from DOA and/or Management	Ensure Industry Restrictions are only removed with the appropriate request and approval. Consider placing restrictions back on SPCC and obtaining the necessary approval from DOA and/or management. If the restriction is temporarily removed, a monitoring process should be implemented to ensure restrictions are placed back on the cardholder's SPCC card. Supporting documentation should be retained in the cardholder's file.	<del>11/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>04/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	All standard industry restrictions will be placed on existing SPCCs. Required written justifications for removal of restrictions will be provided to the Program Administrator by the cardholder's supervisor in order to remove restrictions. Appropriate documentation be received, reviewed, and approved by the Program Administrator and DOA as applicable prior to removal to any SPCC restrictions.
						12/18	Ongoing.
						03/19	Ongoing.
						09/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						10/19	Ongoing. Procurement vacancies prevented progress. New staff is being hired and plans are underway to take corrective action prior to 4/20.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							01/20 Ongoing. Procurement vacancies prevented progress. New staff is being hired and plans are underway to take corrective action prior to 4/20
							04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
							07/20 No progress due to vacancies, budget and pandemic.
							08/20 No change.
							11/20 No progress has been made.
							01/21 The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
							04/21 No further update.
							<b>08/21 Standard industry restrictions have been placed on all charge cards. VSU's FY22 Exception Request List has been approved by DOA for permanent (annual) restriction lifts. Effective July 2021 fillable pdf request for temporary restriction lift form is required to be completed by cardholder and cardholder supervisor. Upon receipt of the completed form from the cardholder and cardholder supervisor the program administrator reviews form for approval. Upon program administrator approval a temporary restriction lift is granted for a maximum of fourteen (14) days. OPS will be ready for testing to</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
19 O	Past Due invoices paid utilizing the SPCC	Educate the cardholder and supervisor on the importance of not paying invoices that are past due. In addition, ensure the reconciliation packages are adequately reviewed for violations and handled in accordance with State and University policies.	<del>12/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	<p><b>commence September 2021. OPS will contact Office of Internal Audit to schedule testing.</b></p> <p>The Program Administrator will ensure all past due invoices (30 days or greater) are not paid by SPCC unless approved by DOA. Offenders will be held accountable in accordance with State and University policies.</p> <p>12/18 Ongoing.</p> <p>03/19 Ongoing.</p> <p>09/19 Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.</p> <p>10/19 Ongoing. Cardholders and supervisors have completed training requirements which included the importance of not paying invoices that are past due. Evidence is provided on the O drive. New policies were approved by the VP Council regarding utilization of SPCC card and new penalties for infractions was implemented and reviewed.</p> <p>01/20 Ongoing.</p> <p>04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p> <p>07/20 No progress due to vacancies, budget and pandemic.</p> <p>08/20 No change.</p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
						11/20	No progress has been made.
						01/21	The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
						04/21	No further update.
						<b>08/21</b>	<b>A fillable pdf request to pay past due form is required to be completed by the cardholder and cardholder supervisor. Upon review and approval of the form by the program administrator submission is then made to DOA by the program administrator. Upon DOA approval the program administrator notifies the cardholder and cardholder supervisor that payment to the vendor can be made. OPS will be ready for testing to commence September 2021. OPS will contact Office of Internal Audit to schedule testing.</b>
20 <b>PI</b>	Employees did not pay the ILTC timely	Implement a process and/or policy that will discourage late ILTC payment. In addition, employees that become delinquent should be held accountable and the rules as noted in State guidelines are carried out.	<del>12/18</del> <del>02/19</del> <del>09/19</del> <del>11/19</del> <del>05/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	The University will revise its policies to discourage late ILTC payments. Cardholders responsible for delinquent payments on the ILTC will be held accountable in accordance with State and University policies.
							Ongoing. Policies need to be changed.
						12/18	Ongoing.
						03/19	Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.
						09/19	Ongoing. New Travel Policy was recently approved through the VP Council and includes penalties for policy infractions. The new policy will be distributed to the campus community in November 2019.
						10/19	Ongoing. New Travel Policy was recently approved through the VP Council and includes penalties for policy infractions. The new policy will be distributed to the campus community in November 2019.
						01/20	Ongoing.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.
							<u>Audit:</u> All work on internal and external audits have been suspended until further notice.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							<p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p> <p>07/20 No progress due to vacancies, budget and pandemic.</p> <p>08/20 No change.</p> <p>11/20 No progress has been made.</p> <p>01/21 The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.</p> <p>04/21 No further update.</p> <p><b>08/21 ILTC policy has been updated to discourage late payments. OPS will be ready for testing to commence October 2021. OPS will contact Office of Internal Audit to schedule testing.</b></p>
21 <b>P</b>	Utilizing expired NTS (travel agent) contract	Establish a contract for a travel agent to secure the best price for airline and rail tickets. In addition, notify the faculty and staff they should no longer utilized NTS for services.	<del>02/19</del> <del>03/19</del> <del>09/19</del> <del>11/19</del> <del>03/20</del> <del>02/21</del> 10/21	Kevin Davenport	U	Initial Plan 09/18	<p>The University will solicit and award a new term contract for these services. The University will research existing VASCUPP contracts to determine the feasibility of utilizing an existing VASCUPP contract for these services until a new term contact can be put in place. If the University is unable to utilize an existing VASCUPP contract for these services the University will utilize DGS small purchase procedures until it can solicit and award a new term contract. Faculty and staff will be notified to no longer utilize the expired NTS contract effective November 15, 2018.</p> <p>12/18 Ongoing. Staff is working to obtain DGS approval in order to utilize an existing VASCUUP contract.</p> <p>03/19 Ongoing.</p> <p>09/19 Ongoing. Continued staff vacancies (i.e. 2 vacant positions and 1 position on medical leave) have delayed completion. Temporary staff are being hired and trained while recruitments for permanent replacements proceed.</p>



# Corrective Action Plans Status a/o 08/21

## Internal Audit – Purchase Card Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							10/19 Ongoing. Procurement vacancies prevented the university from changing to an alternative contract. Plans are underway to utilize an existing VASCUPP contract by March 2020.
							01/20 Ongoing. Procurement vacancies prevented the university from changing to an alternative contract. Plans are underway to utilize an existing VASCUPP contract by March 2020.
							04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
							07/20 No progress due to vacancies, budget and pandemic.
							08/20 No change.
							11/20 No progress has been made.
							01/21 The Small Purchase Charge Card Administrator is responsible for SPCC and ILTC policies and procedures. The position is vacant but was recently approved for recruitment. Administration anticipates completion of the recruitment by April 2021.
							04/21 No further update.
							<b>08/21 College of William and Mary VASCUPP contract with Covington Travel has been identified as source for travel services. OPS will be ready for testing to commence September 2021. OPS will contact Office of Internal Audit to schedule testing.</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Investigation

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
1a. PP	Improve planning, tracking and reporting of fundraising and donor events	Develop and implement written procedures to include the following: (1) follow a procurement methodology for vendor selection (competitive procurement); (2) document a plan with a budget to include fundraising goals; (3) establish a method to track expenditures (including expenses covered by other areas) against revenue (to accurately assess the return on investment); (4) document lessons learned and (5) report the outcome of each fundraising event to the Board of Visitors (to include budget, revenue and expenditures.	<del>5/19</del> <del>11/19</del> <del>06/20</del> <del>02/21</del> <del>07/21</del> 12/21	<del>Reshunda Mahone</del> Dr. Abdullah	U	Initial Plan 11/18	<p>(1) The Office of Finance will adopt policies and procedures to strengthen procurement controls over university departments who spend funds through the foundation. Due date: 5/1/19</p> <p>(2) Management will communicate to the University staff that budgets shall be developed for signature events such as alumni weekend and homecoming.</p> <p>(3) Management will develop a budget and track expenditures for signature events such as alumni weekend and homecoming.</p> <p>(4) Institutional Advancement completes an event debrief meeting after every event for internal documentation.</p> <p>(5) Institutional Advancement will report budget, revenues, and expenses for signature events to the VSU Foundation Board of Trustees (since the VSU Foundation is the source for funds).</p>
						03/19	Advancement will develop budgets for signature events. The next signature event is alumni weekend in May. Advancement will report budget, revenues and expenses for alumni weekend to the VSU Foundation.
						09/19	Ongoing. Finance will develop written procedures to ensure proper procurement over foundation funds as well as proper budget development and monitoring over university fundraising events. The procedures will also address proper reporting to the Board of Visitors.
						10/19	Ongoing. The Office of Institutional Advancement develops budgets for its signature events. The Office of Finance amended its procurement policy to strengthen controls over foundation procurements. The policy change mandates University employees who negotiates or secures goods and/or services must comply with university procurement policy. The new policy is expected to be released to the campus community in November 2019.
						01/20	Ongoing.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.
							<p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension</p>



# Corrective Action Plans Status a/o 08/21

## Internal Audit – Special Investigation

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
			07/20				No progress due to vacancies, budget and pandemic.
			08/20				No change.
			11/20				No progress has been made.
			01/21				Will have to meet with new Vice President for External Relations to review process and documentation of budgets for its signature events. The Office of Finance amended its procurement policy to strengthen controls over foundation procurements. The policy change mandates University employees who negotiates or secures goods and/or services must comply with university procurement policy. The new policy was released to the campus community in November 2019.
			04/21				No further update.
			<b>08/21</b>				<b>The Director of Financial Operations and Compliance is working with the Office of Institutional Advancement (OIA) to assess the process as a whole and determine a viable resolution. We have drafted a new OIA policy on Coordination of University Fundraising, which aims to coordinate fundraising efforts by the university and any associated entities/depts that engage in fundraising on behalf of or in support of the university. The VP for External Relations will present/submit the Coordination of University Fundraising policy to the OIA's chairperson by <u>Sept 30, 2021</u>. We will also document a process to improve the planning, tracking, and reporting of fundraising and donor events. Supporting documentation of the process will include but is not limited to an official VSU Financial Process File. An electronic file containing an overview of the documented process and how it assures compliance with the policy. The file will also have information on the purpose, departmental desk procedures (for key depts involved), and flow chart presentation (if necessary). The anticipated completion date is <u>October 31, 2021</u>.</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Investigation

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
2. <b>PI</b>	Implement process to timely create MOUs for donor funds	Ensure that donor fund MOUs are timely created and funds are timely booked.	<del>09/19</del> <del>11/19</del> <del>06/20</del> <del>02/21</del> <del>07/21</del> <b>12/21</b>	<del>Reshunda Mahone</del> Dr. Abdullah	U	Initial Plan 11/18	The process to create a fund established by a MOU typically takes 1 to 2 weeks with collaboration of Institutional Advancement, the Budget Office, and the VSU Foundation. MOU procedures were developed in July 2018. (Please see example)
						03/19	Ongoing.
						09/19	Ongoing. Finance will develop written procedures to ensure donor fund MOUs are timely created and funds are timely booked.
						10/19	The Office of Institutional Advancement has developed MOU Procedures to ensure donor fund MOUs are timely created and funds are timely booked.
						01/20	Ongoing.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.
						07/20	Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
						08/20	No progress due to vacancies, budget and pandemic.
						11/20	No change.
						01/21	No progress has been made.  Will have to meet with the new Vice President for Institutional Advancement to review MOU Procedures to ensure donor fund MOUs are timely created and funds are timely booked.
						04/21	No further update.
						<b>08/21</b>	<b>The Director of Financial Operations and Compliance is working with the Office of Institutional Advancement</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Investigation

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
3. <b>PI</b>	Implement a procurement methodology and follow it	Ensure that contracts are competitively obtained and contract discounts and terms negotiated are received	<del>04/19</del> <del>11/19</del> <del>06/20</del> <del>02/21</del> 12/21	<del>Reshunda Mahone</del> Dr. Abdullah	U	Initial Plan 11/18	<p style="color: blue; font-weight: bold;">(OIA) to assess the process as a whole and determine a viable resolution. Supporting documentation of the process will include but is not limited to an official VSU Financial Process File. An electronic file containing an overview of the documented process and how it assures compliance with the OIA's policies related to donor fund creation. The file will also contain information on the purpose, departmental desk procedures (for key depts involved), and flow chart presentation (if necessary). The anticipated completion date is <u>October 31, 2021</u>.</p> <p>The Office of Finance will adopt policies and procedures to strengthen procurement controls over university departments who spend funds through the VSU Foundation.</p> <p>03/19 Finance will develop a university policy to ensure state employees procure goods and services in accordance with the Public Procurement Act.</p> <p>09/19 Ongoing. Finance will adopt policies and procedures to strengthen procurement controls over university departments who spend funds through the foundation.</p> <p>10/19 Ongoing. The Office of Finance amended its procurement policy to strengthen controls over foundation procurements. The policy change mandates University employees who negotiate or secure goods and/or services must comply with university procurement policy. The policy change explicitly states the requirements apply to goods and services that are to be paid for with foundation funds. The new policy is expected to be released to the campus community in November 2019.</p> <p>01/20 Ongoing.</p> <p>04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit,</p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Investigation

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
			07/20				No progress due to vacancies, budget and pandemic.
			08/20				No change
			11/20				No progress has been made.
			01/21				The Office of Finance amended its procurement policy to strengthen controls over foundation procurements. The policy change mandates University employees who negotiates or secures goods and/or services must comply with university procurement policy. The new policy was released to the campus community in November 2019. The Office of Procurement Services has several open positions which need to be filled. The comment will be revisited upon filling of the positions.
			04/21				No further update.
			<b>08/21</b>				<b>The Director of Financial Operations and Compliance is working with the Office of Procurement, Budget, and Controller to implement a procurement process/methodology over University spending of VSU Foundation resources. The University will establish budgets (mirror funds) for departmental use of those resources. To assure compliance with state-wide procurement laws, we'll use the Office of Procurement's eVA and BOA Works platform for departmental spending. We'll facilitate university reimbursements through the monthly billing process handled by Controller's Office. Currently, the University bills the VSU Foundation monthly for various expenses, such as scholarships and accounting services. We anticipate a soft roll-out to pilot departments (Advancement, Office of the Provost, and Athletics) by <u>October 15th</u>. This audit concern will be complete and ready for review on <u>October 31, 2021</u>.</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Investigation

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
4 <b>PI</b>	Inconsistent Judicial Panel Hearing Process	Implement a Student Judicial Hearing process that ensures that the process is consistently distributed.	<del>09/19</del> <del>10/19</del> <del>04/20</del> <b>11/21</b>	<del>Dr. Boone</del> Dr. Palm	U	Initial Plan 05/19	<p>The Dean of Students in collaboration with the Director of Student Conduct will regularly monitor the Student Judicial Hearing Process to ensure consistency in the adjudication process. The Dean of Students will continue to track hearing outcomes and conduct a random sample audit of student conduct files to assess consistency in sanction administration.</p> <p>09/19 Ongoing.</p> <p>10/19 Underway. Services of a consultant will be leveraged to review Judicial Affairs in order to provide recommendations for improvement and consistency with sanctions</p> <p>01/20 Ongoing. In Progress. Services of a consultant will be leveraged to review Judicial Affairs in order to provide recommendations for improvement and consistency with sanctions. Projected Completion is expected 4/20.</p> <p>04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p> <p>07/20 Ongoing Services of a consultant will be leveraged to review Judicial Affairs in order to provide recommendations for improvement and consistency with sanctions. Projected Completion is expected 4/21.</p> <p>08/20 There are no updates at this time.</p> <p>11/20 No updates.</p> <p>01/21 No updates at this time.</p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Investigation

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							04/21 Ongoing Consultant will be secured in the summer of 2021 to review processes and make recommendations for improvement.
							<b>08/21 Student Handbook has been updated to include the ISP process. The criteria is in place to appropriately and consistently route ISP cases and non-ISP cases through the process to demonstrate a fair and equitable process.</b>
5 <b>PI</b>	Conflict of Interest and Appearance of Favoritism	University Policy is developed and implemented to ensure that at a minimum immediate family members do not report directly or in the same reporting stream as their relative.	<del>09/19</del> <del>10/19</del> <del>04/20</del> <del>10/20</del> <del>03/21</del> <b>04/22</b>	<del>Dr. Boone</del> Dr. Palm	U	Initial Plan 05/19	<p>In accordance with Procedure 807, as part of the onboarding process for all new employees, each staff person will complete an information sheet that asks if he or she has relatives employed at VSU. If it is found that the employee is related to a person in the same department or an area where a family member is in position to exercise control or otherwise influence the employment activities of another family member, efforts will be made to reassign the employee to another area. If not possible, the immediate supervisor (through the appropriate reporting structure) will petition the President of the University for an exception to this policy. Each case will be reviewed on its individual merit.</p> <p>09/19 Ongoing.</p> <p>10/19 Underway</p> <p>01/20 In Progress. The comment will need to be addressed by the Office of Finance.</p> <p>04/20 The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.</p> <p><u>Audit:</u> All work on internal and external audits have been suspended until further notice.</p> <p>Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.</p>
							07/20



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Special Investigation

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							<p>Ongoing Currently Procedure 807 is being revised into a policy. In accordance with Procedure 807, as part of the onboarding process for all new employees, each staff person will complete an information sheet that asks if he or she has relatives employed at VSU. If it is found that the employee is related to a person in the same department or an area where a family member is in position to exercise control or otherwise influence the employment activities of another family member, efforts will be made to reassign the employee to another area. If not possible, the immediate supervisor (through the appropriate reporting structure) will petition the President of the University for an exception to this policy. Each case will be reviewed on its individual merit. Completion is expected 10/1/2020</p> <p>08/20 There are no updates at this time.</p> <p>11/20 There are no updates.</p> <p>01/21 Draft updated policy has been drafted. Working with HR to finalize for approval before the due date.</p> <p>04/21 Under review by General Counsel Office. Will be complete on 4/21.</p> <p><b>08/21 Still Under review with General Counsel Office.</b></p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Hotline

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
1 <b>PI</b>	Code of Virginia Compliance	Implement and document a process to ensure compliance with the Code of Virginia § 23.1-800. Additionally, a periodic review of records should be conducted to ensure compliance.	<del>06/20</del> <del>12/20</del> <del>04/21</del> <b>02/22</b>	Dr. Palm	U	Initial Plan 06/19	The Student Health Center team is planning to change the immunization process to obtain immunization data electronically. The first step is to meet with the vendor for the health system to understand how to best utilize the features within the system. Develop a plan, implement the plan and test the expected outcome.
						09/19	The Student Health Center has and will annually purge and have destructed records according to the code of the Library of Virginia. Immunization records have been placed on the ground floor records room. Student Health staff met with Medicat on August 1 <sup>st</sup> for training on use of the Virginia Immunization Information System (VIIS) interface with Medicat, Enable Upload of immunizations and Enable Text immunization reminders.
						10/19	Ongoing. The health center has purged records as of today according to the Library of Virginia. The Medicat electronic health record now has the capability of students to upload their documents into the secure Medicat portal. Dr. Lyttle has held meetings with Kristi Penny at Medicat on 10/10/2019 and had email and telephone communications with Errol Szokolay at Medicat regarding implementation of the immunization interface
						01/20	Ongoing. The health center has purged records as of today according to the Library of Virginia. The Medicat electronic health record now has the capability of students to upload their documents into the secure Medicat portal. Dr. Lyttle has held meetings with Kristi Penny at Medicat on 10/10/2019 and had email and telephone communications with Errol Szokolay at Medicat regarding implementation of the immunization interface  Projected Completion is 6/20.
						04/20	The following notification was sent to Campus Community through the University Relations memo on 3/18/2020.  <u>Audit:</u> All work on internal and external audits have been suspended until further notice.  Once the University Relations Communication was received, Internal Audit contacted President Makola Abdullah for confirmation. (In summary, all University activities would focus on operations due to COVID-19 concerns). On 3/30/20 suspension was lifted for APA. President Abdullah has designated the decision to lift the suspension of Internal Audit interaction to the Vice Presidents. On 4/21/20 when requested by Internal Audit, suspension was lifted by Dr. Palm and Mr. Harris for their



# Corrective Action Plans Status a/o 08/21

## Internal Audit – Hotline

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							areas. Mr. Davenport lifted suspension for Internal Audit on 5/4/20.
			07/20				The Student Health Immunization Coordinator participated in training for all vaccine administrators on 10/23/19. The implementation of the Virginia Immunization Information System and Connect Virginia continues to be delayed due to the operational issues with the state immunization system (Errol Szokolay). Currently, there is not a projected date for the system being operational. Due to budgetary restrictions, the hiring of the Information Technology Records Officer is also delayed. The Self-Service Reset Password Management System, which is self-service password reset tool that allow students self-reset their Active Directory password, being utilized by Enrollment Services will enable students to upload their immunizations records during the same timeframe as they submit their transcripts for review.
			08/20				There are no updates at this time.
			11/20				No update.
			01/21				No updates at this time.
			04/21				<p>ONGING:</p> <p>A new Health Director has been hired and has implemented the use of the Virginia Immunization Information System (VIIS) to to verify immunizations for VA students. Once verified the student immunization information will be updated in Medicat. All non-compliant students are being reviewed with the (VIIS). that are not compliant are being reviewed and verified</p> <p>Students who are missing a required immunization (in-state and out-of-state) will be contacted by a member of SHS and instructed on next steps for compliance.</p> <p>The Immunization Registry Interface between Medicat (Electronic Health Record) and VIIS is currently being completed. This process will allow for the exchange of information between the 2 systems.</p>
			<b>08/21</b>				<p><b>Virginia State University has implemented the use of the Virginia Immunization Information System (VIIS) to verify immunizations for VA students. Once verified the student immunization information will be updated in Medicat. All non-compliant students are being reviewed with the (VIIS). that are not compliant are being reviewed and verified</b></p> <p><b>Students who are missing a required immunization (in-state and out-of-state) will be contacted by a member of Student</b></p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Hotline

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
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Health Services. Virginia State University has contracted with Medicat Services to assist with confirming that all students are in compliance. In addition, Medicat Services will contact all students that are not compliant to access records to demonstrate compliance.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Hotline

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
1. <b>PI</b>	Verification of Vendor Commissions	Obtain commission data that enable management to reconcile commissions back to events to ensure commission are accurately applied.	<del>12/20</del> 04/21	Kevin Davenport	<b>C</b>	Initial Plan 11/20	The Auxiliary Services office reconciled the commission. Thompson Hospitality will have the invoice number, responsible person, or department on the Trial Balance Detail Report along with an electronic copy of the invoices. This allows the Auxiliary Services Office to review the invoice's accuracy against the trial balance report to ensure the commission correct.
						04/21	The new reconciliation process started on April 1, 2021. Also procedures were developed.
						<b>08/21</b>	<b>Completed.</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Capital Outlay Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
1 <b>PI</b>	In adequate Project Management Practices	<ul style="list-style-type: none"> <li>• Untimely Project Close-outs</li> <li>• Unauthorized Capital Project Contracts and Receiving Reports</li> <li>• Expenditure Thresholds and Maintenance Reserve Unallowables</li> <li>• Untimely Building Permit</li> <li>• No Application for Approval of Schematic Design Completed or Forward to DEB/BCOM</li> <li>• Application for Approval of Preliminary Design was not completed for DEB/BCOM</li> <li>• No Performance Evaluations conducted for A/E or Construction Contractors</li> <li>• Architectural/Engineering (A/E) Firm Respondent's Firm Data was not submitted</li> </ul>	10/21	Kevin Davenport	U	Initial Plan 12/20	<ul style="list-style-type: none"> <li>• The University will implement a quality assurance process to help ensure projects are in compliance with Commonwealth Capital Outlay Project Requirements.</li> <li>• Staff will document the new process to include addressing timely project close-outs, authorizations of project orders, allowable expenditure thresholds for maintenance reserve expenditures, documentation processes for design applications, performance evaluations for A/E's and Construction Contractors and submission of A/E firm data.</li> <li>• The process will be reviewed for accuracy by the Office of the Attorney General, the Division of Engineering and Buildings staff and by the budget analyst at the Department of Planning and Budget.</li> <li>• Employee Work Profiles for management and project management staff will be updated to reflect process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>A Computerized Project Management System is funded in FY22 and will be implemented to ensure all project management personnel adhere to University and State standards. Use of the software is under Enterprise Cloud Oversight Service (ECOS) review by the Virginia Information Technology Agency (VITA) for compliance and accordance with security requirements. Project Management procedure flowcharts have been prepared in preparation for approval and Implementation.</b>
2 <b>PI</b>	Untimely Capital Outlay Project Bid Opening	<ul style="list-style-type: none"> <li>• Approval to Award Contract (CO-8) was not forwarded to DEB/BCOM timely</li> <li>• Architectural and Engineering contracts were not sent to DEB/BCOM</li> <li>• No evidence of solicitations were posted for at least 21 days prior to the proposal receipt date</li> <li>• Receiving reports were not completed within three working days after the performance of services</li> </ul>	10/21	Kevin Davenport	U	Initial Plan 12/20	<ul style="list-style-type: none"> <li>• The University will update its Capital Outlay Procurement process to help ensure contracts are approved, solicited, awarded, reported and retained in accordance with University and State guidelines.</li> <li>• The procurement process will be reviewed for accuracy by the Office of the Attorney General, Library of Virginia staff and the Division of Engineering and Buildings staff.</li> <li>• Employee Work Profiles for management and project contracting staff will be updated to reflect process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Capital Outlay Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
3 <b>PP</b>	Incomplete or Non-Existing Procedures	Policies and procedures did not include current State and Federal guidelines and all of the processes/responsibilities for Capital Outlay employees	10/21	Kevin Davenport	U	Initial Plan 12/20	<p><b>08/21 The Computerized Project Management System will contain controls that ensure that all project management personnel adhere to University and State standards for procurement.</b></p> <ul style="list-style-type: none"> <li>• The University will create and update procedures to document current processes and responsibilities.</li> <li>• The policies and procedures will be reviewed for accuracy by the Office of the Attorney General and the Division of Engineering and Buildings staff.</li> <li>• Policies and procedures will be reviewed annually, or when there are updates to regulatory guidance.</li> <li>• Annual CPSM training and testing will be required for all Capital Outlay employees.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>Five new desk procedures have been submitted and four have been approved as clearing Items 5, 8, 9 and 11. New procedures will be incorporated in the Computerized Project Management System which is under review by VITA.</b>
4 <b>P</b>	Improper Procurement	<ul style="list-style-type: none"> <li>• Professional services and construction contracts were not procured in compliance with the CPSM</li> <li>• Memorandums of Understanding (MOU) were missing for some construction service</li> <li>• Procurements Construction procurements were not solicited for the minimum period</li> </ul>	10/21	Kevin Davenport	U	Initial Plan 12/20	<ul style="list-style-type: none"> <li>• The University will update its' Capital Outlay procurement process to help ensure contracts are approved, solicited, awarded, reported and retained in accordance with University and State guidelines.</li> <li>• The procurement process will be reviewed for accuracy by the Office of the Attorney General, Library of Virginia staff and the Division of Engineering and Buildings staff.</li> <li>• Employee Work Profiles for management and project contracting staff will be updated to reflect process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>The Computerized Project Management System will contain controls that ensure that all project management personnel adhere to University and State standards for procurement.</b>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Capital Outlay Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
5 <b>P</b>	Bids solicited prior to DEB/BCOM approval	Projects solicited construction contracts before the Working Drawings (form CO-6) were approved by DEB/BCOM	10/21	Kevin Davenport	<b>C</b>	Initial Plan 12/20	<ul style="list-style-type: none"> <li>The University will update its process to help ensure authorizations from DEB/BCOM are obtained prior to solicited bids.</li> <li>The process will be reviewed for accuracy by the Office of the Attorney General, Library of Virginia staff and the Division of Engineering and Buildings staff.</li> <li>Employee Work Profiles for management and project contracting staff will be updated to reflect process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>Completed.</b>
6 <b>P</b>	No Request for Proposal (RFP) for Professional Service Procurement	No RFP for a professional service procurement or a bid package	10/21	Kevin Davenport	<b>U</b>	Initial Plan 12/20	<ul style="list-style-type: none"> <li>The University will update its' Capital Outlay procurement process to help ensure contracts are approved, solicited, awarded, reported and retained in accordance with University and State guidelines.</li> <li>The procurement process will be reviewed for accuracy by the Office of the Attorney General, Library of Virginia staff and the Division of Engineering and Buildings staff.</li> <li>Employee Work Profiles for management and project contracting staff will be updated to reflect process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>The Computerized Project Management System will contain controls that ensure that all project management personnel adhere to University and State standards for professional services procurement.</b>
7 <b>O</b>	Inefficient Review of Small Businesses for Good and Services	Professional service procurements that did not have evidence the respondent included a report on past efforts to utilize the goods and services of small businesses	10/21	Kevin Davenport	<b>C</b>	Initial Plan 12/20	<ul style="list-style-type: none"> <li>The University will update its' Capital Outlay procurement process to help ensure contracts are approved, solicited, awarded, reported and retained in accordance with University and State guidelines.</li> <li>The procurement process will be reviewed for accuracy by the Office of the Attorney General, Library of Virginia staff and the Division of Engineering and Buildings staff.</li> </ul>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Capital Outlay Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
							<ul style="list-style-type: none"> <li>Employee Work Profiles for management and project contracting staff will be updated to reflect process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>Completed.</b>
8 <b>P</b>	Unauthorized Signature of Emergency Procurement Notices	Emergency procurements that were signed by the authorized individual	05/21	Kevin Davenport	<b>C</b>	Initial Plan 12/20	<ul style="list-style-type: none"> <li>The University will update its' Capital Outlay procurement process to help ensure emergency procurements are approved, solicited, awarded, reported and retained in accordance with University and State guidelines.</li> <li>The procurement process will be reviewed for accuracy by the University Purchasing staff and the Division of Engineering and Buildings staff.</li> <li>Employee Work Profiles for management and project contracting will be updated to reflect process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>Completed.</b>
9 <b>O</b>	Inefficient use of Resources	Waste of University resources	05/21	Kevin Davenport	<b>C</b>	Initial Plan 12/20	<ul style="list-style-type: none"> <li>The University will implement a staffing process to monitor the work assignments performed by contract employees.</li> <li>The process will be reviewed and approved by University Human Relations and Purchasing staff.</li> <li>The Vice President for Finance will review and approve the Capital Outlay organization chart annually including any contract employees.</li> <li>Employee Work Profiles for management will be updated to reflect staffing process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>Completed.</b>



# Corrective Action Plans Status a/o 08/21

## Internal Audit – Capital Outlay Audit

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
10 <b>PI</b>	Lack of Segregation of Duties	Request and approval done by the same employee	05/21	Kevin Davenport	<b>C</b>	Initial Plan 12/20	<ul style="list-style-type: none"> <li>The University will update its processes to help ensure purchase requisitions are routed properly in eVA.</li> <li>The process will be reviewed for accuracy by eVA staff and University Purchasing and General Accounting Staff.</li> <li>The process will be documented as written policies and procedures.</li> <li>Employee Work Profiles for management will be updated to reflect eVA process requirements.</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>Completed.</b>
11 <b>PP</b>	Noncompliance with Library of Virginia Guidelines	Retention/destruction of documents in accordance with Library of Virginia	05/21	Kevin Davenport	<b>C</b>	Initial Plan 12/20	<ul style="list-style-type: none"> <li>The University will update its' processes to help ensure security, retention and destruction of documents are handled in accordance with University, State and Federal guidelines.</li> <li>The process will be reviewed for accuracy by Division of Engineering and Library of Virginia staff.</li> <li>Employee Work Profiles for management and project management staff will be updated to reflect process requirements</li> </ul>
						01/21	A corrective action plan was developed and submitted in December 2020. Corrective action will be taken.
						04/21	No updates.
						<b>08/21</b>	<b>Completed.</b>



# Corrective Action Plans Status a/o 08/21

## Internal Audit – Grants Audit Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
1 <b>PI</b>	Financial Reporting	Implement process to help ensure financial reporting is conducted timely and complete	<b>10/22</b>	Dr. Palm	<b>U</b>	Initial Plan <b>05/21</b>  <b>08/21</b>	<b>Pending management response since 5/21.</b>  <b>The University (with input from Agency 234) developed a policy entitled "Agency 234 Capacity and State Matching Funds. The policy was created to establish a process by which capacity matching funds are spent in accordance with NIFA guidelines and how reporting requirements will be met.</b>
2. <b>PP</b>	Policies and Procedures	Develop complete and written policies and procedures to perform adequate oversight of grants and projects	<b>10/22</b>	Dr. Palm	<b>U</b>	<b>05/21</b>  <b>08/21</b>	<b>Pending management response since 5/21.</b>  <b>The University (with input from Agency 234) developed a policy entitled "Agency 234 Capacity and State Matching Funds. The policy was created to establish a process by which capacity matching funds are spent in accordance with NIFA guidelines and how reporting requirements will be met. Develop a procedure to routinely verify and document compliance with policy.</b>
3. <b>O</b>	Oversight of Grant Projects	Implement process and/or reviews to help ensure oversight of grant projects	<b>10/22</b>	Dr. Palm	<b>U</b>	<b>05/21</b>  <b>08/21</b>	<b>Pending management response since 5/21.</b>  <b>Agency 234 now has grant specialists that are assigned to oversee the financial compliance of grants awarded to Coop Ext and Ag Research.</b>
4. <b>PI</b>	Conflict of Interest	Implement process to help ensure no conflict of interest is occurring when handling grants	<b>10/22</b>	Dr. Palm	<b>U</b>	<b>05/21</b>  <b>08/21</b>	<b>Pending management response since 5/21.</b>  <b>NIFA funded research participants should avoid any action which gives the appearance of a conflict of interest when awarding or in the use of these funds for personal gain. To document compliance with this funding condition, Agency 234 will have each participant assure and certify compliance with this requirement. The signed document will be kept on file.</b>
5a. <b>PI</b>	Equipment Inventory	Perform periodic equipment inventory review	<b>06/22</b>	Dr. Palm	<b>U</b>	<b>05/21</b>  <b>08/21</b>	<b>Pending management response since 5/21.</b>  <b>The Director of Operations for Agency 234 will:</b> * Obtain a complete asset listing from agency 212 * Create an independent database for the agency's fixed assets. * Reconcile independent database semi- annually to state system. * Verify that all fixed assets are accounted for and



# Corrective Action Plans Status a/o 08/21

## Internal Audit – Grants Audit Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
5b. <b>S</b>	Secure Equipment	Implement process to ensure equipment is secure	<b>06/22</b>	Dr. Palm	<b>U</b>	<b>05/21</b> <b>08/21</b>	<p>tagged appropriately * Prepare and submit an annual equipment report per funding agency requirements.</p> <p><b>Pending management response since 5/21.</b></p> <p><b>Director of operations will work to establish procedures to secure Agency equipment.</b></p>



## Corrective Action Plans Status a/o 08/21

### Internal Audit – Grants Audit Review

Ref	Short Title	Summary	Due Date	Responsible Person(s)	Status	Status Date	Initial Plan/Status Updates
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0 Risk Legend: **F** - Financial, **O** – Oversight, **P** – Procurement, **PI** – Process Improvement, **PP** – Policies and Procedures, **S** - Security



# Virginia State University

PO Box 9001  
Petersburg, VA 23806

Sheila Alves, Chief Audit Executive  
Office of Internal Auditors  
(804) 524-2940

DATE: April 27, 2021

TO: President Makola M. Abdullah

FROM: Sheila A. Alves, Chief Audit Executive

SUBJECT: Corrective Action Plan Review Process

Again, thank you for instructing your VP Council to make the remediation of the corrective action plan a priority. In an effort to accommodate the expected increase of corrective action plan items closing, the Office of Internal Audit will need items along with their supporting documentation submitted to the Office of Internal Audit at least 45 days prior to Board material submission for consideration in our board updates. This will allow the Office of Internal Audit time to review changes and meet with management as needed.

Thank you for your time and efforts.

Cc: Dr. Donald Palm, Provost/Senior Vice President of Academic and Student Success and Engagement



**GRANTS AUDIT**

**REVIEW**

**INTERNAL AUDIT  
FINAL REPORT**

**August 4, 2021**

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## **Executive Summary**

The Virginia State University Office of Internal Auditors (IA) conducted a Grants Audit. This audit was conducted to ensure the handling of Grant responsibilities are conducted in compliance with University, State and Federal guidelines.

Grant functions are as follows:

- Maintain oversight of grants for a collaborative effort in promoting research and extension projects
- Increasing, expanding, and strengthening research partnerships and collaborative links with industry, government, universities and other funding agencies
- Increasing funded research activities, both in terms of number of contracts or grants as well as the total dollars awarded
- Developing and implementing the pre- and post-award administrative and operational policies and procedures to monitor sponsored projects for compliance with University policies, sponsoring agency guidelines, Federal regulations, and other related issues of interest to the research community.

## **Results**

- Untimely Financial Reporting resulting in \$824,039 being withheld in the fourth quarter
- No Oversight or Comprehensive Grant Policies and Procedures
- Unauthorized Purchase of Equipment
- No Conflict of Interest Review
- Equipment not Secured
- No Periodic Review or Oversight of Purchased Equipment

## **Risks**

The risks identified during the audit review consists of lack of oversight of Grants, Projects and untimely and/or incomplete Financial Reports resulting in noncompliance with University, State and Federal guidelines.

## **Recommendations**

The Provost/ Senior Vice President of Academic and Student Success and Engagement must work to implement processes that will address the results and findings throughout this report. Internal Audit has discussed the results and management is preparing a corrective action plan to address the issues.

## **INTRODUCTION**

Virginia Cooperative Extension is important to the University's research and student experience. Agriculture reports up to the Provost/ Senior Vice President of Academic and Student Success and Engagement but is ran by the Dean and 1890 Extension Administrator, Cooperative Extension. Per the Virginia Cooperative Extension website, "Virginia State University is an 1890 land-grant institution. The 1890 land-grant institutions are historically black universities that were established under the Second Morrill Act of 1890. National Institute of Food and Agriculture's (NIFA) 1890 land-grant institutions programs are intended to strengthen research, extension and teaching in the food and agricultural sciences by building the institutional capacities of the 1890 Institutions." Grants are governed by the National Institute of Food and Agriculture and other University and State guidelines. The staff mainly consists of full time employees.

## **SCOPE**

VSU's Office of Internal Auditors (IA) conducted this review as of FY 2018. We considered additional documentation from the Auditor of Public Accounts (APA) for comparative purposes only. This review was performed as a regularly scheduled audit, in accordance with the audit plan approved by the Board of Visitors.

## **PERSPECTIVE**

Our review disclosed areas where we believe internal controls over Grants should be enhanced. It is important to note that this report is intended to be constructive in nature. The following comments represent a summary of the more material areas needing improvement that we noted during the examination.

## **OBJECTIVES**

Our objectives were to determine whether:

- Evaluate organizational structure for effectiveness and efficiency to provide reasonable assurance there are no excessive costs and/or expenses.
- Determine with reasonable assurance proper Indirect cost reporting is performed to prevent penalties being assessed to the University due to noncompliance with Federal, State and University guidelines.
- To provide reasonable assurance that State and Federal awards are expended only for allowable activities and that the costs of goods and services charged to State and Federal awards are allowable and in accordance with the applicable cost principles and award terms and conditions.
- To provide reasonable assurance that procurement of goods and services are made in compliance with the provisions of OMB Circular A-110 and/or other requirements, as applicable, and that covered transactions (as defined in the suspension and debarment rule) are not made with a debarred or suspended party.
- Determine with reasonable assurance if equipment purchased using Grant related funds maintain proper records for equipment, equipment is adequately safe guarded and

maintained, disposition or encumbrance of any equipment or real property is in accordance with Federal, State and University guidelines.

- Determine with reasonable assurance if overhead costs are properly administered and monitored to ensure compliance with State, Federal and University guidelines.
- To provide reasonable assurance matching requirements are met using only allowable funds or costs which are properly calculated and valued.

## **CONCLUSIONS**

Based on our review, we conclude that:

- The organizational structure for effectiveness and efficiency to provide reasonable assurance there are no excessive costs and/or expenses is not operating properly,
- Indirect cost reporting is scoped out due to APA's audit,
- State and Federal awards expended were not allowable activities and in accordance with the applicable cost principles and award terms and conditions,
- Procurement of goods and services appear to have been made in compliance with the provisions of OMB Circular A-110 and/or other requirements, as applicable, and that covered transactions (as defined in the suspension and debarment rule) are not made with a debarred or suspended party,
- Equipment purchased using Grant related funds did not maintain proper records for equipment, and is not adequately safe guarded and maintained,
- Overhead costs are scoped out due to NIFA's review of single audit finding 2017-087, and
- Matching requirements are not met using only allowable funds or costs.

## **PROCEDURES**

To gain an understanding of Grant processes, IA interviewed Office of Sponsored Research and Cooperative Extension staff, reviewed the NIFA guidelines, CAPP Manual, OMB Circular, and other applicable University, State and Federal policies and procedures. Specific policies will be noted below in the Results and Recommendations section of the report.

Samples were judgmentally selected based on the objectives. Information was provided by various staff members. The testing consisted of performing inventory tracing, reviewing awards, reports, emails, and supporting documentation and policies and procedures.

## RESULTS AND RECOMMENDATIONS

### **1. Untimely Financial Reporting**

During FY17, FY18 and FY19 the Evans Allen, Cooperative Extension and McIntire Stennis financial reports (SF425) were submitted late. Pursuant to 2 CFR 200.206, some awards have been "designated a Medium Risk grant award". Per NIFA, "When a final report is overdue (beyond the 90-day period following the award expiration date and not covered by an approved extension of the due date for submission of the report), the award will be placed on "manual review," which restricts the awardee's ability to draw funds." Per the Notice of Award, the Evans Allen grant for the fourth quarter in the amount of "\$824,039 is being withheld pending receipt of cleared obligations", and can be potentially held each quarter because of the designation. In addition, the University is now required to submit financial reports twice a year versus annually. Internal Audit identified six reports with discrepancies that need to be resolved prior to the release of the 4<sup>th</sup> quarter FY2020 funds.

Not submitting the financial reports complete and timely has resulted in awards not being made available for use by the University. This also decreases the time allowed to make purchases for various projects, as well as, the increased number of times the report has to be submitted. This will have a direct impact on operations.

**Item 1 - We recommend the Provost/Senior Vice President of Academic and Student Success and Engagement implement a process to help ensure financial reporting is submitted accurately, completely and timely.**

### **2. No Oversight or Comprehensive Grant Policies and Procedures**

The one-page policy provided by the Office of Sponsored Research is general in its information. It does not provide clear instruction or oversight of how grants should be handled once an award is received. Based on the strict requirements and potential and realized high dollar funds grants can and have brought to the University, the policies and procedures should align according. The policy does not speak to the timeliness of approval of the grants, and who maintains or monitors the expenditures. Grant procedures do not exist to provide consistent execution of the review, adherence to grant requirements, adequate monitoring of grants or oversight procedures to ensure grants received are handled according to the approval requirements. In addition, there is no oversight or documented process to obtain approval for purchases that require authorization from NIFA, for example vehicles.

Not having adequate policies and procedures may result in mishandling of grant funds, to include unallowable expenses.

**Item 2 - We recommend the Provost/Senior Vice President of Academic and Student Success and Engagement establish written procedures to provide guidance to employees in order to help prevent noncompliance with University, Federal and State guidelines.**

### **3. Unauthorized Purchase of Equipment**

During FY17, FY18 and FY19, Internal Audit identified 4 of 29 (14%) vehicles totaling more than \$150,000 that were purchased without prior approval from NIFA. According to staff

member, "Equipment purchased with FY18 carryforward and FY19 funding happened during a time that we were told to hurry up and spend." Per NIFA, "Equipment purchases are subject to prior approval requirements under the Uniform Guidance." NIFA guidance page 92, it states "Grantees are required to be prudent in the acquisition of property under a grant-supported project. It is the grantee's responsibility to conduct a prior review of each proposed property acquisition to ensure that the property is needed and that the need cannot be met with property already in the possession of the organization. If prior approval is required for the acquisition, the grantee must ensure that appropriate approval is obtained in advance of the acquisition. The grantee also must follow appropriate procurement procedures in acquiring property, in accordance with 2 CFR 200.317-326 and their own policies and procedures."

Not adhering to NIFA guidance may result in the University losing grant awards and having to pay back NIFA.

**Item 3 - We recommend the Provost/Senior Vice President of Academic and Student Success and Engagement implement a documented procedure and/or policy that will provide guidance on making purchases in accordance with NIFA. The procedure should include timeframes, limitations and approval process when utilizing grant award funding.**

#### **4. No Conflict of Interest Review**

There is no evidence that a review for conflict of interest is performed during the grant process. Per discussions with the Office of Sponsored Research, no conflict of interest policy is established as it relates to grants. Per the NIFA Federal Assistance Policy Guide, "During the evaluation process, extreme care is taken to prevent any actual or perceived conflicts of interest that may impact review or evaluation. For the purpose of determining conflicts of interest, the academic and administrative autonomy of an institution shall be determined. Reviewers are expected to be in compliance with NIFA Conflict of Interest Guidelines. A conflict of interest might arise when the reviewer, or an immediate family member of the reviewer: has been associated with the applicant or applicant organization within the past 2 years as an advisor or advisee, co-author or collaborator, owner, partner, officer, director, employee, or consultant; has any financial interest in the applicant or applicant organization; is negotiating for, or has an arrangement, concerning prospective employment (2 CFR 200.318(c)(1))."

Individuals involved in the review process may not participate in any aspect of the proposal evaluation if they have a spouse, child, sibling, parent, partner, close friend, or otherwise have a relationship that might affect judgment, or could be seen as doing so by a reasonable person familiar with the relationship."

Not having the proper conflict of interest review and policy did result in a grant being given to a parent, and was found to be in noncompliance with NIFA.

**Item 4 - We recommend the Provost/Senior Vice President of Academic and Student Success and Engagement establish a process to review conflicts of interest with employees directly impacted or handling grants. This will help to ensure grants are awarded in accordance with NIFA guidelines.**

#### **5. Equipment not Secured, and no Periodic Review or Oversight of Purchased Equipment**

Per discussion with the Director, Operations and Management, VSU College of Agriculture, it was verified that no inventory review has been conducted in the last two years. Internal Audit's sample of 29 items totaled more than \$1 million in equipment. We noted during another review of an approved grant that a \$27,000 Hyundai H-I mini bus and laptop given was left and given to an organization/individual in Ghana. There was no evidence this was approved.

During the review of equipment, it was also identified that two pieces of equipment totaling \$65,000 at the time of purchase was not secure. We noted the doors where the equipment was located was not locked. Per NIFA,...."At least once every 2 years, grantees must take a physical inventory of the property and reconcile with the property records. Further, grantees must develop: a control system to ensure adequate safeguards to prevent loss, damage, or theft of the property in good condition."

Consideration should be given to implementing a centralized inventory structure. This will help provide oversight over procurement, inventory and tagging of equipment. Not securing, monitoring and appropriate oversight resulted in equipment being left with an organization not approved by the grant award. In addition, it may result in loss, as well as, noncompliance with Federal, State and University guidelines.

**Item 5 - We recommend Provost/ Senior Vice President of Academic and Student Success and Engagement implement a documented process to perform periodic reviews of inventory to ensure equipment is secure, properly disposed of or transferred in accordance with Federal, State and University guidelines. To include a process to help ensure equipment is secure at all times to help prevent loss and/or theft.**

## **MANAGEMENT MEETING**

A Webex conference call was held with the Dean and 1890 Extension Administrator, Cooperative Extension, Director, Operations and Management, VSU, College of Agriculture and Director of Budget, Policy and Planning on April 9, 2021 to provide them with the discussion draft of the report. In addition, corrective action spreadsheet was provided to discuss on April, 9, 2021. Management agreed to provide a corrective action plan by this date.

## **MANAGEMENT RESPONSE REQUEST**

The Provost/ Senior Vice President of Academic and Student Success and Engagement provided a *Corrective Action Plan*, which is included as an attachment to this report. Please see the *Corrective Action Plan* for planned efforts to address IA recommendations.

## **EXIT CONFERENCE**

We provided the University President with a copy of the draft report and *Corrective Action Plan*. Based upon his review, an exit conference was not deemed necessary.

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Sheila A. Alves  
Chief Audit Executive, Internal Audit

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Malika S. Blume  
Senior Internal Auditor

## **DISTRIBUTION LISTING**

Makola Abdullah, President of Virginia State University

Dr. Donald E. Palm, Provost/Senior Vice President of Academic and Student Success and Engagement

	Short Title	Summary	Due Date	Responsible Person(s)	Status	Task/Comments
1.	Financial Reporting	Implement process to help ensure financial reporting is conducted timely and complete	???	Dr. Palm	Initial Plan ???	Pending management response since 5/21.
2.	Policies and Procedures	Develop complete and written policies and procedures to perform adequate oversight of grants and projects	???	Dr. Palm	Initial Plan ???	Pending management response since 5/21.

	<b>Short Title</b>	<b>Summary</b>	<b>Due Date</b>	<b>Responsible Person(s)</b>	<b>Status</b>	<b>Task/Comments</b>
<b>3.</b>	<b>Oversight of Grant Projects</b>	<b>Implement process and/or reviews to help ensure oversight of grant projects</b>	<b>???</b>	<b>Dr. Palm</b>	<b>Initial Plan ???</b>	<b>Pending management response since 5/21.</b>

Short Title	Summary	Due Date	Responsible Person(s)	Status	Task/Comments	
<b>4.</b>	<b>Conflict of Interest</b>	<b>Implement process to help ensure no conflict of interest is occurring when handling grants</b>	<b>???</b>	<b>Dr. Palm</b>	<b>Initial Plan ???</b>	<b>Pending management response since 5/21.</b>
<b>5a.</b>	<b>Equipment Inventory</b>	<b>Perform periodic equipment inventory review</b>	<b>???</b>	<b>Dr. Palm</b>	<b>Initial Plan ???</b>	<b>Pending management response since 5/21.</b>
<b>5b.</b>	<b>Secure Equipment</b>	<b>Implement process to ensure equipment is secure</b>	<b>???</b>	<b>Dr. Palm</b>	<b>Initial Plan ???</b>	<b>Pending management response since 5/21.</b>



# Virginia State University

PO Box 9001  
Petersburg, VA 23806

Sheila Alves, Chief Audit Executive  
Office of Internal Auditors  
(804) 524-2940

**Confidential**  
Special Investigation

DATE: August 20, 2021  
TO: Hubert Harris, Chief of Staff  
FROM: Sheila A. Alves, Chief Audit Executive  
SUBJECT: Stolen Devices

Based on our investigation, the employee did not timely report in writing the theft of University supplied iPhone or iPad. Also, when reported, not all parties were notified as required by the Fixed Asset Policy 5800. The employee reported the stolen iPhone and iPad to Administrative and Office Specialist I UTS, IT Asset Management Lead in Technology Services and the Fixed Assets Manager. The Fixed Asset Policy, 5800, states, *"The Responsible Person, any custodian or custodial individual who uses the University's property, shall immediately report in writing any lost, stolen, or damaged equipment to the Administrative Services Department, the Department of Police and Public Safety, and the Internal Audit Department. The Administrative Services Department will be responsible for reporting this information to any other departments not listed in the policy. However, the Responsible Person must also contact Information Technology Services to certify whether or not sensitive or personally identifiable information was contained on any electronic memory devices."*

VSU Policy 6325, "Personnel Security Policy, section E, it states, *"E. All Users of Electronic Resources and Systems All users of electronic resources and systems are accountable for any activity performed on a given system. Users are responsible for returning all University equipment upon termination. Any equipment lost by the user or stolen while under the guardianship of the assigned user must be reimbursed to the University by the user assigned the equipment."*

VSU Policy 6510, Facility Security Policy, section D. University Staff and Employees, states, *"Employees are expected to report any unauthorized access, entry, suspicious activity, lost or stolen IT equipment to supervisors, IT Help Desk (x5210), Department of Police & Public Safety (DPPS), VP of Administration and ISO."*

VSU Policy 6650, Security Monitoring, Logging, states, *"Report all lost or stolen IT assets to the Department of Police and Public Safety (DPPS) and the University's IT Asset Manager."*

According to the employee, he thought he only had to contact the policy department where the asset was stolen and was not aware that he had to also contact the Office of Internal Audit. The Information Technology Services Policies do not align with the University's Fixed Asset Policy. It was noted that the method for reporting stolen, loss or damaged devices is not clearly communicated to University faculty and staff. The independent search for

reporting stolen, loss or damaged equipment is not easily identified as it is embedded in the Fixed Asset Policy and other policies as noted above.

During our review, we did note concerns regarding a lost item from another employee. The employee lost a computer and was required to repay the University. After the employee paid the University, the device was found and management allowed the individual to keep the commonwealth device. The University Policy does not account for how management determines when an individual is required to refund the university, or the cost of the device lost.

The discrepancies regarding place of employment were investigated and were inconclusive.

We recommend that the Vice President of Technology Services and the Chief Financial Officer review the policies for reporting stolen, lost or damaged equipment, determine and implement expectations for reporting and ensure policies are consistent, clearly communicated to faculty and staff and periodically reviewed. Updates to procedures supporting this policy should be completed to help ensure that refunds to replace items are consistently handled.

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CC: President Makola M. Abdullah



# Virginia State University

PO Box 9001  
Petersburg, VA 23806

Sheila Alves, Chief Audit Executive  
Office of Internal Auditors  
(804) 524-2940

**Confidential**  
Special Investigation

DATE: August 24, 2021

TO: Dr. Makola Abdullah, President

FROM: Sheila A. Alves, Chief Audit Executive

SUBJECT: Non-compliance with building safety code and CDC mask and social distancing requirements

The President violated the building safety code and ignored CDC guidelines to limit the spread of COVID-19, when making the decision to move an outdoor student event into Foster Hall. Students were shoulder-to-shoulder, and masks were not consistently or correctly worn at the Student Success and Engagement event. The Office of Internal Audit attempted to gather information about the event to understand the risks involved. When attempting to gather information on how event decisions are made, the President assumed the risk and would not answer direct questions such as "did you make the decision to bring the event inside, yes or no, and if not who did". Instead of answering the question he said, "If I had a better idea of your concern regarding the event in question and what exactly you are looking for regarding process it may help me be able to answer your question". This is in direct violation of the Board of Visitors approved Internal Audit Charter. The Office of Internal Audit's responsibility is to evaluate processes, programs and activities on campus and to perform investigations.

We recommend that the President allow unfettered investigation of allegations as stated in our Internal Audit Charter, follow building safety code and CDC guidelines to help reduce potential death, injury and the spread of COVID-19 to students, faculty and staff of the University.



# Virginia State University

PO Box 9001  
Petersburg, VA 23806

Sheila Alves, Chief Audit Executive  
Office of Internal Auditors  
(804) 524-2940

DATE: August 24, 2021

TO: Dr. Donald C. Palm, Provost & VP for Academic Affairs

FROM: Sheila A. Alves, Chief Audit Executive

SUBJECT: Lack of Supporting Documentation for Title III Program Funds Usage

During our investigation of an allegation regarding Title III Program Funds, we determined the allegation was not substantiated; however the following weaknesses were noted:

### **Non-compliance with Title III Program Funds Guidance**

According to VSU Title III Policies and Procedures Manual, "*The United States Department of Education requires documentation of time spent working on Title III activities by all persons wholly or partially paid with Title II funds. Employees should, therefore, complete the Quarterly Personnel Activity Report and submit it to the Office of the Title III Director by the fifth day of the month following the period that service was rendered. The Personnel Activity Report must be signed by the employee, his/her immediate supervisor, and the Title III Director.*" Internal Audit identified 17 adjunct employees who did not have a Personnel Activity Report on file with the Title III Office for the first two quarters of 2021 (January 1, 2021-June 30, 2021). When copies of the Personnel Activity Reports for the 17 adjuncts were requested, Personnel Activity Reports were provided and digitally signed on July 16, 2021, per Internal Audit request, one was submitted 6 days after the requirement. All other Personnel Activity Reports were approximately two-to-four months after the fifth day of the month following the period that service was rendered. For 13 of the 17 adjuncts information provided, the Personnel Activity Report did not have the signature of the employee, nor the immediate supervisor as required by the VSU Title III Policies and Procedures Manual.

We recommend that the Provost & VP for Academic Affairs develop, implement and document a process to ensure that Personnel Activity Reports are completed timely and in accordance with VSU and Title III requirements prior to distribution of funds to employees.

### **Inadequate Reconciliation Practices of Title III Program Funds**

The Office of Internal Audit requested Title III Personnel Rosters (included a listing of adjunct employees), Personnel Activity Reports, University Rosters, Course Availability Lists, and Payroll Reports to reconcile funds through the Title III Program for 2015-2019. Internal Audit attempted to perform a reconciliation to prove that adjunct employees paid using Title III funds were appropriate, but could not. Course Availability Lists (Class Rosters) provided by the Registrar's Office were not complete and instructor information was not available for every

course. According to the Registrar's office, the information was requested but never submitted to them. We noted incomplete or missing Personnel Activity Reports and VSU Payroll Reports were not retained to reconcile payroll from 2015 - 2019. When reviewing existing payroll reports from Department of Accounts (DOA), we noted the lack of Title III Fund codes to reconcile payment back to the Title III Fund. As a result, University management could not provide supporting documentation to determine whether adjunct employees who appeared on the Title III Program list taught classes or were paid for only the classes they taught.

We recommend that the Provost & VP for Academic Affairs develop, implement and document a reconciliation process, completion and retention of Title III Program Documents, to include, but not limited to Personnel Activity Reports, Course Rosters, Title III Program Funds justification, timely adjunct assignments, and communication of assignment changes and course cancellations to the Title III Director.

### **Inadequate Records Management and Retention of Payroll Reports**

According to the Library of Virginia, Records Retention and Disposition Schedule, General Schedule No. GS-102, Payroll Records are to be retained for five years after end of state fiscal year. Per discussions with the Payroll Manager, payroll distribution information is not retained by VSU Payroll for more than approximately six months. Reports obtained from DOA did not include the Title III fund codes identified in Banner. As a result, Internal Audit could not reconcile payroll payments identified in Banner to actual payroll disbursement.

We also recommend that the Chief Financial Officer/Vice President of Finance, develop, document and implement a records retention process to allow for reconciliation of payroll records and align with the Library of Virginia's requirement for retention of payroll records.

CC: Dr. Makola Abdullah, President



# Virginia State University

PO Box 9001  
Petersburg, VA 23806

Sheila Alves, Chief Audit Executive  
Office of Internal Auditors  
(804) 524-2940

**Confidential**  
Special Investigation

DATE: August 26, 2021  
TO: Kevin Davenport, Chief Financial Officer and VP of Finance  
FROM: Sheila A. Alves, Chief Audit Executive  
SUBJECT: Accounts Receivable Review

The University's Accounts Receivable process was reviewed to include the \$2,122,896.31 late write-off made in October 2020 to address one of the State Council of Higher Education for Virginia (SCHEV) concerns. Accounts Receivables are not aggressively pursued and revenue-generating activities are not closely monitored or reconciled. The Code of Virginia (Law), Section 2.2-4800 states, *"It shall be the policy of the Commonwealth that all state agencies and institutions shall take all appropriate and cost-effective actions to aggressively collect all accounts receivable."*

The following weaknesses were identified:

- Non-compliance with the Commonwealth Accounting Policies and Procedures (CAPP) Manual– The CAPP Manual section 20505 states, *"Institutions of higher education shall develop policies and procedures to ensure that no student having any outstanding past-due accounts with that institution is allowed to enroll for the next year"*. In the summer of 2020, we noted that 49 students with previous balances totaling approximately \$56,700 were registered/validated in Fall 2020 (Balances ranged from \$205.66 to \$7,048). Financial holds were removed and these students with outstanding balances were enrolled and validated, which is a violation of the CAPP Manual.
- Continual Extension of Validation Date Weakens Collections - Although extending validation allows more students to enroll, it increases the liability of the University and may overstate enrollment numbers reported to SCHEV. Validation indicates student payment of all fees for the semester or a payment plan indicating the student's ability to pay the fees from loans or scholarships established. We noted 56 students enrolled in Fall 2020 with receivables totaling approximately \$243,000 had not been validated by November 2020. Staff was directed by management to not drop students after the validation date regardless of lack of debt payment for current or previous semesters due to the effect on SCHEV reported numbers. By continual extension of the validation date, a student is assigned classes, can attend classes, move into the dorms and have a meal plan prior to the University's evaluation of the student's financial ability to pay. According to management, they will bill students for expenses incurred. However, area management was unable to provide contractual agreements in place to recoup these expenses.

- No Reconciliation of Ticket and Vehicle Decals – \$10,171.24 of uncollected ticket and vehicle decal revenue was from accounts over 366-days old, the oldest being seven years. Efforts to collect were not conducted prior to the write-off; however, management attempted to collect after the items were written-off. With further review, ticket and vehicle decal data is not reconciled from the ticket system to the University's financial system for accounts receivable recovery. In some cases, complete data was not obtained and management could not determine whether ticket or vehicle decal debts were paid.
- Off-Boarding Debt Retrieval Opportunity – A sample of nine terminated employees from the transactions written-off for parking fees were traced to their separation documents and payroll deductions. The separation checklists were obtained and three of the nine documents indicated that a debt was owed to the University. When the items were traced to payroll to determine whether the debt was garnished from their last paycheck, one of the three was a deduction from an employee's paycheck. The remaining six of the nine individuals appeared to have debt owed to the University, but debt was not identified through the off-boarding process. According to management, the ticket system was not reconciled and records available do not identify whether individuals paid at the Cashier's Office or if the debt is still outstanding. As a result, we conclude that the separation checklist process is not identifying all debt and even the debt identified is not collected or garnished from the employee's last paycheck.

The collective acts of removing holds, allowing students to register for classes with previous balances, not reconciling tickets/decals, and not consistently attempting to collect on the University's Accounts Receivables is negatively impacting the University's potential revenue.

We recommend that the CFO and Vice President of Finance, implement and document a plan to assist with reconciliation of revenue-generating activities and management oversight to ensure that debts owed to the University are aggressively pursued and external reporting activities, such as write-offs are timely submitted.

CC: President Makola M. Abdullah

**VIRGINIA STATE UNIVERSITY**  
**Petersburg, Virginia**

**AGENDA ITEM BACKGROUND**

<b>To:</b> Facilities, Finance and Audit Committee	<b>Date:</b> September 16-17, 2021
<b>From:</b> Kevin W. Davenport	Open Session    Exec. Session <b>Committee</b> (choose one)
<b>Subject:</b> Executive Summary of Finance and Audit Agenda	
<b>Action:</b> Discussion <b>Information</b> Other (choose one)	<b>Enclosure(s):</b>

**Executive Summary of Facilities, Finance and Audit Agenda**

<b>Initiating Unit:</b> President <b>Admin. /Finance</b> Academic Affairs    Student Affairs    Development Personnel (choose one)	
<b>Board of Visitors Action Date:</b>	<b>September 16-17, 2021</b>
<b>Effective Date:</b>	<b>September 16-17, 2021</b>

**VIRGINIA STATE UNIVERSITY  
BOARD OF VISITORS  
FACILITIES, FINANCE AND AUDIT COMMITTEE**

**Executive Summary of Facilities, Finance and Audit Agenda**

**I. Approval Items**

A.

**II. Special Reports and Emerging Issues**

A. Quarterly Statement of Sources and Uses for Year Ending June 30, 2021

B. Comparative Cash Reserves as of June 30, 2021

C. Recommended FY 2022 Auxiliary Reserve

D. Capital Project Updates

**III. Discussion of Bi-Annual Management Reports (If Needed)**

A. Investment RFP Update

**IV. Closed Session**

<b>Initiating Unit:</b> President <b>Admin. /Finance</b> Academic Affairs    Student Affairs    Development Personnel (choose one)
<b>Board of Visitors Action Date:</b> <b>September 16-17, 2021</b>
<b>Effective Date:</b> <b>September 16-17, 2021</b>

**VIRGINIA STATE UNIVERSITY**  
**Petersburg, Virginia**

**AGENDA ITEM BACKGROUND**

<b>To:</b> Facilities, Finance and Audit Committee	<b>Date:</b> September 16-17, 2021
<b>From:</b> Kevin W. Davenport	Open Session    Exec. Session <b>Committee</b> (choose one)
<b>Subject:</b> Approval Items	
<b>Action:</b> <b>Discussion</b> Information    Other (choose one)	<b>Enclosure(s):</b>

**II. Special Reports and Emerging Issues**

**A. Quarterly Statement of Sources and Uses for Year Ending June 30, 2021**

<b>Initiating Unit:</b> President <b>Admin. /Finance</b> Academic Affairs    Student Affairs    Development Personnel (choose one)
<b>Board of Visitors Action Date:</b> <b>September 16-17, 2021</b>
<b>Effective Date:</b> <b>September 16-17, 2021</b>

Virginia State University  
Statement of Sources and Uses Comparison  
For the Year Ending June 30, 2021

The enclosed financial statements are displayed in a new format. They replace the previous *Budget to Actual* and *Actual to Actual* financial reports. This new format is intended to show total sources and uses for the following major University funding categories:

- Total University
- Educational and General (E&G)
- Auxiliary Enterprises- Residential Services
- Auxiliary Enterprises- Dining Services
- Auxiliary Enterprises- Comprehensive Fee
- Auxiliary Enterprises- Other Services
- Sponsored Programs
- Local Funds
- Student Financial Assistance
- Cooperative Extension and Agriculture Research (CEARS)

Total University

Sources:

- State General Funds exceeded budget by \$20.2M (or 137%) primarily due to the following:
  - \$3.3M permanent State funding for University initiatives
  - \$9.9M State funding for COVID relief efforts
  - \$1.5M permanent State funding for CEARS
  - \$1.6M carry-forward funds for CEARS
  - \$3.6M State support for VCAN financial aid initiative
- Non-General Funds exceeded budget by \$48.8M (or 148%) primarily due to the following:
  - \$5.8M additional net tuition and fee revenue over budget (i.e. actual Fall 2020 enrollment of 4,025 students compared to budget of 3,490 students)
  - \$27M drawdown of Federal CARES funds for lost revenues, resulting in a \$12.5M increase in Auxiliary Enterprises
  - \$3.5M Federal COVID funds for students
  - \$30M unrestricted gift, resulting in a \$30.8M increase in Local Funds
- Total Sources exceeded budget by \$69M (or 144%) primarily due to drawdown of Federal CARES funds for lost revenues (\$27M), an unrestricted gift (\$30M) and additional State funding for COVID (\$9.9M)

Uses:

- Total Uses lagged budget by \$7.9M (or 95%) due primarily due to the following:
  - \$4M reduction in Sponsored Programs expenditures due to slower spending as a result of COVID
  - \$4.8M reduction in Auxiliary debt service payments from bond refundings
  - Spending reductions across the board due to less students on campus and fewer on-campus activities
  - Budget reductions offset by \$4.1M in payments to NIFA for unallowable costs. The University paid \$3.2M from E&G and \$925K from Auxiliary.
  
- Institutional Support and Operation and Maintenance of Plant exceeded budget by 136% and 154% respectively primarily due to the following
  - \$5.0M in E&G costs that we did not recover from auxiliaries due to the suspension of the Auxiliary IDC rate.
  
- Auxiliary Enterprises lagged budget by \$22.2M (or 54%) due to the following:
  - \$11.4M budgeted COVID costs covered by other sources
  - \$5.0M in suspended IDC costs
  - \$4.8M in debt service savings
  - Across the board spending reductions
  
- Total Sources Over Uses: The University ended the fiscal year with a \$61.9M surplus in total funds. The University had budgeted for a \$15M use of reserves, but did not need to draw down any reserves to pay obligations.

Educational and General (E&G)

- Sources exceeded budget by \$21.3M (or 133%) due to the following:
  - \$3.3M in permanent State funds for University initiatives
  - \$9.9M in COVID funds received from the State
  - \$8.1M in additional tuition revenue due to having 4,025 students enrolled in Fall 2020 compared to a budget of 3,490 students, representing an increase over budget of 535 students
  
- Uses exceeded budget by \$16.2M (or 125%) due to the following:
  - \$9.9M spent in State COVID funds
  - \$3.2M payment to NIFA
  - \$5M in additional E&G costs due to the suspension of the IDC rate
  
- Total Sources Over Uses: The University ended the fiscal year with a \$5.1M surplus for E&G funds.

#### Auxiliary Enterprises- Residential Services

- Housing Fees lagged budget by \$2.7M (or 56%) due to having 916 students on-campus compared to a budget of 1,700 students
- Debt Service lagged budget by \$4.8M (or 45%) due to the refunding of University housing bonds
- Residential Services lagged budget by \$1.9M (or 73%) due to fewer on-campus students
- Sources Over Uses: The University ended the fiscal year with a \$6.0M shortfall for residential services

#### Auxiliary Enterprises- Dining Services

- Dining Fees lagged budget by \$2M due to fewer students residing on campus
- Total Sources Over Uses: The University ended the fiscal year with a \$2.2M shortfall for dining services

#### Auxiliary Enterprises- Comprehensive Fee

- Comprehensive Fee exceeded budget by \$1.4 (or 115%) due to actual full-time students of 3,735 exceeding budgeted full-time students of 3,247, representing a student increase of 488 students over budget.
- Total Uses lagged budget by \$3.4M (or 72%) due to fewer students on campus, less face-to-face activities and suspension of Auxiliary IDC rates.
- Total Sources Over Uses: The University ended the fiscal year with a \$2M surplus for the comprehensive fee.

#### Auxiliary Enterprises- Other Services

- Sources exceeded budget by \$15.7M (or 220%) due to the drawdown of \$26M in Federal Stimulus Funds for lost revenue reflected in "CARES Stimulus Institution" and "CARES Stimulus MSI" categories
- Uses lagged budget by \$11.2M (or 22%) due to the non-use of budgeted Auxiliary funds for COVID-related expenses. The University used other resources for COVID-related expenses.
- NIFA represents \$925K in payments to NIFA for unallowable costs

- Total Sources Over Uses: The University ended the fiscal year with a \$25.7M surplus for other auxiliaries

#### Sponsored Programs

- Federal Grants and Contracts Sources lagged budget by \$3.6M (or 87%) due to a slowdown in sponsored programs activity due to COVID
- Institutional Support lagged budget by \$1.9M (or 53%) primarily due to reduced sponsored programs spending
- Scholarships and Fellowships lagged budget by \$1M (or 93%) due to fewer enrolled students

#### Local Funds

- Gifts exceeded budget by \$30M due to an unrestricted donation of \$30M
- Total Sources Over Uses: The University ended the fiscal year with a \$31.3M surplus

#### Student Financial Assistance

- State General Fund (VCAN) represents the receipt of \$3.6M in additional funds from the State for financial aid for students participating in the VCAN initiative
- CARES Stimulus Funds – Students represents the receipt of \$3.5M in Federal COVID funds for students
- Tuition lagged budget by \$2.3M (or 66%) due to the use of less tuition as financial aid because of the availability of other sources
- Scholarships lagged budget by \$2.2M because of fewer students and the availability of other financial aid sources
- CARES Stimulus Funds – Students represents \$3.5M in Federal COVID funds for students
- Total Uses exceeded budget by \$1.7M (or 110%) due to the use of Federal CARES funds for students
- Total Sources Over Uses: The University ended the fiscal year with a \$3.3M surplus for student financial assistance. The surplus relates to unspent VCAN funds.

### Cooperative Extension and Agriculture Research (CEARS)

- State General Fund Appropriation exceeded budget by \$1.5M due to the appropriation of additional permanent funding for CEARS
- State General Fund (Carry-Forward) represents unexpended State balances for CEARS in the amount of \$1.6M for FY 2020 fiscal year
- Research exceeded budget by \$1M primarily due to increased spending on grant activities
- Total Sources Over Uses: The University ended the fiscal year with a \$2.3M surplus for CEARS.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Summary**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
<b>State General Funds</b>								
State General Fund E&G (University)	\$ 38,889,330	\$ -	\$ 38,889,330	\$ 42,224,196	\$ 3,334,866	109%	\$ 39,156,504	101%
State General Fund E&G (University Carry-Forward)	-	473,425	473,425	528,797	55,372	112%	902,835	N/A
State General Funds (CARES received from the State)	-	-	-	9,900,035	9,900,035	N/A	152,297	N/A
State General Fund (CEARS)	5,634,963	-	5,634,963	7,126,822	1,491,859	126%	5,634,324	100%
State General Fund (CEARS Carry-Forward)	-	-	-	1,624,513	1,624,513	N/A	502,509	N/A
State General Fund Student Financial Assistance (SFA)	9,506,879	-	9,506,879	13,309,712	3,802,833	140%	9,583,989	101%
<b>Total State General Funds</b>	<b>\$ 54,031,172</b>	<b>\$ 473,425</b>	<b>\$ 54,504,597</b>	<b>\$ 74,714,075</b>	<b>\$ 20,209,478</b>	<b>137%</b>	<b>\$ 55,932,458</b>	
<b>Non-General Funds</b>								
Tuition	\$ 14,796,981	\$ 14,216,707	\$ 29,013,688	\$ 34,765,986	\$ 5,752,298	120%	\$ 37,044,862	103%
Fees and other revenue	1,206,723	1,362,837	2,569,560	2,525,056	(44,504)	98%	3,112,498	100%
Auxiliary Enterprises	11,112,937	21,610,889	32,723,826	45,177,227	12,453,401	138%	47,484,702	103%
Sponsored Programs (University)	14,792,761	13,654,856	28,447,617	24,862,143	(3,585,474)	87%	28,494,351	100%
Sponsored Programs (CEARS)	2,829,484	2,611,832	5,441,316	5,523,756	82,440	102%	5,808,404	107%
CARES Stimulus Funds - Institution (E&G)	496,801	496,801	993,602	814,867	(178,735)	82%	2,434,304	N/A
CARES Stimulus Funds - Students (SFA)	-	-	-	3,518,289	3,518,289	N/A	3,337,521	N/A
CARES Stimulus Funds - MSI (see Auxiliary)	-	-	-	-	-	N/A	-	N/A
Local Funds	1,262,813	1,262,813	2,525,625	33,326,251	30,800,626	1320%	2,798,710	111%
<b>Total Non-General Funds</b>	<b>\$ 46,498,500</b>	<b>\$ 55,216,735</b>	<b>\$ 101,715,234</b>	<b>\$ 150,513,575</b>	<b>\$ 48,798,341</b>	<b>148%</b>	<b>\$ 130,515,352</b>	
<b>Total Sources</b>	<b>\$ 100,529,672</b>	<b>\$ 55,690,160</b>	<b>\$ 156,219,831</b>	<b>\$ 225,227,650</b>	<b>\$ 69,007,819</b>	<b>144%</b>	<b>\$ 186,447,810</b>	
<b>Uses:</b>								
Instruction	\$ 20,078,875	\$ 17,805,794	\$ 37,884,669	\$ 35,747,885	\$ 2,136,784	94%	\$ 37,564,601	92%
Research	717,093	478,062	1,195,155	875,637	319,518	73%	759,766	64%
Public Services	2,312	43,924	46,236	9,413	36,823	20%	117,998	255%
Academic Support	2,925,230	2,032,787	4,958,017	4,503,478	454,539	91%	5,170,792	98%
Student Support	2,597,429	2,125,169	4,722,598	4,123,863	598,735	87%	5,039,811	103%
Institutional Support	6,893,018	3,711,625	10,604,643	14,408,242	(3,803,599)	136%	15,351,843	122%
Operation and Maintenance of Plant	2,633,891	2,741,397	5,375,288	8,254,472	(2,879,184)	154%	9,368,825	151%
NIFA (E&G only)	-	-	-	3,168,100	(3,168,100)	N/A	-	N/A
Auxiliary Enterprises	16,939,360	30,961,926	47,901,286	25,701,822	22,199,464	54%	41,882,853	91%
Sponsored Programs	14,792,761	13,654,856	28,447,617	24,476,388	3,971,229	86%	28,291,882	99%
CARES Stimulus Funds - Institution	-	-	-	-	0	N/A	2,434,304	N/A
Cares received from the State (COVID 19 expenses)	-	-	-	9,900,034	(9,900,034)	N/A	-	N/A
Student Financial Assistance	8,251,503	8,251,503	16,503,006	18,186,245	(1,683,239)	110%	19,527,663	98%
Local Funds	1,262,813	1,262,813	2,525,625	2,024,015	501,610	80%	3,303,972	131%
Cooperative Extension and Ag Research	5,452,394	5,623,885	11,076,279	11,991,023	(914,744)	108%	10,322,457	93%
<b>Total Uses</b>	<b>\$ 82,546,679</b>	<b>\$ 88,693,741</b>	<b>\$ 171,240,419</b>	<b>\$ 163,370,617</b>	<b>\$ 7,869,802</b>	<b>95%</b>	<b>\$ 179,136,767</b>	
Contribution to/from Reserves		(15,020,588)	(15,020,588)					
<b>Sources Over/(Under) Uses</b>	<b>\$ 17,982,993</b>	<b>\$ (17,982,993)</b>	<b>\$ (0)</b>	<b>\$ 61,857,033</b>	<b>\$ 61,857,032</b>		<b>\$ 7,311,043</b>	

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Educational and General Program (E&G)**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
State General Fund Appropriation	\$ 38,889,330		\$ 38,889,330	\$ 42,224,196	\$ 3,334,866	109%	\$ 39,156,504	101%
State General Fund (Carry-Forward)	-	473,425	473,425	492,465	19,040	104%	902,835	N/A
State General Fund (Cares received from the State)	-	-	-	9,900,035	9,900,035	N/A	152,297	N/A
Tuition	11,298,917	10,718,644	22,017,561	30,116,278	8,098,717	137%	30,438,709	103%
Federal College Work Study	26,299	236,692	262,991	9,044	(253,947)	3%	274,587	104%
Technology Fee	373,780	345,027	718,807	815,076	96,269	113%	894,917	102%
Out of State Capital Outlay Fee	331,834	306,308	638,142	770,439	132,297	121%	824,047	106%
Other fees and revenue	474,810	474,810	949,620	930,497	(19,123)	98%	1,118,947	94%
CARES Stimulus Funds - Institution	418,365	418,365	836,730	814,867	(21,863)	97%	2,434,304	N/A
<b>Total Sources</b>	<b>\$ 51,813,335</b>	<b>\$ 12,973,271</b>	<b>\$ 64,786,606</b>	<b>\$ 86,072,897</b>	<b>\$ 21,286,291</b>	<b>133%</b>	<b>\$ 76,197,147</b>	
<b>Uses:</b>								
Instruction	\$ 20,078,875	\$ 17,805,794	\$ 37,884,669	\$ 35,747,885	\$ 2,136,784	94%	\$ 37,564,601	92%
Research	717,093	478,062	1,195,155	875,637	319,518	73%	759,766	64%
Public Services	2,312	43,924	46,236	9,413	36,823	20%	117,998	255%
Academic Support	2,925,230	2,032,787	4,958,017	4,503,478	454,539	91%	5,170,792	98%
Student Support	2,597,429	2,125,169	4,722,598	4,123,863	598,735	87%	5,039,811	103%
Institutional Support	6,893,018	3,711,625	10,604,643	14,408,242	(3,803,599)	136%	15,351,843	122%
Operation and Maintenance of Plant	2,633,891	2,741,397	5,375,288	8,254,472	(2,879,184)	154%	9,368,825	151%
CARES Stimulus Funds - Institution	-	-	-	-	-	N/A	2,434,304	N/A
Cares received from the State (COVID 19 expenses)	-	-	-	9,900,034	(9,900,034)	N/A	-	N/A
NIFA	-	-	-	3,168,100	(3,168,100)	N/A	-	N/A
<b>Total Uses</b>	<b>\$ 35,847,848</b>	<b>\$ 28,938,758</b>	<b>\$ 64,786,606</b>	<b>\$ 80,991,124</b>	<b>\$ (16,204,518)</b>	<b>125%</b>	<b>\$ 75,807,940</b>	
<b>Sources Over/(Under) Uses</b>	<b>\$ 15,965,487</b>	<b>\$ (15,965,487)</b>	<b>\$ -</b>	<b>\$ 5,081,773</b>	<b>\$ 5,081,773</b>		<b>\$ 389,207</b>	

**Notes:**

The Educational and General Program includes the University's **instructional** (full-time and part-time faculty and staff) and related department operating costs. E&G also includes **research** -state supported research; **public service** -community outreach activity; **academic support** -library materials, access and services, information technology and dean expenses; **student services** -registrar, admissions, financial aid and career services; **institutional support** -executive management, fiscal services, human resources, police, purchasing, etc.; **operation and maintenance of plant** -buildings and grounds maintenance and utilities.

Tuition is also shown on the Financial Aid report. A portion of tuition collected is allocated to financial aid to students.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Auxiliary Enterprises - Residential Services**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
Housing Fees	\$ -	\$ 6,189,157	\$ 6,189,157	\$ 3,460,724	\$ (2,728,433)	56%	\$ 19,578,125	110%
Commissions	-	8,000	8,000	7,762	(238)	97%	47,610	112%
Miscellaneous Fees	-	-	-	-	-	N/A	101,825	N/A
<b>Total Sources</b>	<b>\$ -</b>	<b>\$ 6,197,157</b>	<b>\$ 6,197,157</b>	<b>\$ 3,468,486</b>	<b>\$ (2,728,671)</b>	<b>56%</b>	<b>\$ 19,727,560</b>	
<b>Uses:</b>								
Residential Services	\$ 2,145,297	\$ 5,005,692	\$ 7,150,989	\$ 5,242,716	\$ 1,908,273	73%	\$ 6,729,753	76%
Scholarships	300,000	300,000	600,000	339,675	260,325	57%	521,451	87%
Debt Service	2,159,896	6,479,695	8,639,591	3,846,464	4,793,127	45%	8,570,450	99%
<b>Total Uses</b>	<b>\$ 4,605,193</b>	<b>\$ 11,785,387</b>	<b>\$ 16,390,580</b>	<b>\$ 9,428,855</b>	<b>\$ 6,961,725</b>	<b>58%</b>	<b>\$ 15,821,654</b>	
<b>Sources Over/(Under) Uses</b>	<b>\$ (4,605,193)</b>	<b>\$ (5,588,230)</b>	<b>\$ (10,193,423)</b>	<b>\$ (5,960,369)</b>	<b>\$ (4,233,054)</b>		<b>\$ 3,905,906</b>	

**Notes:**  
Residential services include sources and uses associated with the operation of the University's residence halls. It does not include revenues or expenses for the Ettrick apartments which are operated by the University's Foundation.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Auxiliary Enterprises - Dining Services**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
Dining Fees	\$ -	\$ 4,211,073	\$ 4,211,073	\$ 2,238,482	\$ (1,972,591)	53%	\$ 11,512,535	95%
Commissions	-	-	-	17,202	17,202	N/A	\$ 78,920	105%
<b>Total Sources</b>	<b>\$ -</b>	<b>\$ 4,211,073</b>	<b>\$ 4,211,073</b>	<b>\$ 2,255,684</b>	<b>\$ (1,955,389)</b>	<b>54%</b>	<b>\$ 11,591,455</b>	
<b>Uses:</b>								
Dining Services	\$ 1,202,501	\$ 3,607,503	\$ 4,810,004	\$ 4,158,934	\$ 651,070	86%	\$ 9,321,589	77%
Debt Service	86,010	258,031	344,041	329,541	14,500	96%	329,212	96%
<b>Total Uses</b>	<b>\$ 1,288,511</b>	<b>\$ 3,865,534</b>	<b>\$ 5,154,045</b>	<b>\$ 4,488,475</b>	<b>\$ 665,570</b>	<b>87%</b>	<b>\$ 9,650,801</b>	
<b>Sources Over/(Under) Uses</b>	<b>\$ (1,288,511)</b>	<b>\$ 345,539</b>	<b>\$ (942,972)</b>	<b>\$ (2,232,791)</b>	<b>\$ 1,289,819</b>		<b>\$ 1,940,654</b>	

Notes:  
Dining services are provided by a contract with Thompson Hospitality. The main sources and uses of the revenue and expenses are related to the sale and delivery of meal plans.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Auxiliary Enterprises - Comprehensive Fee**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
Comprehensive Fee	\$ 4,673,542	\$ 4,314,039	\$ 8,987,581	\$ 10,374,891	\$ 1,387,310	115%	\$ 11,369,831	101%
Miscellaneous Revenue	62,000	248,000	310,000	149,369	(160,631)	48%	498,346	161%
Miscellaneous Fees	1,000	23,000	24,000	31,057	7,057	129%	300,598	97%
<b>Total Sources</b>	<b>\$ 4,736,542</b>	<b>\$ 4,585,039</b>	<b>\$ 9,321,581</b>	<b>\$ 10,555,317</b>	<b>\$ 1,233,736</b>	<b>113%</b>	<b>\$ 12,168,775</b>	
<b>Uses:</b>								
Athletics	\$ 1,252,988	\$ 3,758,963	\$ 5,011,951	\$ 4,225,159	\$ 786,792	84%	\$ 5,348,163	85%
Student Activities	404,295	1,212,886	1,617,181	718,279	898,902	44%	1,304,306	71%
Security	824,444	929,692	1,754,136	1,243,000	511,136	71%	1,648,941	97%
Radio Station	133,921	170,445	304,366	64,906	239,460	21%	172,916	51%
Foster Hall	141,747	166,398	308,145	183,773	124,372	60%	250,475	73%
Student Health Services	753,850	850,086	1,603,936	1,124,512	479,424	70%	1,342,457	90%
Campus Card Operations	71,657	133,077	204,734	183,466	21,268	90%	267,393	118%
Administrative Auxiliary Personnel	370,826	370,826	741,652	472,710	268,942	64%	586,243	71%
Maintenance of Facilities	98,174	252,448	350,622	283,950	66,672	81%	243,344	69%
Transportation	9,815	55,616	65,431	93,303	(27,872)	143%	43,495	60%
<b>Total Uses</b>	<b>\$ 4,061,717</b>	<b>\$ 7,900,437</b>	<b>\$ 11,962,154</b>	<b>\$ 8,593,058</b>	<b>\$ 3,369,096</b>	<b>72%</b>	<b>\$ 11,207,733</b>	
<b>Sources Over/(Under) Uses</b>	<b>\$ 674,825</b>	<b>\$ (3,315,398)</b>	<b>\$ (2,640,573)</b>	<b>\$ 1,962,259</b>	<b>\$ (4,602,832)</b>		<b>\$ 961,042</b>	

Notes:

Comprehensive fees are generated to support programs that are student servicing. The fees support the activities listed under Uses.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Auxiliary Enterprises - Other Services**

	FY 2021					Percent of Actual to Budget	FY 2020		
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget	
<b>Sources:</b>									
Trojan Advance Course Fee	\$ 624,000	\$ 576,000	\$ 1,200,000	\$ 967,905	\$ (232,095)	81%	\$ 1,294,104	108%	
Bookstore Commissions	40,000	60,000	100,000	253,708	153,708	254%	143,399	72%	
Parking Fees/Fines	-	58,037	58,037	9,452	(48,585)	16%	269,520	90%	
Conference Services	-	50,000	50,000	888	(49,112)	2%	158,916	71%	
Federal College Work Study	27,679	249,109	276,788	124	(276,664)	0%	231,743	84%	
Campus Improvement Fee	783,150	722,908	1,506,058	1,729,813	223,755	115%	1,899,230	101%	
CARES Stimulus Institution	78,436	78,436	156,872	4,223,090	4,066,218	2692%	-	N/A	
CARES Stimulus MSI	4,901,566	4,901,566	9,803,132	21,712,760	11,909,628	221%	-	N/A	
<b>Total Sources</b>	<b>\$ 6,454,831</b>	<b>\$ 6,696,056</b>	<b>\$ 13,150,887</b>	<b>\$ 28,897,740</b>	<b>\$ 15,746,853</b>	<b>220%</b>	<b>\$ 3,996,912</b>		
<b>Uses:</b>									
Trojan Advance Course Operations	\$ 624,000	\$ 576,000	\$ 1,200,000	\$ 829,055	\$ 370,945	69%	\$ 1,270,563	106%	
Bookstore	40,000	60,000	100,000	29,344	70,656	29%	39,974	20%	
Scholarships (Bookstore)	50,000	50,000	100,000	100,000	-	100%	100,000	100%	
Parking	120,100	180,150	300,250	138,936	161,314	46%	332,107	111%	
Conference Services	112,500	112,500	225,000	206,054	18,946	92%	208,971	93%	
Work-study	27,679	249,109	276,788	124	276,664	0%	231,743	84%	
Multipurpose Center Operations	135,083	135,083	270,166	235,817	34,349	87%	300,855	111%	
COVID 19 Auxiliary	750,000	750,000	1,500,000	-	1,500,000	0%	-	N/A	
COVID 19 Expenses University	4,980,002	4,980,001	9,960,003	-	9,960,003	0%	-	N/A	
Auxiliary recoveries	(43,500)	(246,500)	(290,000)	(261,641)	(28,359)	90%	(441,679)	245%	
Debt Service	188,075	564,225	752,300	640,625	111,675	85%	659,560	88%	
NIFA	-	-	-	924,692	(924,692)	N/A	-	N/A	
Other	-	-	-	348,429	(348,429)	N/A	2,500,571	N/A	
<b>Total Uses</b>	<b>\$ 6,983,939</b>	<b>\$ 7,410,568</b>	<b>\$ 14,394,507</b>	<b>\$ 3,191,435</b>	<b>\$ 11,203,072</b>	<b>22%</b>	<b>\$ 5,202,665</b>		
<b>Sources Over/(Under) Uses</b>	<b>\$ (529,108)</b>	<b>\$ (714,512)</b>	<b>\$ (1,243,620)</b>	<b>\$ 25,706,305</b>	<b>\$ (26,949,925)</b>		<b>\$ (1,205,753)</b>		

**Notes:**

Other Auxiliaries include self-supporting enterprises that service the University. They include Auxiliary services not covered in the other reports.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Sponsored Programs (University)**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
Federal Grants and Contracts	\$ 14,040,985	\$ 12,966,005	\$ 27,006,990	\$ 23,518,038	\$ (3,488,952)	87%	\$ 26,774,048	99%
State Grants and Contracts	7,757	207,160	214,917	191,835	(23,082)	89%	301,045	140%
Private Grants and Contracts	394,721	164,357	559,078	480,542	(78,536)	86%	948,035	170%
Indirect Costs (IDC)	349,298	317,334	666,632	671,727	5,095	101%	471,222	71%
<b>Total Sources</b>	<b>\$ 14,792,761</b>	<b>\$ 13,654,856</b>	<b>\$ 28,447,617</b>	<b>\$ 24,862,143</b>	<b>\$ (3,585,474)</b>	<b>87%</b>	<b>\$ 28,494,351</b>	
<b>Uses:</b>								
Instruction	\$ 416,474	\$ 384,438	\$ 800,912	\$ 524,241	\$ 276,671	65%	\$ 1,073,707	134%
Research	2,186,669	2,018,464	4,205,134	3,810,618	394,516	91%	4,300,017	102%
Public Services	1,062,767	981,016	2,043,783	1,875,946	167,837	92%	2,059,885	101%
Academic Support	842,498	777,690	1,620,188	1,382,442	237,746	85%	1,764,387	109%
Student Support	135,846	125,396	261,243	215,840	45,403	83%	293,367	112%
Institutional Support	2,133,921	1,969,773	4,103,694	2,194,850	1,908,844	53%	3,675,034	90%
Operation and Maintenance of Plant	463,268	427,632	890,899	969,372	(78,473)	109%	707,556	79%
Scholarships and Fellowships	7,551,318	6,970,447	14,521,765	13,503,079	1,018,686	93%	14,417,929	99%
<b>Total Uses</b>	<b>\$ 14,792,761</b>	<b>\$ 13,654,856</b>	<b>\$ 28,447,617</b>	<b>\$ 24,476,388</b>	<b>\$ 3,971,229</b>	<b>86%</b>	<b>\$ 28,291,882</b>	
<b>Sources Over/(Under) Uses</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 385,755</b>	<b>\$ 385,755</b>		<b>\$ 202,469</b>	

**Notes:**

Sponsored programs are projects and/or activities that are supported by external restricted funds awarded to the University. These funds may come from governmental, non-profit, or private sources and may support research, instruction, training, service, or other scholarly activities. The grant awards often apply to more than one year and expenses may occur over several years. The numbers in this report reflect the total Sponsored Programs activity which occurred in the current fiscal year.

Indirect costs are the related costs of using the University's facilities and administrative support that are not directly itemized in the grant budget. They are related to fiscal operations, human resources, maintenance of plant services and other general administrative and business support offices. These funds are received from funding agencies according to formulas based on the costs of expenditures. Indirect costs of \$102,675 is included in the E&G budget as part of other revenues.

The largest use in this report is Scholarships and Fellowships which includes the Federal Pell Grants. The report completed by the Division of Research & Economic Development doesn't include expenses.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Local Funds**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
Gifts	\$ 17,978	\$ 17,978	\$ 35,956	\$ 30,021,405	\$ 29,985,449	83496%	\$ 39,839	111%
Endowment, Investment Income and Foundation Support	1,082,538	1,082,538	2,165,077	3,137,440	972,363	145%	2,308,978	107%
Other Revenue	162,296	162,296	324,593	167,406	(157,187)	52%	449,893	139%
<b>Total Sources</b>	<b>\$ 1,262,813</b>	<b>\$ 1,262,813</b>	<b>\$ 2,525,625</b>	<b>\$ 33,326,251</b>	<b>\$ 30,800,626</b>	<b>1320%</b>	<b>\$ 2,798,710</b>	
<b>Uses:</b>								
Instruction	\$ 12,543	\$ 12,543	\$ 25,086	\$ 31,031	\$ (5,945)	124%	\$ 27,147	108%
Research	1,303	1,303	2,606	744	1,862	29%	2,947	113%
Public Services	94,013	94,013	188,026	32,592	155,434	17%	197,822	105%
Academic Support	-	-	-	-	-	N/A	-	N/A
Student Support	5,365	5,365	10,730	2,406	8,324	22%	27,621	257%
Institutional Support	97,520	97,520	195,040	358,692	(163,652)	184%	370,823	190%
Operation and Maintenance of Plant	-	-	-	-	-	N/A	-	N/A
Scholarships and Fellowships	889,525	889,525	1,779,050	1,477,025	302,025	83%	2,321,664	131%
Auxiliary - Athletics	162,544	162,544	325,087	121,525	203,562	37%	355,948	109%
<b>Total Uses</b>	<b>\$ 1,262,813</b>	<b>\$ 1,262,813</b>	<b>\$ 2,525,625</b>	<b>\$ 2,024,015</b>	<b>\$ 501,610</b>	<b>80%</b>	<b>\$ 3,303,972</b>	
<b>Sources Over/(Under) Uses</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 31,302,236</b>	<b>\$ 31,302,236</b>		<b>\$ (505,262)</b>	

Notes:  
Local Funds are sources received by the University from gifts, investment earnings, endowment income, foundation support and other sources. The funding is used for program support and scholarships. The University's foundations receive gifts and they are recorded in the Foundation support revenue category when transferred to the University for expenditure.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Student Financial Assistance**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
State General Fund Appropriation	\$ 9,506,879	\$ -	\$ 9,506,879	\$ 9,735,662	\$ 228,783	102%	\$ 9,583,989	101%
State General Fund (Carry-Forward)	-	-	-	36,332	36,332	N/A	-	N/A
State General Fund (VCAN)	-	-	-	3,574,050	3,574,050	N/A	-	N/A
CARES Stimulus Funds - Students	-	-	-	3,518,289	3,518,289	N/A	3,337,521	N/A
Tuition	3,498,064	3,498,063	6,996,127	4,649,708	(2,346,419)	66%	6,606,153	94%
<b>Total Sources</b>	<b>\$ 13,004,943</b>	<b>\$ 3,498,063</b>	<b>\$ 16,503,006</b>	<b>\$ 21,514,041</b>	<b>\$ 5,011,035</b>	<b>130%</b>	<b>\$ 19,527,663</b>	
<b>Uses:</b>								
Scholarships	\$ 7,982,959	\$ 7,982,959	\$ 15,965,918	\$ 13,771,499	\$ 2,194,419	86%	\$ 15,527,665	98%
Fellowships	268,544	268,544	537,088	640,764	(103,676)	119%	662,477	98%
VCAN	-	-	-	255,693	(255,693)	N/A	-	N/A
CARES Stimulus Funds - Students	-	-	-	3,518,289	(3,518,289)	N/A	3,337,521	N/A
<b>Total Uses</b>	<b>\$ 8,251,503</b>	<b>\$ 8,251,503</b>	<b>\$ 16,503,006</b>	<b>\$ 18,186,245</b>	<b>\$ (1,683,239)</b>	<b>110%</b>	<b>\$ 19,527,663</b>	
<b>Sources Over/(Under) Uses</b>	<b>\$ 4,753,440</b>	<b>\$ (4,753,440)</b>	<b>\$ -</b>	<b>\$ 3,327,796</b>	<b>\$ 3,327,796</b>		<b>\$ -</b>	

**Notes:**

The report reflects financial aid funding received from the State, Tuition and the CARES stimulus funds.

Virginia State University  
Quarterly Statement of Sources and Uses  
For the Year Ending June 30, 2021  
**Cooperative Extension and Agriculture Research (CEARS)**

	FY 2021					Percent of Actual to Budget	FY 2020	
	Fall 2020	Spring 2021	Budget	Actuals	Variance		Actuals as of June 2020	Percent of Actual to Budget
<b>Sources:</b>								
State General Fund Appropriation	\$ 5,634,963	\$ -	\$ 5,634,963	\$ 7,126,822	\$ 1,491,859	126%	\$ 5,634,324	100%
State General Fund (Carry-Forward)	-	-	-	1,624,513	1,624,513	N/A	502,509	N/A
Federal and other sources	2,829,484	2,611,832	5,441,316	5,523,756	82,440	102%	5,808,404	107%
<b>Total Sources</b>	<b>\$ 8,464,447</b>	<b>\$ 2,611,832</b>	<b>\$ 11,076,279</b>	<b>\$ 14,275,091</b>	<b>\$ 3,198,812</b>	<b>129%</b>	<b>\$ 11,945,237</b>	
<b>Uses:</b>								
Research	\$ 2,440,403	\$ 2,440,403	\$ 4,880,806	\$ 5,902,112	\$ (1,021,306)	121%	\$ 4,683,164	121%
Public Services	2,778,369	2,669,414	5,447,783	6,051,092	(603,309)	111%	5,435,605	84%
Institutional Support	19,665	14,835	34,500	20,357	14,143	59%	26,381	108%
Operation and Maintenance of Plant	213,957	499,233	713,190	17,462	695,728	2%	177,307	25%
<b>Total Uses</b>	<b>\$ 5,452,394</b>	<b>\$ 5,623,885</b>	<b>\$ 11,076,279</b>	<b>\$ 11,991,023</b>	<b>\$ (914,744)</b>	<b>108%</b>	<b>\$ 10,322,457</b>	
<b>Sources Over/(Under) Uses</b>	<b>\$ 3,012,053</b>	<b>\$ (3,012,053)</b>	<b>\$ -</b>	<b>\$ 2,284,068</b>	<b>\$ 2,284,068</b>		<b>\$ 1,622,780</b>	

**Notes:**

Virginia State University is one of the two land grant universities in Virginia. As part of its mission, VSU Cooperative Extension and Agricultural Research Services (CEARS) Agency (234) assists with the land grant mission through agricultural research and outreach. CEARS consists of the Virginia State University Agricultural Research Station (ARS) and the VSU Cooperative Extension Division. ARS conducts research that assist small and limited resource farmers to be profitable by finding solutions to various issues in agriculture and food production. The VSU Cooperative Extension division collaborates with Virginia Tech in providing university-based scientifically-proven information to improve quality of life for Virginia's citizens. Some of the activities that are conducted in CEARS are assistance for socially disadvantaged farmers; aquaculture research and extension; STEM programs for youth; natural resources and climate issues; food, nutrition and health issues; and small ruminant animals (goats/sheep).

**VIRGINIA STATE UNIVERSITY**  
**Petersburg, Virginia**

**AGENDA ITEM BACKGROUND**

<b>To:</b> Facilities, Finance and Audit Committee	<b>Date:</b> September 16-17, 2021
<b>From:</b> Kevin W. Davenport	Open Session    Exec. Session <b>Committee</b> (choose one)
<b>Subject:</b> Special Reports and Emerging Issues	
<b>Action:</b> <b>Discussion</b> Information    Other (choose one)	<b>Enclosure(s):</b>

- II. **Special Reports and Emerging Issues**
  - B. Comparative Cash Reserves as of June 30, 2021

<b>Initiating Unit:</b> President <b>Admin. /Finance</b> Academic Affairs    Student Affairs    Development Personnel (choose one)
<b>Board of Visitors Action Date:</b> <b>September 16-17, 2021</b>
<b>Effective Date:</b> <b>September 16-17, 2021</b>

Virginia State University  
Comparative Cash/Reserves as of June 30, 2021  
(as of August 19, 2021)

<b>Agency 212</b>		<b>Final</b>	<b>Final</b>	<b>Final</b>	<b>Final</b>	<b>Final</b>
<u>Fund</u>	<u>Description</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
0000	Local Funds	\$ 31,443,457	\$ 1,293,455	\$ 761,397	\$ 544,028	\$ (93,173)
0100	General Funds (VCAN)	3,318,357	-	-	-	-
0100	General Funds	132,880	54,731	72,314	84,955	117,252
0300	Higher Education Operating	5,081,773	473,425	830,521	192,468	1,019,147
0301	Federal	415,912	265,621	365,237	326,297	803,492
0302	Grants	1,513,981	1,470,547	1,624,886	1,610,557	853,309
0303	Indirect Cost	76,275	10,146	12,749	99,314	238,965
0306	Auxiliary Enterprise	50,537,957	27,577,293	21,960,265	23,612,590	21,062,235
0308	Work Study	150,066	135,215	6,560	39,487	30,892
0311	Eminent Scholars	-	-	-	-	2,898
0316	Excess Indirect Cost Recovery	1,853,291	1,521,139	1,126,973	1,095,525	1,064,492
0317	Student Financial Assistance (License Plates)	290	-	8,625	2,041	1,025
0337	CARES Stimulus (MSI)	-	-	-	-	-
0342	CARES Stimulus Funds - State General	1	115,112	-	-	-
0344	CARES Stimulus Funds - Students	-	-	-	-	-
3690	CARES Stimulus Funds - Institution	-	-	-	-	-
0386	Recycle Matl Sale-Non-Gen/Fed	36,661	33,526	33,157	28,724	28,452
0387	Surplus Property	198,930	196,301	196,301	208,005	207,734
0390	Insurance Recovery	464,514	323,984	478,159	158,114	378,209
07212	Trust and Agency- VSU	-	-	-	-	50,079
0766	Equipment Trust Fund	-	-	-	-	0
<b>Total Agency 212</b>		<b>\$ 95,224,345</b>	<b>\$ 33,470,494</b>	<b>\$ 27,477,144</b>	<b>\$ 28,002,104</b>	<b>\$ 25,765,008</b>

<b>Agency 234</b>		<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
<u>Fund</u>	<u>Description</u>					
0100	General Funds	\$ -	\$ -	\$ -	\$ 17,603	\$ 35,974
0300	Higher Education Operating	2,284,068	1,624,513	502,509	1,131,702	1,380,035
0301	Federal	290,301	290,286	469,201	823,434	350,828
<b>Total Agency 234</b>		<b>\$ 2,574,369</b>	<b>\$ 1,914,799</b>	<b>\$ 971,710</b>	<b>\$ 1,972,739</b>	<b>\$ 1,766,837</b>

<u>Available Resources:</u>		
	CARES Stimulus (MSI)	\$ 20,770,792
	CARES Stimulus Funds - Students	9,355,676
	CARES Stimulus Funds - Institution	8,797,140
	<b>Total</b>	<b>\$ 38,923,608</b>

**VIRGINIA STATE UNIVERSITY**  
**Petersburg, Virginia**

**AGENDA ITEM BACKGROUND**

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<b>From:</b> Kevin W. Davenport	Open Session    Exec. Session <b>Committee</b> (choose one)
<b>Subject:</b> Special Reports and Emerging Issues	
<b>Action:</b> <b>Discussion</b> Information    Other (choose one)	<b>Enclosure(s):</b>

- II. **Special Reports and Emerging Issues**
  - C. Recommended FY 2022 Auxiliary Reserve

<b>Initiating Unit:</b> President <b>Admin. /Finance</b> Academic Affairs    Student Affairs    Development Personnel (choose one)
<b>Board of Visitors Action Date:</b> <b>September 16-17, 2021</b>
<b>Effective Date:</b> <b>September 16-17, 2021</b>

Virginia State University							
Recommended FY22 Auxiliary Enterprise Reserve							
Effective July 1, 2021							
<b>Operating Reserves:</b>							
	Working Capital		\$ 7,273,785	18% of Annual Expenditures*			
	Contingency		1,616,397	4% of Annual Expenditures*			
<b>Reserves for Renewal and Replacement</b>			3,300,000	1% Replacement Value**			
<b>Reserves for Major Renovation, Expansion, or Acquisition</b>			1,000,000				
<b>Debt Service Reserve</b>			9,735,932	1-year Debt Payment			
<b>Total Recommended Annual Aux Reserve:</b>			<b>\$ 22,926,114</b>				
<p>* Recommendation based on guidance from SCHEV's <i>Policies and Procedures for Maintaining Auxiliary Enterprise Reserves and Investment Yields</i>.</p> <p>** 1% Replacement Value determined by VSU Capital Outlay and Facilities</p>							

**VIRGINIA STATE UNIVERSITY**  
**Petersburg, Virginia**

**AGENDA ITEM BACKGROUND**

<b>To:</b> Facilities, Finance and Audit Committee	<b>Date:</b> September 16-17, 2021
<b>From:</b> Kevin W. Davenport	Open Session    Exec. Session <b>Committee</b> (choose one)
<b>Subject:</b> Special Reports and Emerging Issues	
<b>Action:</b> <b>Discussion</b> Information    Other (choose one)	<b>Enclosure(s):</b>

**II. Special Reports and Emerging Issues**  
**D. Capital Project Updates**

<b>Initiating Unit:</b> President <b>Admin. /Finance</b> Academic Affairs    Student Affairs    Development Personnel (choose one)	
<b>Board of Visitors Action Date:</b>	<b>September 16-17, 2021</b>
<b>Effective Date:</b>	<b>September 16-17, 2021</b>

# Capital Project Updates September 16, 2021

Kevin Davenport  
Vice President of Administration and Finance

## Academic Commons- Demolish/Replace Daniel Gym and Harris Hall

### SCOPE:

- Construction of 174,000 SF Academic building
- Construction of a new Ceramics Studio adjacent Fauntleroy Hall

### PROJECT COST:

- Construction- \$99,889,000
- Total Project Cost - \$108,547,000

### SCHEDULE:

- Demolition of Harris Hall is Fall, 2021
- Target Occupancy Date is Summer, 2024

### CURRENT ACTIVITY:

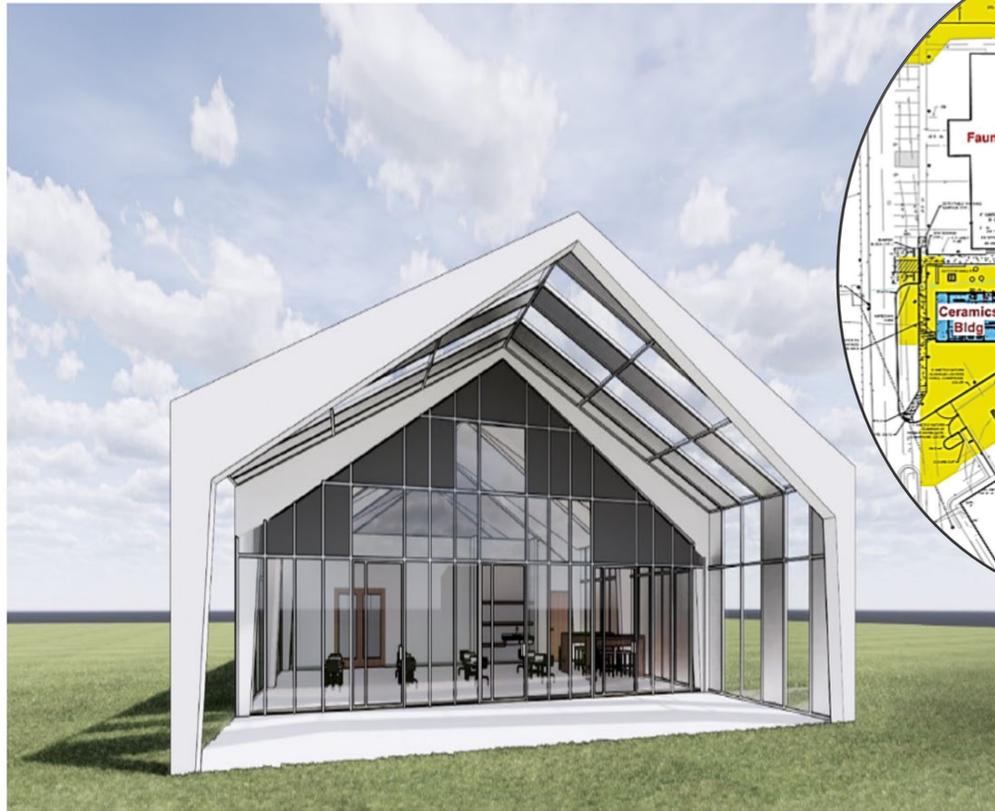
- Asbestos Abatement beginning 09/13/21
- Pre Bid Meeting for first packages held 9/1/21
  - 37 attending
- Bids Due 9/28/21
  - Demolition of Harris Hall
  - Concrete
  - Structural Steel
  - Site Electrical
  - Sitework



## Ceramics Building

SCOPE (Included in Academic Commons Schedule and Cost) :

- Construct a 2,000 SF building to house a ceramics studio, kiln, dark room, and building support office
- SWAM Set aside as turn-key bid package
- Pre Bid Meeting held 9/1/21
- Bids Due 9/28/21
- Target Completion is 8/1/22
  - Supply Chain, staffing trade difficulties are impacting schedules nationwide



## Construct Admissions Building

### SCOPE:

- Construct a new 30,000 SF Admissions and Institutional Advancement building
- New parking to replace Lot 27
- Demolition of 2 - 4<sup>th</sup> Ave Buildings

### COST:

- Detailed Planning - \$1,286,000
- Current View of Total Cost - \$20,846,000

### SCHEDULE:

- Design Start – September, 2021
- Target Occupancy Date – Spring, 2024

### CURRENT ACTIVITY:

- Evaluation of A/E proposals by Building Committee
- Baskervill Selected as the Design Professional
  - SWAM participation - 100% first tier
  - SWAM participation - 56.5% second tier
    - ✓ Women-Owned – 10%
    - ✓ Minority-Owned – 28.5 %
    - ✓ Small Business - 18%
  - Overall Project Target is 42% overall with 25% Minority Spend



## Construct MT Carter Annex

### SCOPE:

- Construction of 13,600 SF
- Research and Cooperative Extension building

### PROJECT COST:

- \$10,000,000 (Federal Funds)

### SCHEDULE:

- Construction Start August, 2021
- Target Occupancy Date is Spring, 2023

### CURRENT ACTIVITY:

Construction Underway

- Mobilization and Sitework



## Improve Infrastructure for Safety, Security, Energy and Reliability

### SCOPE:

- Physical Security Improvements
- Electronic Security Measures
- Exterior LED lighting
- Steam System Efficiencies

### COST:

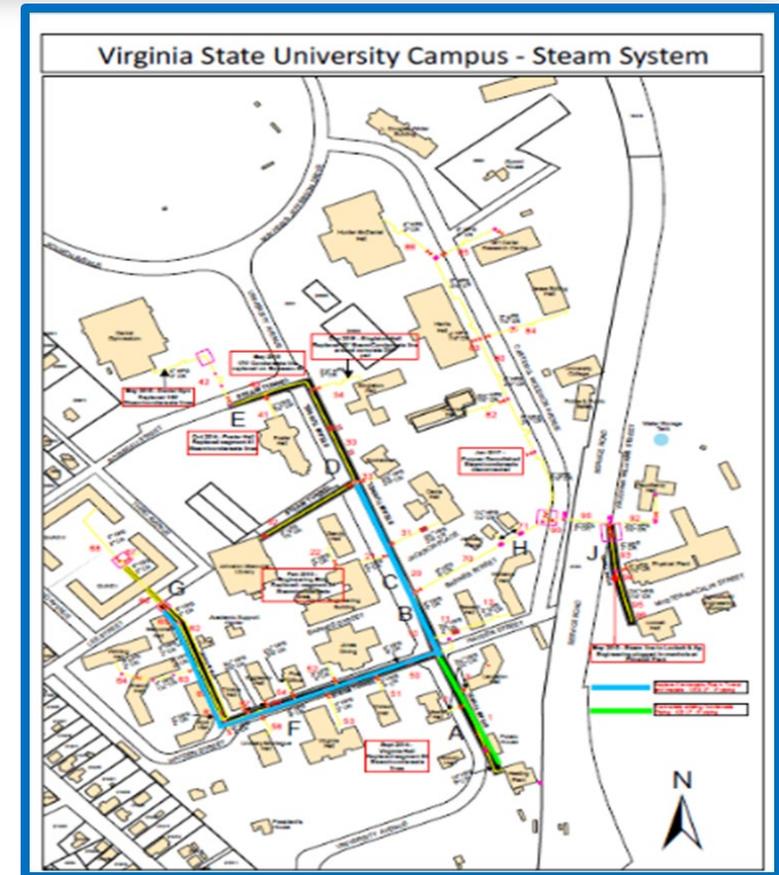
- \$8,299,506

### SCHEDULE:

- Design Start: July, 2021
- Target Completion – Fall, 2023

### CURRENT ACTIVITY:

- Construction unbundled into 5 Subprojects for greater SWAM participation
  - Install Perimeter Fencing
  - Modifications for Guard Station
  - Surveillance camera system modifications Install Exterior Access Control
  - Exterior Lighting Additions and Modifications
  - Boiler Plant and Steam System improvements



## Improve and Replace Technology Infrastructure

### SCOPE:

- Provide additional infrastructure pathways for network reliability and security (duct bank, conduit and fiber)
- Correct issues impacting security, safety, and environmental conditions for telecommunications rooms and pathways
  - HVAC and electrical services
  - Fire protection
  - Physical security to utility manholes/hand holes.
- Relocate network equipment located in failed structures.
- Replace failed/antiquated technology in 105 classrooms.

### COST:

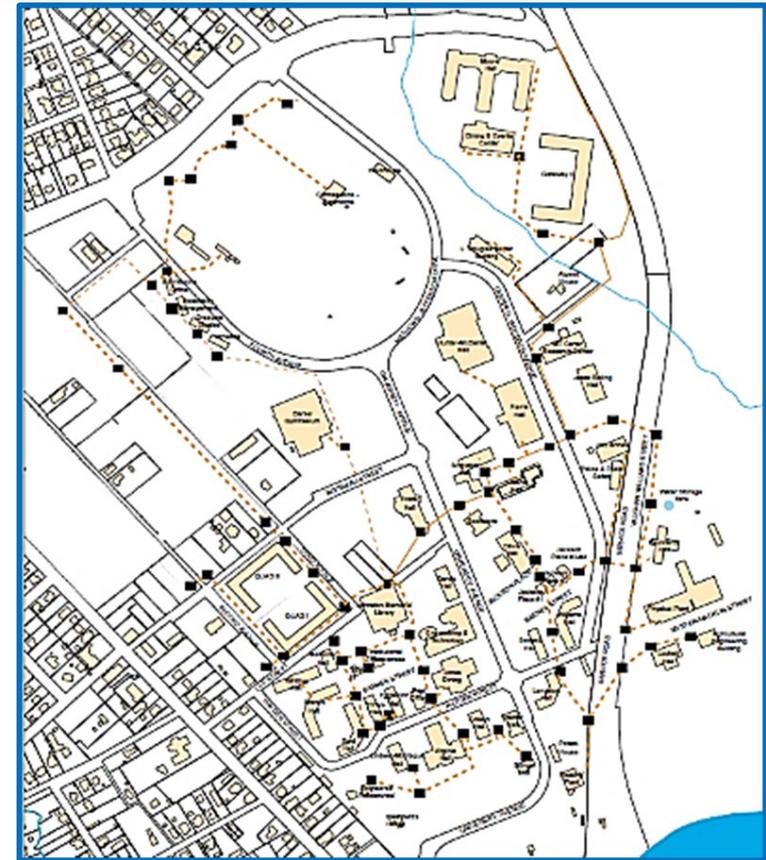
- \$11,471,000

### SCHEDULE:

- Design Start – October, 2021
- Target Completion – Spring, 2024

### CURRENT ACTIVITY:

- Evaluation of A/E proposals by Building Committee
  - RFP from A/Es received 08/03/2021
  - Interviews scheduled for 09/28/2021



## Waterproof Campus Buildings

### SCOPE:

Waterproof foundation walls and improve drainage at nine E&G locations

### COST:

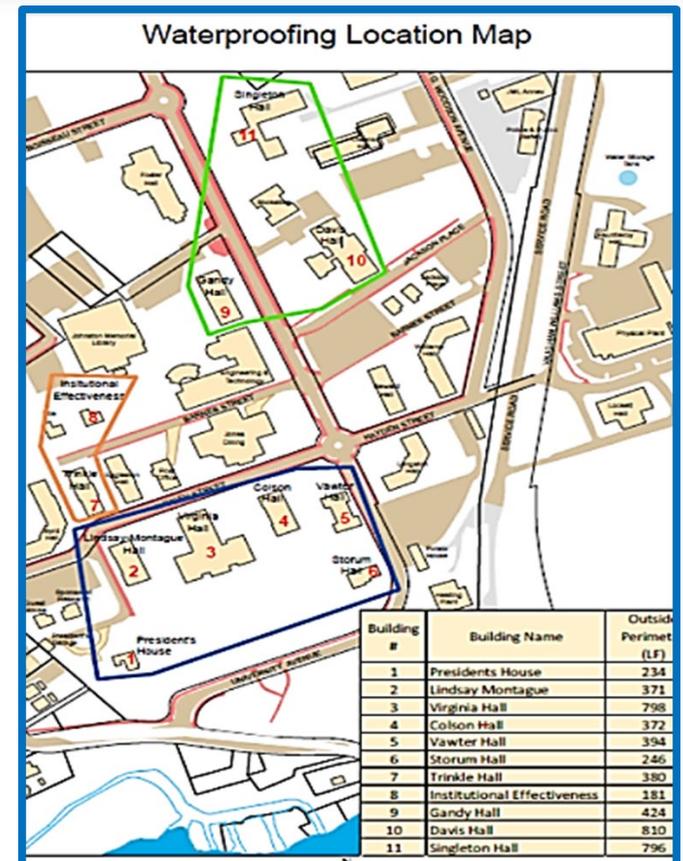
- Detailed Planning - \$579,000
- Current View of Total Cost - \$6,101,000

### SCHEDULE:

- Design start – November, 2021
- Target Completion – Spring, 2023

### CURRENT ACTIVITY:

- Soliciting A/E proposals for evaluation by the Building Committee
  - RFP Issued on 09/15/2021
  - Proposals Due 10/19/2021



## Improve Heating, Air Conditioning and Ventilation Campuswide for Infectious Aerosol Control

- Provide for modifications and or replacement of Heating, Ventilating and Air Conditioning (HVAC) systems to increase ventilation, filtration and humidity control.

### SCOPE:

- In response to the COVID-19 pandemic recommendations for infectious aerosol control
- Work planned at 8 E&G buildings - Gandy Hall, Vawter Hall, Davis Hall, Singleton Hall, Owens Hall, MT Carter, Virginia Hall, Institutional Effectiveness, and Jackson Place 3&4

### COST:

- \$33,980,800

### SCHEDULE:

- Approved for FY22 start in 2021 Special Session
- Design Start –November, 2021
- Target Completion – Spring, 2024

### CURRENT ACTIVITY:

- Utilizing Term A/Es and University contracts
- Planning Surveys underway
- Unbundling Construction into Subprojects for greater SWAM participation



**Greater** Happens Here  
Technology Services

# Board of Visitors

Facilities, Finance, and Audit Committee

## Technology Services Update

Hubert D. Harris, MBA, MSM, PMP

Chief of Staff

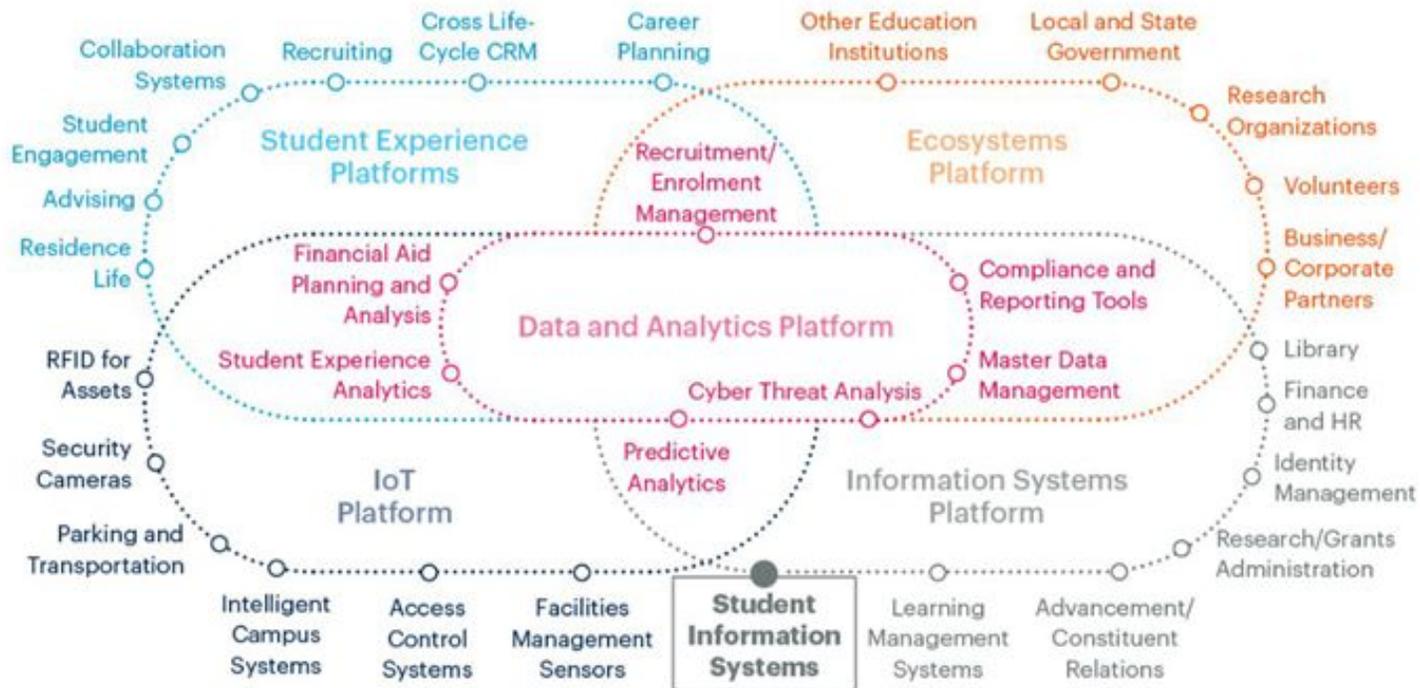
September 16-17, 2021

# Agenda

- VSU Technology Footprint
- Cybersecurity Update
- Business Process Modernization Update
- IT Hiring Update

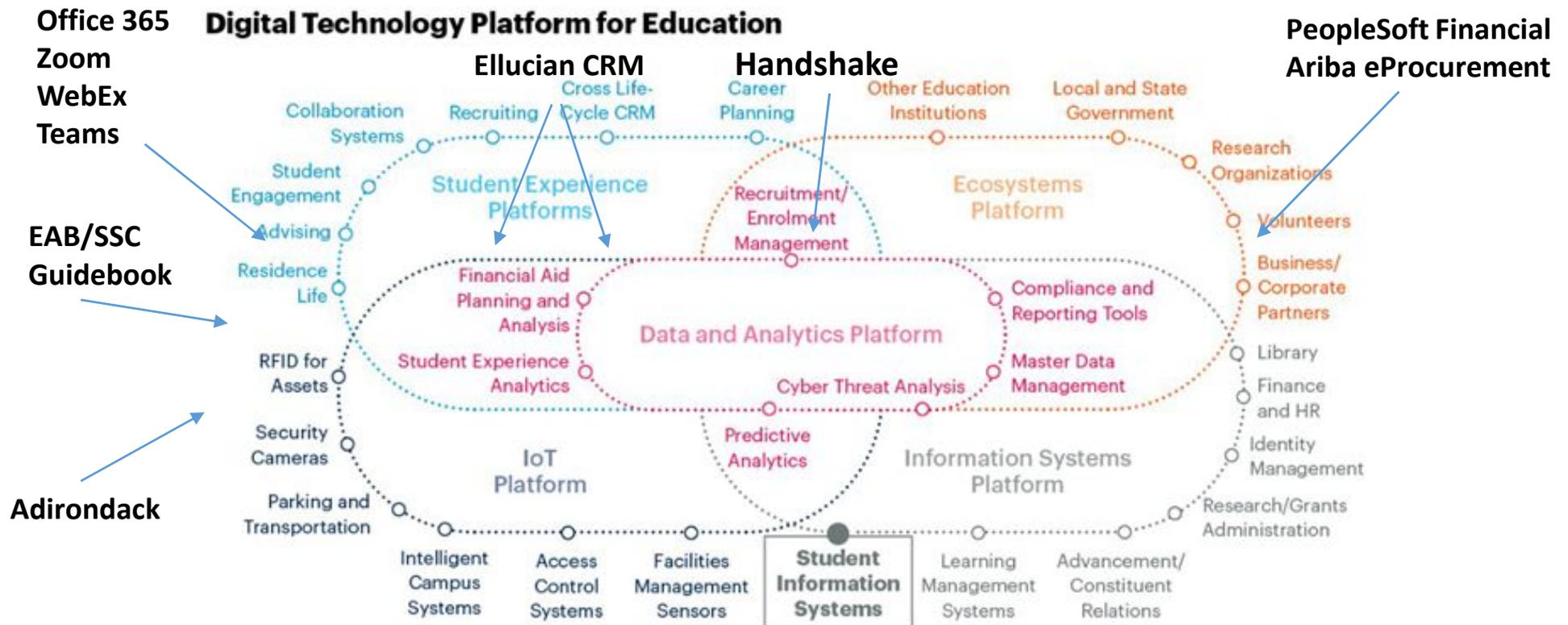
# Higher Education Digital Footprint

## Digital Technology Platform for Education



Source: Gartner  
723797\_C

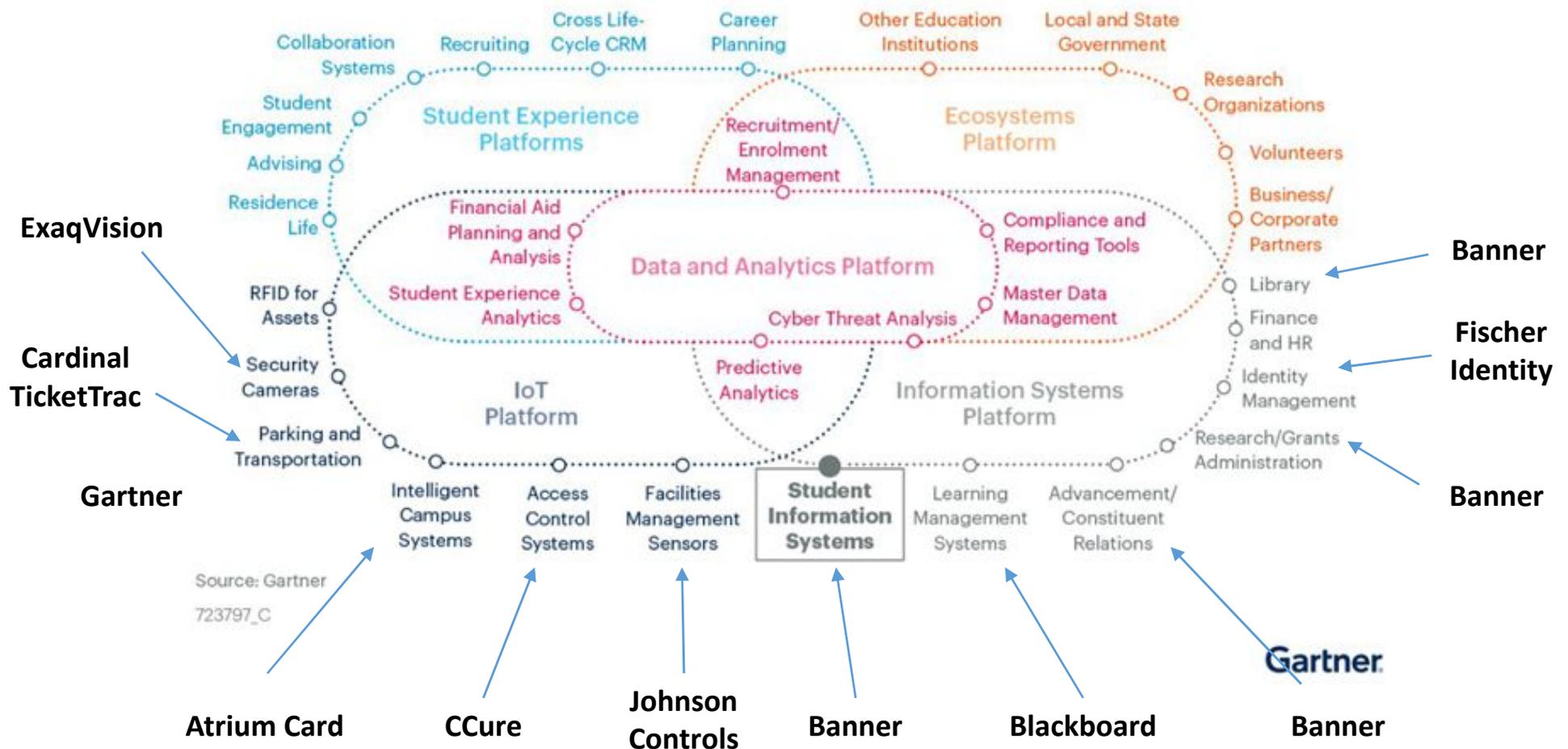
# Higher Education Digital Footprint



Source: Gartner  
723797\_C

# Higher Education Digital Footprint

## Digital Technology Platform for Education



# Cybersecurity Constraints

- Constraints for cybersecurity
  - Speed How quickly is it needed?
  - Cost How much are we willing to pay?
  - Safe What level of security is required?
- If you want it secure but fast >>> higher cost
- If you want it cheap and fast >>> less secure
- If you want it secure and cheap >>> slow



# Goals of Cyber Attacks

- Compromise systems
- Commit financial fraud
- Steal intellectual property
- Steal sensitive information to sell on the dark web

# Cybersecurity Requires Due Diligence

- Cyber attacks have increased in frequency and sophistication from very capable threat actors
- Actors are individuals, criminal groups, and nation-states
- Cyber attackers are well-resourced technically and financially
- Actors are persistent, motivated and use a variety of tactics, techniques, and procedures

# Cybersecurity Proverbs

- Cybersecurity is a business issue and not a technical problem.
- Spending does not guarantee cybersecurity safety
- Spending is not comparative between organizations
- Compliance with regulations is not protection
- Cyber capabilities is a function of people, processes, and technology
- Organizations do not control the threat

# CARE Standard

- **Consistent:** Are security controls working the same way overtime?
- **Adequate:** Are the controls acceptable and in line with the business need?
- **Reasonable:** Are the controls appropriate, fair, and moderate?
- **Effective:** Are the controls producing the desired result?

# Business Process Optimization

- Planning BPR to optimize the Banner ERP system
- Modules includes:
  - Advancement
  - Enrollment Management
  - Finance
  - Financial Aid
  - HR
  - Student
- Engagement includes:
  - Document management
  - Automated Workflow

# Chief Information Officer

## Virginia State University

### **Mr. Maurion Edwards, Sr., MS, CISM, ITIL, TBM**



Maurion Edwards joined Virginia State University on August 25, 2021 as the Chief Information Officer and Director of Technology Services.

Mr. Edwards has an extensive background in information technology (IT) within the Commonwealth of Virginia. Maurion served as the Director of Information Systems at the Department of Taxation for nearly eight years. He transitioned to the Department of General Services as the CIO, a role he held for over five years.

Later, Mr. Edwards served as the CIO for the Virginia Indigent Defense Commission for three years and came to VSU from the Virginia Information Technologies Agency (VITA), where he served as Manager for Customer Success and Governance for the past four years.

Mr. Edwards holds a Master of Science in Information Systems from Virginia Commonwealth University, a Bachelor of Science in Information Systems from Strayer University. He also is a graduate of the Virginia Executive Institute.

Additionally, Mr. Edwards holds a number of industry certifications in information technology; including, Certified Information Security Manager (CISM), Information Technology Infrastructure Library (ITIL), and a Technology Business Management certification.

Maurion is a native of Cleveland, Ohio and enjoys traveling and spending time with his 3 kids and 6 grandkids. Welcome to VSU!



# Questions and Answers



# **Virginia State University Board of Visitors Compliance Update**

**Shawri King-Casey**

**Sr. Advisor to the President for Institutional Equity, Ethics &  
Compliance**

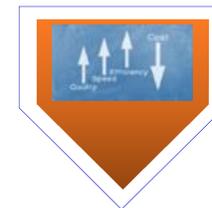
**September 17, 2021**

# University Counsel and Office of Compliance

## Different Roles, Responsibilities & Realms

University Counsel/ Legal	Office of Compliance
<ul style="list-style-type: none"><li>• Advise and protect University from legal issues</li><li>• Defend the interests and actions of the University in court or to outward facing entities</li><li>• Statutory and professional responsibility parameters</li></ul>	<ul style="list-style-type: none"><li>• Detect and prevent misconduct by employees, management</li><li>• Demonstrates consistent vigilance in compliance integrity, protects internal controls and supports a culture of accountability, especially at all levels of management</li><li>• Policy driven scope and role</li></ul>

# **VSU COMPLIANCE: GREATER IS HAPPENING HERE**



**VSU Priority 5:  
Diversify Financial Resources  
and Enhance Operational  
Effectiveness**

**What is compliance and  
why is it necessary for  
higher education  
institutions?**

# COMPLIANCE IS...



- A comprehensive **plan** that aids institutions and their employees **control and conduct activities ethically**, with the utmost level of **integrity** and in **accordance with all applicable legal and regulatory requirements**.

# HOW IS A ROBUST COMPLIANCE PROGRAM HELPFUL TO VSU?

- Indicator of leadership's commitment to fiduciary responsibility
- Assists in meeting federal and internal control reporting standards
- May mitigate civil and criminal liability
- Provides clear expectations for employees in roles and responsibilities
- Improves reputation regarding operational readiness/creditworthiness
- Instills donor confidence
- Reduces the likelihood of government audits and investigations
- Better quality research, operations
- Better trained workforce

# **EIGHT ELEMENTS OF A SOLID COMPLIANCE PROGRAM**

- Oversight and Accountability of Personnel
- Written Policies and Procedures
- Training (Anti-Deficiency) and Continuing Education
- Effective, Clear and Consistent Communication
- Standards Enforced Through Disciplinary Guidelines
- Internal Monitoring and Audit
- Response to Detected Offenses/Corrective Action Plans
- Periodic Risk Assessment

# **VSU – WHERE WE ARE IN PURSUIT OF GREATER**

- Establishment of a recognized, centralized compliance infrastructure
- Compliance education and training
- Elimination of blame culture and restoration of compliance confidence through clear channels of communication and transparency
- Tracking progress of internal and external audit comments to promote accountability

## **VSU Systemic Issues**

- 1. Lack of Proper Documentation/Records Retention**
- 2. Lack of Sustainable Policies and Procedures**
- 3. Significant Training Deficiencies**
- 4. Lack of Succession Planning/Talent Management**
- 5. Lack of Integration of Parallel Workflows for Higher Risk Activities**

# **Getting It Done: Using a Risk Registry Methodology**

- **Encourages comprehensive review of business process rather than compartmentalized issue spotting**
- **Designates specific owners of processes as subject matter experts and holds them accountable with dates certain**
- **Provides risk prioritization and supports proper allocation of resources relative to risk category and severity**
- **Provides visual representation of remediation and corrective action plan strategy**

# VSU: A COMPLIANCE SNAPSHOT

- **FY 2020 Internal Audit Identified Issues: 46**
- **Internal Audit has cleared: 7**
- **VSU sent management responses and applicable documentation awaiting audit clearance: 17**
- **VSU is actively addressing either through policy creation, updates, hiring or automation: 17**
- **VSU is assessing the systemic nature and root causes of the issues and will be formulating a plan of action or hiring a consultant or additional temporary personnel: 6**
- **FY 2021-22 Internal Audit Identified Issues: 5**



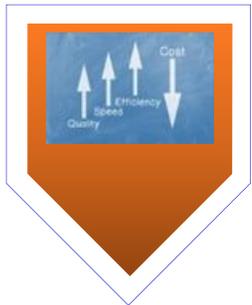
# FY 2019 APA AUDIT ISSUES

Procurement	HR/Payroll	Grants	Capital Assets
<ul style="list-style-type: none"> <li>• Improve <b>documentation</b> of sole source procurement (PR)</li> <li>• Establish and maintain a complete <b>contract listing</b></li> <li>• Retain <b>documentation</b> to support transactions and respond to audit inquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of I-9 <b>form</b> to verify employment eligibility and identity (PR)</li> <li>• Payroll and HR must ensure that creditable compensation from the VRS system is <b>reconciled to HR system</b></li> </ul>	<ul style="list-style-type: none"> <li>• Establish a <b>process</b> for periodically reviewing stagnant grants and contributions (R)</li> </ul>	<ul style="list-style-type: none"> <li>• Improve Internal Controls over Financial <b>Reporting</b> for Capital Assets (PR)</li> </ul>

PR = partial repeat, R = repeat

# FY 2019 - NIFA

- Material Weakness
- Established a robust policy (Policy 5102), delineating clear roles and responsibilities for review, approval and timely submission of allowable expenditures
- Set monthly meetings among stakeholders to ensure accountability, timely reporting and implementation of immediate course correction if necessary
- Increased communication and support from USDA officials to provide us with clear guidance and status of outstanding issues
- Paying back \$6.5M, \$1.7M in late Aug.- early Sept.



**VSU Priority 5:  
Diversify Financial  
Resources and Enhance  
Operational  
Effectiveness**

# **Takeaways Purpose Procedures/Policies Perspective Practice**



Questions?