Virginia State University
Board of Visitors
Audit & Compliance Committee

Updates and Audit Plan Presentation

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AGENDA

- Auditor of Public Accounts (APA) Fiscal Year 2025 Audit Update
- Compliance and Internal Audit Updates
- Fiscal Year 2027 University Audit Plan

APA FY25 Update: Where are we and what's next?

- **Progress to Date**
- **Estimated Report Completion – September 2026**
- **APA Presentation to Board of Visitors – November 2026**

COMPLIANCE AND INTERNAL AUDIT UPDATES

Virginia State University
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Audit Plan Presentation

Ahmad Lewis, Assistant Audit Director

Internal Audit Proposed FY 27 Plan

- ❖ The plan is relatively small as compared to the prior year.

- ❖ The proposed audits and reviews are in-depth and will take significant resources to complete.

- ❖ Two of the audits are carryover from the prior year audit plan and are currently in flight.

FY27 Proposed Internal Audit Plan

Audit Area	Type	Primary Unit(s)	Strategic Purpose / Risk Addressed	Status / Timing
Gift Administration	Assurance	Institutional Advancement	Oversight of gifts and donations; stewardship and compliance	Carryover from FY26 - Underway
Clery Act	Assurance	Public Safety / Information Security	Accuracy of federally reported crime statistics	Carryover from FY26 - Underway
Employee Separation Process	Consulting	HR / University-wide / ITS	Ensure payroll, benefits and system access are timely terminated after separation	Next major engagement
Enrollment	Assurance	Registrar / Academic Colleges	Supports Board enrollment priorities and reporting accuracy	FY27 Planned
Policy & Procedure Review	Governance	Capital Assets, Capital Outlay, Financial Reporting, Payroll	Addresses APA findings and strengthens internal controls	FY27 Priority Project
Adirondack Housing System	IT Audit	ITS / Residence Life	Sensitive system review and APA-related risk	Currently Underway
OKTA Identity & Access Mgmt	IT Audit	ITS / Information Security	User access governance and security controls	FY27 Planned
SOC Reports Review	Continuous Monitoring	Third-Party Providers	Vendor assurance and SaaS control environment	Ongoing

Discussion of Individual Plan Components

Employee Separation Process Review

Purpose

- Ensure departing employees are removed from payroll and University systems promptly.

Key Areas

- Timely supervisor notification
- HR and ServiceNow processing
- Payroll and benefits termination
- System and building access removal
- Recovery of University property

Review Approach

- Trace selected separations end to end
- Match former employees to payroll and active system accounts
- Identify process breakdowns and root causes
- Evaluate accountability and monitoring

Expected Outcome

- Recommendations for sustainable controls, reconciliations, accountability measures, and monitoring to prevent continued access and payments to former employees.

Enrollment Audit

Purpose

- Ensure enrollment information is accurate, complete, timely, and reliable for decision-making and external reporting.

Key Areas

- Census headcount and full-time-equivalent enrollment
- Student eligibility and classification
- Tuition and financial-aid impacts
- SCHEV, IPEDS, and Board reporting
- System access, data changes, and reconciliations

Review Approach

- Trace selected students from registration through reporting
- Reconcile enrollment totals across University systems
- Analyze unusual, duplicate, and post-census activity
- Test reporting controls and management oversight

Expected Outcome

- Reliable enrollment data that supports student success, financial planning, regulatory compliance, and Board oversight.

Policy and Procedure Project

Purpose

- This is a multi-year project to ensure departmental policies and procedures are current, complete, compliant, and aligned with University operations.

Year 1 Priorities

- Capital Assets
- Capital Outlay
- Financial Reporting
- Payroll

Review Approach

- Inventory existing policies and procedures
- Compare requirements with current practices
- Identify missing, outdated, or conflicting guidance
- Evaluate key controls and responsibilities
- Recommend revisions and responsible owners

Expected Outcome

- Clear, consistent, and sustainable guidance that strengthens compliance, accountability, and internal controls.

Policy and Procedure Project
Remaining Years' Prioritized Schedule

Fiscal Year	Audit Areas / Reviews
FY 28 (Year 2)	1. Procurement and contract administration. 2. Accounts payable, travel, and purchasing cards. 3. Grants and sponsored programs. 4. Budget development and monitoring. 5. Cash management and bank reconciliations.
FY 29 (Year 3)	1. Financial aid policies and procedures. 2. Student accounts, billing, collections, and refunds. 3. Admissions and Registrar procedures not covered in the enrollment audit. 4. Scholarships, waivers, and institutional aid. 5. Housing, dining, and other auxiliary operations.
FY 30 (Year 4)	1. Human Resources beyond payroll. 2. Academic affairs and faculty administration. 3. Research compliance. 4. Athletics. 5. Campus safety, emergency management, and continuity. 6. Other decentralized or revenue-generating units.

QUESTIONS?