INTERNAL AUDIT

Committee on Audit, Risk and Compliance

September 28, 2023

DISCUSSION TOPICS

- Three recently completed audits
- Other audit activities
- Work plan status update
- Internal Audit staffing development

RECENT AUDIT ACTIVITY

Richard Bland College IT Security Audit:
- Required by Virginia Information Technology Agency
  - Three-year testing cycle permitted
  - RBC outsourced IT to Ellucian in 2022
  - Facilitated risk assessment with RBC and Ellucian personnel to identify "sensitive" systems for testing
- Tested for compliance with the VITA internal control framework:
  - Banner testing of 120 controls revealed 62% compliance; 20% partial compliance; and 18% not in compliance.
- Ellucian CIO and has a plan to address controls gaps.

RECENT AUDITS (CON'T)

RBC Procurement Audit

- Tested for compliance with state rules/regs
  - Enhance and align procurement policies and practice with state guidelines.
  - Promote SWaM awareness and monitor spending to better comply with state targets.
- Transactions reviewed appear reasonable and business related.
- Senior Buyer has opportunity for a fresh start.

RECENT AUDITS (CON'T)

W&M Student Health Center Audit:

- Pharmacy recommendations:
  - Enhance physical inventory procedures
  - Reconcile insurance billings to reimbursements
- Fiscal monitoring:
  - Manage SHC activity by developing a quarterly dashboard
  - Monitor receivables due to SHC
 - Review pharmacy purchases and physical inventory results

OTHER AUDIT ACTIVITIES

- Information Technology and Internal Audit data security meetings:
  - Data security discussion with Chief Information Security Officer, Internal Audit, and business system owners
  - To date met with five departments: (Payroll, HR, Bursar, Financial Aid, Gift Accounting)
  - Productive discussions with learning on both sides
  - Will issue a joint report at year-end to summarize findings/observations
  - Anticipate continuing this initiative in 2024 and beyond
- Beginning 2024 Internal Audit plan development
  - Solicit management input to identify risk areas
  - Present proposed plan to committee in November

2023 AUDIT PLAN STATUS

	-----------------STATUS------------------------		
Construction Audit	Completed		
Business School Internal Control Review	Completed		
Student Health Center	Completed		
RBC Procurement Audit	Completed		
RBC IT Security Audit	Completed		
Athletics Audit		In progress	
President's Office Audit		In progress	
VIMS Sponsored Programs		In progress	
Arts & Sciences			Deferred
Employee Clearance			Deferred
Minors on Campus		In progress	
IT/IA System Functionality		Ongoing	
IT System Penetration Testing		Scheduled	
OSIG Hotline Investigations		Ongoing	

DEPARTMENT STAFFING
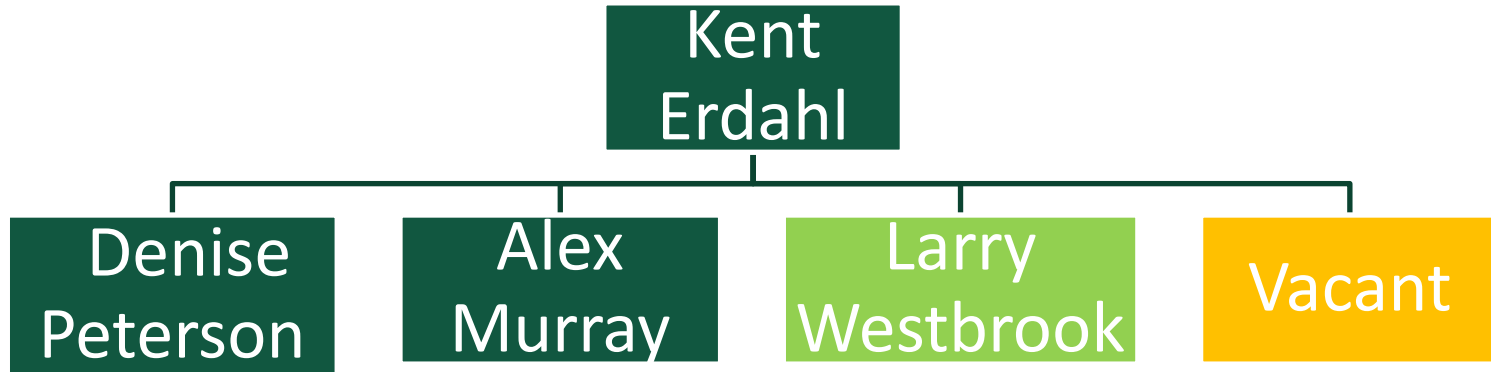
DEPARTMENT STAFFING

- Larry Westbrook announced January 2024 retirement
  - Larry is a Certified Information Systems Auditor
- Search for replacement is underway
  - Seeking candidate with IT audit experience
  - To widen candidate pool, may pivot to outsourcing IT audit
    - Many universities have adopted outsourcing approach due to shortage of IT audit candidates and cost considerations

FOLLOW-UP SCORECARD

Audit/Date	Follow-up	Status
Donor Compliance (3/17)	Oct	(A)
Financial Aid (4/19)	Oct	(A)
Sponsored Programs (1/20)	Oct	(A)
Law School Internal Control (12/21)		Remediated
RBC IT Security (12/21)	Oct	(A)
RBC IT Dep't Review(12/21)		Remediated
Admissions (12/21)	Dec	(A)
A&S Internal Control (3/22)	Jan	(A)
Search Waivers (4/22)	Jan	

(A): Corrective action noted with some action items remaining.

FOLLOW-UP SCORECARD

Audit/Date	Follow-up	Status
RBC Internal Control (7/22)	Oct	(A)
Gift Administration (9/22)	Nov	(A)
Procurement (11/22)	Oct	(A)
Student Organizations (11/22)	Nov	(A)
VIMS Control Review (12/22)	Nov	(A)
Payroll Overpayments (1/23)	Feb	
Construction (3/23)	Nov	(A)
Business School (4/23)	Nov	(A)
RBC IT Security (6/23)	Nov	
Health Center (8/23)		
RBC Procurement (8/23)		

(A): Corrective action noted with some action steps remaining.

QUESTIONS