



## **Fiscal Year 2023 Audit**

### **William & Mary, Virginia Institute of Marine Science, & Richard Bland College**

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April 25, 2024

Eric Sandridge, Deputy Auditor

Auditor of Public Accounts

# Agenda

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- Auditor's Opinion on Financial Statements
- Significant Audit Adjustments
- Report on Internal Controls
- Audit Findings
- Additional Testwork Results
- Other Items and Known Changes for Next Year

# Auditor's Opinion on Financial Statements

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- **Unmodified opinion** - the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.
- Based on the reports of other auditors, we also issued an unmodified opinion over the discretely presented component units.

## **Auditor's Opinion on Financial Statements – Emphasis of Matter**

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- The institutions implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements, related to accounting and financial reporting for subscription liabilities and right-to-use subscription assets.
- Our opinion is not modified with respect to this manner.

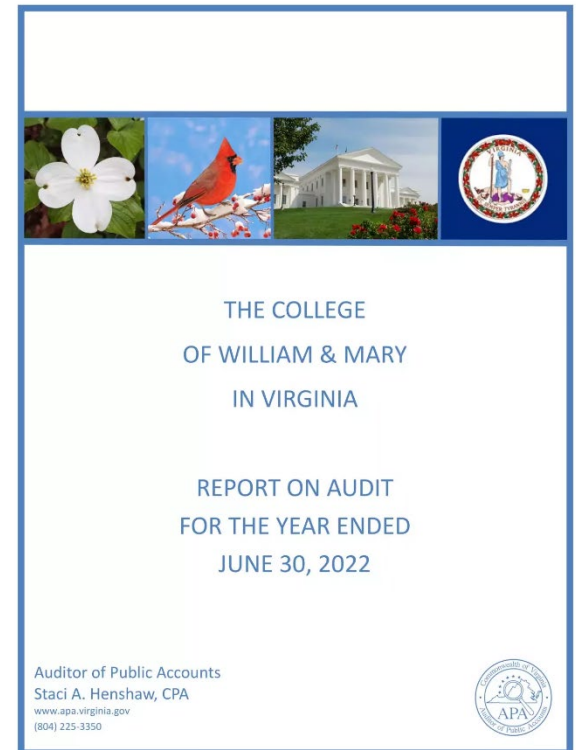
## Significant Audit Adjustments

- The following adjustments were reviewed with management and recorded in the audited financial statements:

Description/Justification of Misstatement	Misstatement Amount	Financial Statement and Line-Item Impact	Net Position Impacted
Appropriations Available for capital projects should be reclassified as noncurrent assets rather than current assets as they are used to acquire or construct noncurrent assets	\$ 35 Million	<i>Statement of Net Position:</i> <ul style="list-style-type: none"> <li>Current &amp; Noncurrent Assets (appropriations available)</li> </ul>	No
Investments held by the William & Mary Foundation for William & Mary (as part of the 1693 Partners Fund) should be reported gross rather than eliminated in the Discrete Component Unit column of the Statement of Net Position	\$ 86 Million	<i>Statement of Net Position:</i> <ul style="list-style-type: none"> <li>Noncurrent Assets (investments)</li> <li>Noncurrent Liabilities (long-term liabilities)</li> </ul>	No

## Report on Internal Controls

- Results of Internal Control and Compliance Testing:
  - William & Mary:
    - Information Systems Security
      - Improve IT Service Provider Oversight
  - Richard Bland College:
    - Financial Aid
      - Improve Reporting to the National Student Loan Data System
      - Properly Perform Return of Title IV Calculations
      - Return Unearned Title IV Funds Timely



## Report on Internal Controls (cont'd)

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- Results of Internal Control and Compliance Testing:
  - Richard Bland College:
    - Financial Reporting
      - Improve Controls for Identifying, Tracking, Recording, and Reporting Right-to-Use Subscription Assets
    - Information Systems Security
      - Develop and Implement a Service Provider Oversight Process
      - Improve IT Risk Management Program
      - Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act
      - Improve Firewall Security
      - Improve Database Security

Anticipated Report Release Date: May 2024

# Audit Findings and Recommendations – Prior Year Findings and Recommendations

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- Resolved:
  - Richard Bland College
    - Improve Controls over Contract Administration and Management
    - Improve Federal Financial Aid Reconciliation Controls



# Audit Findings and Recommendations – Prior Year Findings and Recommendations

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- Unresolved Management Recommendations:
  - Richard Bland College
    - Develop and Implement a Service Provider Oversight Process
    - Improve IT Risk Management Program
    - Improve Firewall Security
    - Improve Database Security

# Audit Findings and Recommendations – New Management Recommendations

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- William & Mary:
  - Information Systems Security
    - Improve IT Service Provider Oversight
  
- Richard Bland College:
  - Financial Reporting
    - Improve Controls for Identifying, Tracking, Recording, and Reporting Right-to-Use Subscription Assets
  
  - Information Systems Security
    - Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act

# Audit Findings and Recommendations – New Recommendations (cont'd)

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- Richard Bland College:
  - Financial Aid
    - Improve Reporting to the National Student Loan Data System
    - Properly Perform Return of Title IV Calculations
    - Return Unearned Title IV Funds Timely

# Additional Testwork Results

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- We found no indications of fraudulent transactions or illegal acts.
- There were no material changes to accounting and reporting policies and standards during the year except as related to the implementation of GASB 96, SBITAs.
- There were no material alternative accounting treatments identified as a result of the 2023 audit.
- We concur with management’s application of accounting principles.
- We have reviewed the basis used for accounting estimates used, noting that such amounts appear to be reasonable based on available information and that estimation methodology is consistent with prior periods.
- There were no significant unusual transactions or significant accounting policies in controversial or emerging issues.
- There were no significant difficulties encountered during the audit.
- There were no disagreements with management about auditing, accounting, or disclosure matters.
- We addressed the following significant risks not previously included in the engagement memo.

## **Other Items and Known Changes for Next Year's Audit**

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- Upcoming GASB standards for next fiscal year:
  - GASB 99 – Omnibus (likely to have minor impact)
  - GASB 100 – Accounting Changes and Error Corrections (likely to have minor impact)
  - Implementation Guide Question 2021-1 – Capitalization Policy (likely to have an impact)
  - GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements (will have an impact)

## **Intended Use Statement**

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This presentation is intended solely for the information and use of management and the Board of Visitors and is not intended to be, and should not be, used by anyone other than these specified parties.