



WILLIAM & MARY

CHARTERED 1693

INTERNAL AUDIT

Committee on Audit, Risk and Compliance

November 18, 2022

2023 PLAN DEVELOPMENT

Objective: Align audit resources with risk where Internal Audit can add the greatest value.

- Solicit input from management:
 - Understand key risk areas
 - Identify areas where Internal Audit can help mitigate risk
 - Provide management an opportunity to influence the audit plan
 - Review Internal Audit services and offer future assistance
- Develop a list of potential audit opportunities where Internal Audit can add maximum value
- Review potential audit list with COO, Provost, and President for alignment

2023 PROPOSED PLAN

- **Construction audit**
- **Athletics Internal Control review**
- **Business School Internal Control review**
- **Arts & Sciences Internal Control review**
- **Student Health Center audit**
- **President's Office audit**
- **Employee Clearance process review**
- **RBC Procurement audit**
- **RBC IT Security audit**
- **VIMS Sponsored Programs audit**

Recurring Audit Activities:

- **IT system functionality review (in collaboration with IT personnel)**
- **IT system penetration testing (collaboration with IT and third party)**
- **Commonwealth Fraud, Waste and Abuse Hotline Investigations**

2022 WORK PLAN STATUS

• Procurement/Accounts Payable audit	Complete
• Human Resources:	
○ Search waiver/hiring exception process review	Complete
○ Payroll overpayments review	In-Progress
○ Affirmative Action review	Cancelled
• Student Organization review	Complete
• W&M Title IX Compliance process review	Complete
• RBC Title IX Compliance process review	In-Progress
• RBC General Accounting/Internal Control review	Complete
• VIMS General Control review	In-Progress
• Gift Accounting process review post CRM implementation	Complete
Recurring Audit Activities:	
• IT system functionality review (in collaboration with IT personnel)	Ongoing
• Commonwealth Fraud, Waste and Abuse Hotline Investigations	Ongoing

RECENT AUDIT ACTIVITY

Procurement and Accounts Payable Audit:

- Audit followed implementation of a new procure-to-pay system and department reorganization
- Audit opportunities include:
 - Limit system access to what is needed for job responsibilities
 - Reinforce procurement practices including competitive bidding
 - Strengthen controls by adding second level reviews/approvals
 - Broaden SWaM usage

RECENT AUDIT ACTIVITY

Student Organizations Audit

- Student Orgs are an important part of the W&M student experience
 - 495 Student Orgs; student involvement exceeds 80%
 - Student engagement is a point of pride for W&M
- Audit observations included:
 - Communicating student org independence
 - Clarifying the role of an advisor (and when to engage)
 - Adding structure with Student Org policies

DEPARTMENT STAFFING

- Unsuccessful in hiring auditor
- Recommend pausing to let applicant pool refresh and to determine extent of RBC audit support needed going forward
- Internal Audit will reassess in spring 2023

FOLLOW-UP SCORECARD

<u>Audit/Date</u>	<u>Follow-up</u>	<u>Status</u>
Conference Services (2/17)		Remediated
Donor Compliance (3/17)	Feb	(A)
Financial Aid (4/19)	Jan	(A)
International Travel (7/19)	Dec	(A)
Sponsored Programs (1/20)	Dec	(A)
Highland Audit (10/20)	Feb	(A)
Athletics IC/Donor Spend (4/21)	Feb	(A)
Law School Internal Control (12/21)	Apr	(A)

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

FOLLOW-UP SCORECARD

<u>Audit/Date</u>	<u>Follow-up</u>	<u>Status</u>
RBC IT Security (12/21)	Mar	(A)
RBC IT Dep't Review(12/21)	Mar	(A)
Admissions (12/21)	Feb	
A&S Internal Control (3/22)	Feb	
SOE Internal Control (4/22)	Dec	
Search Waivers (4/22)	Feb	
RBC Internal Control (7/22)	Mar	
Gift Administration (9/22)		
Procurement (11/22)		
Student Organizations (11/22)		

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

QUESTIONS