

IV.B.



WILLIAM & MARY

CHARTERED 1693

AUDIT, RISK AND COMPLIANCE COMMITTEE

Internal Audit Pre-Read

September 27, 2018

RECENTLY COMPLETED AUDITS/PROJECTS

- School of Education Centers
- Advancement Gift Accounting
- VIMS General Control Review
- Fleet Vehicle Gas Card
- RBC ARMICS

RBC ARMICS

The Department of Accounts Quality Assurance review identified ARMICS as an improvement area

- The DOA suggested a robust ARMICS program would identify RBC internal control gaps

Internal Audit was asked to perform RBC ARMICS testing, which involved building an ARMICS framework

- First year through for RBC

RBC ARMICS (CON'T)

- Internal Audit ARMICS Objectives:
 - Develop framework to facilitate handoff to RBC
 - Follow DOA/COSO guidelines
 - Mapped DOA and COSO controls to RBC environment
- ARMICS Testing Summary
 - Many control gaps identified
 - ARMICS testing has provided a road map for RBC to shore up the internal control environment

AUDITS IN-PROGRESS

- Dining Services Catering audit
- Student Employment audit
- Muscarelle Foundation review

RESOURCE CONSIDERATIONS

- Audit Senior retired this summer (earlier than planned)
 - 7 month 2018 resource gap
 - Opportunity to reevaluate department skill sets
- Two unscheduled projects added in 2018
 - RBC ARMICS
 - Muscarelle Foundation review

AUDIT PLAN STATUS-THRU 9/18

- Information Technology Disaster Recovery Plan review
- Foundation/College working arrangement and compliance review
- School of Education Centers audit
- Student employment audit
- Advancement finance and accounting internal control audit
- Dining Services audit (cycle approach)
- Retirement Plan book transfer testing
- Fleet vehicle gas card process review
- VIMS Budget Office operational and internal control audit
- Richard Bland College Athletic Department and sponsored camps audit
- Richard Bland College Finance/Accounting transition support

Recurring Audit Activities:

- Quarterly/monthly small purchase charge card monitoring
- Commonwealth Fraud, Waste and Abuse Hotline Investigations

Unscheduled Projects:

- RBC ARMICS
- Muscarelle Foundation

Key:

Complete

In-process

Not started

NEXT STEPS

- Complete in-progress audits
- Develop 2019 internal audit plan- for discussion in November
 - Audits for 2019 plan consideration:
 - Foundation/College working arrangement
 - RBC Athletics, camps review

FOLLOW-UP SCORECARD

<u>Audit/Date</u>	<u>Follow-up</u>	<u>Status</u>
Conflict of Interest (8/15)		Fully Remediated
Payroll (12/15)		Fully Remediated
Fixed Assets (4/16)	Nov	(A)
Facilities (8/16)	Nov	(A)
RBC Athletics (9/16)	Oct	(A)
Conference Services (2/17)	Nov	(A)
Donor Compliance (3/17)	Nov	(A)
CARE Reporting (4/17)	Nov	(A)
Eastern Shore Lab (8/17)		Fully Remediated
IT Security (8/17)	Oct	(A)

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

FOLLOW-UP SCORECARD

<u>Audit/Date</u>	<u>Follow-up</u>	<u>Status</u>
Construction (8/17)	Nov	(A)
Emergency Management (12/17)	Oct	(A)
Bursar's Office (12/17)	Oct	(A)
Payroll overpayment (1/18)	Oct	
School of Education Centers (6/18)	Jan	
Advancement Gift Accounting (9/18)	Feb	
VIMS General Control (9/18)	Dec	
Fleet Vehicle Gas Card (9/18)	Jan	

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

QUESTIONS?