2021 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 the greatest value

• Review potential audit list with COO, Provost, and President for alignment
PLAN CONSIDERATIONS

• Department staffing
  – resumed hiring process for open staff position
  – 2021 work plan estimates a half year of new hire time

• Work plan emphasizes operations in transition
DEPARTMENT ORG CHART

Kent Erdahl

Kristin Bell
(6 hours/day)

Molly Castle

Vacant
PROPOSED 2021 WORK PLAN

- Admissions audit
- Athletics internal control review and donor compliance audit
- Law School internal control review
- Arts & Sciences internal control review
- School of Education internal control review
- Athletic Ticket Office audit
- W&M IT Data Center physical security audit
- RBC IT security audit
- Remote work impact on internal control environment project

Recurring Audit Activities:
- Small purchase charge card monitoring
- IT system functionality review (in collaboration with IT personnel)
- Commonwealth Fraud, Waste and Abuse Hotline Investigations
RECENT AUDIT ACTIVITY

• Highland Internal Control Review
  – Business Model Enhancement Opportunity
  – Strategic Planning Committee established
    • Three objectives:
      – Establish a 5 year strategic plan
      – Identify a path to financial sustainability and operational efficiency
      – Establish milestones/metrics for above objectives
    • Vice Provost Ann Marie Stock is chairing committee with deliverables due by January 2021
  – Highland management supports committee objectives
  – President Rowe and COO Sebring support this committee
RECENT AUDIT ACTIVITY

• RBC IT Security Audit:
  – Technical compliance audit against IT internal control framework
  – Required for Tier I institutions
  – All key systems to be reviewed over three year cycle
  – RBC IT personnel using audit to improve controls and come into compliance with framework
  – Noted better compliance this year
2020 PLAN REALIGNMENT

Allocated audit resources to Athletics audit:
  – Internal Control review of Athletic operations
  – Testing of donor restriction compliance

Diverted resources from Athletic Ticket Office review, Admission audit, and IT Data Center review
## FOLLOW-UP SCORECARD

<table>
<thead>
<tr>
<th>Audit/Date</th>
<th>Follow-up</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets (4/16)</td>
<td>Dec</td>
<td>(A)</td>
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<tr>
<td>Conference Services (2/17)</td>
<td>Dec</td>
<td>(A)</td>
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<tr>
<td>Donor Compliance (3/17)</td>
<td>Dec</td>
<td>(A)</td>
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<tr>
<td>Construction (8/17)</td>
<td>Dec</td>
<td>(A)</td>
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<tr>
<td>Payroll overpayment (1/18)</td>
<td>Dec</td>
<td>(A)</td>
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<tr>
<td>Advancement Gift Accounting (9/18)</td>
<td>Dec</td>
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<td>VIMS General Control (9/18)</td>
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(A): Corrective action noted with some action items remaining.
# FOLLOW-UP SCORECARD

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<th>Audit/Date</th>
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<tbody>
<tr>
<td>IT Disaster Recovery (1/19)</td>
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<td>Student Employment (1/19)</td>
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<td>President’s Office (5/20)</td>
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<td>IT Penetration Testing (6/20)</td>
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<tr>
<td>RBC IT Security (11/20)</td>
<td>Jan</td>
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(A): Corrective action noted with some action steps remaining.
QUESTIONS