



APA Update

April 28, 2025

David Rasnic, CPA, CISA
Higher Education Programs Director

Objectives

- Office Update
- HEI Findings
- Workplan 2026

Office Update

- New Deputy Auditor of Public Accounts – Human Capital Management
 - Former Reporting and Standards Director
 - Project Manager of Radford, George Mason
 - VSCPA Accounting and Advisory Committee - Chair
 - NSAA Audit Standards and Committee



Zachary Borgerding
Deputy Auditor of Public Accounts

Office Update



Reporting and Standards Directors – Amy Stokes and DeAnn Compton



Procurement and Compliance Assurance Team – George Strudgeon



Recruiting for a Capital Asset Reporting Director



60% of time in-office or on-site in a work week

Updates

- NCAA AUPs
 - APA - VCU, VT, UVA
 - Anticipate bidding out the remainder
- Reaccreditation Timelines
 - 10 Year – Before On-Site Review
 - 5 Year – Two Weeks before Due Date

More Updates

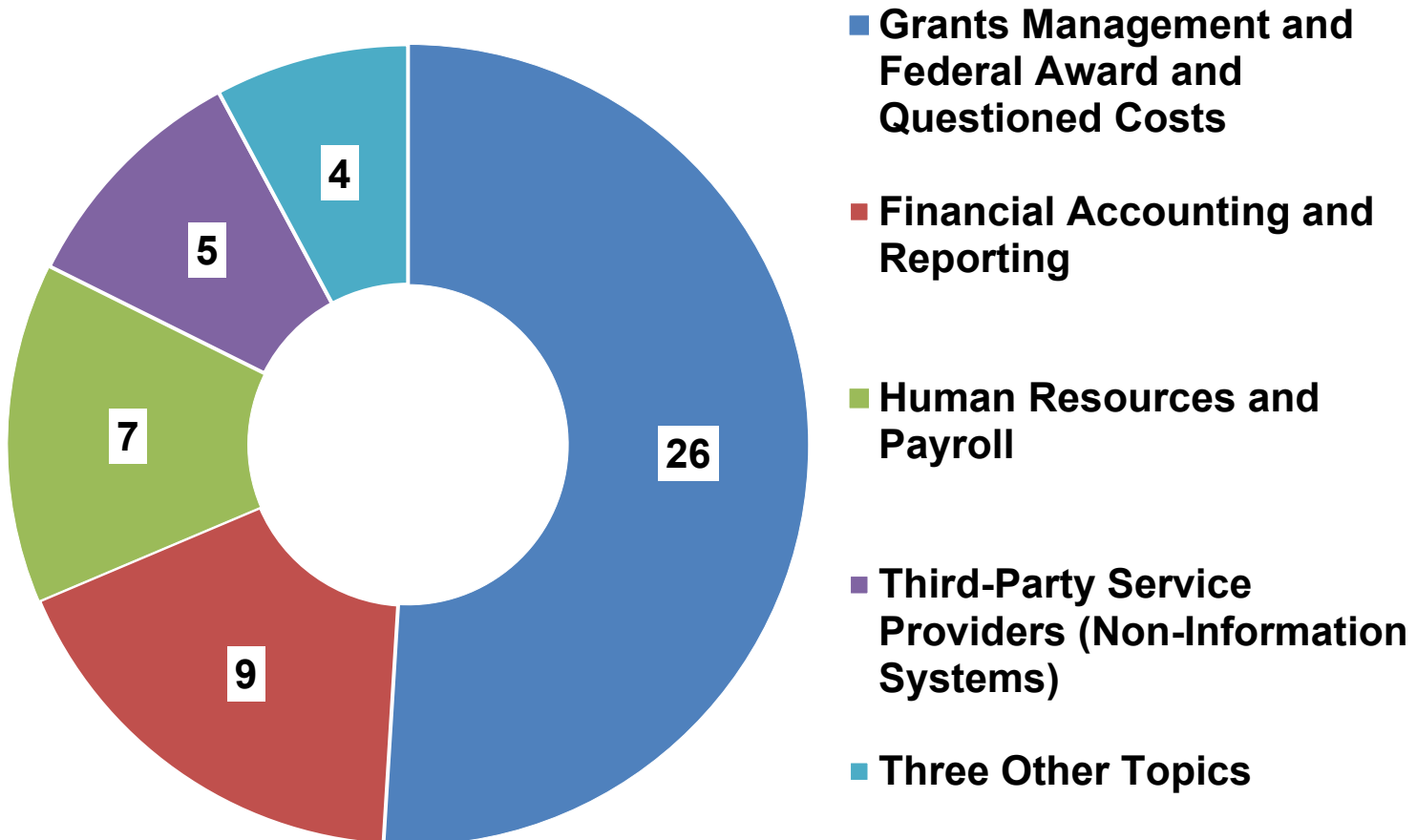
- Standalone Student Financial Aid Compliance Reports
 - To meet reaccreditation standards
- Focused on meeting BOV Deadlines
- New VCCS Approach
 - Internal Control Questionnaires

Discussion Question

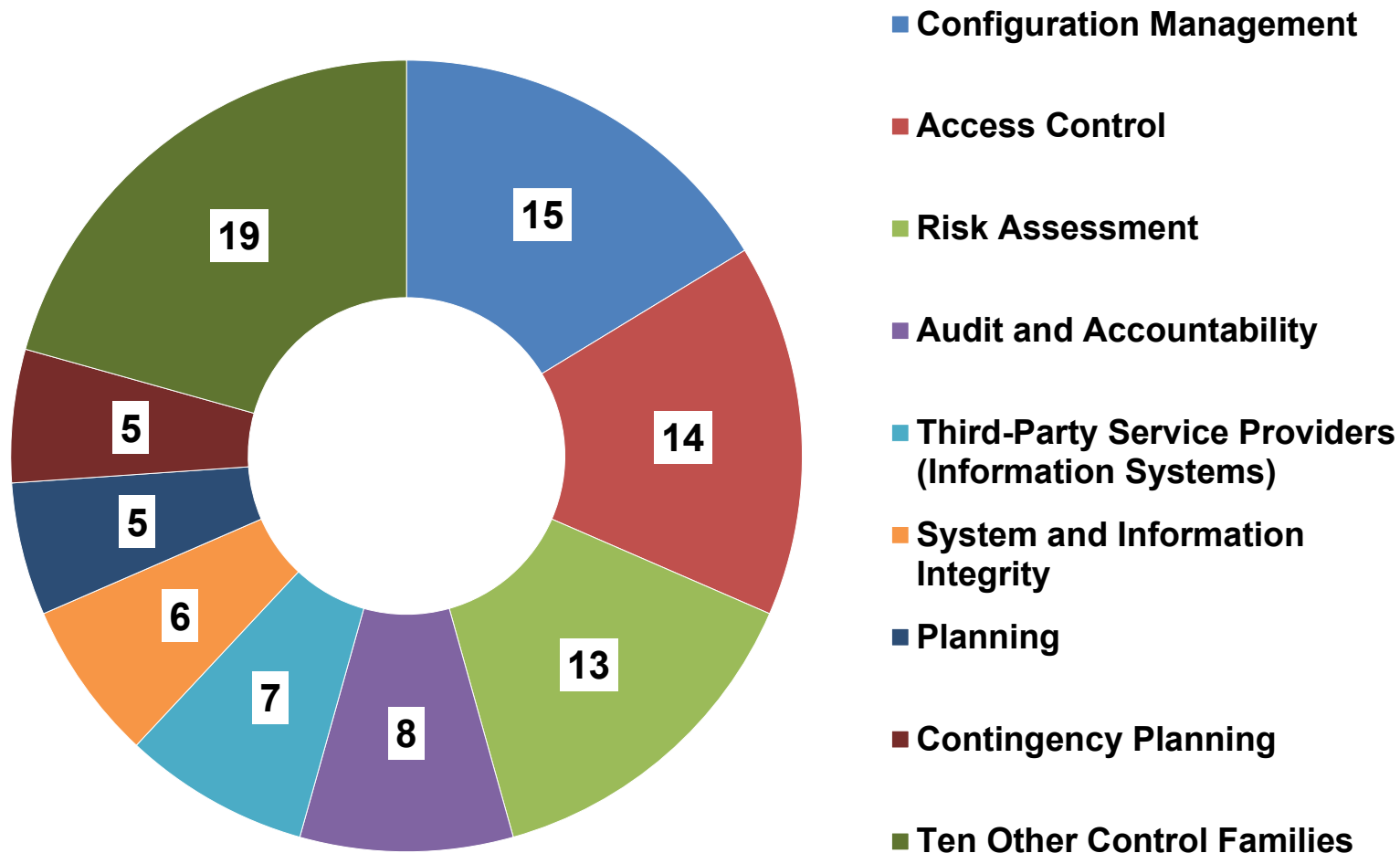
- What areas are most prone to control deficiencies in your experience?



ACFR and Single Audit Results – Non-IT Issues



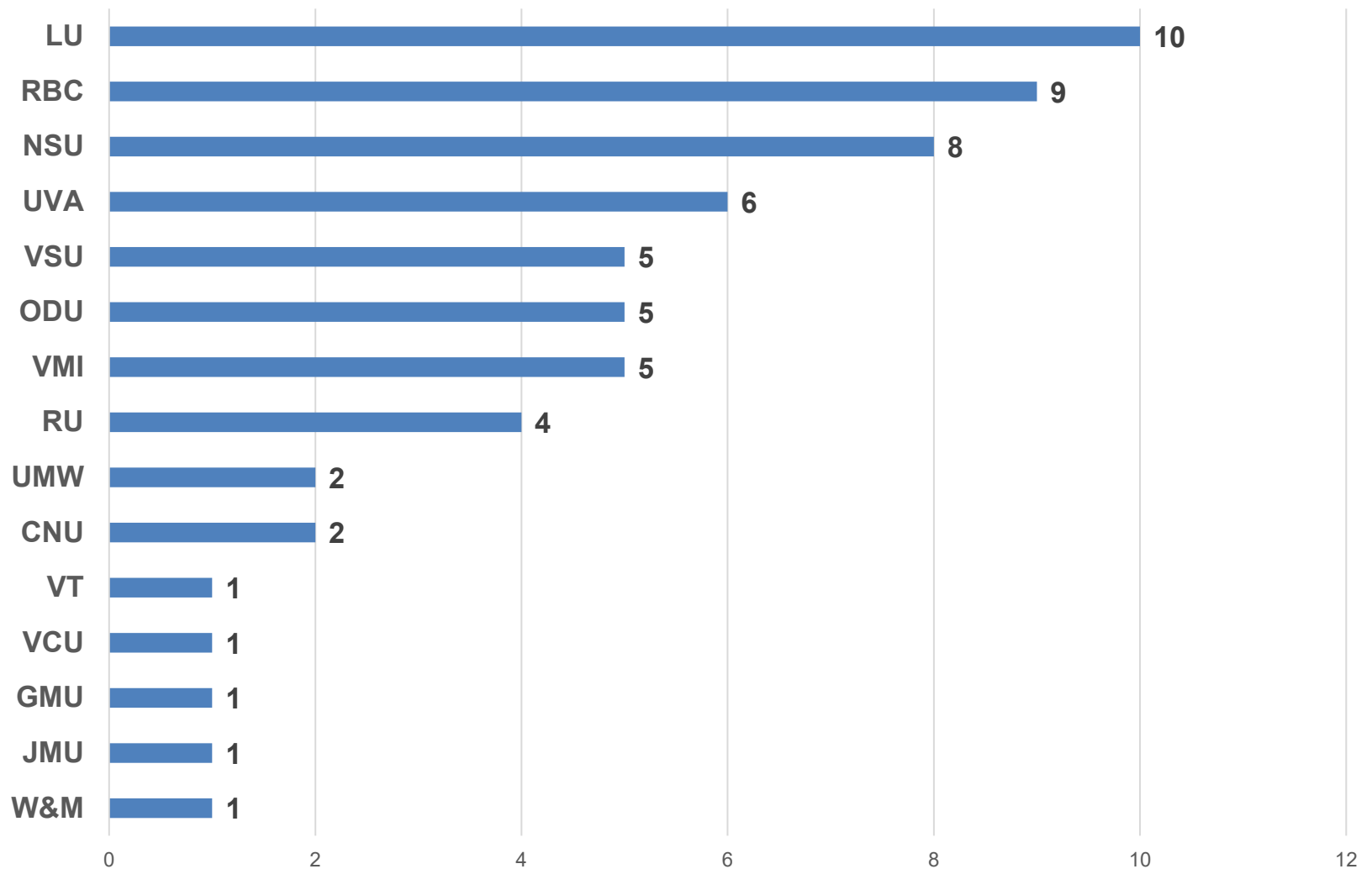
ACFR and SSA Results – IT Issues



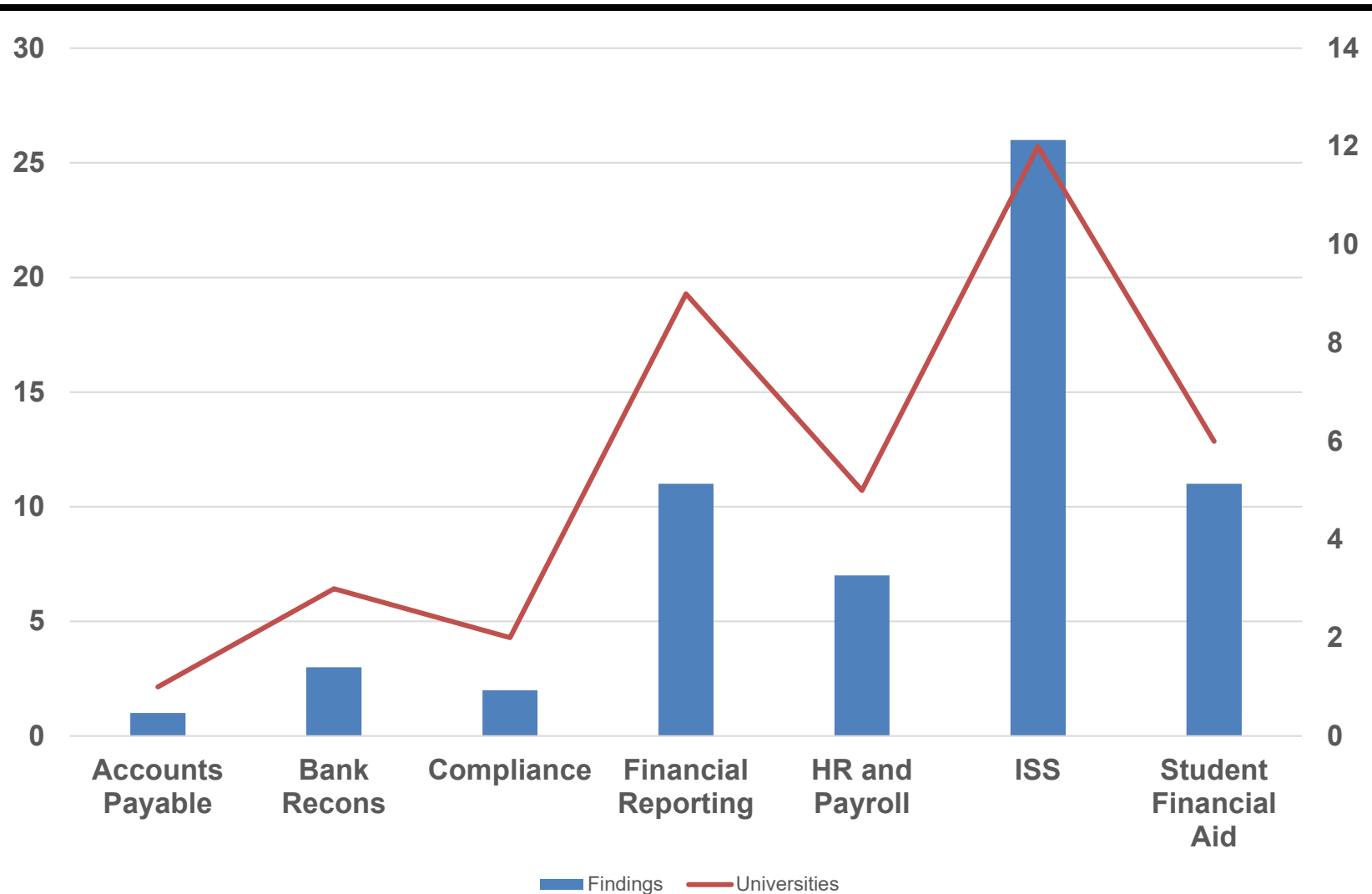
Higher Education Financial Statement Audit Results

- 2024 audits for VCU, VT, UVA, and JMU
- 2023 audits of remaining institutions (excluding VCCS)
- Audited Student Financial Aid Single Audit
 - 30 findings at nine institutions
- 3 material weakness
- 61 significant deficiencies

Findings by HEI



Findings by Area and Number of HEIs



Discussion Question

- In your experience, what are the primary causes of your findings?



Financial Reporting

- DOA Risk Alert

Financial Reporting Findings by Fiscal Year and Severity ACFR Audits

Table 1

	2024	2023	2022	2021	2020
Material Weakness	5	5	5	1	3
Significant Deficiency	1	1	1	2	2

Financial Reporting Findings by Fiscal Year and Severity Non-ACFR Audits

Table 2

	2024	2023	2022	2021	2020
Material Weakness	*	4	3	1	-
Significant Deficiency	*	6	2	2	1
*Fiscal Year 2024 non-ACFR audits have not been performed as of the ACFR Deadline (12/15/2024).					

Financial Reporting Findings

- Capital Asset issues present in 10 of 11 findings
 - Leases – GASB 87
 - SBITAs – GASB 96
 - Public Private Partnerships – GASB 94
 - Aggregated Assets – IG -2021-Question 5.1
- Unusual Activity or variances

Financial Reporting Causes



Turnover



Recruiting and retaining highly qualified individuals



Knowledge gap



Increasingly complex GASB standards

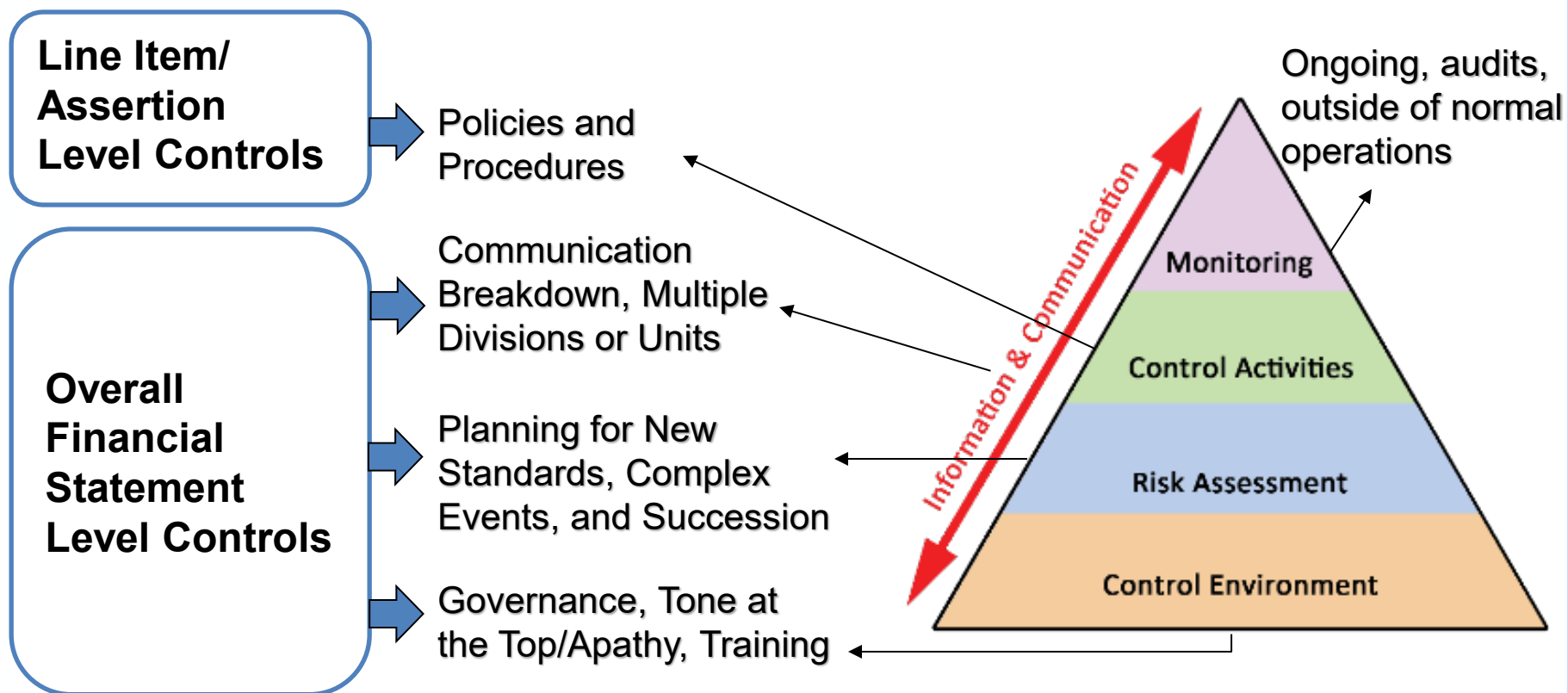


Lack of training



Lack of review of financial statements

Evaluating Risk with COSO



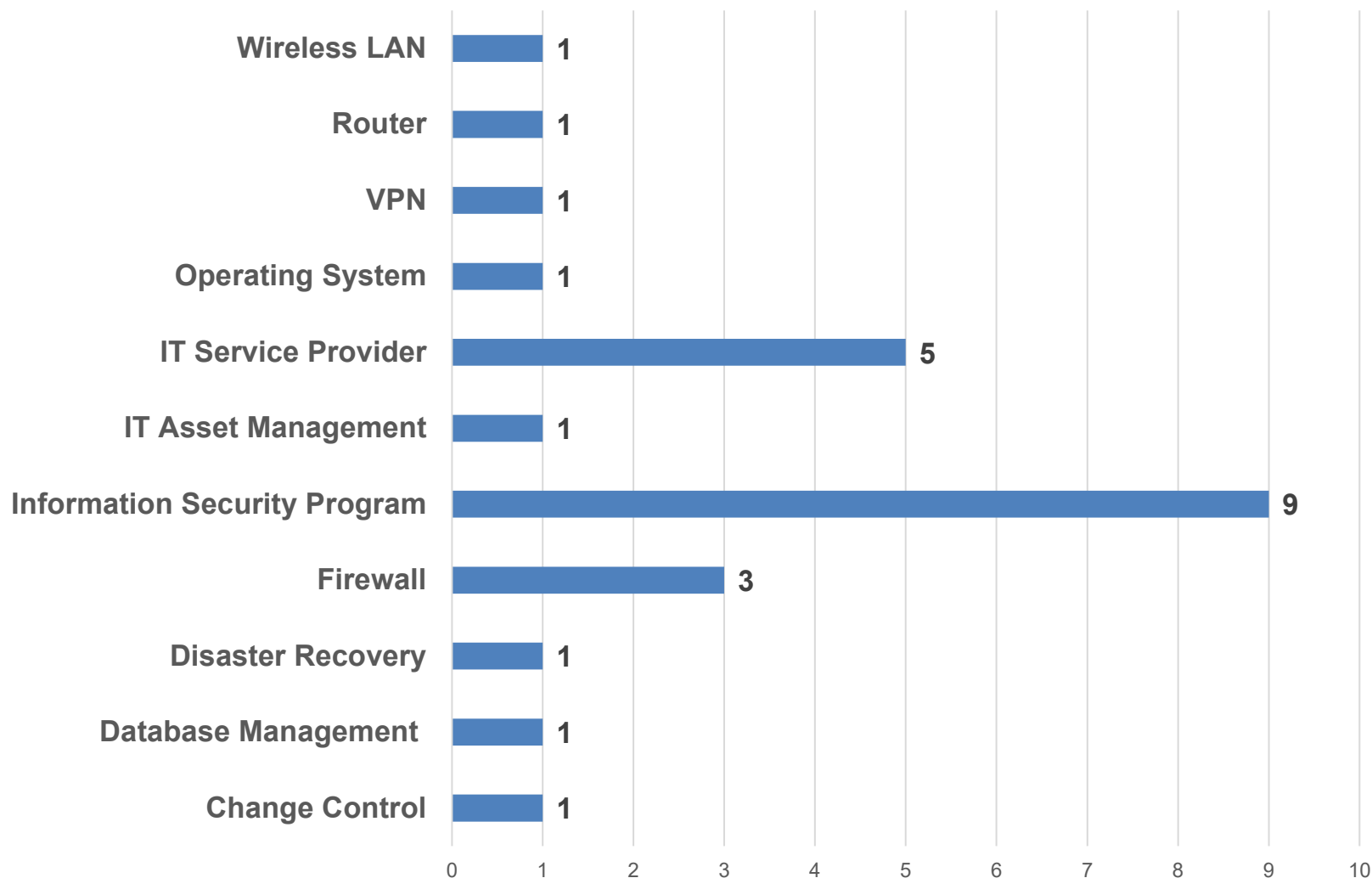
Risks and Recommendations

- Risk of Material Misstatement
 - Highest during year of implementation of new GASB standards or complex transactions
- Focus on Process
 - White Papers or Position Papers
- Prepare analytical reviews of financial statements

Statements and Guidance Effective FY25

- **NACUBO:** Scholarship Allowance
- **GASB 101:** Compensated Absences
- **GASB 102:** Certain Risk Disclosures

ISS Findings by Area



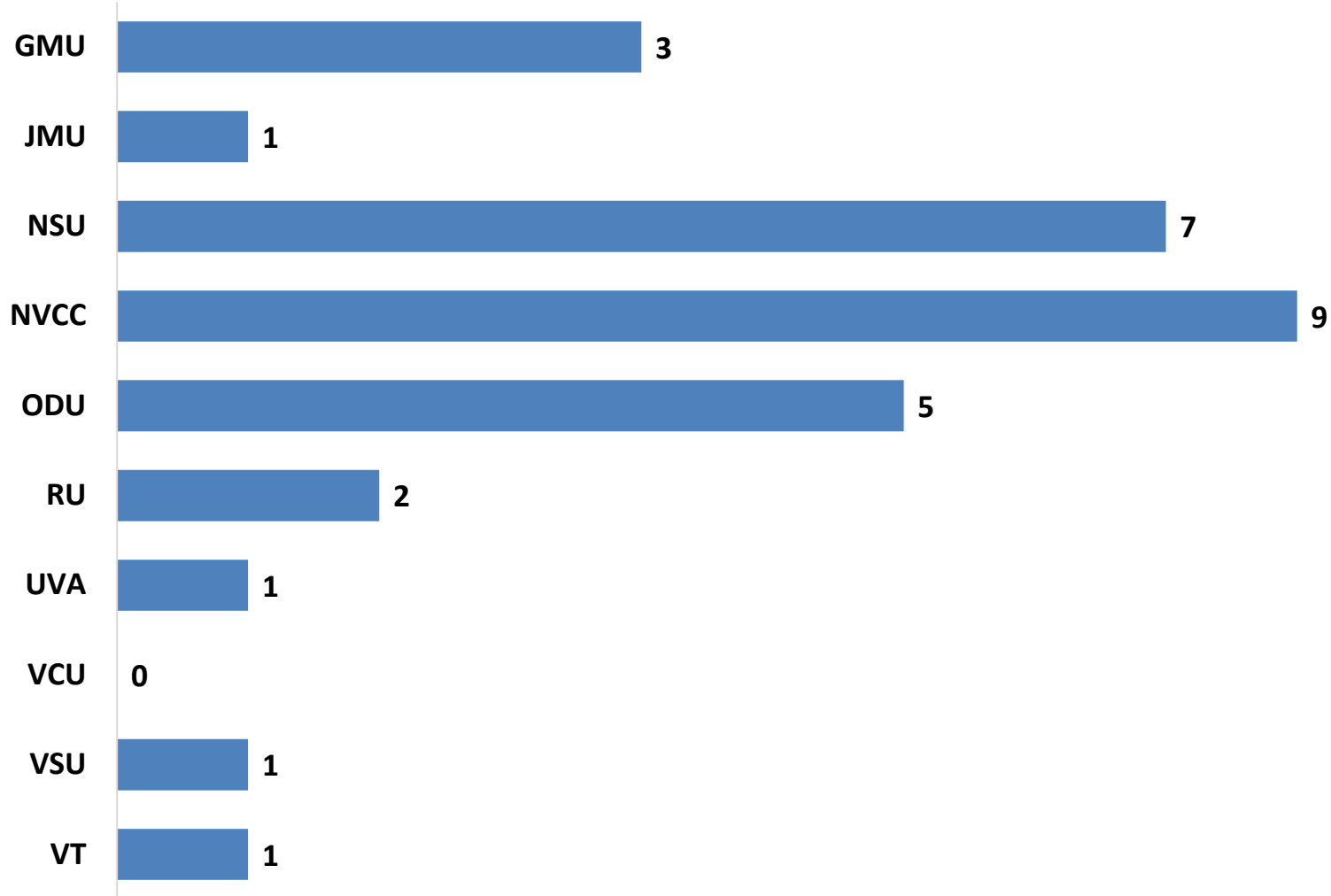
ISS Findings

- Information Security Program
 - Security Awareness Training
 - Disaster Recovery
 - Gramm-Leach-Bliley Act
 - Risk Assessments over sensitive systems
- Service Providers
- Firewall Security

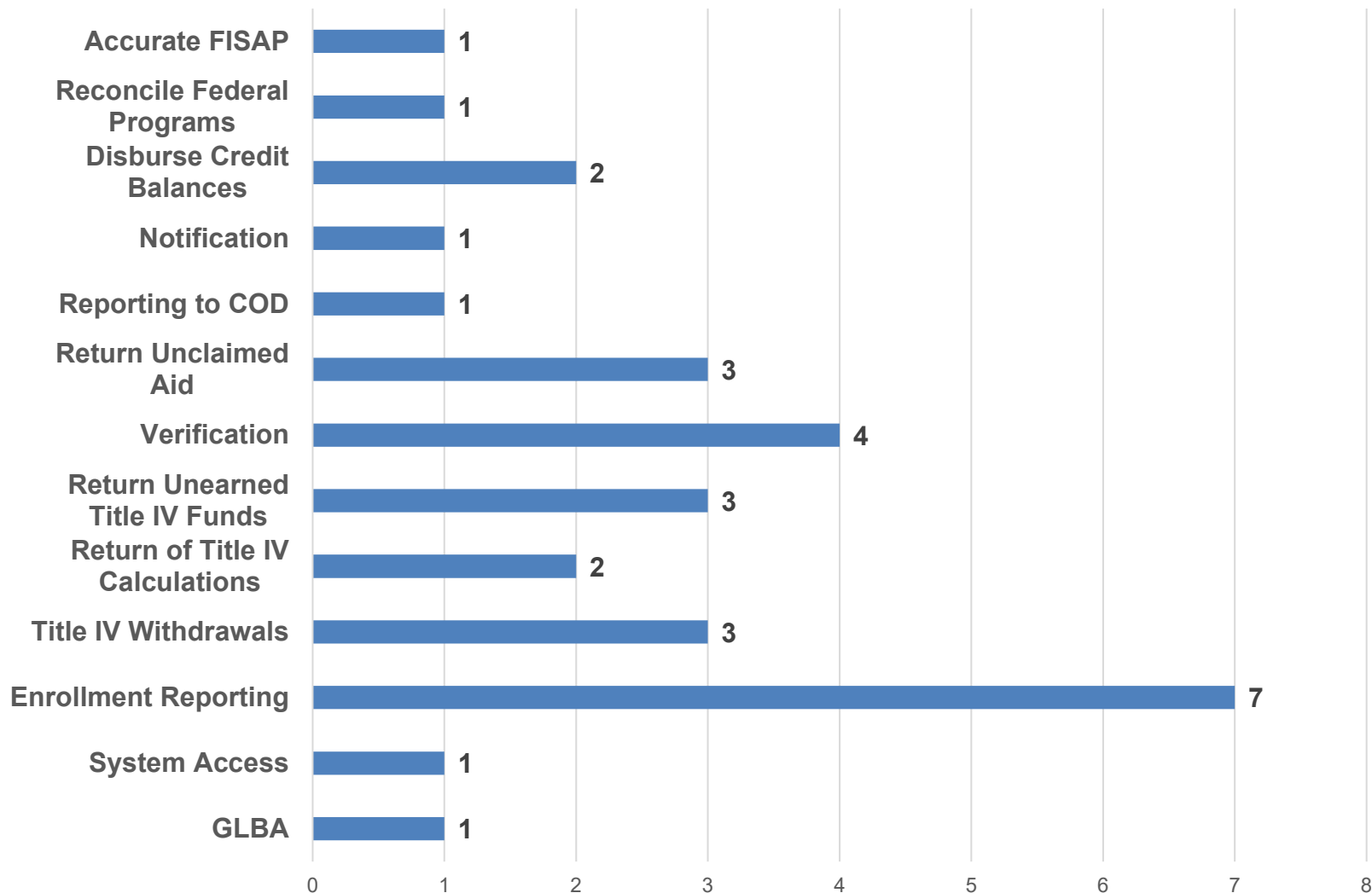
HEI IT Findings

- User Access
- Identity Access Management
 - Controls for Active Directory
- Database Management

Student Financial Aid Major Program Findings FY24



SFA Findings by Area



Department of Education Top 10 Findings

Top Ten Domestic School Audit Findings by Number of Findings for Fiscal Year 2023

Finding Code Description	Number of Findings	Percent
STUDENT STATUS - INACCURATE/UNTIMELY REPORTING	900	16.5%
REPEAT FINDING - FAILURE TO TAKE CORRECTIVE ACTION	808	14.8%
RETURN TO TITLE IV (R2T4) CALCULATION ERRORS	501	9.2%
RETURN OF TITLE IV FUNDS MADE LATE	383	7.0%
STUDENT CREDIT BALANCE DEFICIENCIES	250	4.6%
QUALIFIED AUDITOR'S OPINION CITED IN AUDIT	204	3.7%
CARES ACT - HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF) NON-COMPLIANCE	201	3.7%
INACCURATE DISBURSEMENT DATES/AMOUNTS REPORTED TO COD	194	3.6%
ENTRANCE/EXIT COUNSELING DEFICIENCIES	181	3.3%
PELL--OVERPAYMENT/UNDERPAYMENT	166	3.0%
Total Top Ten Deficiencies	3,788	69.5%
Total 2023 Deficiencies	5,454	100.0%

Risk and Causes

- Noncompliance with Uniform Guidance
- Program Review
- Reaccreditation – Warning Status
- Causes
 - Lack of Staff/Turnover
 - Management Oversight
 - Policies and Procedures
 - Batch/Coding Errors

Student Financial Aid Process

- Performed every 3 years as major program
 - 10 HEI's selected based magnitude
 - Follow-up on findings each year based on DOA Status of Prior Year Findings
- Performed during 5-year and 10-year reaccreditation reviews
- Perkins Loan Liquidation Report

HR, Payroll and Compliance

- Terminated Employees
- VNAV Reconciliations and Census Data
- Statement of Economic Interest
- I-9

Capital Assets, Expenses and Payables

- Prompt Pay
- Accruals
- Purchase Cards

Approach to Findings

- Goal = Consistency
- Monthly Meetings with Project Manager and In-charges across all HEI
- Discuss exceptions, potential findings and adjustments

Common Findings and Adjustments

Any Questions?

Other Projects

- NCAA Subsidy Report
- Comparative Report

Workplan Considerations

- Fall 2025
 - William and Mary needing earlier audit for 10-year reaffirmation of accreditation
- Perkins Loan Liquidations
 - As necessary, but we appreciate as much advance notice as possible

Proposed 2026 Work Plan

- Annual work plan = work performed primarily during fiscal year 2025
- ACFR, Single Audit of federal funds, and mandatory projects are major focus
- Use risk factors to determine the audit work to be performed with remaining resources

Work Plan Comparison (hours)

Proposed 2026 Work Plan	150,645
Prior Year Work Plan	<u>144,645</u>
Increase	6,000

- Increases are primarily related to increases in the number of federal major programs

Total Hours by Function

Function	Hours
Special and Agency Projects:	
Special Projects	810
Executive Departments	113,885
Cycled Agencies	6,700
Independent Agencies	14,055
Judicial (Agencies, Clerks, and Courts) and Local Governments	14,175
TOTAL 2023 WORK PLAN	150,645

Hours by Executive Departments

Department	Hours
Executive Offices and Administration	4,485
Commerce and Trade	1,500
Education	2,880
Education – Higher Education Institutions	60,425
Finance	22,705
Health and Human Resources	13,250
Natural and Historic Resources	150
Public Safety and Homeland Security	1,110
Transportation	5,980
Labor	1,750

Fall 2025 Project Manager/In-Charge Assignments

Audit	Project Manager	In-Charge
UVA - Academic	David Rasnic	Justin Rhodes
UVA - Medical	David Rasnic	Reann Chiappinelli
VCU	Amy Stokes	Melinda Crawford
VT	Megan Richard	Noah Johnson
SFA – Follow Up	Jim Quesenberry David Rasnic	Randall Johnson
William and Mary	David Rasnic	Lindsey Millar

Ask the Auditors Open Discussion



QUESTIONS?

David Rasnic, CPA, CISA

Audit Director | Higher Education Programs

[Auditor of Public Accounts](#) | 101 North 14th Street, 8th floor | Richmond VA, 23219

1(804) 362-7517 | david.rasnic@apa.virginia.gov

