



EDUCATION STABILIZATION FUND

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2021

Auditor of Public Accounts
Staci A. Henshaw, CPA

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AUDIT SUMMARY

We audited the major federal program of the Education Stabilization Fund, administered by the following public higher education institutions in the Commonwealth of Virginia:

| | |
|-------------------------------------|---|
| George Mason University | University of Virginia |
| Norfolk State University | Virginia Commonwealth University |
| Northern Virginia Community College | Virginia Polytechnic Institute and State University |
| Old Dominion University | Virginia State University |

Our audit for the fiscal year ended June 30, 2021, found:

- proper recording and reporting of all transactions, in all material respects, in each institution's accounting and financial reporting system;
- no matters involving internal control and operations necessary to bring to the attention of each institution's management; and
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported.



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 4, 2022

The Honorable Glenn Youngkin
Governor of Virginia

The Honorable Kenneth R. Plum
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Education Stabilization Fund** federal program, as administered by the Commonwealth of Virginia's public higher education institutions for the year ended June 30, 2021. We conducted this audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, in support of the Commonwealth's Single Audit. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objective was to audit the Education Stabilization Fund federal program in support of the Commonwealth's Single Audit. In support of this objective, we evaluated the accuracy of recorded financial transactions in the accounting and financial reporting system of each institution; reviewed the adequacy of each institution's internal controls over the federal program; and tested for compliance with applicable laws, regulations, contracts, and grant agreements.

Audit Scope and Methodology

Management at each institution has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the Education Stabilization Fund federal program at the following higher education institutions:

George Mason University
Norfolk State University
Northern Virginia Community College
Old Dominion University

University of Virginia
Virginia Commonwealth University
Virginia Polytechnic Institute and State University
Virginia State University

We performed audit tests to determine whether each institution's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel; inspection of documents, records, and contracts; and observation of each institution's operations. We tested transactions and performed analytical procedures to achieve our objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and, when appropriate, we projected our results to the population.

Conclusions

We found that the institutions managing the Education Stabilization Fund federal program properly stated, in all material respects, the amounts recorded and reported in their respective accounting and financial reporting systems.

We noted no matters involving internal control and its operation that we consider necessary to be reported to management of each institution. The results of our tests of compliance with applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The results for the Commonwealth's Single Audit for the year ended June 30, 2021, are contained in a separate report, which will be available on our website at www.apa.virginia.gov in February 2022.

Exit Conference and Report Distribution

We discussed the results of the audit with management of each institution.

This report is intended for the information and use of the Governor and General Assembly, management of each institution, and the citizens of the Commonwealth of Virginia and is a public record.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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