



RADFORD UNIVERSITY

REPORT ON AUDIT

FOR THE YEAR ENDED

JUNE 30, 2016

Auditor of Public Accounts  
Martha S. Mavredes, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

(804) 225-3350



## AUDIT SUMMARY

We have audited the basic financial statements of Radford University as of and for the year ended June 30, 2016, and issued our report thereon, dated June 26, 2017. Our report, included in Radford University's Annual Report, is available at the Auditor of Public Accounts' website at [www.apa.virginia.gov](http://www.apa.virginia.gov) and at Radford University's website at [www.radford.edu](http://www.radford.edu). Our audit of Radford University for the year ended June 30, 2016, found:

- the financial statements are presented fairly, in all material respects;
- no internal control findings over financial reporting requiring management's attention; and
- one instance of noncompliance or other matters required to be reported under Government Auditing Standards.

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## STATUS OF PRIOR YEAR FINDING

### **Properly Process Return of Title IV Calculations**

In our last audit, we recommended that Radford University (University) improve processes to enable timely identification of withdrawals and, if necessary, prompt return of Title IV funds to the U.S. Department of Education within the prescribed 45-day timeframe. The University did not routinely review for unofficial withdrawals for the Summer semester. All calculations of Title IV funds are required to be completed within 30 days of semester end, and funds are required to be returned within 45 days after the date that the institution determines the student has withdrawn.

The University has implemented new controls, including term-specific procedures to ensure that reviews are done for unofficial withdrawals. This corrective action was considered ongoing in the Commonwealth of Virginia Single Audit Report for the year ended June 30, 2016. We will review the implementation of the University's corrective action during our next audit.



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

June 26, 2017

The Honorable Terence R. McAuliffe  
Governor of Virginia

The Honorable Robert D. Orrrock, Sr.  
Chairman, Joint Legislative Audit  
and Review Commission

Board of Visitors  
Radford University

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the 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, the financial statements of the business-type activities and discretely presented component unit of **Radford University** (University) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated May 12, 2017. Our report includes a reference to other auditors. We did not consider internal controls over financial reporting or test compliance with certain provisions of laws, regulations, contracts, and grant agreements for the financial statements of the component unit of the University, which were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination

of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the section titled "Status of Prior Year Finding" in the finding entitled "Properly Process Return of Title IV Calculations."

### **The University's Response to Findings**

We discussed this report with management at an exit conference held on July 18, 2017. The University's response to the finding identified in our audit is described in the accompanying section titled "University Response." The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Status of Prior Findings**

The University is taking adequate corrective action with respect to the audit finding reported in the prior year that is reported in the section entitled "Status of Prior Year Finding." Additionally, The University has taken adequate corrective action with respect to audit findings reported in the prior year that are not repeated in this report.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in

accordance with Government Audit Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AUDITOR OF PUBLIC ACCOUNTS

JMR/alh

# RADFORD UNIVERSITY

Vice President for Finance  
and Administration

July 28, 2017

Martha Mavredes, CPA  
Auditor of Public Accounts  
P.O. Box 1295  
Richmond, VA 23218

Dear Ms. Mavredes,

We have reviewed the status of the prior year finding which was discussed during the financial statement audit exit conference on July 18, 2017. We understand that the outstanding finding was in relation to the testing over the major federal program of the Student Financial Assistance Programs Cluster for the Commonwealth's Single Audit conducted for fiscal year ending June 30, 2015.

Below, for your consideration, is a brief update regarding this finding.

**Promptly Process Return of Title IV Calculations**

As you've noted, the University has implemented procedures to ensure that reviews are done for unofficial withdrawals for all terms, including Summer. Additionally, the University has implemented procedures to ensure that all calculations and returns of Title IV funds are completed within the required timeframes.

In June 2017, the University completed internal reviews and verified that the procedures were implemented effectively and that the implementation of corrective action was complete.

I would like to thank you and your staff for the valuable services that you provide.

Sincerely,



Richard S. Alvarez  
Chief Financial Officer and Vice President for Finance and Administration

CC: Kitty McCarthy, Vice President for Enrollment Management  
Stephanie Jennelle, University Controller  
Margaret McManus, University Auditor



## **RADFORD UNIVERSITY**

Radford, Virginia  
As of June 30, 2016

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