

## MEMORANDUM

**TO:** VSC Audit Committee  
Lynn Dickinson, Vice Chair  
J. Churchill Hindes  
Karen Luneau  
Linda Milne, Chair  
Martha O'Connor  
Mike Pieciak

**FROM:** Steve Wisloski, CFO  
Sheilah M. Evans, System Controller/Senior Director of Financial Operations

**DATE:** January 5, 2017

**SUBJECT:** Audit Committee Meeting scheduled for January 9, 2017

The Audit Committee of the VSC Board of Trustees will meet from 3:00-4:00 in Conference Room 101 at the Office of the Chancellor, Montpelier, VT.

If you have any questions, I can be reached at (802) 224-3038.

Thank you.

cc: Other Trustees  
Council of Presidents  
Business Affairs Council  
Sam Winship, Dept. of Finance and Management  
Douglas Hoffer, State Auditor

**Vermont State College Board of Trustees  
Audit Committee Meeting**

**January 9, 2017  
3:00 pm at the Office of the Chancellor**

**AGENDA**

1. Call to Order
2. Approve Minutes of the October 19, 2016 Meeting
3. Review and Approve VSC External Auditors for FY2017-FY2020
4. Discuss FY2017 Internal Audit
5. Review Progress on FY16 Internal Audit Recommendations

**MEETING MATERIALS**

1. Minutes of the October 19, 2016 Meeting [Page 3](#)
2. External auditors RFP materials [Page 7](#)
3. FY2017 Internal audit materials [Page 15](#)
4. FY2016 Internal audit materials [Page 17](#)

Item 1:  
Minutes of the October 19, 2016 Meeting

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**UNAPPROVED Minutes of the VSC Board of Trustees Audit Committee held Wednesday, October 19, 2016 at Johnson State College**

*Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent meeting.*

The Vermont State Colleges Board of Trustees Audit Committee met on October 19, 2016 at Johnson State College.

Committee members present: Lynn Dickinson (Vice Chair), Church Hindes, Karen Luneau, Linda Milne (Chair), Martha O'Connor, Mike Pieciak (by phone)

Presidents: Elaine Collins, Joyce Judy

Guests: Dave Diulis, O'Connor & Drew  
Kieth Goldie, O'Connor & Drew  
Chris Stenmon, O'Connor & Drew

Chancellor's Office Staff: Sheilah Evans, System Controller/Senior Director of Business Operations  
Deb Robinson, Controller  
Elaine Sopchak, Administrative Director, Office of the Chancellor  
Jeb Spaulding, Chancellor  
Steve Wisloski, Chief Financial Officer

From the Colleges: Scott Dikeman, Dean of Administration, Castleton University  
Barb Flathers, Assistant to the Dean of Students, Johnson State College  
Loren Loomis Hubbell, Dean of Administration, Lyndon State College  
Laura Jakubowski, Director of Finance, Castleton University  
Barbara Martin, Dean of Administration, Community College of Vermont  
Sharron Scott, Dean of Administration, Johnson State College  
Dotty Spoerl, Director of IT, Johnson State College  
Tobey Stewart, Controller, Johnson State College  
Lit Tyler, Dean of Administration, Vermont Technical College

Chair Milne called the meeting to order at 9:35 a.m.

A. ITEMS FOR DISCUSSION AND ACTION

1. Minutes of the August 24, 2016 Meeting of the Audit Committee

Trustee Luneau moved and Trustee Pieciak seconded the approval of the minutes. The minutes were approved unanimously.

2. Review and Approval of FY2016 Draft Audited Financial Statements and Uniform Guidance Single Audit (formerly A-133) Report

Chair Milne invited the guests from O'Connor & Drew to present their report on the VSC audited financial statements. Dave Diulis, Chris Stenmon, and Kieth Goldie reviewed the materials and answered questions.

Trustee Pieciak moved and Trustee Hindes seconded the resolution to accept the FY2016 Audited financial statements and uniform guidance single audit report. The Committee approved the resolution unanimously.

Trustee Dickinson made the following motion:

I move that the Vermont State Colleges Audit Committee, on behalf of the Board of Trustees, commends and thanks Deborah Robinson for her years of service as System Controller, and her diligent efforts on behalf of our colleges, students, faculty, staff, and this Committee. We wish her a long and rewarding retirement.

Trustee Luneau seconded the motion. The members of the Committee thanked Ms. Robinson for her service and approved the motion unanimously.

B. ITEMS FOR INFORMATION AND DISCUSSION

1. Conduct an Audit Committee Executive Session: Guidelines and Questions

2. Fraud and the Responsibilities of the Government Audit Committee

There was no discussion of these two items.

3. Discuss RFP process for the FY17-FY20 External Auditors

CFO Wisloski and System Controller Sheilah Evans briefly reviewed the schedule for the RFP process.

Trustee Dickinson moved that the Committee enter executive session to discuss personnel issues, and to include only Committee members and other trustees present. Trustee Hindes seconded the motion and the Committee voted unanimously to enter executive session at 10:46 a.m. The Committee exited executive session at 10:55 a.m. and took no action.

Chair Milne adjourned the meeting at 10:55 a.m.

UNAPPROVED

## Item 2: External Auditors RFP Materials

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## **Review and Approve VSC External Auditors for FY2017-FY2020**

### **Recommendation:**

We recommend to the Audit Committee that the VSC contract with O'Connor & Drew for Auditing Services for fiscal years ending 6/30/17-6/30/20. The RFP process outlined below was conducted according to the plan approved by the Audit Committee at its October meeting, and O'Connor & Drew was unanimously selected as the finalist. The committee was impressed with the firm's presentation and proposal and looked favorably upon our past experience with the firm. All agreed that the continuation of our relationship with O'Connor & Drew would be an excellent choice for the VSC, especially as we embark on a series of significant organizational changes, most notably the upcoming unification of two of our colleges.

### **Process:**

- Early November 2016: The Auditing Services RFP was publicized on the VSC website and emailed directly to thirteen regional auditing firms. Please see attached copy of the RFP.
- Mid November 2016: Questions received and responses generated to Interested Parties.
- Late November 2016: Five proposals were received by the Bid Due date of 11/30/16.
- Early December 2016: The Auditing Services RFP Committee submitted scorecards and held discussions to select two finalists for phone interviews.
- Mid December 2016: Phone interviews were conducted with two finalists, O'Connor & Drew and Baker Tilley on December 16, 2016. The RFP Committee made its selection.
- Early January 2017: Recommendation to the Board for O'Connor & Drew to serve the VSC for a four-year audit contract beginning with fiscal year ending June 30, 2017.



## **VERMONT STATE COLLEGES** **- REQUEST FOR PROPOSALS FOR FY2017-FY2020 AUDITING SERVICES-**

The Vermont State Colleges System hereby invites proposals from certified public accounting firms licensed in Vermont, for annually renewable auditing services to cover the four fiscal years ending June 30, 2017, 2018, 2019, and 2020. Essential activity is: (a) coordination with appropriate officials on annual audit planning and progress; (b) audit of annual financial statements in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards* issued by the Comptroller General of the United States, to reflect combined System as well as individual institution information covering the Chancellors Office, Community College of Vermont, Castleton University, Johnson State College, Lyndon State College, Vermont Technical College (VTC), VTC Allied Health Program, and the Vermont Manufacturing Extension Center (VMEC); (c) audit of federal expenditures under requirements imposed by the Federal Uniform Guidance Single Audit; (d) preparation of System and individual institution management letters; (e) non audit services in connection with this audit engagement; (f) ongoing counsel to the State Colleges regarding new as well as evolving accounting issues, especially critical changes in federal and GASB guidelines.

Interested parties can obtain additional information and material by submitting questions to Sheilah M. Evans at the email address below by November 11th. Consolidated questions with responses will be shared with all parties by November 18th. Bids are due by November 30th. Interviews of finalists are anticipated on December 16, 2016 in Montpelier.

Electronic submissions of proposals should be a maximum of 10 pages. Appendices can be added, but will be optional reading only. Please also include your most recent peer review report. Proposals should be submitted electronically on or before November 30, 2016 to:

Sheilah M. Evans  
Vermont State Colleges  
VSC System Controller, Senior Director of Financial Operations  
**Email:sheilah.evans@vsc.edu**

### **Background**

The Vermont State Colleges (VSC) is a higher education public corporation established in 1961 by State statute (VSA 16, 2171), to provide instruction and public service throughout Vermont. Included within the VSC are four-year college campuses at Castleton, Johnson, Lyndon, and the Vermont Technical College (VTC) campuses at Randolph Center and Williston (VTC also manages the Allied Health Program at twelve sites across the state, as well as provides administrative support to VMEC and SBDC), two-year Community College of Vermont offering educational

services at twelve sites across the state, plus the Chancellors Office based in Montpelier which provides system administration, certain consolidated business functions, technology services and legal counsel. VSC's FY 2016 financial statements reflect total assets of nearly \$270 million and a combined annual budget of over \$175 million.

### **Accounting System**

Vermont State Colleges' accrual accounting system presently utilizes Colleague software from vendor Ellucian. The VSC's computer system interconnects to VSC locations statewide from a base in Montpelier, where VSC Technology Services staff provide support to each college campus.

### **Points of Emphasis**

The Vermont State Colleges System as a public educational institution is exempt from federal and state income taxes. The VSC is a component unit of the State of Vermont, and the Authority's operating fund will be included in the State's financial statements for the year ended June 30. The VSC audited annual report is due to the State by October 15th every year. VSC's public accountants should be well-versed regarding new and existing accounting and tax regulations affecting public institutions of higher education, providing ongoing counsel to strengthen financial position while maintaining tax-exempt status. Further needs from the public accountants include knowledge of and demonstrated experience with capital construction and bonding, endowments, and federal student financial aid. It will also be beneficial to have access to Washington-based insight on GASB, NACUBO, Uniform Guidance, Dept. of Education, etc.

**Bid Evaluation Criteria** - See attached.

### **Bid Evaluation Committee**

Littleton Tyler, VTC Dean of Administration  
Barbara Martin, CCV Dean of Administration  
Sharron Scott, JSC Dean of Administration  
Stephen Wisloski, VSC Vice President of Finance and Administration, CFO  
Sheilah M Evans, VSC Systems Controller, Senior Director of Financial Operations

## **Bid Schedule**

<i>November 4, 2016:</i>	Request for Proposals advertised
<i>November 11, 2016:</i>	Questions from Interested Parties due to Sheilah Evans
<i>November 18, 2016:</i>	Responses shared with Interested Parties
<i>November 30, 2016:</i>	Bid Submissions Due to VSC (electronic submission)
<i>December 7, 2016:</i>	Bid Evaluation & Selection of Finalists
<i>December 16, 2016:</i>	Finalist Interviews by Bid Evaluation Committee in Montpelier
<i>January 2, 2016:</i>	Auditing Services Recommendation to VSC Audit Committee
<i>January 9, 2016:</i>	Auditing Services Contract Approval by VSC Board

**VERMONT STATE COLLEGES  
- FY2017-FY2020 AUDITING SERVICES BID EVALUATION -**

**Bidder:** \_\_\_\_\_ (Name of Firm)

**Bidder Point Summary for Evaluation Criteria:**

- |   |                  |
|---|------------------|
| <b>A) <i>Organization of the Firm</i></b>                 | __ Points        |
| <b>B) <i>Description of Audit Approach</i></b>            | __ Points        |
| <b>C) <i>Qualification and Experience of the Firm</i></b> | __ Points        |
| <b>D) <i>Fees</i></b>                                     | __ Points        |
| <b>TOTAL</b>  | <b>__ Points</b> |

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<b><u>Bid Evaluation Criteria</u></b>	<b><u>Max Points</u></b>
---------------------------------------	--------------------------

- |   |                         |
|---|-------------------------|
| <b>A) <i>Organization of the Firm and Capacity</i></b>                        | <b><u>10</u> Points</b> |
| 1) Brief History  |                         |
| 2) Internal structure (include # employees by type)                           |                         |
| 3) Availability/capacity to work on this audit at required time period        |                         |
| 4) Ownership of firm  |                         |
| 5) Scope of practice (range of client activities)                             |                         |
| 6) Office location from which VSC will be served                              |                         |
| 7) Procedures to assure quality of service to VSC                             |                         |
| 8) Reference material & training for key financial mgmt personnel             |                         |
| <b>B) <i>Description of Audit Approach</i></b>                                | <b><u>20</u> Points</b> |
| 1) Info on Senior partner/manager/primary audit contact people                |                         |
| 2) Audit timing/prelim work expected/provided to meet deadlines               |                         |
| 3) Method of evaluating internal accounting controls within audit             |                         |
| 4) Approach to financial statement audit                                      |                         |
| 5) Approach to UG Single Audit (compliance tests, fieldwork, etc)             |                         |
| <b>C) <i>Qualifications and Experience of the Firm</i></b>                    | <b><u>35</u> Points</b> |
| 1) Experience w/higher education clients, including Single audit requirements |                         |
| 2) Relevant client list with names of reference contacts                      |                         |
| 3) Recent Peer Reviews  |                         |

- 4) Advisory capabilities regarding tax-related issues
- 5) Capacity to suggest improvements to fiscal systems & reporting

**D) Fees 35 Points**

- 1) Hourly cost per type of professional X estimated # of hours, separated by "Financial Statements Audit" (including management letters) and "Uniform Guidance Single Audit" for each FY 2017-2020
- 2) Specification of any extra costs proposed for particular services

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

Audit Contract for FY2017 through FY2020

- WHEREAS, The Vermont State Colleges has just ended a three-year contract extension with O'Connor & Drew; and
- WHEREAS, During November, Request for Proposals were advertised for our next four-year audit contract, and five proposals were received; and
- WHEREAS, These five proposals were reviewed and two semi-finalists were invited for phone interviews with the audit services RFP Committee; and
- WHEREAS, Of the two semi-finalists, O'Connor & Drew was unanimously chosen by the committee to be recommended to the Audit Committee and full Board of Trustees; and
- WHEREAS, This four-year audit contract, beginning June 30, 2017 will cover the required annual financial statement and Uniform Guidance single audits; therefore, be it
- RESOLVED, That the Vermont State Colleges Board of Trustees hereby authorizes hiring O'Connor & Drew as the VSC financial statement and Uniform Guidance auditors for the fiscal years 2017 through 2020.

Item 3:  
FY2017 Internal Audit Materials

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## **Discuss FY2017 Internal Audit**

As we begin the next cycle of internal audit, we would like the Committee to consider a slightly different approach to the process in FY17.

- Being that the internal audit process ran on a “late” schedule last year, the internal control questionnaire was completed by the colleges only 9 months ago. We propose using the completed questionnaires from last spring to make our assessment for this year’s internal audit selection, excluding the capital & inventoried assets section that was tested in FY16.
- General Controls and Conflict of Interest are two assessment areas that require attention based on the results of the completed questionnaires. We propose that we incorporate aspects of these two topic areas into the FY17 internal audit program.
- In FY16, the timing of the internal audit process changed such that the final report was presented to the Audit Committee in August. We would like to get back on track with the internal audit timeline that was in existence prior to FY16. If the Audit Committee is agreeable to the proposals above, we could provide a detailed internal audit plan to the Committee members by the end of January 2017. This will allow for fieldwork in February/March and a final report delivered to the Audit Committee at its April 12th meeting.

Internal Audit Committee: Sharron Scott, JSC Dean of Administration  
Sheilah M Evans, VSC System Controller/Sr.Dir. Fin Ops  
Toby Stewart, JSC Controller  
Rick Bourassa, VSC Staff Accountant



Item 4:  
FY2016 Internal Audit Materials

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## **Review Progress on FY16 Internal Audit Recommendations**

From the FY16 Internal Audit Final Report:

### **RECOMMENDATION OF BEST PRACTICES FOR REVIEW AND IMPLEMENTATION**

#### **Capital Assets and Inventoried Items:**

1. Review and update VSC Disposal of Equipment Policy 422 and related procedures to better reflect practical business practice and simulate industry best practices. [This policy was updated in October.](#)
2. Develop a system-wide approach to an inventory tracking system for capitalized assets, IT items and other specified inventoried items. [The AIS Finance Team has discussed and is drafting procedures to support this effort. The timeline to adoption is end of third quarter FY17.](#)
3. Develop a system-wide policy and procedure for physical inventory audits on a continuous basis. [The AIS Finance Team has discussed and is drafting procedures to support this effort. The timeline to adoption is end of third quarter FY17.](#)
4. Provide continued professional development and training for newer members of the Finance team on capitalization accounting rules, standards and best practices. [This is ongoing. VSC System Controller has provided training and assistance to new Controllers to date in FY17.](#)
5. Enter additional information in the Colleague Fixed Asset record, including: vendor name, voucher number, asset ID number, item serial number and a grant identifier when necessary. Consider using an ImageNow property field to identify capital assets at the voucher level. [The AIS Finance Team has discussed and is drafting procedures to support this effort. The timeline to adoption is end of third quarter FY17.](#)
6. Maintain a file of images of each room on each campus and at the Office of the Chancellor for insurance purposes. [The AIS Finance Team has discussed and is investigating the current requirements of the insurance company in order to ensure compliance.](#)



Vermont State Colleges

## FY 2016 Annual Self-Assessment of Internal Control Questionnaire

This is the third year the Vermont State College (VSC) system has used the control self-assessment process. The "Self-Assessment of Internal Control Questionnaire" is a review of the internal policies and procedures in each VSC school. The questionnaire is designed to help identify risk as well as eliminate considerations of risk that do not apply to your college. The questionnaire serves as management tool for evaluating how well risks are being addressed through your current control policies and practices. It is designed to raise awareness of certain issues and encourage further analysis and discussion at each college and across the VSC. The questionnaire will also help the VSC schools identify best practices within the system and schools are encouraged to share these practices and procedures with all of the colleges.

Internal controls are extremely important, ensuring that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data is obtained, maintained, and fairly disclosed in reports. Colleges should use this questionnaire as a guide to managing important controls within their units/departments. ***Please note, while this questionnaire covers several areas, it does not include all possible areas of risk within a department.***

This questionnaire is divided into different control processes; some may not be applicable to all colleges. The questions may be answered by different departments within the college and the answers aggregated. A "no" response indicates a potential weakness in the specific internal control referred to in that question. Action should be taken to resolve any weaknesses. We encourage the schools to be accurate in the completion of the self-assessment as this tool is designed to promote continuous process improvement. The terms "department" and "college" may be interchangeable depending upon the context of the question. Any questions regarding clarification of a control question should be addressed to Sheilah Evans, Associate Dean of

## Vermont State Colleges FY 2016 Annual Self-Assessment of Internal Control Questionnaire

**If completing in Excel, use the drop-down box in the appropriate column to select/change your response.**

<b>Section 1: General Controls</b>		<b>% Yes</b>	<b>% No</b>	<b>% N/A</b>
<b>1</b>	Are there written rules, guidelines, policies, and/or procedures for all transactions and critical activities in this department?	67%	33%	
<b>2</b>	Does the College / Department have copies of all current VSC and college policies and procedures manuals?	100%		
<b>3</b>	Do personnel have the knowledge and skills required for their jobs?	100%		
<b>4</b>	Are department personnel cross trained for back-up of key personnel?	83%	17%	
<b>5</b>	Are period end financial reports reconciled to departmental supporting documents on a monthly basis or quarterly basis?	83%	17%	
<b>6</b>	Is a member of management reviewing and approving reconciliations in a timely manner?	67%	33%	
<b>7</b>	Does the College /Department comply with the requirements of VSC's record retention policy?	100%		
<b>8</b>	Does your College / Department maintain a key and/or door access control log? This log should list all keys or access codes owned/issued by the department, to whom they are issued, locks each key will open, and key numbers.	100%		
<b>9</b>	Does your College / Department have an operating plan that states goals to be accomplished and a timeline for completion of tasks?	50%	50%	
<b>10</b>	Are College / Department goals and tasks prioritized according to importance?	66%	17%	17%
<b>11</b>	Has management established operating or work standards that can be used to measure (benchmark) College / Department performance?	50%	50%	
<b>12</b>	Are there disaster recovery procedures for critical areas in place?	83%	17%	

## Vermont State Colleges FY 2016 Annual Self-Assessment of Internal Control Questionnaire

**If completing in Excel, use the drop-down box in the appropriate column to select/change your response.**

<b>Section 2: Cash and Collections</b>		<b>% Yes</b>	<b>% No</b>	<b>% N/A</b>
<b>1</b>	Does the College / Department have any written procedures for cash handling and related controls?	100%		
<b>2</b>	Is a receipt immediately prepared upon collection of funds?	83%	17%	
<b>3</b>	Are checks restrictively endorsed with "For Deposit Only for XXXXX College" immediately upon receipt?	33%	67%	
<b>4</b>	Are all checks made payable to XXX College or XXX foundation?	100%		
<b>5</b>	Do two different individuals verify all deposits prior to making the deposit?	29%	71%	
<b>6</b>	Does someone prepare the deposit other than the person collecting and recording receipts?	14%	86%	
<b>7</b>	Are collections held in a secure manner until deposited (i.e. in a locked location)?	100%		
<b>8</b>	Are safe combinations restricted to a minimum number of employees?	83%		17%
<b>9</b>	Are safe combinations changed after termination of an employee who previously had access?	34%	33%	33%
<b>10</b>	Are collections deposited intact (i.e. no expenditures made from collections)?	100%		
<b>11</b>	Are deposits made in a timely manner (i.e. generally the same or next business day)?	83%	17%	
<b>12</b>	Does the College have procedures in place for the handling of cash receipts and related controls surrounding non-business income activities (i.e. athletic events, college clubs and organizations).	50%	17%	33%
<b>12</b>	Is there segregation of duties among opening mail, processing cash, and account reconciliation?	100%		

## Vermont State Colleges FY 2016 Annual Self-Assessment of Internal Control Questionnaire

If completing in Excel, use the drop-down box in the appropriate column to select/change your response.

<b>Section 2: Cash and Collections</b>		<b>% Yes</b>	<b>% No</b>	<b>% N/A</b>
<b>Cash Register/Touchnet Operations</b>				
<b>13</b>	Are there written procedures for the operation of the cash registers/TouchNet?	83%		17%
<b>14</b>	Does the cashier count the change fund before putting it in the drawer?	67%		33%
<b>15</b>	Are register readings taken when a cashier's shift ends, when a relief cashier takes over, or other various times throughout the day?	17%	17%	66%
<b>16</b>	Does someone other than the cashier approve voids?	33%	17%	50%
<b>17</b>	Does an independent person reconcile cash register closing reports to actual receipts collected?	17%	17%	66%
<b>18</b>	Is the check suspension list, issued by the Business Office, referred to upon accepting checks?	17%		83%
<b>19</b>	Is one cashier working from the drawer at any given time, or is there a way to distinguish between cashiers (i.e. ID's)?	50%		50%
<b>20</b>	Is a record of over/shortages by the cashier maintained?	67%		33%
<b>21</b>	Is there a ceiling on overages/shortages before corrective action is taken?	50%		50%
<b>22</b>	Are the individuals who handle money trained in procedures to be followed in the event of a robbery or fire?	67%		33%
<b>Petty Cash (if applicable)</b>				
<b>23</b>	Are petty cash funds locked in a secure area?	67%		33%
<b>24</b>	Is access to petty cash funds limited to the appropriate personnel?	67%		33%
<b>25</b>	Does someone other than the fund custodian periodically count the fund?	50%	17%	33%
<b>26</b>	Are petty cash funds used only for appropriate purposes that are supported by receipts?	67%		33%

## Vermont State Colleges FY 2016 Annual Self-Assessment of Internal Control Questionnaire

If completing in Excel, use the drop-down box in the appropriate column to select/change your response.

<b>Section 3 : Purchasing/Accounts Payable</b>		% Yes	% No	% N/A
<b>1</b>	Is there a formal organizational chart defining the responsibilities of preparing, recording, approving and follow up of all purchases and accounts payable functions?	67%	33%	
<b>2</b>	Are contracts and leases approved by all responsible parties involved (legal, finance, program) prior to the effective date of the contract?	83%	17%	
<b>3</b>	Do adequate procedures exist to ensure that goods for which payment is to be made have been verified and inspected by someone other than the individual approving payment/	33%	67%	
<b>4</b>	Do procedures exist ensuring accurate account distribution of all entries resulting from invoice processing?	83%		17%
<b>5</b>	Are there checks in the processing procedures to prevent or detect duplicate payments?	83%	17%	
<b>6</b>	Is splitting orders to avoid higher levels of approval prohibited?	100%		
<b>7</b>	Are disbursements approved for payment only by properly designated officials?	100%		
<b>8</b>	Is the coding of charges in the accounting department competent to pass on the propriety of the distribution?	100%		
<b>9</b>	Are all original transactions charged directly to the proper accounts at the time of disbursement?	67%	33%	
<b>10</b>	Are the reasons for expenditure transfers and journal entries clearly and accurately authorized and documented?	100%		

## Vermont State Colleges FY 2016 Annual Self-Assessment of Internal Control Questionnaire

**If completing in Excel, use the drop-down box in the appropriate column to select/change your response.**

<b>Section 4: Purchasing Cards</b>		<b>% Yes</b>	<b>% No</b>	<b>% N/A</b>
<b>1</b>	Is there documentation needed for an employee to get a p-card?	100%		
<b>2</b>	Is there a document signed by the employee acknowledging receipt of the p-card and the responsibilities in it use?	100%		
<b>3</b>	Is there training for the new cardholder on the use of the p-card?	100%		
<b>4</b>	Is there refresher training on annual basis for current cardholders?	17%	83%	
<b>5</b>	Is there criteria to determine a card holder's credit limit?	100%		
<b>6</b>	Is there documentation required to request a temporary increase in credit limit?	100%		
<b>7</b>	Is there documentation required to request a permanent increase in credit limit?	100%		
<b>8</b>	When initiating a P-Card purchase, do procedures exist to ensure that the best combination of quality, total price, and delivery is obtained?	50%	33%	17%
<b>9</b>	Are procedures in place to prevent multiple purchases that are intended to circumvent bid or approval limitations or other controls?	83%		17%
<b>10</b>	Do all cardholders reconcile their expense reports on time?	33%	67%	
<b>11</b>	Do the cardholders provide the proper receipts with expense reports?	100%		
<b>12</b>	Do cardholders review their monthly transactions for information correctness, completeness, and approve them each month?	100%		
<b>13</b>	Is there a documented process when cardholder doesn't complete his/her responsibilities on time?	100%		
<b>14</b>	Do cardholder supervisors review expense reports and approve them each month?	100%		
<b>15</b>	Is there a documented process when the supervisor does not approve of an expenditure?	67%	33%	
<b>16</b>	Are all transactions charged to the correct GL account number prior to month end closing date?	50%	50%	
<b>17</b>	If a cardholder violates the p-card procedures and/or responsibilities, are there consequences other than revoking their p-card?	83%	17%	
<b>18</b>	If a cardholder violates the p-card procedures and/or responsibilities, is there a written procedure to revoke it?	100%		
<b>19</b>	When a p-card holder leaves VSC employment, is there an exit process to obtain their p-card and all related receipts?	100%		
<b>20</b>	Are exiting employee p-card accounts closed immediately?	100%		



## Vermont State Colleges FY 2016 Annual Self-Assessment of Internal Control Questionnaire

**If completing in Excel, use the drop-down box in the appropriate column to select/change your response.**

<b>Section 5: Equipment and Inventoried Assets</b>		<b>% Yes</b>	<b>% No</b>	<b>% N/A</b>
<b>1</b>	Is capitalized equipment (over \$5,000 per item) verified at least every two years and are changes in equipment noted and given to the Business Office to update?	83%	17%	
<b>2</b>	Is the Business Office notified of capitalized equipment that is scrapped, stolen, sold, traded in, loaned out, or transferred?	83%	17%	
<b>3</b>	Does the College / Department keep a separate internal record of equipment valued under the capitalization amount of \$5,000? (Note: Federal Grant Requirements)	50%	50%	
<b>4</b>	Is the departmental record continuously updated to reflect new purchases and dispositions?	67%	33%	
<b>5</b>	Are procedures in place to minimize the risk of non-capitalized assets being lost or stolen (desks and other furniture and small equipment items) Ex: Assets tags and periodic inventories?	50%	50%	

## Vermont State Colleges FY 2016 Annual Self-Assessment of Internal Control Questionnaire

**If completing in Excel, use the drop-down box in the appropriate column to select/change your response.**

<b>Section 5 : Conflict of Interest /Ethics</b>	
<b>1</b>	Are all staff members aware of the Conflict of Interest policies as stated VSC Policies # 207 and #210 and how it impacts business and other contractual transactions?
<b>2</b>	Does department management exhibit a positive ethical tone that encourages compliance with VSC polices?
<b>3</b>	Have staff members made purchases with vendors where there is a personal interest or reward?
<b>4</b>	Are personnel in your department informed about how to report ethical or fiscal misconduct concerns?

% Yes	% No	% N/A
67%	33%	
100%		
17%	83%	
83%	17%	

## Vermont State Colleges FY 2016 Annual Self-Assessment of Internal Control Questionnaire

If completing in Excel, use the drop-down box in the appropriate column to select/change your response.

<b>Section 6: Computer Use and IT Controls</b>		% Yes	% No	% N/A
1	Is the department's computer equipment secured to prevent theft?	100%		
2	Is access to the computer system limited to authorized individuals?	100%		
3	Are password configurations controlled by IT and required to be changed on a regular basis ?	100%		
4	Are there up-to-date written procedures that provide guidance on computer security, data integrity, and controls over information?	100%		
5	Are computer data backup and recovery procedures in place and being used?	100%		
6	Are all copies of software used by the College / Department appropriately licensed?	100%		
7	Are backed up files stored in a secure location?	11%		
8	Are virus protection programs used and updated on a regular basis?	100%		
9	In case of an emergency, does a contingency plan exist that would guide the College / Department on how to continue operations?	86%	14%	
10	Is access to the colleges IT systems removed for terminated faculty, staff and students in a timely manner?	100%		



#VALUE!  
#VALUE!

College: \_\_\_\_\_

### Certification Form

1. Person responsible for **completing** the questionnaire:

gj  
Printed Name & Title

2. College Official\* responsible for **certifying** the questionnaire:

"As the Designated College Official , I certify, to the best of my knowledge, that the answers provided in this Self-Assessment questionnaire are an accurate representation of the operations of this College ."

Printed Name & Title of College - then complete certification below

\* For this certification, *College Official* refers to Presidents of the Vermont State Colleges, Deans of Administration or Chief Financial Officers.

**Important: As the College Official please select option (a) or (b) to complete certification.**

**(a). Electronic Certification Option for Appointing Authority**

By checking this box (*with a left mouse click*), I authorize the OC to accept this document transmitted from my College email account as our official submission. In addition, I certify that my name as typed above shall be treated as my written signature for the purposes of certifying this document.

➤ **Important:** To electronically certify, the above box must be checked **AND** the file must be sent directly from the College Official's email account to the Office of the Chancellor.

**(b). Signed Certification Option for College Official**

If the electronic certification option is not used, then this **Certification Form** must be signed by the College Official and mailed (*or scan & email*) to the OC address below.

College Official Signature & Date

Please return this certification with your Self-Assessment Questionnaire by January 28 to:

**Richard Bourassa**  
**Office of the Chancellor**  
**Vermont State Colleges**  
**575 Stone Cutters Way, Suite 1**  
**PO Box 7**  
**Montpelier, VT 05601-0007**

Email: [richard.bourassa@vsc.edu](mailto:richard.bourassa@vsc.edu)