

**College Financial Audits with Findings
FY 2016-17**

**STATE BOARD OF COMMUNITY COLLEGES
FY 2016-17 College Financial Audit Findings Summary**

The following is a summary of college audit findings noted in financial audits conducted thus far for fiscal year 2016-17.

Blue Ridge Community College

Audit conducted by: Office of The State Auditor

Findings:

- Improper Segregation of Duties
 - Duties were not properly segregated in the College's Finance Office during the audit period. A member of management had the ability to post journal entries that changed the financial records without independent review. As a result, there was an increased risk of errors or fraud occurring without detection.
 - During the audit period, the Finance Office did not ensure adequate separation of duties for 28 of the 120 (23%) journal entries posted during the year-end accrual process. A senior manager prepared and posted the entries without subsequent review.

Haywood Community College

Audit conducted by: Office of The State Auditor

Findings:

- Improper Segregation of Duties
 - Duties were not properly segregated in the College's Business Office during the audit period. A member of management had the ability to post journal entries that changed the financial records without independent review. As a result, there was an increased risk of errors or fraud occurring without detection.
 - During the audit period, the Business Office did not ensure adequate separation of duties for 48 of the 719 (7%) journal entries. A senior manager performed more than one of the following functions: prepared, posted, and reviewed entries. 37 of 48 (77%) were prepared, posted, and reviewed by the same individual. 11 of 48 (23%) were posted and reviewed by the same individual. (A separate individual prepared the entries.)