



SACSCOC

Accreditation Update

This is the third biweekly report to inform the Norfolk State University community about the activities related to the preparation of the Second Monitoring Report and the Special Committee visit for the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). This update focuses on one of the three sections of the Monitoring Report – the Financial section. The Governance section was covered in Update #2 and Academic/Faculty sections will be presented in the next update.

FINANCIAL SECTIONS

CR 2.11.1 (Financial Resources) Recommendation 2

Concern

The most recent fiscal year's (FY), audited financial statements and management letter, and a separate Statement of financial position of unrestricted net assets, exclusive of plant and plant-related debt, for fiscal year 2014 were not completed and provided for the committee's review.

Action Required

Norfolk State University coordinated closely with the Commonwealth of Virginia's Auditor of Public Accounts (APA) to complete and provide the FY2014 audit on an earlier than typical schedule. In addition, given that another fiscal year has now been completed, the most recent fiscal year's, FY2015 audit, management letter and statement of financial position of unrestricted net assets, exclusive of plant and plant-related debt, must be provided.

Status

The FY2014 audit was completed by the APA in January 2015. The APA has agreed and committed to a schedule that calls for completion of the FY2015 audit and management letter on or before October 2, 2015. The SACSCOC President has granted an extension that permits submission of the FY2015 audited financial documents on October 13, 2015, at the start of the Special Committee visit. The University will be able to provide the most recent fiscal year's audit and financial reporting documents before the SACSCOC Board of Trustees meeting in December and in time for the October on-site visit.

CS 3.10.1 (Financial Stability) Recommendation 8 Combined with Recommendation 2 above

CS 3.10.2 (Financial Aid Audits) Citation #3

Concern

The FY2014 A-133 audit report was not provided to allow the committee to verify

compliance with Title IV requirements. A September 17, 2014 letter from the U.S. Department of Education stated that the University's corrective action plan addressing FY2013 A-133 audit findings had been implemented. However, the letter noted that the auditors would perform audit follow-up procedures in subsequent A-133 audits to verify that corrective action had been implemented.

Action Required

The University needed to provide the FY2014 A-133 audit and evidence of corrective actions resolving two findings reported in the FY2013 Federal audit.

Status

The FY2014 A-133 audit is complete. The A-133 audit report includes auditor verification of resolution of the FY2013 findings.

CS 3.10.3 (Control of Finances) Recommendation 9

Concern

The FY2014 APA management letter was not provided to validate progress and compliance.

Action Required

Norfolk State University needed to complete the FY2014 audit with the management letter verifying implementation of policies, procedures and controls in place.

Status

The FY2014 audit and management letter are complete and show major improvement in the number and severity of findings.

CS 3.10.4 (Control of sponsored research/external funds) Recommendation 10

Concern

A September 17, 2014 letter from the U.S. Department of Education stated that the University's corrective action plan addressing FY2013 A-133 audit findings had been implemented. However, the letter noted that the auditors would perform audit follow-up

procedures in subsequent A-133 audits to verify that corrective action had been implemented.

Action Required

The University needed to provide the FY2014 A-133 audit and evidence of corrective actions resolving two findings reported in the FY2013 Federal audit.

Status

The FY2014 A-133 audit is complete. The A-133 audit report includes auditor verification of resolution of the FY2013 findings.

CS 3.11.1 (Control of physical resources) Recommendation 11

Concern

Without the FY2014 management letter, the committee was unable to confirm whether the institution has achieved appropriate controls for monitoring and managing physical resources.

Action Required

Norfolk State University needed to provide the FY2014 audit management letter to confirm that the University has adequate controls over physical resources.

Status

The FY2014 audit management is complete. However, the University has a repeat finding related to physical resources/physical assets. Controls implemented should be evident in the FY2015 audit management letter, which should be available for the Special Committee visit.

FR 4.7 (Title IV program responsibilities) Citation #4 combined with CS 3.10.2 Citation #3

Status Update

CR = Core Requirement
CS = Comprehensive Standard
FR = Federal Requirement
FY = Fiscal Year

Overall section status

The Financial sections have been reviewed by the external consultant and the review comments incorporated in a second draft which has been reviewed again by the consultant. We hope to receive a courtesy review of these sections by the SACSCOC staff upon completion of the updated draft.

Team Members

Dr. Sandra DeLoatch Provost/VP Academic Affairs & SACS Liaison
Mr. Gerald Hunter Vice President of Finance and Administration
Dr. Paula Gentius Assistant to the President
Ms. Clementine Cone Executive Assistant to the President for University Compliance
Dr. Mildred Fuller Vice Provost
Dr. Belinda Anderson Dean, College of Liberal Arts