



VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

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 have audited the basic financial statements of Virginia Polytechnic Institute and State University (Virginia Tech) as of and for the year ended June 30, 2021, and issued our report thereon, dated November 5, 2021. Our report, included in Virginia Tech's Financial Report, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at Virginia Tech's website at www.vt.edu. Our audit found:

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

Our audit also included testing over the major federal programs of the Student Financial Assistance Programs Cluster and Education Stabilization Fund for the Commonwealth's Single Audit as described in the U.S. Office of Management and Budget Compliance Supplement; and found no internal control findings requiring management's attention or instances of noncompliance in relation to this testing.

We did not follow-up on the finding included in our report dated November 12, 2020, and titled "Report Student Status Enrollment Changes Timely to National Student Loan Data System" as part of our audit because Virginia Tech did not implement corrective action during our audit period. Virginia Tech anticipates completing corrective action by April 2022 and as such, we will follow-up on this finding as part of our fiscal year 2022 financial statement audit. Despite the timing of the corrective action, we were required to complete certain procedures in this area for fiscal year 2021 to support our opinion on compliance over the Student Financial Assistance Programs Cluster major federal program for the Commonwealth of Virginia's Single Audit. Additional information regarding the Commonwealth of Virginia's Student Financial Assistance Programs Cluster audit is available as part of a standalone Student Financial Assistance Programs Cluster report which will be issued in February 2022. Virginia Tech took adequate corrective action with respect to its remaining prior audit findings and recommendations.



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 5, 2021

The Honorable Glenn A. Youngkin
Governor of Virginia

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

Board of Visitors
Virginia Polytechnic Institute and State 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 aggregate discretely presented component unit of **Virginia Polytechnic Institute and State University** (Virginia Tech) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Virginia Tech's basic financial statements and have issued our report thereon dated November 5, 2021. 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 Virginia Tech, 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 Virginia Tech's internal control over financial reporting (internal control) as a basis for designing 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 Virginia Tech's internal control. Accordingly, we do not express an opinion on the effectiveness of Virginia Tech's internal control.

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 Virginia Tech'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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Status of Prior Findings and Recommendations

We did not follow-up on the finding included in our report dated November 12, 2020, and titled "Report Student Status Enrollment Changes Timely to National Student Loan Data System" as part of our audit because Virginia Tech did not implement corrective action during our audit period. Virginia Tech anticipates completing corrective action by April 2022 and as such, we will follow-up on this finding as part of our fiscal year 2022 financial statement audit. Despite the timing of the corrective action, we were required to complete certain procedures in this area for fiscal year 2021 to support our opinion on compliance over the Student Financial Assistance Programs Cluster major federal program for the Commonwealth of Virginia's Single Audit. Additional information regarding the Commonwealth of Virginia's Student Financial Assistance Programs Cluster audit is available as part of a standalone Student Financial Assistance Programs Cluster report which will be issued in February 2022. Virginia Tech took adequate corrective action for the findings titled, "Strengthen the Schedule of Expenditures of Federal Awards Review Process" and "Improve Timeliness of Grant Closeout."

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 Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. We discussed this report with management at an exit conference held on November 11, 2021.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

As of June 30, 2021

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