



Virginia State University

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Sheila Alves, Chief Audit Executive
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Confidential

DATE: January 12, 2021

TO: Mr. Kevin Davenport, Chief Financial Officer and Vice President of Finance

FROM: Sheila A. Alves, Chief Audit Executive

SUBJECT: Vendor Commissions

The below finding were an internal control weakness identified during a hotline investigation:

Verification of Commission

Virginia State University has a contract with a vendor for events on campus. The contract outlines events and fee distribution. Based on the contractual agreement the University receives commissions for events; however, the commission reports obtained by the vendor are provided in the following categories: Concessions, Inside Catering, Cash Sales, Sales and not by event. The commissions received are not validated to ensure that commissions received by the vendor for events are accurate and complete. There was no evidence that all commissions were received in accordance with the contract. This may result in VSU not receiving all commissions as indicated in the contract.

We recommend that the Chief Financial Officer and Vice President of Finance develop and implement a process to help ensure that all events and activities can be traced back to commissions received to ensure that commissions obtained are accurate and complete.

CC: President Makola M. Abdullah