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*Campus Environmental Sustainability Team  
Tracy Dixon, Director – University Sustainability Office*

The spring 2015 Advanced Auditing classes in the Masters of Accounting Program (MAC) at Poole College of Management performed limited procedures to assess the North Carolina State University 2013-2014 Annual Sustainability Report. This letter provides our assessment of the Annual Sustainability Report and recommendations for enhancing the report.

**Purpose and Scope**

The purpose of this effort is to provide students with the opportunity to apply auditing skills learned in class to a real world scenario and to expand their knowledge about sustainability. The end result is the University obtains an independent assessment of the University's process and procedures in developing information presented in the Annual Sustainability Report. The services provided under this arrangement do not constitute an audit, attest, or assurance engagement performed in accordance with the American Institute of Certified Public Accountants Professional Standards. As this service is provided as part of the Advanced Auditing class and is therefore a learning experience for the students, there is no assurance that all areas for improvement in the Sustainability Report will be identified under this arrangement. The procedures described in the next section of this reported were applied to the following specific areas of the 2013-2014 Annual Sustainability Report:

1. Waste Reduction and Recycling
2. Energy and Water
3. Greenhouse Gases

**Procedures**

Accordingly, the students performed the following limited procedures to the above-specified three areas of the 2013-2014 Annual Sustainability Report:

1. Gained an understanding and documented the processes and controls used in the development of information contained in the Annual Sustainability Report. In some instances, students observed the specific processes.
2. On a select basis, compared information contained in the Annual Sustainability Report with available supporting documentation.
3. Verified the mathematical accuracy of the underlying spreadsheets supporting the calculations.
4. Compared the methodologies used to prepare the information to standard industry practices.

5. Met with the applicable project leaders from the Campus Environmental Sustainability Team on May 1, 2015 to share a high-level summary of the procedures performed, observations and recommendations.

### **Observations**

As a result of the above limited procedures, the students identified the following opportunities for improving the Annual Sustainability Report:

1. Controls over spreadsheets
2. Supporting documentation for spreadsheets
3. Internal controls over review and approval of information
4. Conversion factors
5. Documentation of processes and procedures

### **Recommendations**

Accordingly, the following recommendations are provided to improve the accuracy of the information presented in the Annual Sustainability Report:

1. There is a pervasive use of spreadsheets to prepare and store data supporting information presented in the Annual Sustainability Report. The accuracy and security of this information could be enhanced by implementing standard spreadsheet controls over the input, processing, reporting and storage of information.
2. The nature and extent of data produced to support the information presented in the Annual Sustainability Report varies within each area responsible for assembling and reporting information and between the applicable areas. Data standards specifying the form and type of documentation necessary to support data provided by the various areas should be developed and distributed.
3. Most information submitted to the University Sustainability Office is prepared with little review and approval. Standards should be developed and distributed outlining the nature and extent to review prior to submission of information to the University Sustainability Office.
4. Factors used to convert data into reported measures is not always documented and is not always consistently used. Standards should be developed specifying the conversion factors to be used, documentation of designated factors and procedures for changing existing conversion factors.
5. Much of the information provided for inclusion into the Annual Sustainability Report is originally developed for other purposes. While it is good to repurpose existing data, procedures should be developed outlining the overall process for developing the Annual Sustainability Report and how existing processes interface and support the production of the Annual Sustainability Report.

In addition to the presentation made to the applicable project leaders of the Campus Environmental Sustainability Team and the preparation of this summary report, detailed observations and recommendations, organized by the above indicated areas, were provided the Director of University Sustainability Office to aid in future enhancements to the Annual Sustainability Report.

The students acknowledge the significant efforts put forth by the University and staff in developing and publishing the Annual Sustainability Report and thank the University for the opportunity to assess the Annual Sustainability Report and provide recommendations.

*ACC 550, Advanced Auditing Students  
Spring 2015*