



ACUA Webinar

Auditing Campus Bookstores &
Related Operations

08/28/2025



Virtual Learning Committee



Director
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California State University



Volunteer
Virginia L. Kalil, CIA, CISA, CFE, CRISC
Chief Internal Auditor
University of South Florida



Today's Presenters



Natalie B. McNish

*CFE, CGAP, Director of Internal Audit &
Risk Management, Missouri State
University*



Grant Jones,

Internal Auditor, Missouri State
University

Auditing Campus Bookstores & Related Operations

Agenda Highlights

- Overview of Operations
- Key Risk Areas
- Possible Controls
- Audit Testing Procedures
- Data Analytics
- Common Audit Findings
- Tips & Tricks

Overview of Operations

- **Support for Faculty, Staff, Students, Alumni, and Community Members**
- **Diverse Product Offerings**
- **Financial Obligations**
- **Ownership**
- **Personnel Overlap**



Polling Question #1

Does your institution own and operate its campus bookstore?

- Yes
- No



An abstract painting on the left side of the slide. It features a dark blue sky with a few light blue and white clouds. Below the sky, there are various geometric shapes in shades of blue, green, yellow, and brown, suggesting a cityscape or a complex structure. The painting has a textured, impasto style.

Key Risk Areas

- **Financial & Operational Risks**
- **Regulatory & Legal Risks**
- **Inventory Risks**
- **Information Technology Risks**
- **Cash Risks**
- **Reputational Risks**

Polling Question #2

Does your university allow students to charge bookstore purchases to their account?

- Yes
- No



Essential Controls for Campus Bookstores

Financial & Operational Controls

- **Policies & Procedures**
- **Separation of Duties**
- **Purchasing**
- **Managerial Oversight**
- **Financial Monitoring**
- **Professional Development**



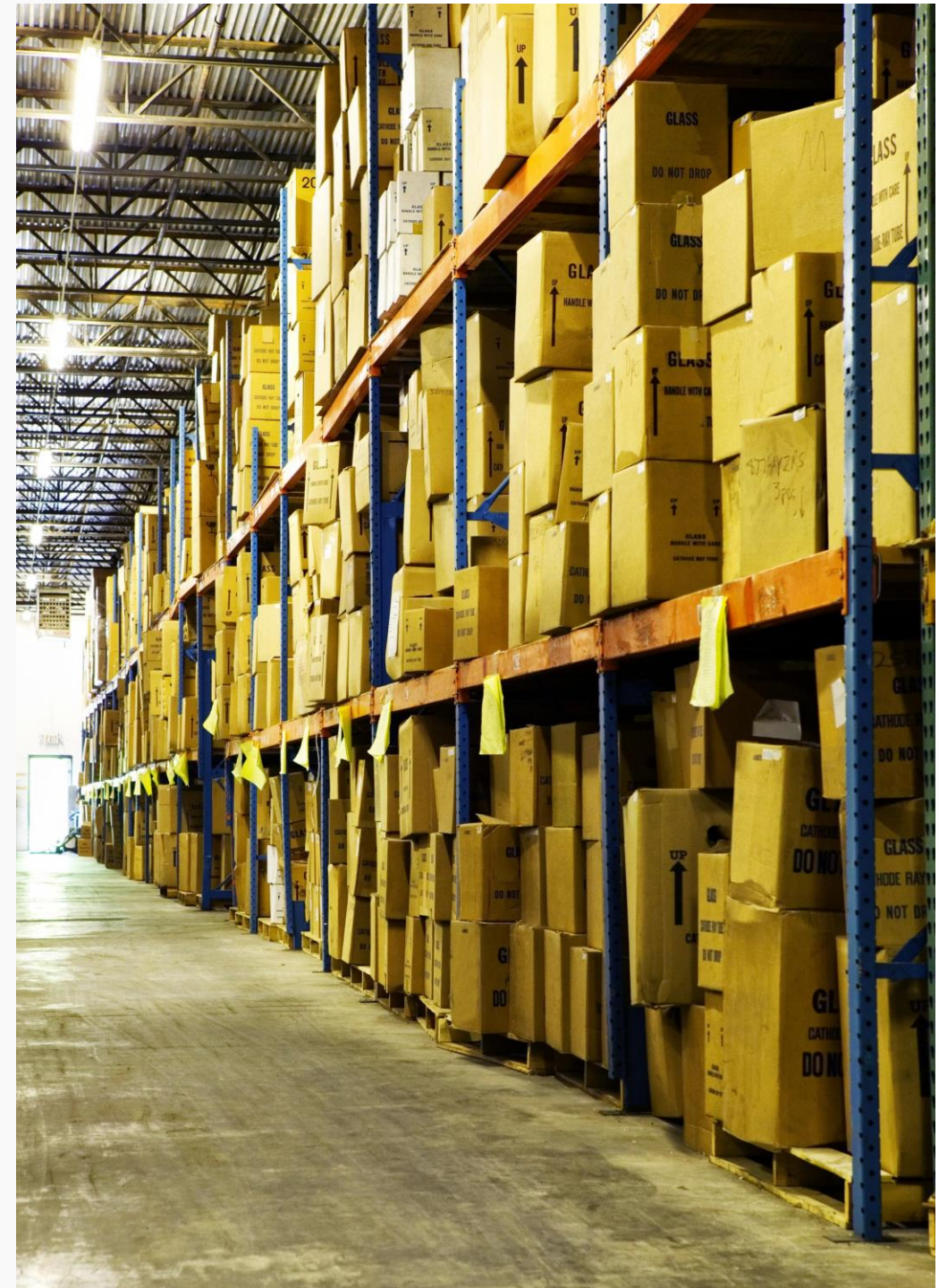
Regulatory & Legal Controls

- **PCI Compliance**
- **HEOA Compliance**
- **FLSA Compliance**
- **Contracts**
- **Conflicts of Interest**
- **Taxes**



Inventory Controls

- **Security**
- **Confirmation of Inventory**
- **Separation of Duties**
- **Supporting Documentation**
- **Aged and Obsolete Items**
- **Pricing**



Information Technology Controls

- **System access**
- **Updates and patches**
- **Data classification**



Polling Question #3

Does your bookstore
operate multiple
locations?

- Yes
- No



Audit Testing Procedures for Campus Bookstores

Physical Inventory



- 1. Determine store procedures to maintain, value, and conduct a physical inventory.**
- 2. Observe physical inventory procedures.**
- 3. Confirm inventory counts for a sample.**
- 4. Vouch reconciliation between systems.**
- 5. Review for aged or obsolescent items.**

Inventory Security



- 1. Perimeter check**
- 2. Keys**
- 3. Cameras**
- 4. Procedures for purchasing, receiving, stocking, and disposing of items**

Financial Testing



- 1. Cash counts**
- 2. Expenditure testing**
- 3. Reconciliations**
- 4. Sales testing**
- 5. Gift Cards**

Other Areas

1. Payroll
2. Compliance training
3. User Access

Information

Given Name	Middle name	Phone ()
City	State	Other Telephone ()
City	Postcode	Mobile Telephone ()
Duration (yrs)	Employer	
Employer Contact		

Given Name	Middle name	Phone ()
City	State	Other Telephone ()
City	Postcode	Mobile Telephone ()
Duration (yrs)	Employer	
Employer Contact		

Over/Under	
at budget	
at budget	
at budget	
150.00	50.00 under
0.00	150.00 over

Data Analytics in Bookstore Audit

Data Analytics

- **KPI and Purchase Analytics**
- **Inventory Trend Analysis**
- **Financial Ratio Evaluation**
- **Employee and Sales Pattern Analysis**



Polling Question #4

Have you performed an audit of your bookstore or other campus operations?

- Yes
- No



Common Audit Findings in Campus Bookstores

Findings

- **Financial Reconciliation Issues**
- **Operational Control Weaknesses**
- **Regulatory Noncompliance**
- **Inventory Control Issues**
- **IT Security Weaknesses**
- **Cash Handling Problems**



Practical Tips and Best Practices for Bookstore Audits

Strategies for risk-based auditing and understanding procurement policies

- **Risk-Based Auditing Approach**
 - Focus audits on highest risk areas or single risk categories to effectively manage complex retail operations.
- **Understanding Procurement Policies**
 - Assess if bookstore follows university procurement policies or operates independently with separate procedures.
- **Inventory and Pricing Strategies**
 - Evaluate costing methods and retail pricing accuracy to prevent inaccuracies such as misuse of FIFO costing.
- **Operational Footprint and Risk Assessment**
 - Understand bookstore footprint including multiple locations and operations to identify specific risks and financial KPIs.



Considerations for inventory, pricing, and bookstore footprint

- **Audit and Risk Focus**
 - Audit one risk category at a time focusing on highest risk areas for complex university bookstore operations.
- **Procurement and Policies**
 - Understand university procurement policies and ensure bookstore adheres to standard procedures or separate processes.
- **Inventory and Pricing Strategies**
 - Research appropriate costing methods like FIFO and ensure accurate retail pricing reflecting current inventory costs.
- **Bookstore Footprint and Operations**
 - Analyze the bookstore footprint including mobile, convenience, consignments, and technology repair for specific risks.



Employee discounts, student accounts, and IT security checks

- **Discount Eligibility Verification**
 - Verify employment status at point of sale to stop discounts for separated individuals.
- **Student Account Charge Policies**
 - Review credit limits and allowable charges on student accounts including materials and supplies.
- **Handling Bad Debt**
 - Establish procedures for managing bad debt on student accounts receivable to minimize losses.
- **IT Security Controls**
 - Inspect network and USB ports on registers to prevent unauthorized device connections.



Closing & Final Q&A

Thank you!

Announcements



Upcoming ACUA Webinars – Save the Date!

Month	Date & Time	Presenter	Topic
October 2025	10/30/2025 – 1:00 PM EST	Baker Tilly	Information Security
November 2025	11/20/2025 – 1:00 PM EST	ACUA Members Chesney Cote & Aissata Sow	Student Organizations
December 2025	12/04/2025 - 1:00 PM EST	CLA	Artificial Intelligence

Do you have an idea for a webinar? Contact the VLC director at wshinsato@calstate.edu



Announcements



Upcoming ACUA Conference!



AuditCon 2025

Sunday, September 14, 2025 - Thursday, September 18, 2025



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