



Richard Bland College

BOARD OF VISITORS

Finance, Audit, and Compliance Committee Agenda

September 24, 2025 | AIC Boardroom | 9:00 – 10:30 a.m.

- | | |
|------------------|---|
| 9:00 a.m. | Call to Order and Opening Remarks – Committee Chair or Presider
Approval of Minutes – N/A |
| 9:05 | Risk Analysis and Liability Mitigation
Part I: Auditor of Public Accounts - David Rasnic, APA Director, Higher Education
Part II: Internal Auditor - Mike Cullen, Principal, Baker Tilly |
| 9:45 | Financial Report - Melissa Mahoney, College Controller |
| 10:05 | Risk Management Report (15 min) – Stacey Sokol, Chief Business Officer |
| 10:20 | Discussion and Committee Feedback |
| 10:25 | Next Steps and Future Agenda Items |
| 10:30 | Adjournment |



THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA
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Richard Bland College of WILLIAM & MARY

Office of Finance

May 5, 2025

Ms. Staci A. Henshaw, CPA
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

Dear Ms. Henshaw:

Richard Bland College has reviewed the Internal Control and Compliance Findings and Recommendations provided by the Auditor of Public Accounts for the fiscal year ended June 30, 2024. I hereby provide the following response for inclusion in the audit report:

Improve Reporting to National Student Loan Data System

Management concurs with the auditor's finding. Richard Bland continues to take corrective action to address the concerns.

Return Unearned Title IV Funds Timely

Management concurs with the auditor's finding. Richard Bland continues to take corrective action to improve the review process to address the concerns.

Develop and Implement a Service Provider Oversight Process

Management concurs with the auditor's finding. Richard Bland College is committed to developing and employing effective service provider oversight in alignment with applicable state policies and continues to take measures to improve the process.

Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act

Management concurs with the auditor's finding. Richard Bland is committed to ensuring safeguards are in place to sufficiently identify and address risks to security, confidentiality, and integrity of customer information and continues to take corrective action to address the concerns.

Improve Database Security

Management concurs with the auditor's finding. Richard Bland continues to implement corrective action to address the concerns.

Improve IT Risk Management Program

Management concurs with the auditor's finding. Richard Bland continues to implement corrective action to address the concerns.

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Richard Bland College of WILLIAM & MARY

Office of Finance

Improve Controls for Accounting and Reporting for Right-to-Use Subscription Assets

Management concurs with the auditor's finding. Richard Bland continues to take corrective action to improve its policies and procedures to properly identify, track, and report commitments to address the concerns.

Please contact me should you have any questions.

Sincerely,

Stacey A. Sokol
Chief Business Officer

AUDIT SUMMARY

We have audited the consolidated basic financial statements of The College of William and Mary in Virginia, as of and for the year ended June 30, 2024, and issued our report thereon, dated May 14, 2025. The consolidated basic financial statements of The College of William and Mary in Virginia include the financial activity of The College of William and Mary in Virginia (William & Mary), Virginia Institute of Marine Science, and Richard Bland College (Richard Bland), which report to the Board of Visitors of The College of William and Mary in Virginia. Our report, included in the consolidated basic financial statements, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at William & Mary's website at www.wm.edu. Our audit found:

- the financial statements are presented fairly, in all material respects;
- seven internal control findings requiring management's attention, six of which represent instances of noncompliance or other matters required to be reported under Government Auditing Standards; however, we do not consider them to be material weaknesses; and
- adequate corrective action with respect to prior audit findings identified as complete in the Findings Summaries included in the Appendix.

In the section titled "Internal Control and Compliance Findings and Recommendations," we have included our assessment of the conditions and causes resulting in the internal control and compliance findings identified through our audit as well as recommendations for addressing those findings. Our assessment does not remove management's responsibility to perform a thorough assessment of the conditions and causes of the findings and develop and appropriately implement adequate corrective actions to resolve the findings as required by the Department of Accounts in Topic 10205 – Agency Response to APA Audit of the Commonwealth Accounting Policies and Procedures Manual. Those corrective actions may include additional items beyond our recommendations.

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INTERNAL CONTROL AND COMPLIANCE FINDINGS AND RECOMMENDATIONS

RICHARD BLAND

Develop and Implement a Service Provider Oversight Process

Applicable to: Richard Bland

Type: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2021

Richard Bland continues to make progress to employ effective policies and procedures to monitor the effectiveness of its external information technology (IT) service providers on an ongoing basis. IT service providers are organizations that perform certain business tasks or functions on behalf of Richard Bland. Richard Bland currently identifies 42 IT service providers that it is using for mission-critical and business functions, some of which process and store sensitive data.

Since the fiscal year 2023 audit, Richard Bland developed formal policies and procedures to monitor all IT service providers, including those that qualify for the Virginia Information Technologies Agency's (VITA) COV Ramp service, formerly known as Enterprise Cloud Oversight Service, and those that do not qualify for VITA's COV Ramp service. However, Richard Bland's policies and procedures do not include some required elements of the Commonwealth's Information Security Standard, SEC530 (Security Standard), to maintain appropriate IT service provider oversight. Richard Bland should continue to improve the following areas:

- Richard Bland was unable to provide a complete list of IT service providers at the time of the audit. Richard Bland enters its IT service provider information into VITA's governance, risk, and compliance system, but was in the process of updating the list with VITA's assistance at the time of the audit. Without an accurate list of all providers, Richard Bland is unable to validate all IT service providers are complying with contractual requirements and implementing security controls to protect Richard Bland's sensitive data.
- Richard Bland's policies and procedures do not include a requirement for staff to obtain from IT service providers that do not qualify for VITA's COV Ramp service all information necessary to maintain appropriate oversight. The Security Standard requires that Richard Bland receive and review activity logs from each IT service provider every 30 days and vendor vulnerability scan reports at least once every 90 days. The Security Standard also requires that Richard Bland confirm the exact geographic location of sensitive data every 30 days. Without requiring and establishing a process to review activity logs and vulnerability scan reports of IT service providers, Richard Bland cannot ensure that it consistently validates those providers have effective security controls to protect Richard Bland's mission-critical and confidential data.

- Richard Bland has not fully executed its process to ensure all IT service providers that qualify for VITA's COV Ramp service are under active oversight. As a result, 16 of the 20 (80%) known IT service providers that qualify for VITA's COV Ramp service are currently not under active oversight. Additionally, of those 16 providers, Richard Bland did not obtain and review the necessary information for four (25%) providers. Richard Bland's Third-Party Oversight Procedure requires Richard Bland to receive and review VITA's COV Ramp reporting documents for those IT service providers that qualify. VITA's COV Ramp reporting documents include activity logs from each IT service provider every 30 days, vendor vulnerability scan reports at least once every 90 days, geographic location confirmation at least every 30 days, and independent audit assurance on an annual basis. The Security Standard also requires that Richard Bland employ VITA's and organization-defined processes, methods, and techniques to monitor the effectiveness of the IT service providers' security controls on an ongoing basis. Without following its established process for IT service providers that qualify for VITA's COV Ramp service, Richard Bland cannot consistently validate whether its providers have effective security controls to protect its mission-critical and confidential data.

Richard Bland continues to work with VITA to identify all its IT service providers and is making progress to engage VITA's COV Ramp oversight service for the providers that qualify. Additionally, while Richard Bland hired a new IT Project Manager and developed policies and procedures during calendar year 2024, Richard Bland underestimated the amount of time needed to fully assess and implement its formal process.

Richard Bland should ensure it maintains an accurate list of IT service providers. Richard Bland should also improve its policies and procedures to include the requirements as outlined in the Security Standard related to documented information to maintain appropriate oversight of its IT service providers. Additionally, Richard Bland should continue working with VITA to engage with COV Ramp's active oversight service for the IT service providers that qualify. For IT service providers that do not qualify for VITA's COV Ramp service, Richard Bland should follow its Third-Party Oversight Procedure to review the required information and monitor the effectiveness of the providers' security controls on an ongoing basis. Effective IT service provider oversight will help maintain the confidentiality, integrity, and availability of sensitive and mission-critical data.

Improve Database Security

Applicable to: Richard Bland

Type: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2022

Richard Bland has made significant progress implementing minimum security controls and processes to protect the database that supports its accounting and financial reporting system. Since the prior year audit, Richard Bland has remediated four out of six weaknesses but continues to not require nor implement some minimum security controls to protect the database in accordance with the Security Standard. We communicated the remaining two control weaknesses to management in

a separate document marked Freedom of Information Act Exempt (FOIAE) under § 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms. The Security Standard requires Richard Bland to implement certain controls to reduce unnecessary risk to data confidentiality, integrity, and availability in systems processing or storing sensitive information.

Richard Bland uses a third-party service provider to manage its accounting and financial reporting system and provide other information technology services. However, Richard Bland's Information Security Officer has not requested the third-party service provider implement the missing security controls as required by the Security Standard.

Richard Bland should improve its policies and procedures governing its database to ensure it aligns with the control requirements stated in the Security Standard. Richard Bland should then dedicate the necessary resources to address the weaknesses in the FOIAE communication. Implementing these security controls and processes to protect the database will help maintain the confidentiality, integrity, and availability of Richard Bland's sensitive and mission-critical data.

Improve IT Risk Management Program

Applicable to: Richard Bland

Type: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2022

Richard Bland continues to improve certain aspects of its IT risk management and contingency planning program in accordance with its Risk Management Standard, the Security Standard, and the Commonwealth's IT Risk Management Standard, SEC520 (IT Risk Management Standard). The IT risk management and contingency planning program provides the baseline for Richard Bland to recover and restore mission-critical and sensitive systems based on the college's identification, assessment, and management of information security risks. Risk management documents include Richard Bland's Business Impact Analysis (BIA), IT system risk assessments, and IT system security plans.

Since the prior audit, Richard Bland remediated one of the four identified weaknesses and made the following progress to address the remaining three weaknesses:

- Richard Bland did not have an updated IT System and Data Sensitivity Classification at the time of the audit. While Richard Bland completed the IT System and Data Sensitivity Classification at the end of March 2025, Richard Bland was unable to confirm the total number of sensitive systems to then conduct risk assessments and system security plans before the audit period. The Security Standard requires that Richard Bland complete an IT System and Data Sensitivity Classification to verify and validate that Richard Bland reviews and classifies all IT systems and data as appropriate for sensitivity.
- While Richard Bland has completed risk assessments for eight of its 11 (73%) identified sensitive systems, it has not completed a risk assessment for the remaining three systems.

Richard Bland's Risk Management Standard, the Security Standard, and the IT Risk Management Standard require Richard Bland to conduct and document a risk assessment for each sensitive system no less than once every three years and conduct an annual self-assessment to determine the continued validity of the risk assessment.

- While Richard Bland has completed system security plans for eight of its eleven (73%) identified sensitive systems, it has not completed system security plans for the remaining three systems. Richard Bland's Risk Management Standard, the Security Standard, and the IT Risk Management Standard require that Richard Bland develop a security plan for the information system based on the results of the risk assessment, including all existing and planned IT security controls for the system.

Without an updated IT System and Data Sensitivity Classification, Richard Bland cannot properly identify which IT systems contain sensitive data and therefore classify them as sensitive systems. Improper planning can lead to spending too many resources on insignificant controls or having insufficient controls to protect sensitive information. By not conducting risk assessments for all sensitive systems and documenting system security plans based on the results of those risk assessments, Richard Bland may not adequately identify risks for its sensitive systems or identify and implement appropriate security controls for its IT systems and environment to address those risks. Unaddressed system security risks can lead to a potential compromise of Richard Bland's sensitive information.

Richard Bland hired a new IT Project Manager in calendar year 2024 and has been working with VITA to complete its IT System and Data Sensitivity Classification to identify its sensitive systems, but Richard Bland's limited resources have delayed its progress. Richard Bland should complete its IT System and Data Sensitivity Classification based on the IT information documented in the BIA to determine Richard Bland's sensitive IT systems. Richard Bland should then conduct a risk assessment and document a system security plan for each of its sensitive systems to identify risks, vulnerabilities, security controls in place, and controls needed to address the identified risks. Finally, Richard Bland should maintain its IT Risk Management and Contingency Planning Program through annual reviews, updates, testing, and other exercises as required by the Security Standard and IT Risk Management Standard to protect the confidentiality, integrity, and availability of sensitive and mission-critical data.

Improve Reporting to National Student Loan Data System

Applicable to: Richard Bland

Type: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2023

Richard Bland personnel did not report accurate and/or timely enrollment data to the National Student Loan Data System (NSLDS) for students that had withdrawn or had an enrollment level change. Insufficient management oversight in the enrollment reporting process is the

underlying cause for the inaccurate and/or untimely submissions. During a review of 40 students, we noted the following instances of noncompliance:

- inaccurate effective date for 11 students' enrollment status (28%);
- untimely enrollment status change reporting for 16 students (40%); and
- inaccurate information for at least one critical field for 11 students (28%).

In accordance with Title 34 Code of Federal Regulations (CFR) § 685.309 and further outlined in the NSLDS Enrollment Guide published by the U.S. Department of Education (ED), Richard Bland must report enrollment changes to NSLDS within 30 days when attendance changes, unless it will submit a roster file within 60 days. The accuracy of Title IV enrollment data depends heavily on information reported by institutions. Untimely and inaccurate data submitted to NSLDS can affect the reliance placed on the system by ED for monitoring purposes. Noncompliance may affect an institution's participation in Title IV programs and can potentially impact loan repayment grace periods and/or loan subsidies for students.

Richard Bland personnel should enhance oversight of the enrollment reporting process and strengthen its procedures to ensure that the college reports timely and accurate information regarding student enrollment status to the NSLDS.

Return Unearned Title IV Funds Timely

Applicable to: Richard Bland

Type: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2023

Richard Bland personnel did not identify withdrawals and/or return unearned funds to ED within the required timeframes. The college did not complete the refinement of withdrawal policies and desktop procedures in a timely manner. As a result, Richard Bland personnel lacked adequate guidance, which caused the following noncompliance within our sample:

- For seven of ten students (70%) tested, Richard Bland did not identify each student's withdrawal timely.
- For one of four students (25%) tested, Richard Bland did not return \$2,907 in unearned funds timely.

In accordance with Title 34, CFR § 668.22 and as further outlined in Volume 5 of the federal Student Financial Aid Handbook, institutions that are required to take attendance are expected to have procedures to routinely monitoring attendance records to determine in a timely manner when a student withdraws. Except for unusual instances, the date of the institution's determination that the student withdrew should be no later than 14 days (less if the school has a policy requiring

determination in fewer than 14 days) after the student's last date of attendance as determined by the institution from its attendance records. The 14 days include holidays, breaks, and weekends. Additionally, in accordance with 34 CFR § 668.22, a school must return unearned funds for which it is responsible as soon as possible but no later than 45 days after the date of determination of a student's withdrawal.

Management should complete their policies and desk procedures, train staff accordingly, and consider implementing a review process to ensure Richard Bland is complying with the federal regulations for timely returning unearned funds related to student withdrawals.

Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act

Applicable to: Richard Bland

Type: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2023

Richard Bland has improved its compliance with the Gramm-Leach-Bliley Act (GLBA) by resolving two of the three prior year weaknesses. Specifically, Richard Bland updated its written information security program to require encryption of customer information when stored at rest and in-transit, in addition to enabling multi-factor authentication for all systems that contain GLBA information. However, Richard Bland has not completed a risk assessment for three of its 11 (27%) sensitive systems as a basis for developing its written information security program on the security risks identified to customer information. As a result, Richard Bland cannot evaluate and adjust its information security program based on the results of the risk assessments.

Institutions of higher education, because of their engagement in financial assistance programs, are considered financial institutions that must comply with Public Law 106-102, known as the GLBA. Related regulations at 16 CFR §§ 314.3 and 314.4 require organizations to develop, implement, and maintain the information security program to safeguard customer information. The regulations require that Richard Bland must base its written information security program on a risk assessment that "identifies reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information, and assesses the sufficiency of any safeguards in place to control these risks." GLBA also requires that Richard Bland adjusts its information security program based on the results of the risk assessment.

By not completing risk assessments for all its sensitive systems, Richard Bland's information security program may not appropriately consider risks that pose a threat to the college's sensitive customer information and data. Richard Bland's limited staffing in the Information Technology Department has delayed its efforts to complete the remaining risk assessments and implement its information security program.

Richard Bland should complete comprehensive risk assessments over its remaining sensitive systems that identify risks to the security, confidentiality, and integrity of Richard Bland's customer

information. Richard Bland should then assess safeguards in place to ensure that they are sufficient to address the risks identified in the risk assessments and revise its information security program as necessary based on the results of the risk assessment. Completing the requirements outlined by GLBA will assist Richard Bland in evaluating its information security program and protecting the confidentiality, integrity, and availability of customer information within its environment.

Improve Controls for Accounting and Reporting for Right-to-Use Subscription Assets

Applicable to: Richard Bland

Type: Internal Control

Severity: Significant Deficiency

First Reported: Fiscal Year 2023

Richard Bland continues to improve controls for identifying, tracking, recording, and reporting Subscription Based Information Technology Arrangements (SBITA). Since the prior audit, Richard Bland created SBITA policies and procedures; however, the policies and procedures did not fully comply with Governmental Accounting Standards Board (GASB) Statement No. 96. Specifically, we noted the following deficiencies:

- Richard Bland lacks a documented methodology for determining the incremental borrowing rate.
- Richard Bland does not have adequate processes to properly identify, record, and report SBITAs resulting from contracts with multiple components, capitalizable costs incurred prior to implementation, variable payments, commitment provisions, and SBITA term.
- Richard Bland's capitalization threshold may result in the underreporting of SBITAs.

Although Richard Bland personnel did conduct a review of its contracts, the lack of adequate policies and procedures prevented personnel from recording SBITAs in accordance with GASB Statement No. 96 requirements. We noted the following deficiencies in our review:

- incorrect term, subscription payments, interest rate, and useful life for three of three (100%) SBITAs;
- improper inclusion of non-subscription payments for two of three (67%) SBITAs; and
- improper consideration of annual fixed price escalations for one of three (33%) SBITAs.

Due to limited financial staff, Richard Bland did not dedicate the necessary resources to gain an adequate understanding of GASB Statement No. 96 requirements and did not develop sufficient policies and procedures to appropriately identify, track, record, and report SBITAs. These deficiencies do not have a material impact on the consolidated financial statements for fiscal year

2024; however, if Richard Bland establishes more significant arrangements with vendors in the future, SBITAs could have a more significant effect on the financial statements.

Richard Bland should continue to update, implement, and maintain its policies and procedures related to identifying, tracking, recording, and reporting SBITAs. The policies and procedures should be communicated to all departments involved in the process to ensure timely identification and accurate recording and reporting. Richard Bland should review any SBITAs recorded with a potential future obligation for the proper term, payments, interest rate, and useful life for adequate classification and financial reporting in accordance with GASB Statement No. 96.



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

May 14, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
The College of William and Mary in Virginia

Katherine A. Rowe
President, The College of William and Mary in Virginia

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 units of **The College of William and Mary in Virginia** (University) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated May 14, 2025. Our report includes a reference to other auditors who audited the financial statements of the component units of the University, as described in our report on the University's financial statements. The other auditors did not audit the financial statements of the component units of the University in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the component units of the University.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University'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 the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control titled "Develop and Implement a Service Provider Oversight Process," "Improve Database Security," "Improve IT Risk Management Program," "Improve Reporting to National Student Loan Data System," "Return Unearned Title IV Funds Timely," "Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act," and "Improve Controls for Accounting and Reporting for Right-to-Use Subscription Assets," which are described in the section titled "Internal Control and Compliance Findings and Recommendations," that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University'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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the section titled "Internal Control and Compliance Findings and Recommendations," in the findings and recommendations titled "Develop and Implement a Service Provider Oversight Process," "Improve Database Security," "Improve IT Risk Management Program," "Improve Reporting to National Student Loan Data System," "Return Unearned Title IV Funds Timely," and "Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act."

The University's Response to Findings

We discussed this report with management at an exit conference held on May 6, 2025. Government Auditing Standards require the auditor to perform limited procedures on the University's response to the findings identified in our audit, which is included in the accompanying section titled "University Response." The University's response was not subjected to the other

auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Status of Prior Findings

The University has not taken adequate corrective action with respect to the prior reported findings identified as ongoing in the [Findings Summaries](#) included in the Appendix. The University has taken adequate corrective action with respect to prior audit findings identified as complete in the [Findings Summaries](#) included in the Appendix.

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.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

DLR/vks

FINDINGS SUMMARIES

William & Mary

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Improve IT Service Provider Oversight	Complete	2023

Richard Bland

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Improve Firewall Security	Complete	2021
Properly Perform Return of Title IV Calculations	Complete	2023
Develop and Implement a Service Provider Oversight Process	Ongoing	2021
Improve Database Security	Ongoing	2022
Improve IT Risk Management Program	Ongoing	2022
Improve Reporting to National Student Loan Data System	Ongoing	2023
Return Unearned Title IV Funds Timely	Ongoing	2023
Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act	Ongoing	2023
Improve Controls for Accounting and Reporting for Right-to-Use Subscription Assets	Ongoing	2023

* A status of **Complete** indicates management has taken adequate corrective action. **Ongoing** indicates new and/or existing findings that require management's corrective action as of fiscal year end.

Auditor of Public Accounts Audit Findings July 1, 2023 – June 30, 2024 Audit Period

Student Financial Aid Findings

Improve Reporting to National Student Loan Data System (Repeat from 2023)

Richard Bland personnel did not report accurate and/or timely enrollment data to the National Student Loan Data System (NSLDS) for students that had withdrawn or had an enrollment level change. Insufficient management oversight in the enrollment reporting process is the underlying cause for the inaccurate and/or untimely reporting.

Status: Remediated

Response: Enrollment reports are regularly submitted in a timely fashion to the National Student Clearinghouse (30-45 days every semester). During the 2023 on-site visit, it was discovered that there was a possible error in the ERP (Banner) application causing reporting discrepancies. The programming error was promptly corrected in Banner upon its discovery on March 11, 2024, ensuring the fix would be in place for the earliest applicable term—Fall 2024 and beyond. However, because the correction occurred after the start of the 2024 audit year, the error remained in effect during that period. As a result, the audited sample population for the 2024 audit year yielded findings consistent with those from the 2023 audit.

Following the original audit findings, RBC remained an attendance taking institution to attempt to boost student persistence. Efforts were made to centralize attendance reporting for student course drops in the Registrar's Office while still relying on timely faculty input of daily attendance. As of the Fall 2025 semester, RBC has discontinued the 14-day non-attendance policy and has piloted a new method for tracking attendance and dropping students for non-attendance where faculty will utilize three roster verification dates to verify that students are/not attending class. The change to a non-attendance taking institution will eradicate future findings. Procedures will continue to be monitored and revised to ensure accuracy in future Clearinghouse reports.

Return Unearned Title IV Funds Timely (Repeat from 2023)

Richard Bland College (Richard Bland) personnel did not identify withdrawals and/or return unearned funds to the Federal Department of Education timely. The underlying cause of the errors relates to the corrective action which includes refining withdrawal policies and desktop procedures not being completed until fall 2024. Management should continue to implement corrective action and consider implementing a testing component to ensure that enhanced policies and procedures are resulting in desired compliance.

Status: Remediated

Response: During the 2023 on-site visit, RBC identified inaccurate break dates that were causing the reporting discrepancies. The issue was promptly addressed, and a correction was implemented in the ERP system (Banner) to ensure accuracy moving forward. The programming fix was applied as soon as the error was discovered, taking effect for the earliest applicable term—Spring 2024 and beyond. However, because the correction occurred after the start of the 2024 audit year, the error remained in place for most of that

period. As a result, the sample population reviewed for the 2024 audit year yielded findings similar to those observed in the 2023 audit.

Two students who were among those identified in the audit as not being Withdrawn within 14 days had extraordinary situations:

- One student was involved in a judicial matter and was not permitted to attend class until the situation was adjudicated, which fell beyond the 14-day window.
- One student was completely withdrawn from the College but returned for Late Start session classes later in the same term, impacting his date of determination.

Procedures will continue to be monitored and revised to ensure accurate and timely calculations.

Information Systems Security Findings

Develop and Implement a Service Provider Oversight Process (Repeat from 2021)

Richard Bland should continue improving its formal policy and procedure to include a process to develop a complete and accurate list of IT Providers and subsequently maintain the list on a regular basis. Richard Bland should also improve its policy and procedure to include the requirements as outlined in the Security Standard related to documented artifacts to maintain appropriate oversight of its IT Providers. Additionally, Richard Bland should continue working with VITA to engage with the COV Ramp's active oversight service for the IT Providers that qualify. For the IT Providers that do not qualify for the COV Ramp service, or until the IT Providers are under COV Ramp's active oversight service, Richard Bland should follow its Third Party Oversight Procedure to review of the required artifacts and monitor the effectiveness of the IT Providers' security controls on an ongoing basis. Effective IT Provider oversight will help maintain the confidentiality, integrity, and availability of sensitive and mission-critical data.

Status: In Progress

Response: RBC developed third-party procedures using VITA's SEC 530 Information Technology Resource Management (ITRM) Standard as the guiding document. The Virginia Information Technologies Agency (VITA) SEC530 Standard controls are referenced in RBC's Third-party Procedures. These procedures were developed on April 22, 2025, and four Oversight Reports were submitted at the time of the 2024 audit. RBC uses the VITA electronic Governance, Risk, and Compliance (eGRC) platform to maintain an accurate list of all IT providers. RBC worked closely with VITA Information Security Officer services on a weekly basis to ensure that we had the most accurate and up to date list of IT providers in the Archer system, the authoritative source for managing IT systems, risk, and compliance. RBC requires third-party Oversight of all IT system providers that are under Commonwealth of Virginia Risk Authorization and Management Program (COVRAMP). This continues to be a work in progress. According to the RBC Third-Party Procedures, RBC requests and reviews SOC 2, Type 2, Auditing Reports, and documents these reviews for IT systems that have not gone through COV RAMP as part of the overall information security program. These steps will maintain the confidentiality, integrity, and availability of sensitive and mission-critical data.

Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act

(Repeat from 2023)

Richard Bland should complete comprehensive risk assessments over its remaining sensitive systems that identifies risks to the security, confidentiality, and integrity of Richard Bland's customer information. Richard Bland should then assess safeguards in place to ensure that they are sufficient to address the risks identified in the risk assessments and revise its information security program as necessary based on the results of the risk assessment. Completing the requirements outlined by GLBA will assist Richard Bland in evaluating its information security program and protecting the confidentiality, integrity, and availability of customer information within its environment.

Status: Remediated

Response: RBC completed the two comprehensive risk assessments (RA) and system security plans (SSP) on its remaining sensitive IT systems (i.e. Omnilert, Sportsware Online). RBC hired a third-party risk assessor to complete all risk assessments and system security plans for its currently identified sensitive systems This work was completed on June 30, 2025.

Improve Database Security FOIAE (Repeat from 2022)

Richard Bland should improve its policies and procedures governing its database to ensure it aligns with the control requirements stated in the Security Standard. Additionally, Richard Bland should log the use of DML and monitor database audit activity every 30 days. Richard Bland should also implement a process to test Banner's database backups every 30 days. Adjusting and implementing these database controls in alignment with the Security Standard and industry best practices will help maintain the confidentiality, integrity, and availability of sensitive and mission critical data.

Status: In Progress

Response: RBC has remediated four of the six previously noted weaknesses. RBC continues to refine its policies and procedures for governing its database related to the use of DML and database audit activity. RBC has requested an exception and has accepted the risk as Banner database administrators monitor Banner database backups.

Improve IT Risk Management Program (Repeat from 2022)

Richard Bland should complete its IT System and Data Sensitivity Classification based on the IT information documented in the BIA to determine Richard Bland's sensitive IT systems. Richard Bland should then conduct an RA and document an SSP for each of its sensitive systems to identify risks, vulnerabilities, security controls in place, and controls needed to address the identified risks. Finally, Richard Bland should maintain its IT Risk Management and Contingency Planning Program through annual reviews, updates, testing, and other exercises as required by the Security Standard and IT Risk Management Standard to protect the confidentiality, integrity, and availability of sensitive and mission critical data.

Status: Remediated

Response: RBC updated and completed the IT System and Data Sensitivity Classification on March 5, 2025. RBC has completed a comprehensive risk assessment (RA) and system security plan (SSP) for the three remaining sensitive systems (i.e. Omnilert, Sportsware, and ID Networks). All three systems were completed by June 30, 2025. RBC hired a third-party risk assessor to complete all risk assessments and system security plans for its currently identified sensitive systems. All of this work was completed on June 30, 2025.

Finance Finding

Improve Controls for Identifying, Tracking, Recording, and Reporting Subscription Based Information Technology Arrangements (Repeat from 2023)

Richard Bland should continue to update, implement, and maintain the policies and procedures related to identifying, tracking, recording, and reporting SBITAs. The policies and procedures should be communicated to all departments involved in the process to ensure timely identification and accurate recording and reporting. Richard Bland should review any SBITAs recorded with a potential future obligation for the proper SBITA term, payments, interest rate, and useful life for adequate classification and financial reporting.

Status: Remediated

Response: RBC has updated its formal policy and related procedures for identifying, tracking, recording, and reporting potential SBITAs to comply with relevant CAPP Topics and to follow best practices, to include determining RBC's incremental borrowing rate and decreasing the capitalization threshold. RBC continues to develop sufficient controls to appropriately identify, track, record, and report SBITAs to ensure the correction of deficiencies to assure that there are not future material impacts on financial statements. RBC has identified staff members to conduct and document thorough reviews of its current contracts to properly identify potential SBITAs. Identified staff members will continue to coordinate with appropriate departments, to include procurement and relevant department end-users, to ensure timely identification and accurate recording and reporting. RBC will continue to seek guidance from peer institutions and subject matter experts on policy and procedure development.



Richard Bland College

FY26 Budget Summary Through 8/31/2025

REVENUES	2023-24 Audited			2024-25 Unaudited			2025-26 Current		
	Budget	Actual	% of Budget	Budget	Actual	% of Budget	Budget	Actual	% of Budget
State Appropriations	\$ 14,895,787	\$ 15,722,235	105.5%	\$ 15,944,525	\$ 15,901,204	99.7%	\$ 16,986,075	\$ 4,662,863	27.5%
Tuition and E&G Fees	\$ 5,986,834	\$ 6,543,933	109.3%	\$ 6,632,909	\$ 5,690,675	85.8%	\$ 7,050,679	\$ 3,649,801	51.8%
Other Revenues	\$ 577,717	\$ 554,652	96.0%	\$ 629,397	\$ 582,411	92.5%	\$ 578,150	\$ -	0.0%
Student Housing	\$ 2,439,095	\$ 2,675,349	109.7%	\$ 2,954,278	\$ 3,620,159	122.5%	\$ 3,831,300	\$ 1,978,735	51.6%
Food Services	\$ 1,058,763	\$ 1,150,290	108.6%	\$ 1,296,600	\$ 1,482,719	114.4%	\$ 1,277,100	\$ 909,964	71.3%
Comprehensive Fees	\$ 912,353	\$ 1,423,433	156.0%	\$ 1,035,644	\$ 1,058,712	102.2%	\$ 1,147,255	\$ 756,480	65.9%
Other Auxiliary Services	\$ 1,778,800	\$ 1,317,535	74.1%	\$ 493,800	\$ 1,265,609	256.3%	\$ 300,000	\$ 3,104	1.0%
Grant Revenue	\$ 970,439	\$ 190,111	19.6%	\$ 1,070,439	\$ 459,294	42.9%	\$ 629,900	\$ -	0.0%
Total Revenues	\$ 28,619,788	\$ 29,577,538	103.3%	\$ 30,057,592	\$ 30,060,783	100.0%	\$ 31,800,459	\$ 11,960,946	37.6%

EXPENDITURES	2023-24 Audited			2024-25 Unaudited			2025-26 Current		
	Budget	Actual	% of Budget	Budget	Actual	% of Budget	Budget	Actual	% of Budget
Personnel:									
Instruction	\$ 3,852,484	\$ 3,812,214	99.0%	\$ 3,926,896	\$ 4,495,792	114.5%	\$ 3,439,489	\$ 784,571	22.8%
Research	\$ -	\$ 216,097	-	\$ 431,172	\$ 265,183	61.5%	\$ 636,411	\$ -	0.0%
Academic Support	\$ 988,348	\$ 1,083,198	109.6%	\$ 669,121	\$ 1,002,430	149.8%	\$ 987,394	\$ 177,983	18.0%
Student Services	\$ 1,667,116	\$ 1,711,529	102.7%	\$ 1,642,270	\$ 1,994,883	121.5%	\$ 1,998,203	\$ 347,067	17.4%
Institutional Support ¹	\$ 5,181,447	\$ 4,506,246	87.0%	\$ 5,561,679	\$ 5,317,398	95.6%	\$ 5,403,259	\$ 927,421	17.2%
Operation & Maintenance	\$ 1,469,644	\$ 1,623,220	110.4%	\$ 1,549,821	\$ 1,814,135	117.1%	\$ 1,371,036	\$ 309,849	22.6%
Auxiliary Services	\$ 847,139	\$ 732,862	86.5%	\$ 953,994	\$ 854,865	89.6%	\$ 979,662	\$ 152,139	15.5%
Athletics	\$ 1,004,962	\$ 848,600	84.4%	\$ 945,398	\$ 1,068,115	113.0%	\$ 1,059,955	\$ 162,419	15.3%
Total Personnel	\$ 15,011,140	\$ 14,533,966	96.8%	\$ 15,680,351	\$ 16,812,801	107.2%	\$ 15,875,409	\$ 2,861,449	18.0%
Operating:									
Education & General	\$ 8,154,943	\$ 5,977,482	73.3%	\$ 7,697,840	\$ 5,316,635	69.1%	\$ 8,845,158	\$ 1,810,567	20.5%
Sponsored Programs	\$ 217,000	\$ 239,396	110.3%	\$ 221,200	\$ 1,010,998	457.1%	\$ 239,200	\$ 64,338	26.9%
Auxiliary Services	\$ 1,801,925	\$ 2,878,085	159.7%	\$ 2,228,821	\$ 2,944,017	132.1%	\$ 2,190,062	\$ 461,634	21.1%
Athletics	\$ 1,367,700	\$ 1,341,891	98.1%	\$ 1,883,300	\$ 1,480,464	78.6%	\$ 2,236,000	\$ 65,411	2.9%
Financial Aid	\$ 2,067,080	\$ 1,179,933	57.1%	\$ 2,346,080	\$ 2,440,265	104.0%	\$ 2,414,630	\$ -	0.0%
Total Operating	\$ 13,608,648	\$ 11,616,787	85.4%	\$ 14,377,241	\$ 13,192,379	91.8%	\$ 15,925,050	\$ 2,401,950	15.1%
Total Expenditures	\$ 28,619,788	\$ 26,150,753	91.4%	\$ 30,057,592	\$ 30,005,180	99.8%	\$ 31,800,459	\$ 5,263,399	16.6%

Operating Surplus/(Deficit) \$ - \$ 3,426,786 \$ - \$ 55,603 \$ - \$ 6,697,547

¹ Prior to year-end cost allocations for financial statement purposes