

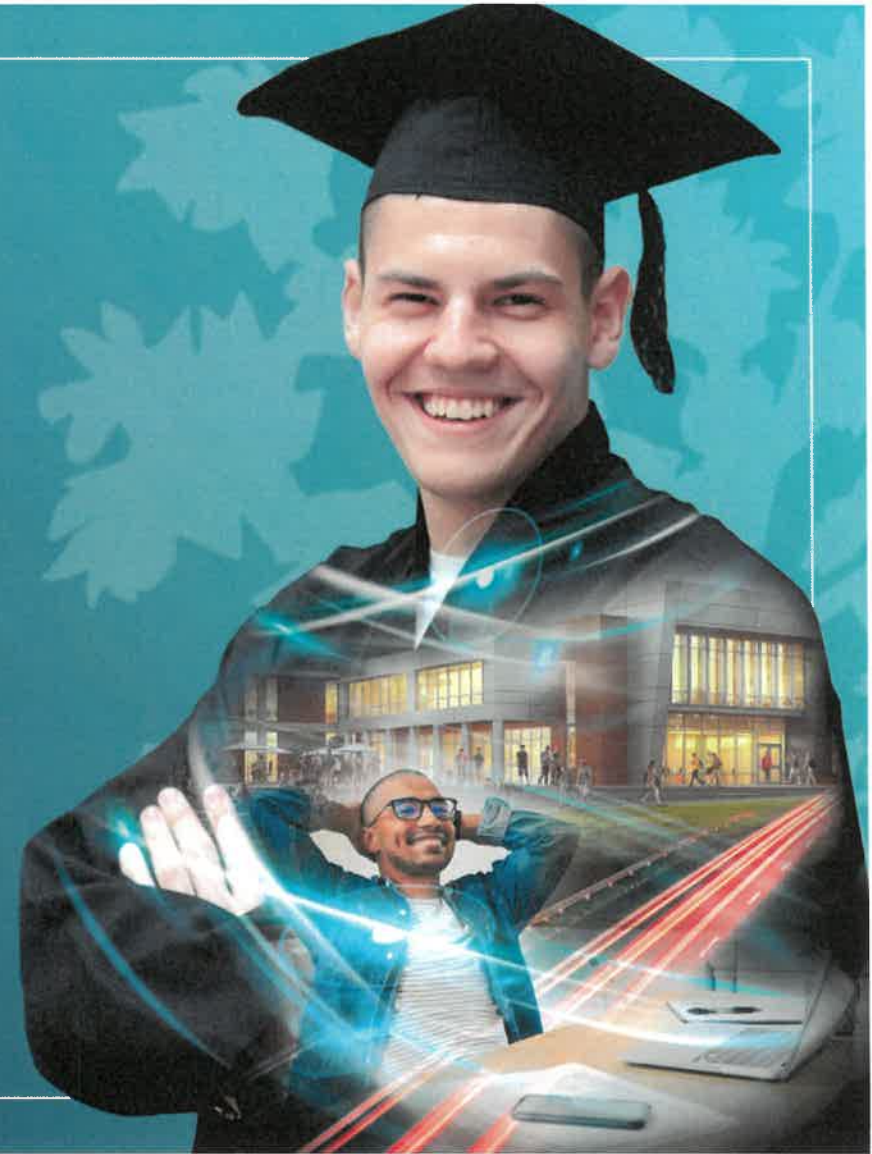


Richard Bland College

Board of Visitors

Finance, Audit and
Compliance Committee

January 28, 2026



INTERNAL AUDIT REPORT



MS. ASHLEY DEIHR

Partner
Baker Tilly US



Richard Bland College

Enterprise Risk Assessment

Jan 2026



FY26 Internal Audit Plan Status

Below are the Internal Audit projects for FY 2026. We have included a brief description and status on the progress for each project.

Project	Timing	Status	Description	Notes
IT Audit Remediation Support	October 2025 – June 2026	In Process	Collaborate with the College to remediate information technology (IT) process and controls deficiencies or challenges noted in past external audits	<ul style="list-style-type: none"> • Provided recommendations for remediating prior year IT audit findings and provided support in responding to current audit requests due 1/14. • Will continue assistance through APA audit for questions and management response support.
Accounting Support	October 2025 – June 2026	In Process	Provide expert accounting and audit support to ensure accurate presentation and accounting treatment for RBC's first year of standalone financial statements	<ul style="list-style-type: none"> • Met with financial leadership to discuss addressing SBITA audit findings and enhancing overall financial processes. • Provided sample templates for the College to leverage related to SBITAs. • Requested current policies and procedures related to SBITA to review and will meet to provide feedback.
Enterprise Risk Assessment	November 2025 – January 2026	Complete	Analyze information gathered from document review, industry analysis, and stakeholder interviews to develop an enterprise-wide risk assessment and prioritize internal audit activities for Fiscal Years 2027 and 2028	<ul style="list-style-type: none"> • Report included herein.



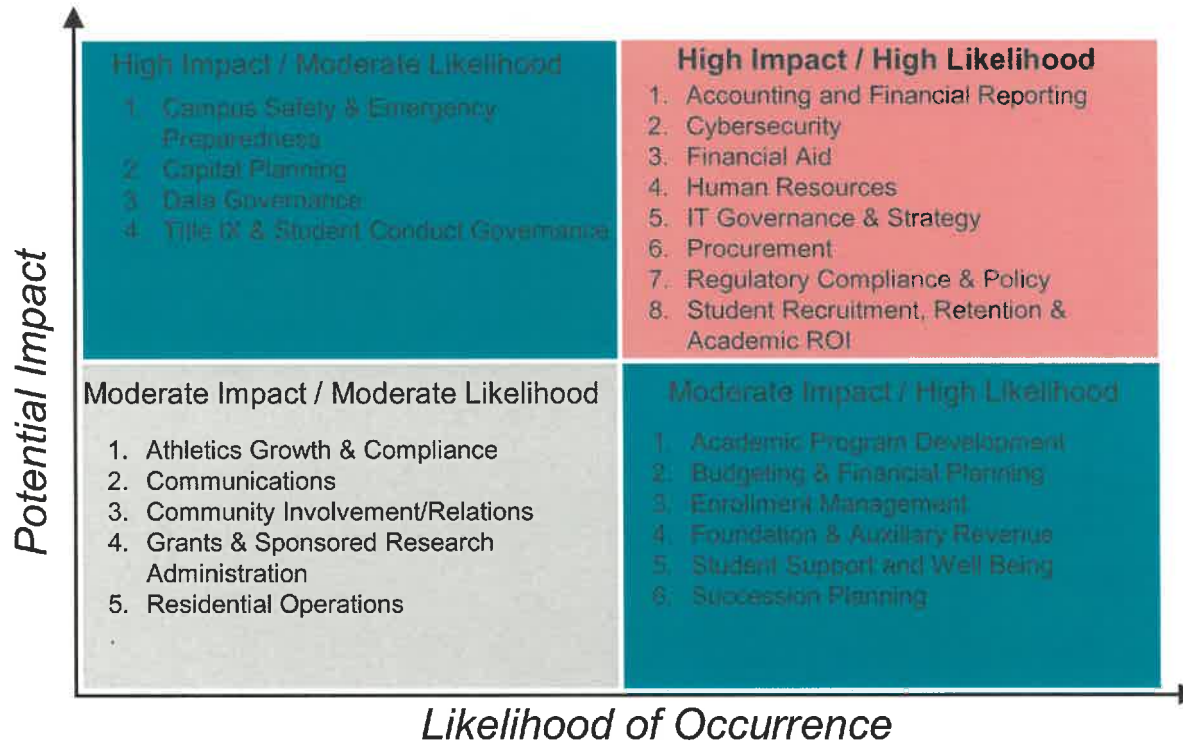
Enterprise Risk Assessment Background & Objectives

- Baker Tilly, in its capacity as the Internal Audit (IA) function for Richard Bland College (RBC or the College), performed an enterprise-wide risk assessment (ERA), which included the following activities:
 - Obtained and reviewed key College documentation and information to understand the College landscape, strategic priorities, current risk exposures, and emerging risks.
 - Held discussions with College leadership and key personnel to understand strategic goals, major initiatives, opportunities and challenges recent and planned changes to RBC's processes and systems.
 - Analyzed information gathered from the document review, industry analysis, and stakeholder interviews to identify and prioritize risk areas, establishing a foundation for further discussions with RBC leadership
- The results of the risk assessment helped inform the development of a risk-based internal audit plan for FY27 and future internal audit considerations.



Preliminary Risk Map

Below depicts the risk areas identified during the ERA, as well as their relative potential impact of and likelihood for occurrence. Not all enterprise risk areas would be audited or evaluated by an IA function, but rather, may need to be managed, monitored, and/or accepted by RBC. Further, these risks do not necessarily represent problems, but areas that may warrant additional attention from management and/or IA to help achieve risk management objectives.



*Risks are listed in alphabetical order and risk descriptions are included in slides 12-16



Proposed FY27 IA Projects

Based on the results of the assessment, IA's understanding of the College, and consideration of known or perceived challenges across the institution and within the higher education industry, we suggest prioritizing the following IA audits for FY2027. We have included a brief scope description for each activity which will be further refined.

Project	Scope	Enterprise Risk(s)
Human Resources Audit	<ul style="list-style-type: none"> • Reviewing HR policies, processes, and procedures to confirm documentation is accurate and comprehensive. • Assess design of controls currently in place within processes of the HR lifecycle to identify higher risk areas for in-depth analysis, including benchmarking. • Providing leading practices to strengthen the selected processes within the HR lifecycle. 	<ul style="list-style-type: none"> • Human Resources • Budgeting & Financial Planning • Communications • Succession Planning
Cyber Program Audit	<ul style="list-style-type: none"> • Perform an enterprise-wide cybersecurity program assessment, using a commonly accepted framework (e.g., NIST Cybersecurity Framework) to identify and validate the implementation of processes and practices for managing information and cyber risks to systems and data. 	<ul style="list-style-type: none"> • Cybersecurity • Data Governance • IT Governance & Strategy
Grant Administration Review (Advisory)	<ul style="list-style-type: none"> • Examine the College's current and proposed research processes, procedures, and organizational design to understand the financial and reputational risk exposure • Evaluate the roles and responsibilities for positions involved in all aspects of the award lifecycle by creating a roles and responsibilities matrix, identifying monitoring and ownership in the handling of pre-award versus post-award. • Assess compliance with College and federal requirements for faculty and staff. 	<ul style="list-style-type: none"> • Grant & Sponsored Research Administration • Succession Planning • Regulatory Compliance & Policy • Communications



FY28 and FY29 Potential Audit Areas

Based on the results of the assessment, IA’s understanding of the College, and consideration of known or perceived challenges across the institution and within the higher education industry, we suggest prioritizing the following IA audits for FY2028 and beyond. We have included a brief scope description for each activity which will be further refined.

Audit	Scope	Enterprise Risk(s)
Procurement Audit	<ul style="list-style-type: none"> Assess the design of existing controls for key procurement processes that support major purchases and recurring transactions. Understand more clearly the “root cause” (e.g., issues with roles, technology, and/or policies, procedures, or processes) of its Procurement Services operational challenges to assist leadership with facilitating institutional decision-making and developing an accountable action plan to address challenges. 	<ul style="list-style-type: none"> Procurement Budgeting & Financial Planning Succession Planning Foundation & Auxiliary Review Communications
Cybersecurity Incident Response Audit	<ul style="list-style-type: none"> Evaluate the effectiveness of the university’s cybersecurity incident response program and assess against frameworks (e.g., NIST Cybersecurity Framework (CSF), NIST Special Publication (SP) 800-61 Revision 3)). 	<ul style="list-style-type: none"> Cybersecurity IT Governance & Strategy
Financial Aid Audit	<ul style="list-style-type: none"> Assess the design and operating effectiveness of internal controls to ensure compliance with federal regulations governing the administration, disbursement, and reporting of Title IV funds. Review the effectiveness of financial aid management systems in complying with federal financial aid requirements, and streamlining aid processing and accuracy. Confirm that any prior audit findings have been appropriately addressed, via validation of corrective actions. 	<ul style="list-style-type: none"> Accounting and Financial Reporting Financial Aid Regulatory Compliance & Policy
Asset Management Lifecycle Audit	<ul style="list-style-type: none"> Assess the currently implemented practices for asset management (e.g., laptops, servers, systems, applications) and their related lifecycle (e.g., procurement, maintenance, disposal). 	<ul style="list-style-type: none"> Cybersecurity IT Governance & Strategy



FY28 and FY29 Potential Advisory Areas

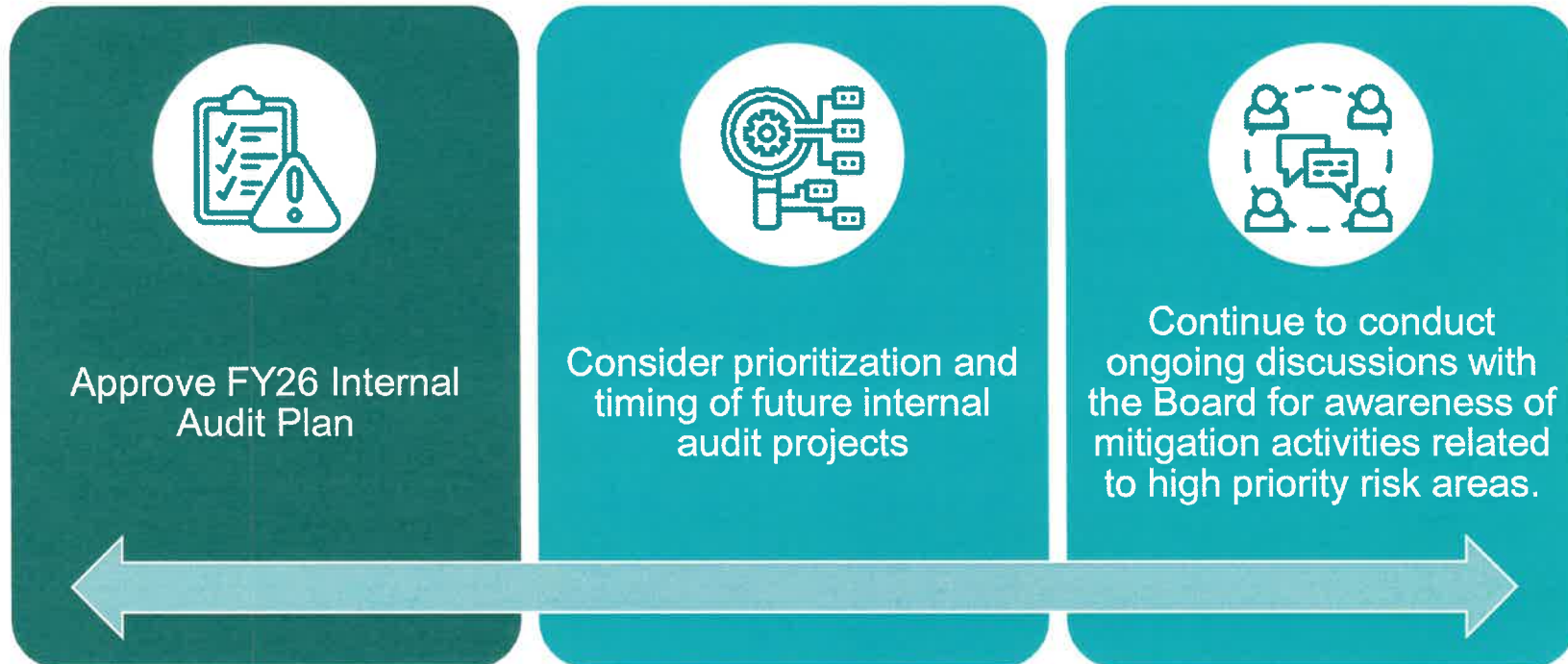
Based on the results of the assessment, IA's understanding of the College, and consideration of known or perceived challenges across the institution and within the higher education industry, we suggest prioritizing the following IA advisory reviews for FY2028 and beyond. We have included a brief scope description for each activity which will be further refined.

Review	Scope	Enterprise Risk(s)
Tier Two Authorization Review	<ul style="list-style-type: none"> Review progress-to-date against the approved Tier Two implementation roadmap, including milestones, deliverables, and target timelines. Assess the completeness of current remediation plans and identify factors contributing to delays, bottlenecks, or rework. Assess the adequacy of monitoring and reporting mechanisms used to track Tier Two progress. Provide leading-practice insights to support ongoing optimization to achieve Tier Two status. 	<ul style="list-style-type: none"> Academic Program Development Budgeting & Financial Planning Capital Planning Enrollment Management Regulatory Compliance & Policy Student Recruitment, Retention & Academic ROI
IT Governance Review	<ul style="list-style-type: none"> Assess the IT governance structure, including the people and processes, alignment of strategy and governance with institutional goals, addressing new/changing needs, succession planning, IT service management (ITSM) and project management, and providing effective service. 	<ul style="list-style-type: none"> IT Governance & Strategy Succession Planning
Data Governance Review	<ul style="list-style-type: none"> Conduct a review of data management and data governance practices, including data security requirements and applicable regulations, to assess the protections of institutional data. 	<ul style="list-style-type: none"> Data Governance Cybersecurity

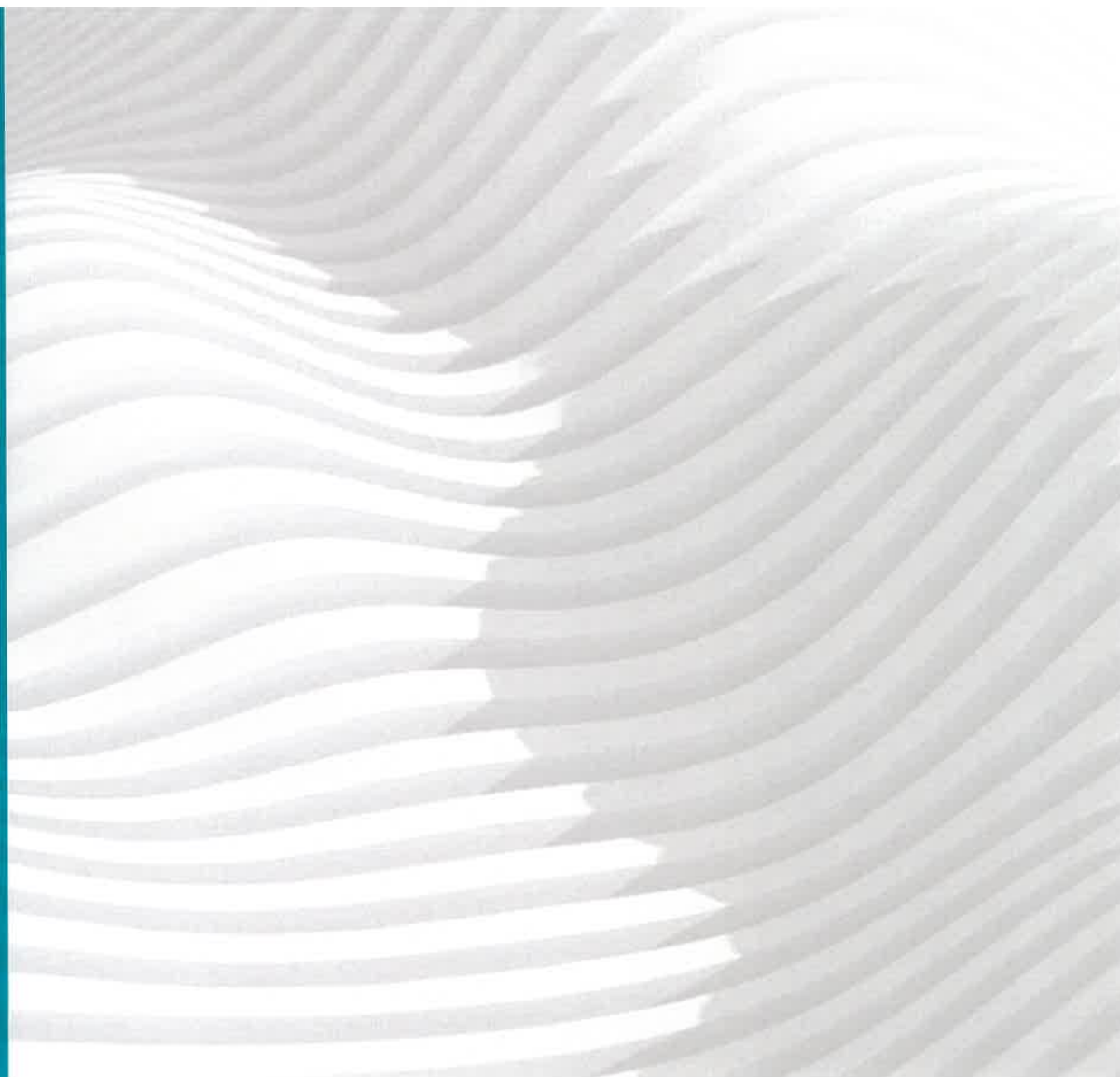


Next Steps for Richard Bland College

Based on the results of the enterprise risk assessment, next steps include:



Appendices



Appendices

- Appendix A: Enterprise Risk Framework
- Appendix B: Richard Bland College Strategic Priorities
- Appendix C: Richard Bland College Participants
- Appendix D: Risk Descriptions



APPENDIX A

Enterprise Risk Framework

Environmental – factors external to the organization				
Competition	Environmental, Social & Governance (ESG)	Government	Membership	Reputation
Disaster Recovery	Emerging Technologies	Legal	Pandemic	Regulatory
Economic Conditions	Foreign Influence	Market Demands	Political	
Strategy – factors impacting strategic objectives, planning and decision making				
Advancement & Endowment	Compliance	Financial	Liquidity	Resources
Alumni & Donor Relations	Enrollment Strategy	Investments	Planning and Budgeting	Strategic Planning
Business Model				
Organization- attributes of the college and department				
Attrition	Ethics & Code of Conduct	Leadership	Performance Management	Values
Communication	Governance	Mission	Strategic Financial Planning & Budgeting	
Processes and Operations – factors affecting the quality or efficiency of activities, including management of day-to-day programs, processes & resources				
Academic Quality	Compliance	Finance	Information Systems	Research
Business Continuity	Contracts	Fraud	Payroll	Succession Planning
Communication	Crisis Management	Human Resources	Procurement	
Information – factors related to college cords and knowledge				
Access	Cybersecurity	Financial Information	Knowledge Management	Privacy / Security
Availability	Data Integrity	Intellectual Property	Policies & Processes	
Infrastructure – factors affecting facilities and systems				
Accessibility	Capacity	Maintenance	Public Safety	Utilities
Availability	Facilities	Physical Safety	Reliability	
Students & Campus Community – factors affecting the student experience, and or the campus community				
Campus Safety	Financial Aid	Housing	Student Experience & Expectations	Student Retention & Success
Counseling	Health & Wellness	Recruitment & Admissions	Student Organizations	



Richard Bland College Strategic Priorities

Priority 1: Build Portfolio of High-value Credentials Aligned with Market Demand

- Execute Strategic Enrollment Management (SEM) plan, including the launch of a robust portfolio of online credentials aligned with high-demand jobs
- Expand STEAM-h competencies for regional students by expanding dual enrollment opportunities leading to two-year degrees, pathways to employment, and transfer to undergraduate and graduate-level STEAM-h degree programs
- Identify and execute strategic partnerships that expand high-value academic and career pathways available to students

Priority 2: Improve Student Completion Outcomes

- Improve the graduation rate
- Enhance student persistence and retention
- Equip faculty, staff and students with AI competencies that align with learning outcomes and strategic goals

Priority 3: Optimize Resources to Remain Affordable and Accessible

- Grow endowment and sponsored programs to increase scholarships and emergency grants
- Attract tenants and utilize the Business Innovation Park to generate revenue and provide internship, applied research and career exploration opportunities
- Secure Tier Two authorization to reduce cost and improve operational and academic outcomes



Richard Bland College Participants

Interviewees

- Dianna Banks, Human Resources Director
- Brooklynn Bilyard, Interim Director of Student Life
- Tiffany Birdsong, Chief of Staff
- Kim Boyd, Chief Research & Innovation Officer
- Susan Clair, Information Security Officer
- Christie Clarke, Interim Title IX Coordinator
- Ashley Fuller, Data & Compliance Officer
- Vicki Humphreys, Chief Development Officer
- Charita Johnson, Chief Information Officer
- Lisa Johnson, Director of Financial Aid
- Eric Kondzielawa, Chief Operating Officer
- Melissa Mahoney, Controller
- Justin May, Chief Enrollment Management Officer
- Scott Newton, Director of Athletics
- Layne Peebles, Procurement
- Stacey Sokol, Chief Business Officer
- Dr. Debbie Sydow, President
- Thomas Travis, Director of Campus Safety & Chief of Police
- Adam Zucconi, Chief Academic Officer



APPENDIX D – RISK DESCRIPTIONS

High Impact / High Likelihood

Risk	Risk Description	Link to Strategic Priorities
Accounting and Financial Reporting	<ul style="list-style-type: none"> • Potential for financial fraud, misappropriation of funds, or misuse of university resources • External and internal reporting accuracy • Compliance with new accounting pronouncements and/or accounting standards (e.g., Generally Accepted Accounting Principles [GAAP], Financial Accounting Standards Board [FASB]) 	<ul style="list-style-type: none"> • Priority 3: Optimize Resources
Cybersecurity	<ul style="list-style-type: none"> • Evolving threats and increasing sophistication in the cyber space • External threats (e.g., ransomware and phishing attacks) on data, systems, and people continue to advance in sophistication and increase volume • Frequently changing IT environment with subsequent cybersecurity program changes to meet needs of users 	<ul style="list-style-type: none"> • Priority 3: Optimize Resources
Financial Aid	<ul style="list-style-type: none"> • Providing inadequate financial aid or assistance • Dependent on federal and district investments (e.g., grant program, Pell) • Compliance with federal and district regulations • Inconsistent application of financial aid policies across all students 	<ul style="list-style-type: none"> • Priority 1: Build Portfolio of High-Value Credentials • Priority 3: Optimize Resources
Human Resources	<ul style="list-style-type: none"> • Lengthy hiring process with multiple layers of controls and checks that slow onboarding and make it difficult to respond quickly to staffing needs caused by high turnover among blue-collar staff. • Lean workforce structure with multiple role consolidations. • Shortage of workforce personnel and availability of candidates in the higher education workforce. • Ability to retain personnel in critical operational areas and areas that deliver services to students and support the student experience (e.g., student engagement coordinator, finance operations, IT, public safety). 	<ul style="list-style-type: none"> • Priority 1: Build Portfolio of High-Value Credentials • Priority 3: Optimize Resources



APPENDIX D – RISK DESCRIPTIONS

High Impact / High Likelihood (continued)

Risk	Risk Description	Link to Strategic Priorities
IT Governance & Strategy	<ul style="list-style-type: none"> Decentralized IT support levels and expertise Lack of standardization of IT processes/procedures, data tools, and software use Outdated or inadequate technology infrastructure Inconsistent or poor integration of IT systems 	<ul style="list-style-type: none"> Priority 3: Optimize Resources
Procurement	<ul style="list-style-type: none"> Vendor commitments occurring prior to formal procurement approvals and outside standard procurement workflows. Improper implementation of approval workflow creating gaps in segregation of duties and inconsistent three-way match enforcement. System limitations for Banner/ eVA and usage of manual invoice tracking causing delays in procurement process. 	<ul style="list-style-type: none"> Priority 3: Optimize Resources
Regulatory Compliance & Policy	<ul style="list-style-type: none"> Increased compliance and state and federal regulations on higher education. Legal and reputational risk from non-compliance with federal and local regulations. 	<ul style="list-style-type: none"> Priority 3: Optimize Resources
Student Recruitment, Retention & Academic ROI	<ul style="list-style-type: none"> Outreach strategies depend heavily on high school partnerships, which require ongoing investments. Shift from outsourcing international recruitment to managing it internally, requiring new processes and resource allocation. Efforts to address student advising capabilities to better support students. Graduation and transfer rates remain low compared to strategic goals. Ability to adapt to the evolving needs of students' post-pandemic. High recruitment costs combined with the risk of early transfer-out reduce return on investment. 	<ul style="list-style-type: none"> Priority 1: Build Portfolio of High-Value Credentials Priority 2: Improve Student Completion Priority 3: Optimize Resources



APPENDIX D – RISK DESCRIPTIONS

High Impact / Moderate Likelihood

Risk	Risk Description	Link to Strategic Priorities
Campus Safety & Emergency Preparedness	<ul style="list-style-type: none"> • Open campus environment and unlocked access points. • Transition to a new emergency notification system and limited experience with full-scale emergency activations. • Overextended campus police leadership. 	<ul style="list-style-type: none"> • Priority 2: Improve Student Completion
Capital Planning	<ul style="list-style-type: none"> • High demand for housing (waitlists, dorms at capacity) and recent transitions from hotels to apartments. • Active capital plan includes housing expansion and modernization of campus facilities, but funding constraints hold project back. 	<ul style="list-style-type: none"> • Priority 3: Optimize Resources
Data Governance	<ul style="list-style-type: none"> • Unclear ownership, lack of data quality standards, insufficient policies or monitoring leading to inaccurate, incomplete, or inconsistent data. 	<ul style="list-style-type: none"> • Priority 3: Optimize Resources
Title IX & Student Conduct Governance	<ul style="list-style-type: none"> • Absence of a dedicated Title IX coordinator role and recent reassignment of responsibilities to the president's office. • Inconsistent documentation and timelines for Title IX case management. • Limited enforcement mechanisms for mandatory training and student participation in conduct processes. 	<ul style="list-style-type: none"> • Priority 2: Improve Student Completion



APPENDIX D – RISK DESCRIPTIONS

Moderate Impact / High Likelihood

Risk	Risk Description	Link to Strategic Priorities
Academic Program Development	<ul style="list-style-type: none"> • Alignment of academic offerings with shifting market demands and regional demographic changes. • Pace of introducing new programs (e.g., micro-credentials, AI integration) relative to faculty capacity and governance maturity. • Financial pressures to maintain affordability for first-generation and low-income students, including shift to lower-cost learning material and faculty-made resources. 	<ul style="list-style-type: none"> • Priority 2: Improve Student Completion
Budgeting & Financial Planning	<ul style="list-style-type: none"> • Transition to zero-based budgeting requiring cultural change and adoption of new resources across departments. • Reliance on manual processes and Banner system limitations for financial reporting/monitoring. 	<ul style="list-style-type: none"> • Priority 1: Build Portfolio of High-Value Credentials • Priority 3: Optimize Resources
Enrollment Management	<ul style="list-style-type: none"> • Reliance on enrollment growth as a primary revenue source despite demographic shifts and competition from online/dual enrollment programs. • Strategic enrollment targets tied to financial sustainability amid shrinking regional population and changing student demand/preferences. 	<ul style="list-style-type: none"> • Priority 2: Improve Student Completion
Foundation & Auxiliary Revenue	<ul style="list-style-type: none"> • Facility rentals and event billing processes lack robust checks and balances. • Payroll donation reconciliation gaps between payroll system and foundation accounts. • Business Innovation Park lease documentation and revenue tracking lacks oversight. 	<ul style="list-style-type: none"> • Priority 1: Build Portfolio of High-Value Credentials • Priority 3: Optimize Resources
Student Support & Well Being	<ul style="list-style-type: none"> • Limited counseling resources, currently one counselor managing a high caseload for mental health needs across student body. • Underprepared student cohorts with limited academic support resources following post-Covid learning gaps. 	<ul style="list-style-type: none"> • Priority 2: Improve Student Completion
Succession Planning	<ul style="list-style-type: none"> • Potential loss of institutional knowledge during periods of high turnover due to lack of documented SOPs and manuals for critical roles (e.g., financial aid, admissions, compliance) • High turnover and staffing instability in administrative functions. 	<ul style="list-style-type: none"> • Priority 3: Optimize Resources



APPENDIX D – RISK DESCRIPTIONS

Moderate Impact / Moderate Likelihood

Risk	Risk Description	Link to Strategic Priorities
Athletics Growth & Compliance	<ul style="list-style-type: none"> Expansion from 5 to 16 teams and 200+ athletes, increasing exposure to eligibility, insurance, and Title IX compliance requirements. Recruiting challenges for sports, in part due to procurement delays under current governance. Additional administrative burden for athletic travel (e.g., per diem rates not covering most accommodations, requiring manual workarounds and paperwork). 	<ul style="list-style-type: none"> Priority 1: Build Portfolio of High-Value Credentials Priority 2: Improve Student Completion Priority 3: Optimize Resources
Communications	<ul style="list-style-type: none"> Siloed communication across departments lead to delays in information flow and processes such as onboarding or filling required forms. Student communication heavily reliant on email despite low engagement, current efforts to implement text messaging systems. 	<ul style="list-style-type: none"> Priority 1: Build Portfolio of High-Value Credentials Priority 2: Improve Student Completion Priority 3: Optimize Resources
Community Involvement/ Relations	<ul style="list-style-type: none"> Expansion of athletic events and campus activities introduces additional risk related to insurance coverage, liability management, and participant safety. Large-scale events with external attendees create heightened security and crowd control challenges. 	<ul style="list-style-type: none"> Priority 3: Optimize Resources
Grants & Sponsored Research Administration	<ul style="list-style-type: none"> Rapid growth of grants portfolio (\$0M to \$10M in four years) without a centralized grants management module. Inconsistent adherence to the Grants Administration Manual across departments. Scaling to 10-12 grants annually leads to exposure for more federal compliance requirements. 	<ul style="list-style-type: none"> Priority 1: Build Portfolio of High-Value Credentials Priority 2: Improve Student Completion Priority 3: Optimize Resources
Residential Operations	<ul style="list-style-type: none"> Housing demand exceeds capacity, dorms at full occupancy with active waitlists. Ongoing StarRez housing system upgrade with concurrent staffing constraints. Recent transitions from hotels to apartments and the opening of a new dorm. Incidents involving student conduct are being escalated directly to the Director of Student Life rather than the Residence Director. 	<ul style="list-style-type: none"> Priority 2: Improve Student Completion Priority 3: Optimize Resources

