

Business Affairs and Audit Committee

December 2024



Radford
UNIVERSITY



Business Affairs and Audit Committee

**

December 5, 2024

Mary Ann Jennings Hovis Memorial Board Room
Martin Hall, Third Floor, Radford, VA

DRAFT Agenda

- **Call to Order** Dr. Betty Jo Foster, *Chair*
- **Approval of Agenda** Dr. Betty Jo Foster, *Chair*
- **Approval of Minutes** Dr. Betty Jo Foster, *Chair*
 - September 6, 2024
- **Audit and Advisory Services**
 - University Auditor's Report Ms. Margaret McManus, *University Auditor*
 - *Action Item:* Internal Audit Charter Policy Revision
- **Finance and Administration**
 - Reports Dr. Rob Hoover, *Vice President for Finance & Administration and Chief Financial Officer*
 - Financial Overview
 - Internal Budget Process
 - Fiscal Year 26 Priorities
 - *Action Item:* Crisis Emergency Management Plan Dr. Eric Plummer, *Chief of Police*
- **Other Business** Dr. Betty Jo Foster, *Chair*
- **Adjournment** Dr. Betty Jo Foster, *Chair*

**** All start times for committees are approximate only. Meetings may begin either before or after the listed approximate start time as committee members are ready to proceed.**

COMMITTEE MEMBERS

Dr. Betty Jo Foster, *Chair*
Mr. George Mendiola, *Vice Chair*
Ms. Jeanne Armentrout
Ms. Joann S. Craig
Mr. Jonathan D. Sweet
Mr. James C. Turk

Meeting Materials



Radford
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BACKGROUND

The University's Inventory asset on the Statement of Net Position is composed of warehouse supplies inventory and fuel inventory. The inventory totaled \$678,081 as of June 30, 2024, and was composed of the following amounts:

Warehouse supplies inventory	\$360,217
Fuel inventory	<u>317,864</u>
Total	<u>\$678,081</u>

The University's inventory is managed by the Facilities Finance and Administration unit of Facilities Management.

SCOPE AND OBJECTIVES

The scope of the audit was the University's warehouse supplies inventory and fuel inventory. The objectives were to determine if the inventory appeared to be accurately counted and recorded as of June 30, 2024, and to provide the results to the Financial Reporting department for updating the University's records.

In accomplishing the objectives, our procedures included inventory observations, performing test counts of the physical inventory taken, tracing test counts to the inventory listing, and verifying the accuracy of the final listings as to quantity and total cost. Verifying the accuracy of inventory unit costs was outside of the scope of our procedures.

CONCLUSION

Based upon this work, we concluded that the June 30, 2024, inventory appeared to be accurately counted, recorded, extended, and totaled in all material respects. The information necessary to update the University's records has been provided to the Financial Reporting department.

BUSINESS ISSUES

The following issue was identified in this audit. Page 2 contains information on planned actions and action completion dates and accordingly, that page is an integral part of this report

1. Improvements are needed in the documented procedures for year-end inventories.

BUSINESS ISSUE	PLANNED ACTION	COMPLETION DATE
<p>1. Facilities Management has documented procedures related to the year-end process for both the Warehouse Inventory and Fuel Inventory. However, improvements are needed in those documented procedures to assist employees in running accurate year-end reports. Specifically,</p> <p>1.1 For the Warehouse Inventory, additional details are needed to outline the steps and parameters that are required to (a) run the Year-End Warehouse Inventory Listing report if the report is being run after June 30th and (b) to ensure that the Warehouse Inventory Transactions report includes all transactions from the completion of the physical inventory through June 30th.</p> <p>1.2 For the Fuel Inventory, additional details are needed to specify that, for the applicable fuel types, all fuel deliveries that occurred during the fiscal year should be included in the calculation of average price paid.</p>	<p>1.1 Facilities Management will update the Warehouse Inventory procedures to include the additional details recommended.</p> <p>1.2 Facilities Management will update the Fuel Inventory procedures to include the additional details recommended.</p>	<p>October 1, 2024</p> <p>October 1, 2024</p>

BACKGROUND

In May 2022, leadership of Radford University's School of Nursing transitioned to an interim dean. This audit was requested as a resource for the incoming dean to provide a high-level overview of the School's compliance with key University and State policies and procedures.

In January 2024, the School of Nursing became the College of Nursing, making Radford University the first public institution in the Commonwealth of Virginia to have a College of Nursing. The College's mission is that it is committed to excellence in the development of professional nurses to meet changing local and global healthcare needs through education, research, practice, and community engagement. The College of Nursing has academic programs and operations located in Radford and Roanoke, offering both undergraduate and graduate programs.

The audit encompassed transactions from FY 2023 (July 2022 – June 2023). For FY 2023, total expenditures were approximately \$8,518,753; \$7,665,925 (90%) were personnel-related costs and \$852,828 (10%) were non-personnel costs. Because the School of Nursing was the name being used during the period audited, it will be referenced as such in the remainder of this report.

SCOPE AND OBJECTIVES

The scope of this audit was limited to organizational units within the School of Nursing and to selected aspects of the following policy areas:

- Employment (including one-time payments, separations, and mandatory training)
- Expenditures (including general, small purchase charge card, and travel)
- Fixed Assets (including inventory timeliness, custodian records, and safeguarding of assets)

The objective of the audit was to determine whether the School is materially compliant with selected University and State policies and procedures and to determine if key controls in the selected organizational units are adequate. For transactional testing, the review period was fiscal year 2023. Page 2 of this report provides an overview of the areas in which the School had activity/transactions and identifies the areas that were tested.

This review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

CONCLUSION

At the time of the review, and relative to the processes, and transactions reviewed, the internal control structure appeared adequate to provide reasonable assurance that the objectives noted above are being met.

BUSINESS ISSUES

No business issues were identified.

SCOPE CARD – SCHOOL OF NURSING

This Scope Card provides an overview of the areas in which the School of Nursing had activity/transactions and identifies which areas the Office of Audit and Advisory Services tested:

	Organizational Unit	Org #	University Policies and Procedures in Scope				
			Fixed Assets	Employment	Expenditures		
					General	SPCC	Travel
1	Nursing, School of	11505	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Clinical Simulation Lab-Radford	11506	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3	CSC-RHEC	11507	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	RUC-Nursing, School of	11524	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5	Fast Track-RN to BSN	11531	None	<input type="checkbox"/>	<input checked="" type="checkbox"/>	None	None
6	Fast Track-MSN	11532	None	<input type="checkbox"/>	<input checked="" type="checkbox"/>	None	None
7	CSC-Training & Assessment	11591	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
8	BS Degree Nursing Program-Roanoke	13003	<input checked="" type="checkbox"/>	None	None	None	None

Tickmark/Legend:

- None - No Activity
- Activity tested during audit
- Activity not tested during audit

**OFFICE OF THE STATE INSPECTOR GENERAL COMMONWEALTH OF
VIRGINIA**

DRAFT AUDIT REPORT

**Cybersecurity Audit
Radford University**

October 2, 2024

Prepared By:



Systems Security Audit Professionals

Executive Summary

To: Bret Danilowicz, President
Robert Hoover, Vice President for Finance and Administration and CFO
Ed Oakes, Associate Vice President for Information Technology Services and CIO
Bob Burton, Chief Information Security Officer
Randa McDonald, Coordinator of IT Audit Compliance
Margaret McManus, University Auditor
Dawn Taylor, Audit Manager

We performed an audit on behalf of the Office of the State Inspector General (OSIG) for the Commonwealth of Virginia (COV) from December 2023 through August 2024, in accordance with the Government Accountability Office's *Generally Accepted Government Auditing Standards (Yellow Book)*. The audit methodology was guided by policies and procedures issued by Radford University (Radford) and the National Institute of Standards and Technology (NIST) 800-53, Security and Privacy Controls for Information Systems and Organization, Revision 5 as a basis for industry best practices.

The objectives of the OSIG Cybersecurity Audit of HEI were:

1. Determine if Higher Education Institutions can identify and respond to cyberattacks in a manner consistent with industry standards through penetration testing.
2. Determine if Higher Education Institutions' current cybersecurity monitoring and testing, to include internal penetration testing, is adequate to reasonably protect against cybersecurity threats.
3. Determine whether Higher Education Institutions have established performance metrics in responding to or preventing cyberattacks that are consistent with industry standards.
4. Determine whether security assessments in the form of management reviews or security audits are performed as required by state or institution policy.

The audit scope included holding discussion with internal audit and IT operations and security staff in addition to the following:

- Public facing web presence (IPs) to perform Penetration testing of Radford public facing web presence;
- System monitoring processes that include Radford establishment and monitoring of secure configuration baselines, vulnerability management (vulnerability and compliance scanning), audit and logging of systems (servers, databases, web applications, routers, and firewalls);
- Cyber incident handling and management metrics to respond to cyber-attacks; and
- Audit risk management process for planning cyber audits, and IT operations risk assessment process to identify and adjust to cyber and IT risks.

SysAudits found that Radford implemented processes to support cybersecurity. In addition to the current cybersecurity processes, SysAudits made 19 recommendations to Radford's Chief Information Officer, and Chief Information Security Officer to improve system security. During the audit, five recommendations were resolved due to a student project being completed and the related server being shut down. The following 19 audit recommendations were made during the audit:

Penetration Testing Recommendations (on three of the ten public facing websites tested):

1. Conduct a thorough review to determine if the user-created PHP page service is still required. If it is deemed unnecessary, consider discontinuing the service to eliminate the risk.
2. Ensure that all user inputs are rigorously sanitized. Utilize functions like htmlspecialchars, mysqli_real_escape_string, and prepared statements to prevent injection attacks.
3. Implement a security review and approval process for all user-created PHP pages before they are deployed. This process should involve code review by experienced developers or automated security scanning tools.
4. Set up continuous monitoring and auditing of user-created content to detect any suspicious activity or unauthorized changes promptly.
5. Provide training for users on secure coding practices and the importance of input sanitization to prevent introducing vulnerabilities.
6. Conduct an immediate review to verify whether the distributed password cracking service is deployed and managed by the university's cybersecurity team. Confirm the purpose and authorization of the service. *(This recommendation is closed.)*
7. If the service is unauthorized, initiate an investigation to determine how and why it was deployed. Take steps to shut down the service and secure any related infrastructure. *(This recommendation is closed.)*
8. For authorized services, implement strict access controls to ensure that only authorized personnel can access and use the service. Consider restricting access to internal network segments or through a VPN. *(This recommendation is closed.)*
9. Set up continuous monitoring and logging for such services to detect unauthorized access attempts and ensure compliance with university security policies. *(This recommendation is closed.)*
10. Review and update university policies regarding the deployment and management of cybersecurity tools and services to prevent similar issues in the future. *(This recommendation is closed.)*
11. Evaluate the necessity of having the ESXi management login page accessible via the internet. Restrict access to internal network segments or ensure it is only accessible via a secure VPN.
12. Immediately change the default password to a strong, unique password. Ensure that all default credentials are replaced with secure alternatives.
13. Implement robust access controls, including multi-factor authentication (MFA) for accessing the ESXi management interface.
14. Conduct regular security audits and vulnerability assessments on the ESXi server to ensure

compliance with security best practices and to detect potential vulnerabilities promptly.

15. Set up continuous monitoring and alerting for access attempts to the ESXi server's management interface to quickly detect and respond to unauthorized access attempts.

Cybersecurity Monitoring Recommendations:

16. Formally adopt and implement an industry security baseline standard such as Center for Internet Security for its firewalls and web services IIS and Apache.
17. Evaluate the results of its pilot program to perform credentialed vulnerability scans of hosts and act as appropriate to implement the new process to ensure sufficient identification of vulnerabilities or formally accept the risk of not performing credentialed scans.
18. Establish a process to ensure that web services IIS and Apache and firewall secure baselines are periodically reviewed to ensure configurations are appropriately maintained.

Cyber Event Metrics Recommendations:

19. Establish incident response metrics to support the execution and measurement of incident handling procedures and incident response plan requirements.

Radford was provided with a Draft Audit Report. Radford provided a formal response to the Draft Report with management comments on the findings and recommendations. Radford's Chief Information Security Officer concurred with the audit findings and recommendations. Radford successfully resolved recommendations six through ten with the completion of a student project and the related server being shut down. Radford submitted a corrective action plan to address the remaining weaknesses identified. Radford's management response is included in its entirety in the appendix to this report.

David Cole, CPA, CISA, CRISC
SysAudits.com LLC

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Audit Objectives

The objectives of the OSIG Cybersecurity Audit of HEI were:

1. Determine if Higher Education Institutions can identify and respond to cyberattacks in a manner consistent with industry standards through penetration testing
2. Determine if Higher Education Institutions' current cybersecurity monitoring and testing, to include internal penetration testing, is adequate to reasonably protect against cybersecurity threats.
3. Determine whether Higher Education Institutions have established performance metrics in responding to or preventing cyberattacks that are consistent with industry standards.
4. Determine whether security assessments in the form of management reviews or security audits are performed as required by state or institution policy.

Background

OSIG engaged SysAudits.com LLC (SysAudits) to assess and determine the effectiveness of HEI cybersecurity controls, policies, and procedures to monitor, identify, and secure IT systems. This report demonstrates the findings from our testing of Radford.

The audit entrance conference was conducted on December 12, 2023, and December 13, 2023, and included all the COV's HEIs. To facilitate timely completion of the audit and promote transparency of the audit scope, SysAudits provided a Non-Disclosure Agreement (NDA) and Rules of Engagement (ROE) to each of the HEIs on January 3, 2024. The intent of the NDA was to document the sensitivity of HEI data needed to answer our audit objectives and the ROE was designed to document the agreed upon penetration testing that we needed to perform for each HEI.

Audit Scope, Methodology, Sampling

Scope

The audit scope included the Commonwealth of HEIs for which Radford is included. The audit objectives also included the following audit scope:

- Public facing web presence (IPs) to perform Penetration testing of Radford's public facing web presence;
- System monitoring processes that include Radford's establishment and monitoring of secure configuration baselines, vulnerability management (vulnerability and compliance scanning), audit and logging of systems (servers, databases, web applications, routers, and firewalls);
- The establishment of cyber incident handling and management metrics to respond to cyber-attacks; and
- The establishment of audit risk management process for planning cyber audits, and IT operations risk assessment process to identify and adjust to cyber and IT risks.

Methodology

The audit methodology included conducting interviews and audit walkthroughs with Radford internal audit staff, information security office personnel, and IT operations staff. As part of our audit, we:

- Performed selected IP penetration testing of Radford's public facing web applications.
- Assessed whether Radford had established secure baselines (often termed hardening standards) identified and being applied for server operating systems, databases, web applications, network routers, and firewalls. Establishing and implementing security baselines is a process for securing system security settings in a consistent manner and ultimately reducing the opportunities for vulnerabilities and risks to arise.
- Assessed Radford processes used to identify vulnerabilities and non-compliant system settings. System vulnerability and compliance scanning involves the process of performing scans across systems to identify risks and vulnerabilities.
- Assessed Radford controls for monitoring of systems through the collection of auditing and logging records and a centralized capability to correlate audit logs to identify and investigate suspicious events that pose risks to Radford IT environment.
- Assessed whether Radford incident handling metrics to facilitate its incident response activities to support timely investigation and resolution of potential security events.
- Assessed whether Radford internal audit and IT operations have processes for evaluating cyber and IT security in its audit planning and risk management processes.

Sampling

No statistical sampling was performed during the audit.

Results of Audit

Finding 1 - Cyber Penetration Testing of Radford's Public Facing Websites

Our cyber penetration testing identified vulnerabilities related to Radford public facing websites. From our penetration testing of select public facing websites, we identified sites that had vulnerabilities due to inadequate patching/updates and insufficient website security reviews that did not appropriately identify input and other vulnerabilities. For three of the websites we identified with vulnerabilities, Radford advised the sites were used for academic purposes and therefore posed challenges in implementing certain security controls. Nevertheless, the identified risks included in this finding can pose a risk of potential compromise. The details of the vulnerabilities we identified of Radford public facing websites are outlined in the table below.

Website	Vulnerability Category	Identified Risks
Website One	Low	Unrestricted PHP Page Creation Without Input Sanitization. This configuration poses a security risk as it can potentially enable threat actors to inject malicious code.
Website Two	Low	This exposure could potentially allow unauthorized individuals to access and misuse the service and potentially access previously cracked and sensitive user account credentials. Given that the service login page is no longer accessible as of the time of this report, the risk level has been set to "Low". It remains imperative to review the deployment of this service to determine whether it is part of the university's authorized cybersecurity operations or an unauthorized setup that requires investigation and confirmed shutdown.
Website Three	Low	The login page's welcome message indicates that the server is configured with a default password based on a service tag. While this specific service tag is not publicly disclosed, the presence of a default password significantly increases the risk of unauthorized access.

We used NIST 800-53, Revision 5, Security and Privacy Controls for Information Systems and Organizations as the basis for industry standard cyber security controls. NIST 800-53 has been adopted by many government and commercial entities and is often considered an industry best practice even when not required by statute. The Commonwealth of Virginia also used NIST 800-53 as its basis for developing the Commonwealth's Information Security Standard SEC 530. NIST 800-53 Controls, SI-2 provides that organizations should identify, report, and correct system flaws, security-relevant updates include patches, service packs, and malicious code signatures and address flaws discovered during assessments, continuous monitoring, incident response activities, and system error handling.

Finding 1 Recommendations

For the websites included in our findings, we recommend the Radford Chief Information Officer should:

For Website One:

1. Conduct a thorough review to determine if the user-created PHP page service is still required. If it is deemed unnecessary, consider discontinuing the service to eliminate the risk.
2. Ensure that all user inputs are rigorously sanitized. Utilize functions like htmlspecialchars, mysqli_real_escape_string, and prepared statements to prevent injection attacks.
3. Implement a security review and approval process for all user-created PHP pages before they are deployed. This process should involve code review by experienced developers or automated security scanning tools.
4. Set up continuous monitoring and auditing of user-created content to detect any suspicious activity or unauthorized changes promptly.
5. Provide training for users on secure coding practices and the importance of input sanitization to prevent introducing vulnerabilities.

For Website Two: *(These recommendations are closed.)*

6. Conduct an immediate review to verify whether the distributed password cracking service is deployed and managed by the university's cybersecurity team. Confirm the purpose and authorization of the service.
7. If the service is unauthorized, initiate an investigation to determine how and why it was deployed. Take steps to shut down the service and secure any related infrastructure.
8. For authorized services, implement strict access controls to ensure that only authorized personnel can access and use the service. Consider restricting access to internal network segments or through a VPN.
9. Set up continuous monitoring and logging for such services to detect unauthorized access attempts and ensure compliance with university security policies.
10. Review and update university policies regarding the deployment and management of cybersecurity tools and services to prevent similar issues in the future.

For website Three:

11. Evaluate the necessity of having the ESXi management login page accessible via the internet. Restrict access to internal network segments or ensure it is only accessible via a secure VPN.
12. Immediately change the default password to a strong, unique password. Ensure that all default credentials are replaced with secure alternatives.
13. Implement robust access controls, including multi-factor authentication (MFA) for accessing the ESXi management interface.
14. Conduct regular security audits and vulnerability assessments on the ESXi server to ensure compliance with security best practices and to detect potential vulnerabilities promptly.
15. Set up continuous monitoring and alerting for access attempts to the ESXi server's management interface to quickly detect and respond to unauthorized access attempts.

Summary of Radford's Management Response:

Management agreed with the findings and recommendations as presented. Management successfully resolved recommendations six through ten through shutting down the server related to Website 2 after the completion of a student project. Management submitted a corrective action plan to address recommendations one through five and eleven through fifteen.

Finding 2 – Radford’s System Security Settings and Monitoring Controls

Radford should enhance its cybersecurity controls for system monitoring. Specifically, we evaluated and identified findings regarding Radford’s processes and controls for its secure baselines, system scanning, and incident response program metrics. Radford advised of actions that were not yet completed at the time of our audit, environment changes, and limited resources as the causes of these findings. Without adequate processes and procedures to ensure the security controls we tested are fully implemented, Radford’s systems may face an increased risk of compromise.

Radford took steps to develop baselines for hosts across its environment starting in 2021 and continues its efforts to finalize the baselines. However, at the time of our audit, its secure baselines for firewalls and web services IIS and Apache were not yet developed. Radford advised that it was in process of formally documenting its firewall baselines and that it had a limited number of web services servers. Specifically, Radford explained that it contracted with a vendor to configure firewalls according to recommended settings, which align with the industry standards but had not yet formalized this configuration as an official baseline document.

Although Radford performs unauthenticated scans of systems and implemented a separate management VPN with additional security controls that is only accessible by privileged users, Radford’s System security scanning and review processes could be enhanced to improve identification of vulnerabilities and misconfigured settings. Specifically, Radford’s information security program relies on unauthenticated vulnerability scans which are typically less reliable than scans performed with credentials. Radford advised it has piloted the use of new tools such as CrowdStrike to provide authenticated, agent-based vulnerability assessments of systems and alert Radford of any issues that need to be addressed but had not yet finalized this process.

Additionally, Radford implemented processes to identify and address non-compliant settings for operating systems and network devices but had not yet done so for web services IIS and Apache and databases. Additionally, Radford implemented processes to identify most of its hosts’ compliance with required settings but had not yet done so for web services IIS and Apache and that it only had a limited number of these servers. Further, Radford advised that due to recent changes in its IT environment, it was in the process of updating its processes for reviewing database settings but had not yet formalized the process changes; we received evidence of its last database assessment from January 2022.

We also determined Radford provided incident response program documentation to support system security. Additionally, Radford advised that its current incident handling procedures include an assessment of all incidents for criticality and then its entire team responds immediately when something is identified as critical. However, we determined that Radford’s incident response program did not include metrics to facilitate and support incident response capabilities. Radford did not have incident handling metrics due to resource challenges. Specifically, Radford advised it had limited personnel and a limited number of critical incidents.

We used NIST 800-53, Revision 5, Security and Privacy Controls for Information Systems and Organizations as the basis for industry standard cyber security controls. NIST 800-53 has been adopted by many government and commercial entities and is often considered an industry best practice even when not required by statute. The Commonwealth of Virginia also used NIST 800-53 as its basis for developing the Commonwealth's Information Security Standard (SEC 530). NIST 800-53 Controls we used for our analysis as an industry best practice included:

- CM – 6: Configuration Settings Establish and document configuration settings for components employed within the system that reflect the most restrictive mode consistent with operational requirements using organization defined hardening standards. Common secure configurations (also known as security configuration checklists, lockdown and hardening guides, and security reference guides) provide recognized, standardized, and established benchmarks that stipulate secure configuration settings for information technology products and platforms as well as instructions for configuring those products or platforms to meet operational requirements.
- Monitor and control changes to the configuration settings in accordance with organizational policies and procedures.
- RA-5: Vulnerability Monitoring and Scanning. Monitor and scan for vulnerabilities in the system and hosted applications. Vulnerability monitoring includes scanning for patch levels; scanning for functions, ports, protocols, and services that should not be accessible to users or devices; and scanning for flow control mechanisms that are improperly configured or operating incorrectly.
- IR 8: Incident Response Plan. Develop an incident response plan that provides metrics for measuring the incident response capability within the organization.
- IR-3 Incident Response Testing. To help incident response activities function as intended, organizations may use metrics and evaluation criteria to assess incident response programs as part of an effort to continually improve response performance. These efforts facilitate improvement in incident response efficacy and lessen the impact of incidents.

Finding 2 Recommendations

16. Formally adopt and implement an industry security baseline standard such as Center for Internet Security for its firewalls and web services (IIS and Apache).
17. Evaluate the results of its pilot program to perform credentialed vulnerability scans of hosts and act as appropriate to implement the new process to ensure sufficient identification of vulnerabilities or formally accept the risk of not performing credentialed scans.
18. Establish a process to ensure that web services (IIS and Apache) and firewall baselines are periodically reviewed to ensure configurations are appropriately maintained.
19. Establish incident response metrics to support the execution and measurement of incident handling procedures and incident response plan requirements.

Summary of Radford's Management Response:

Management agreed with the findings and recommendations as presented. Management submitted a corrective action plan to address the recommendations.

Appendix: OSIG Recommendation Closure Tracker

FINDING	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
<p>1. Cyber Penetration Testing of Radford's Public Facing Websites</p> <p>For Website 1:</p>	<p>1. Conduct a thorough review to determine if the user-created PHP page service is still required. If it is deemed unnecessary, consider discontinuing the service to eliminate the risk.</p>	<p>Review security controls and implement additional controls and/or monitoring on the academic subnet to mitigate risk for PHP server.</p>	<p>Documentation of review of the academic subnet and additional controls or monitoring implemented.</p>	<p>December 1, 2024</p>	<p>Bob Burton, CISO</p>
	<p>2. Ensure that all user inputs are rigorously sanitized. Utilize functions like htmlspecialchars, mysqli_real_escape_string, and prepared statements to prevent injection attacks.</p>	<p>Review security controls and implement additional controls and/or monitoring on the academic subnet to mitigate risk for PHP server.</p>	<p>Documentation of review of the academic subnet and additional controls or monitoring implemented.</p>	<p>December 1, 2024</p>	<p>Bob Burton, CISO</p>
	<p>3. Implement a security review and approval process for all user-created PHP pages before they are deployed. This process should involve code review by experienced developers or automated security scanning tools.</p>	<p>Review security controls and implement additional controls and/or monitoring on the academic subnet to mitigate risk for PHP server.</p>	<p>Documentation of review of the academic subnet and additional controls or monitoring implemented.</p>	<p>December 1, 2024</p>	<p>Bob Burton, CISO</p>
	<p>4. Set up continuous monitoring and auditing of user-created content to detect</p>	<p>Review security controls and implement additional controls and/or monitoring</p>	<p>Documentation of review of the academic subnet and additional</p>	<p>December 1, 2024</p>	<p>Bob Burton, CISO</p>

FINDING	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	any suspicious activity or unauthorized changes promptly.	on the academic subnet to mitigate risk for PHP server.	controls or monitoring implemented.		
	5. Provide training for users on secure coding practices and the importance of input sanitization to prevent introducing vulnerabilities.	Management will communicate with School of Computing faculty members to ensure students understand best practices for secure coding.	Artifact representing management communication regarding secure coding practices.	December 1, 2024	Bob Burton, CISO
1. Cyber Penetration Testing of Radford's Public Facing Websites	11. Evaluate the necessity of having the ESXi management login page accessible via the internet. Restrict access to internal network segments or ensure it is only accessible via a secure VPN.	Review security controls and implement additional controls and/or monitoring on the academic subnet to mitigate risk for ESXi academic server.	Artifact representing security review and changes to the academic ESXi server.	November 1, 2024	Bob Burton, CISO
For Website 3:	12. Immediately change the default password to a strong, unique password. Ensure that all default credentials are replaced with secure alternatives.	Change the ESXi academic server default password.	Artifact was submitted on August 30, 2024, documenting that the academic ESXi server's default password was changed during the audit on June 21, 2024.	Complete	Bob Burton, CISO
	13. Implement robust access controls, including multi-factor	Review security controls and implement additional	Artifact representing security review and	November 1, 2024	Bob Burton, CISO

FINDING	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	authentication (MFA) for accessing the ESXi management interface.	controls and/or monitoring on the academic subnet to mitigate risk for ESXi academic server.	changes to the academic ESXi server.		
	14. Conduct regular security audits and vulnerability assessments on the ESXi server to ensure compliance with security best practices and to detect potential vulnerabilities promptly.	Add the ESXi academic server to the vulnerability scan schedule.	Artifact that represents the ESXi academic server is included in the vulnerability scan schedule.	November 1, 2024	Bob Burton, CISO
	15. Set up continuous monitoring and alerting for access attempts to the ESXi server's management interface to quickly detect and respond to unauthorized access attempts.	Set up alert via Splunk for ESXi academic server to monitor for unsuccessful login activity	Artifact that represents the ESXi academic server is forwarding approved audit logs to Splunk.	November 1, 2024	Bob Burton, CISO
2. Radford's System Security Settings and Monitoring Controls	16. Formally adopt and implement an industry security baseline standard such as Center for Internet Security for its firewalls and web services (IIS and Apache).	Establish baseline standards for firewall and web services.	Documentation of establishment of secure baselines for firewalls and web-services.	February 1, 2025	Bob Burton, CISO
	17. Evaluate the results of its pilot program to perform	Evaluate use of credentialed vulnerability scans and either	Documentation of an evaluation of	February 1, 2025	Bob Burton, CISO

FINDING	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
	<p>credentialed vulnerability scans of hosts and act as appropriate to implement the new process to ensure sufficient identification of vulnerabilities or formally accept the risk of not performing credentialed scans.</p>	<p>implement or formally accept risk of not performing credentialed scans.</p>	<p>credentialed vulnerability scans and the university's decision to implement credentialed scans or to accept risks with compensating controls.</p>		
	<p>18. Establish a process to ensure that web services (IIS and Apache) and firewall baselines are periodically reviewed to ensure configurations are appropriately maintained.</p>	<p>Establish annual review process for baseline standards for firewall and web services.</p>	<p>Documentation of annual review process for baseline standards for firewall and web services.</p>	<p>February 1, 2025</p>	<p>Bob Burton, CISO</p>
	<p>19. Establish incident response metrics to support the execution and measurement of incident handling procedures and incident response plan requirements.</p>	<p>Establish and implement incident response metrics.</p>	<p>Documentation of establishment and implementation of incident response metrics.</p>	<p>October 1, 2024</p>	<p>Bob Burton, CISO</p>

Audit: APA Audit 06/30/2021

Business Issue	Planned Action	Completion Date	Status
<p>4.0 The University did not promptly return unclaimed student financial aid funds to ED within the required timeframe. In accordance with 34 CFR 668.164(l), if an institution attempts to disburse funds by check and the recipient does not cash the check, the institution must return the funds no later than 240 days after the date it issued that check or no later than 45 days after a rejected electronic funds transfer (EFT). Not returning funds timely can result in federal noncompliance and subject the institution to potential adverse actions affecting the institution's participation in Title IV aid programs.</p> <p>The University did not return \$2,853 in unclaimed aid timely for aid year 2021. At the time we completed our audit, and after reviewing the full population of 47 students with aid outstanding, the University had not yet returned \$374 to ED. Escheatment of the funds to the Commonwealth of Virginia rather than returning the funds to ED was the primary cause of the delay in returning the funds.</p> <p>The University should evaluate current policies and procedures for returning unclaimed student financial aid funds timely and implement corrective action to prevent future noncompliance. If the University is unable to successfully contact the federal aid recipient and the check remains uncashed or the EFT is rejected, the University should return the unclaimed funds to ED within the required timeframe.</p>	<p>4.0 The Office of Financial Aid and the Department of General Accounting are conducting a comprehensive review of current procedures for the timely return of funds. All necessary corrective action improvements will be finalized and validated by December 31, 2022.</p>	<p>December 31, 2022 Revised to March 31, 2023 Revised to August 30, 2023 Revised to December 31, 2023 Revised to June 30, 2024 Revised to September 30, 2024</p>	<p>Complete</p>

Audit: IT - User Computing			
Business Issue	Planned Action	Completion Date	Status
<p>1.2 Improvements are needed to further strengthen the security posture of workstations and servers.</p> <p>Although CrowdStrike's Endpoint Detection and Response (EDR) has been deployed on select workstations and servers, it hasn't been installed on all. Endpoints without CrowdStrike EDR have native virus and malware prevention enabled. Having EDR software such as CrowdStrike Management allows better detection and halting of cyberthreats while providing visibility and control over devices.</p>	<p>1.2 ITS will review the remaining list of assets that do not have CrowdStrike EDR and develop a risk-based plan that identifies the strategy they will deploy to ensure the higher risk assets are prioritized as funds become available. ITS will also determine if there are more cost-effective options or features that can be deployed to assets that are identified as medium or lower risk.</p>	<p>October 1, 2024</p>	<p>Complete</p>
<p>2.1 Improvements are recommended in University-owned mobile device management (MDM). Specifically,</p> <p>Although the IT Security Standard contains password requirements that are applicable to mobile devices, the University-owned mobile device strategy is not documented. Documenting the MDM strategy could decrease the risk that the strategy is not fully employed, especially if there is employee turnover.</p>	<p>2.1 ITS will document the MDM strategy.</p>	<p>September 1, 2024, Revised to October 31, 2024</p>	<p>Complete</p>
<p>2.2 Improvements are recommended in University-owned mobile device management (MDM). Specifically,</p> <p>The University employs the best practice of ensuring that all new Apple devices are registered and configured using JAMF, Apple's Mobile Device Management software that helps manage and secure Apple devices. However, older Apple devices are not registered in JAMF, as these devices were purchased before the University implemented the software. Devices that are not registered in JAMF may not be managed or secured as well as those that are.</p>	<p>2.2 ITS will evaluate the mobile iOS devices not registered in JAMF and develop a plan to register them in JAMF or document any exceptions.</p>	<p>October 1, 2024</p>	<p>Complete</p>

Audit: APA Audit 06/30/2023

Business Issue	Planned Action	Completion Date	Status
<p>1.4 Radford University (University) has made progress but continues to implement corrective actions to improve internal controls over the financial reporting process for the University's Annual Financial Report (Annual Report).</p> <p>Although the University made progress in addressing the prior year finding, increasing complexity of accounting standards coupled with turnover in key positions has put significant stress on the Controller's Office. As a result, the University processed adjustments to the Annual Report in response to our audit to ensure the fair presentation of information in accordance with generally accepted accounting principles (GAAP):</p> <p>The Controller's Office should continue to evaluate and enhance its risk assessment and review processes over financial reporting to reduce misstatements in the University's Annual Report. The University is currently in the process of evaluating and filling vacancies in key positions within the Controller's Office and throughout the University. Management should continue these efforts and dedicate the necessary resources to support the Controller's Office and other key areas in addressing the increasing complexity of accounting standards.</p>	<p>1.4 The University is creating a new position in FY25, Financial Reporting Accountant, to provide increased capacity focused on financial reporting areas and new standards effective in FY25 and FY26.</p>	<p>June 30, 2025</p>	<p>Complete</p>

Audit: APA Audit 06/30/2023 (Continued)

Business Issue	Planned Action	Completion Date	Status
<p>2.3 During fiscal year 2023, the University did not perform a timely year-end bank reconciliation. Specifically, the University did not fully complete its preparation or review of the June 2023 General Fund reconciliation until December 2023. As a result of delays in completing the June reconciliation, the University submitted its May General Fund cash balance to the Department of Accounts (Accounts) for inclusion in the Commonwealth's Annual Comprehensive Financial Report.</p> <p>Commonwealth Accounting Policies and Procedures (CAPP) Manual Topic 20905 requires agencies to take sufficient actions to ensure that the Commonwealth's accounting system final close data is complete, correct, and in accordance with all applicable state laws and regulations. University bank reconciliation procedures require the monthly reconciliation of all bank statements to the University's accounting system by the end of the following month.</p> <p>Turnover in the responsible position coupled with inadequate written policies and procedures contributed to delays in completing the reconciliation. In the absence of a policy on tolerable year-end reconciling differences, the Controller's Office elected to submit the most recent reconciled cash balance to Accounts.</p> <p>The University should provide adequate training and resources, including written desk procedures, for responsible individuals to ensure they properly prepare and review bank reconciliations in a timely manner and in accordance with University policies and procedures.</p>	<p>2.3 After new procedures were put in place in December 2023 the monthly bank reconciliations have been completed and reviewed timely.</p>	<p>January 31, 2024 Revised to November 15, 2024</p>	<p>Complete</p>

Audit: APA Audit 06/30/2023 (Continued)

Business Issue	Planned Action	Completion Date	Status
<p>3.1 The University does not test its IT Disaster Recovery Strategy (DRS) annually or Disaster Recovery Plans (DRP) every three years. The University Standard requires the University to annually review, reassess, test, and revise the IT DRS to reflect changes in the University’s IT environment. The University Standard also requires the University to conduct a Disaster Recovery exercise of essential systems to assess their adequacy and effectiveness at least every three years. By not testing its IT DRS and system DRPs according to organizational requirements, the University increases the risk of having outdated disaster recovery procedures as well as extended periods of downtime, which can be costly to the University. The University experienced turnover within its IT Infrastructure department, causing a delay to perform a test of its IT DRS and DRPs (University Standard, sections: 3.2 Continuity of Operations Planning, 3.3 IT Disaster Recovery Planning; ISO Standard, section: 5.30 ICT readiness for business continuity).</p> <p>The University should dedicate the necessary resources to conduct annual IT DRS and DRP tests.</p>	<p>3.1.1 Although the Information Technology Services (ITS) teams have participated in tabletop exercises, the University acknowledges that it has not fully tested its Disaster Recovery Strategy.</p> <p>In FY22, ITS began a plan to use AWS Elastic Disaster Recovery as a mechanism to back up and test system recoveries, and ITS expects to complete that implementation and conduct and document system recovery testing by November 15, 2024.</p>	<p>November 15, 2024</p>	<p>Follow-up is in process</p>

Audit: APA Audit 06/30/2023 (Continued)

Business Issue	Planned Action	Completion Date	Status
<p>3.1 The University does not test its IT Disaster Recovery Strategy (DRS) annually or Disaster Recovery Plans (DRP) every three years. The University Standard requires the University to annually review, reassess, test, and revise the IT DRS to reflect changes in the University’s IT environment. The University Standard also requires the University to conduct a Disaster Recovery exercise of essential systems to assess their adequacy and effectiveness at least every three years. By not testing its IT DRS and system DRPs according to organizational requirements, the University increases the risk of having outdated disaster recovery procedures as well as extended periods of downtime, which can be costly to the University. The University experienced turnover within its IT Infrastructure department, causing a delay to perform a test of its IT DRS and DRPs (University Standard, sections: 3.2 Continuity of Operations Planning, 3.3 IT Disaster Recovery Planning; ISO Standard, section: 5.30 ICT readiness for business continuity).</p> <p>The University should dedicate the necessary resources to conduct annual IT DRS and DRP tests.</p>	<p>3.1.2 Although the Information Technology Services (ITS) teams have participated in tabletop exercises, the University acknowledges that it has not fully tested its Disaster Recovery Strategy.</p> <p>By November 15, 2024, ITS will establish a regular schedule for testing the Disaster Recovery Strategy at least annually or whenever there are significant changes to the IT environment.</p>	<p>November 15, 2024</p>	<p>Follow-up is in process</p>

Audit: APA Audit 06/30/2023 (Continued)

Business Issue	Planned Action	Completion Date	Status
<p>3.3 The University does not document that it performed its scheduled review of the University Standard. The ISO Standard requires the University to review its overall information security policy and topic-specific policies at planned intervals and if significant changes occur. The University Standard specifically requires a scheduled review one year from the effective date of October 20, 2022. When performing annual reviews, the University only updates the University Standard's History section if major changes occur but has not historically determined it to be necessary to formally document its review as scheduled or to update the next planned review date. By not documenting each review of the University Standard, there is no evidence that the University is reviewing the University Standard as required. If the University does not review and revise the University Standard as required, it increases the risk that the minimum requirements defined will not align with the University's expectations and the University's current practices (University Standard, section: Preface, Scheduled Review; ISO Standard, section: 5.1 Policies for information security).</p> <p>The University should document its reviews of its University Standard to indicate it performed the task.</p>	<p>3.3 The University acknowledges that the revision history of the University Standard was not updated to reflect that a review was performed in 2023 even though no changes were necessary. Going forward, ITS will update the revision history of the document annually to provide evidence of compliance with the review cycle, regardless of whether any changes are made.</p>	<p>October 31, 2024</p>	<p>Complete</p>

Audit: APA Audit 06/30/2023 (Continued)

Business Issue	Planned Action	Completion Date	Status
<p>4.5 The University does not define and document all elements of its procedures for destroying IT assets and the minimum and maximum time requirements for when staff should wipe, sanitize, and/or destroy IT assets. The ISO Standard requires the University to define, approve, communicate to relevant personnel, and review topic specific policies to further mandate the information of information security controls. Additionally, the ISO Standard requires the University to manage storage media throughout its life cycle of acquisition, use, transportation, and disposal, and when accumulating storage media for disposal, the University should give consideration to the aggregation effect, which can cause a large quantity of non-sensitive information to become sensitive. The University verbally sets a minimum two-week requirement for storing surplus equipment and a maximum 90-day goal for wiping, sanitizing, and/or destroying surplus equipment. However, without formally defining a process for destroying all storage media, the University increases the risk that staff will not properly and consistently destroy and dispose of its storage media, which could compromise the confidentiality of the University's mission essential and sensitive data. Also, without formally defining the University's expected time periods concerning the storage, wiping, and disposal of media, the University increases the risk of inconsistent practices, which could result in unauthorized disclosure, modification, removal, or destruction of sensitive information on storage media (ISO Standard, sections: 5.1 Policies for information security, 7.10 Storage Media).</p>	<p>4.5 Although the IT assets are securely stored until data destruction, effectively mitigating the risk, ITS will work towards implementing a maximum 90-day process for destroying IT assets and will document this in the procedures by November 1, 2024.</p>	<p>November 1, 2024</p>	<p>Complete</p>

Audit: IT – Data Centers

Business Issue	Planned Action	Completion Date	Status
<p>1.2 Improvements are needed regarding specific VMWare host servers.</p> <p>Although the servers can only be accessed by system administrators using a restricted VPN connection, technical vulnerabilities were identified on specific servers and provided to management. Without prompt remediation of certain vulnerabilities, the risks of security weaknesses are increased.</p>	<p>1.2 The systems on the four remaining servers will be migrated to new VMWare servers in a vSAN environment, and those four remaining servers will be decommissioned.</p>	<p>October 1, 2024</p>	<p>Complete</p>
<p>2.1 Improvements are needed in the management of the NetBackup solution.</p> <p>Although backups include all critical systems and individual file recovery tests are performed, a full system recovery test is not performed. Not performing a test of a full system recovery increases the risk that, in an actual event, the University would be unable to recover critical data and/or systems.</p>	<p>2.1 ITS will develop and document a comprehensive procedure to ensure full recovery tests are performed on the on-premise sensitive systems.</p>	<p>November 15, 2024</p>	<p>Follow-up is in process</p>
<p>2.2 Improvements are needed in the management of the NetBackup solution.</p> <p>Although backups include all critical systems and individual file recovery tests are performed, a full system recovery test is not performed. Not performing a test of a full system recovery increases the risk that, in an actual event, the University would be unable to recover critical data and/or systems.</p>	<p>2.2 ITS will complete a full recovery test for at least half of these on-premise systems that have a business criticality level of one.</p>	<p>November 15, 2024</p>	<p>Follow-up is in process</p>

Audit: IT – Key Information Security Roles			
Business Issue	Planned Action	Completion Date	Status
<p>1.0 The Standard contains requirements that, based on our testing, may need updating. The Standard was originally developed in 2011; although it has been regularly updated since then, the environment (e.g., the increase in vendor-hosted systems) has changed such that the following sections appear to need review:</p> <p>1.1 - Section 2.2.7 requires that each system should have at least two System Administrators. We found instances where systems did not have at least two of these roles assigned.</p> <p>1.2 - Section 2.2.2.7 (b) and 2.2.7 prohibit a System Administrator from also serving as the Data Owner for a system. We found two individuals that were assigned both roles for a system.</p> <p>1.3 - Section 2.2.2.7 (b) and 2.2.8 do not address whether there are separation of duties/role requirements for Application Administrators. Considering the similarity in the roles of System Administrator and Application Administrator, a best practice may be to mirror the separation of duties requirement(s) for System Administrators, e. g., prohibit an Application Administrator from also serving as the System Owner or the Data Owner for a system.</p>	<p>1.0 ITS management will review the Standard's requirements related to key information security roles, including the sections noted, and update the Standard or update role assignments.</p>	<p>October 31, 2024</p>	<p>Complete</p>

Audit: Inventory – FY 2024

Business Issue	Planned Action	Completion Date	Status
<p>1.1 Facilities Management has documented procedures related to the year-end process for both the Warehouse Inventory and Fuel Inventory. However, improvements are needed in those documented procedures to assist employees in running accurate year-end reports. Specifically,</p> <p>For the Warehouse Inventory, additional details are needed to outline the steps and parameters that are required to (a) run the Year-End Warehouse Inventory Listing report if the report is being run after June 30th and (b) to ensure that the Warehouse Inventory Transactions report includes all transactions from the completion of the physical inventory through June 30th.</p>	<p>1.1 Facilities Management will update the Warehouse Inventory procedures to include the additional details recommended.</p>	<p>October 1, 2024</p>	<p>Complete</p>
<p>1.2 Facilities Management has documented procedures related to the year-end process for both the Warehouse Inventory and Fuel Inventory. However, improvements are needed in those documented procedures to assist employees in running accurate year-end reports. Specifically,</p> <p>For the Fuel Inventory, additional details are needed to specify that, for the applicable fuel types, all fuel deliveries that occurred during the fiscal year should be included in the calculation of average price paid.</p>	<p>1.2 Facilities Management will update the Fuel Inventory procedures to include the additional details recommended.</p>	<p>October 1, 2024</p>	<p>Complete</p>

Audit: OSIG Cybersecurity – 2024

Business Issue	Planned Action	Completion Date	Status
<p>11. Cyber Penetration Testing of Radford's Public Facing Websites - For Website 3:</p> <p>Evaluate the necessity of having the ESXi management login page accessible via the internet. Restrict access to internal network segments or ensure it is only accessible via a secure VPN.</p>	<p>11. ITS will review security controls and implement additional controls and/or monitoring on the academic subnet to mitigate risk for ESXi academic server.</p>	<p>November 1, 2024</p>	<p>Complete</p>
<p>13. Cyber Penetration Testing of Radford's Public Facing Websites - For Website 3:</p> <p>Implement robust access controls, including multi-factor authentication (MFA) for accessing the ESXi management interface.</p>	<p>13. ITS will review security controls and implement additional controls and/or monitoring on the academic subnet to mitigate risk for ESXi academic server.</p>	<p>November 1, 2024</p>	<p>Complete</p>
<p>14. Cyber Penetration Testing of Radford's Public Facing Websites - For Website 3:</p> <p>Conduct regular security audits and vulnerability assessments on the ESXi server to ensure compliance with security best practices and to detect potential vulnerabilities promptly.</p>	<p>14. ITS will add the ESXi academic server to the vulnerability scan schedule.</p>	<p>November 1, 2024</p>	<p>Complete</p>
<p>15. Cyber Penetration Testing of Radford's Public Facing Websites - For Website 3:</p> <p>Set up continuous monitoring and alerting for access attempts to the ESXi server's management interface to quickly detect and respond to unauthorized access attempts.</p>	<p>15. ITS will set up alert via Splunk for ESXi academic server to monitor for unsuccessful login activity.</p>	<p>November 1, 2024</p>	<p>Complete</p>
<p>19. Radford's System Security Settings and Monitoring Controls:</p> <p>Establish incident response metrics to support the execution and measurement of incident handling procedures and incident response plan requirements.</p>	<p>19. ITS will establish and implement incident response metrics.</p>	<p>October 1, 2024</p>	<p>Complete</p>

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs and Audit Committee
December 5, 2024

Information Item

Institute of Internal Auditors - Global Internal Audit Standards

The Essential Relationship Between the Board and the Internal Audit Function

Background: The 2017 International Standards for the Professional Practice of Internal Auditing often stated or implied an expectation for the Board and senior management to take certain actions; however, they did not frame such actions as essential to the internal audit function’s ability to fulfill the Purpose of Internal Auditing (*). In 2024, the Institute of Internal Auditors (IIA) replaced the 2017 document with the Global Internal Audit Standards (Standards), which require the Chief Audit Executive (CAE) to discuss with the Board and senior management the roles and responsibilities of each party. The Standards outline those “essential conditions” which are necessary for an effective partnership between the Board, senior management, and the CAE in three principles, with the expectations of the Board outlined below.

Principle 6 – Authorized by the Board

The Board establishes, approves, and supports the mandate of the internal audit function.

1. Determine the appropriate authority, role, and responsibilities of the internal audit function (internal audit mandate).
2. Approve the internal audit charter, internal audit plan, budget, and resource plan.
3. Ensure that the CAE reports to a level within the organization that allows the internal audit function to fulfill the internal audit mandate.
4. Specify that the internal audit function should have unrestricted access to the data, records, information, personnel, and physical properties.
5. Inquire whether any restrictions on the internal audit function’s scope, access, authority, or resources limit the function’s ability to carry out its responsibilities.
6. Meet periodically with the CAE in private.

Principle 7 – Positioned Independently

The Board establishes and protects the internal audit function’s independence and qualifications.

1. Establish a direct reporting relationship with the CAE and the internal audit function.
2. Authorize the appointment and removal of the CAE.
3. Engage with senior management to appoint a CAE with the qualifications and competencies necessary to manage the internal audit function.
4. Provide input to senior management to support the CAE’s performance evaluation and remuneration.
5. Approve any roles or responsibilities for the CAE that are beyond the scope of internal auditing.
6. Engage with senior management and the CAE to establish appropriate safeguards if CAE roles and responsibilities impair the internal audit function’s independence.

Principle 8 – Overseen by the Board

The Board oversees the internal audit function to ensure the function's effectiveness.

1. Communicate the Board's perspective on the organization's strategies, objectives, and risks to assist the CAE with determining internal audit priorities.
2. Set expectations with the CAE for:
 - a. The frequency that the Board wants to receive communications from the CAE.
 - b. The criteria for determining which issues should be escalated to the Board.
 - c. The process for escalating matters of importance to the Board.
3. Discuss with the CAE any disagreements with senior management or other stakeholders.
4. Collaborate with senior management to ensure the internal audit function has sufficient resources, considering the impact of insufficient resources on the internal audit mandate and plan, and engaging with senior management and the CAE on a solution if resources are determined to be insufficient.
5. Discuss the quality assurance and improvement program with the CAE.
6. Approve the internal audit function's performance objectives at least annually.
7. Assess the effectiveness and efficiency of the internal audit function.
8. Discuss plans to have an external quality assessment (EQA) of the internal audit function conducted by an independent, qualified assessor or assessment team.
 - a. Collaborate with the CAE to determine the scope and frequency of the EQA.
 - b. Review and approve the CAE's plan for the performance of an EQA.
 - c. Receive the complete results of the EQA directly from the assessor.
 - d. Review and approve the CAE's action plans to address identified deficiencies and opportunities for improvement, if applicable.
 - e. Approve a timeline for completion of the action plans and monitor the CAE's progress.

() IIA Purpose of Internal Auditing –*

Internal Auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal Auditing enhances the organization's successful achievement of its objectives; governance, risk management, and control processes; decision-making and oversight; reputation and credibility with its stakeholders; and ability to serve the public interest.

Internal Auditing is most effective when it is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest; the internal audit function is independently positioned with direct accountability to the board; and internal auditors are free from undue influence and committed to making objective assessments.

Policy Title: Internal Audit Charter	Effective Date: 2/22/2018
Policy Number: GEN-PO-1005	Date of Last Review: 7/2/2021 <u>12/6/2024</u>
Oversight Department: Office of Audit and Advisory Services	Next Review Date: 7/1/2024 <u>12/5/2027</u>

1. PURPOSE

The Office of Audit and Advisory Services, serving as the internal audit function for Radford University (University), was established by the Board of Visitors (Board) and the President as an integral part of the overall internal control structure of the University. The *Internal Audit Charter* describes the general purpose, authority, and responsibility of the Office of Audit and Advisory Services.

2. APPLICABILITY

The *Internal Audit Charter* applies to all University employees, departments, and activities.

3. DEFINITIONS

Business Affairs and Audit Committee: Per the *Radford University Board of Visitors Board Manual/Bylaws*, a standing committee of the Board of Visitors, ~~that is generally responsible for reviewing and recommending action to the Board regarding the financial and business affairs of the University, including but not limited to, capital projects, grants, contracts, and the naming of facilities. Among other responsibilities, t~~his committee also oversees the internal audit function of the University, receives ~~reports from external auditorsthe annual financial audit report of the Auditor of Public Accounts,~~ and performs studies of financial matters as directed by the Board.

Internal Auditing: An independent, ~~and~~ objective assurance and ~~advisory service designed to add consulting activity that is guided by a philosophy of adding value and to~~ improve the operations of an organization. ~~It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The mission of internal auditing is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.~~

Internal Control: Based on the Internal Control – Integrated Framework (2013), published by the Committee of Sponsoring Organizations of the Treadway Commission, internal control is ~~a~~ ~~an~~ ongoing process, effected by the Board of Visitors, management, and other University ~~employeespersonnel~~ designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. Internal control consists of five major components: control environment, risk assessment, control activities, information and communication, and monitoring ~~activities.~~

Management: The collective body of those who have the authority and responsibility to make decisions in order to manage or direct the various operations and business processes of the University. Management encompasses various levels of the organization including division heads, deans, directors, managers, and supervisors.

University Auditor: The senior position that is responsible for effectively managing the University's internal audit function in accordance with the *Internal Audit Charter* and the mandatory elements of The Institute of Internal Auditors (IIA) International Professional Practices Framework. The University Auditor is the Chief Audit Executive.

University Employee: Any person employed as a teaching faculty, administrative or professional faculty, classified employee, part-time or wage employee, student employee, work/study employee, or any other person paid through the University's payroll process.

4. POLICY

- A. The University's Board of Visitors and the President are dedicated to supporting the internal audit function (i.e. the Office of Audit and Advisory Services), an integral part of the overall internal control structure of the University (see [Internal Control Policy](#)).
- B. The Board of Visitors and the President recognize that the purpose of the internal audit function is to strengthen the University's ability to create, protect, and sustain value by providing the Board of Visitors and management with independent, risk-based, and objective assurance, advice, insight, and foresight. Accordingly, the internal audit function enhances the University's successful achievement of its objectives, its governance, risk management, and control processes, its decision-making and oversight, its reputation and credibility with its stakeholders, and its ability to serve the public interest.
- C. The Board of Visitors and the President recognize that the University's internal audit function is most effective when its work is performed by competent professionals in conformance with The Institute of Internal Auditors' Global Internal Audit Standards which are set in the public interest, when the internal audit function is independently positioned with direct accountability to the Board of Visitors, and when internal auditors are free from undue influence and committed to making objective assessments.
- D. This Internal Audit Charter Policy outlines the Mandate for the University's internal audit function, the Office of Audit and Advisory Services:
1. Authority –
- a. The internal audit function's authority is created by its direct reporting relationship to the Business Affairs and Audit Committee of the Board of Visitors. Such authority allows for unrestricted access to the Board of Visitors.
- b. The Board of Visitors authorizes the University's internal audit function to:
- i. Have full and unrestricted access to all functions, data, records, information, physical property, and University employees or personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- ii. Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.

iii. Obtain assistance from the necessary employees or personnel of the University and other specialized services from within or outside the University to complete internal audit services.

2. Independence, Organizational Position, and Reporting Relationships

a. The University Auditor will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The Office of Audit and Advisory Services staff will report to the University Auditor, who will report functionally to the Board of Visitors through the Business Affairs and Audit Committee and administratively (e.g., day-to-day operations) to the President. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Board of Visitors, when necessary, without interference, and supports the internal auditors' ability to maintain objectivity. Any decision to remove the University Auditor must be approved by the Business Affairs and Audit Committee.

b. The University Auditor will confirm to the Business Affairs and Audit Committee of the Board of Visitors, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the University Auditor will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The University Auditor will disclose to the Business Affairs and Audit Committee any interference that internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

3. Changes to the Mandate or Charter

a. Circumstances may justify a follow-up discussion between the University Auditor, the Board of Visitors, and senior management on the internal audit mandate or other aspects of the audit charter. Such circumstances may include but are not limited to a significant change in the Global Internal Audit Standards, a significant reorganization within the organization, significant changes in the University Auditor, Board of Visitors, and/or senior management, significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates, or new laws or regulations that may affect the nature and/or scope of internal audit services.

As the University's internal audit function, the Office of Audit and Advisory Services must be independent from the University's management to operate effectively. In order to provide for the independence of the Office of Audit and Advisory Services:

1. The Office of Audit and Advisory Services staff will report to the University Auditor who will be administratively responsible to the President and functionally accountable to the Business Affairs and Audit Committee of the Board of Visitors.

2. The University Auditor will be provided unrestricted access to communicate and interact directly with the Business Affairs and Audit Committee.

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~~3. The University Auditor will confirm to the Business Affairs and Audit Committee, at least annually, the organizational independence of the Office of Audit and Advisory Services.~~

~~4. Any decision to remove the University Auditor must be approved by the Business Affairs and Audit Committee.~~

~~B. As its mission, the Office of Audit and Advisory Services will assist the Board of Visitors, the President, and senior management in accomplishing the University's strategic objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.~~

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E. The Office of Audit and Advisory Services will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The University Auditor will report annually to senior management and the Business Affairs and Audit Committee regarding the internal audit function's conformance with these elements, which will be assessed through a quality assurance and improvement program.

~~C. The Office of Audit and Advisory Services will be authorized to:~~

~~1. have full, free, and unrestricted access to all functions, records, property, and personnel of the University.~~

~~2. allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives and issue reports.~~

~~3. obtain assistance from the necessary personnel of the University, as well as other specialized services from within or outside the University, in order to complete their work.~~

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~~D.F.~~ University employees must cooperate with the Office of Audit and Advisory Services in accordance with its authority.

E.G. The Office of Audit and Advisory Services will not be authorized to:

1. perform any operational duties for the University or its affiliates.
2. initiate or approve transactions external to the Office of Audit and Advisory Services.
3. direct the activities of any University employee not employed by the Office of Audit and Advisory Services, except to the extent that such employees have been appropriately assigned to auditing teams, or to otherwise assist the audit team.
4. develop or write policies or procedures that they may later be called upon to evaluate. Draft materials developed by management may be reviewed for propriety or completeness; however, ownership of, and responsibility for, these materials remains with management.

5. PROCEDURES

A. Scope of Work

1. The scope of work for the Office of Audit and Advisory Services covers the entire breadth of the organization, including all of the University's activities, assets, and employees. This scope of work also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board of Visitors and

management on the adequacy and effectiveness of governance, risk management, and controls processes for the University.

~~1.2.~~ The scope of work for the Office of Audit and Advisory Services may include evaluating whether will be to ascertain that the system of internal control (see *Internal Control Policy*), as designed and represented by management, is adequate and functioning in a manner to provide reasonable assurance regarding the following:

- a. Achievement of the University's strategic objectives~~Risks relating to the achievement of the University's strategic objectives are appropriately identified and managed.~~
 - b. Effectiveness and efficiency of operations and programs~~The actions of the University's officers, directors, management, employees, and contractors or other relevant parties comply with the University's policies, procedures, and applicable laws, regulations, and governance standards.~~
 - c. The results of operations and programs are consistent with established goals and objectives.~~Reliability and integrity of financial and operational information~~
 - d. Operations and programs are carried out effectively, efficiently, ethically, and equitably.~~Safeguarding of assets~~
 - e. Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the University.
 - f. The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- ~~e.g. Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately. Compliance with policies, standards, procedures, contracts, and applicable laws and regulations~~

~~2.3.~~ Reviews and evaluations of internal control are performed by the Office of Audit and Advisory Services; ~~however, it will be advisory in nature.~~ The University's management will continue to be responsible for establishing and maintaining an adequate internal control system.

~~2.4.~~ The Office of Audit and Advisory Services may also perform advisory and consulting services, the nature and scope of which may be agreed with the party requesting the service, provided the Office of Audit and Advisory Services does not assume management responsibility. If opportunities for improving the efficiency of governance, risk management, and control processes are identified during advisory and consulting engagements, they will be communicated to the appropriate level of management.

B. Objectivity

1. All work performed by the Office of Audit and Advisory Services will be conducted in an objective manner.
2. The University Auditor will ensure that the Office of Audit and Advisory Services remains free from all conditions that threaten to impair the ability of audit staff to carry out their

responsibilities in an unbiased manner, including matters of engagement~~audit~~ selection, scope, procedures, frequency, timing, and communication~~report content~~.

3. If the University Auditor determines that objectivity may be impaired, such an impairment, either in fact or in appearance, is detected, the University Auditor will take the appropriate action to address, and the details of the impairment will be disclosed and, if necessary, disclose the information to the appropriate parties.
4. The Office of Audit and Advisory Services staff will maintain an unbiased mental attitude that allows them to perform their work objectively and in such a manner that they will believe in their work product, that no quality compromises will be made, and that they will not subordinate their judgment on audit matters to others, either in fact or appearance.
5. The Office of Audit and Advisory Services staff will have no direct operational responsibility or authority over any of the activities that they audit or review, nor will they have had any within the previous year. This includes activities such as implementing internal controls, developing procedures, installing systems, or engaging in other activities that may impair their judgment.
6. The Office of Audit and Advisory Services staff will
 - a. Disclose impairments of independence or objectivity, in fact or appearance, at least annually to the University Auditor, who will determine if further disclosure is needed.
 - b. Exhibit professional objectivity in gathering, evaluating, and communicating information.
 - c. Make balanced assessments of all available and relevant facts and circumstances.
 - a-d. Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

C. **University Auditor Responsibility**

The University Auditor has the~~and the Office of Audit and Advisory Services staff will have~~ responsibility to:

1. develop a flexible risk-based annual audit plan, considering the input of senior management and the Business Affairs and Audit Committee. The plan will be discussed developed using an appropriate risk-based methodology and presented to with senior management and the Business Affairs and Audit Committee and submitted to the Business Affairs and Audit Committee for review and approval.
2. communicate with senior management and the Business Affairs and Audit Committee the impact of resource limitations on the internal audit plan or if there are significant interim changes to the internal audit plan.
- ~~2-3~~. implement the annual audit plan and follow it to the extent possible, reviewing and adjusting it as necessary in response to changes in the University's business, risks, operations, programs, systems, and controls.
- ~~3-4~~. ensure that internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and laws and/or regulations. This includes report~~ing~~ to appropriate levels of management significant issues related to the

processes for controlling the activities of the University, including potential improvements to those processes.

- ~~4.5.~~ follow up with management to verify that corrective actions are taken on findings and recommendations, and communicate report the results of internal audit services periodically to senior management and the Business Affairs and Audit Committee and for each engagement as appropriate.
- ~~5.6.~~ evaluate and assess significant merging/consolidating functions and new or changing systems, services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- ~~6.7.~~ perform special studies, reviews, or investigations requested by management.
- ~~7.8.~~ perform consulting and advisory services related to governance, risk management, internal controls, or other areas of interest and concern.
- ~~8.9.~~ conduct investigations of fraud, waste, and abuse, including those referred by the Office of the State Inspector General related to State Fraud, Waste, and Abuse Hotline cases. Results of these investigations will be communicated to management and the Business Affairs and Audit Committee, as appropriate.
- ~~9.10.~~ coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services, as appropriate. If the University Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and, if necessary, to the Business Affairs and Audit Committee. with other control and monitoring functions and consider the scope of work of external auditors, as appropriate, to provide optimal audit coverage to the University at a reasonable overall cost.
- ~~10.~~ periodically provide to the Business Affairs and Audit Committee information on the status and results of the annual audit plan and the results of activities and operations reviewed. Reports from "special request" audits may have more limited distribution.
11. identify and consider ensure trends and emerging issues that could impact affect the University are considered and communicated to senior management and the Business Affairs and Audit Committee, as appropriate.
12. ensure the internal audit function collectively possesses or obtains the ~~maintain a~~ professional audit staff with sufficient knowledge, skills, and other competencies and qualifications needed ~~experience~~ to meet the requirements of the Global Internal Audit Standards and this Internal Audit Charter, ~~and ensure that the principles of integrity, objectivity, confidentiality, and competency are applied and upheld. The impact of any resource limitations will be communicated to senior management and the Business Affairs and Audit Committee, as appropriate.~~
13. ensure emerging trends and successful practices in internal auditing are considered.
14. establish and ensure adherence to policies, ~~and~~ procedures, and methodologies designed to guide the Office of Audit and Advisory Services.
15. ensure adherence to the University's relevant policies and procedures, unless such policies and procedures conflict with this *Internal Audit Charter* or the Global Internal

Audit Standards. Any such conflicts will be resolved or otherwise communicated to senior management and the Business Affairs and Audit Committee, as appropriate.

16. report at least annually to the Business Affairs and Audit Committee and senior management regarding
 - a. The internal audit function's mandate.
 - b. The internal audit plan and performance relative to its plan.
 - c. Internal Audit budget.
 - d. Significant revisions to the internal audit plan and budget.
 - e. Potential impairments to independence, including relevant disclosures as applicable.
 - f. Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
 - g. Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Business Affairs and Audit Committee that could interfere with the achievement of the University's strategic objectives.
 - h. Results of assurance services and other audit activities, as appropriate.
 - i. Resource requirements.
 - a-j. Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the University's risk appetite.

D. Ethics and Professionalism Standards of Practice

The University Auditor will ensure that ~~t~~The Office of Audit and Advisory Services staff

1. ~~C~~will conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
2. Understands, respects, meets, and contributes to the legitimate and ethical expectations of the organization and are able to recognize conduct that is contrary to those expectations. ~~to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (Standards), and the Definition of Internal Auditing.~~
3. ~~E~~ncourages and promotes an ethics-based culture in the organization.
4. Reports organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

E. Quality Assurance and Improvement Program

1. The ~~University Auditor Office of Audit and Advisory Services~~ will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. ~~The program will include an evaluation of conformance with the Standards and application of the IIA's Code of Ethics.~~

2. The quality assurance and improvement program will include both internal and external assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

a. Internal assessments will include ongoing monitoring and periodic self-assessments of the internal audit function.

b. External assessments will be performed at least once every five years by a qualified, independent assessor or assessment team from outside the University; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

3. Annually, the University Auditor will communicate with results of the assessments to senior management and the Business Affairs and Audit Committee about the internal audit function's quality assurance and improvement program, including the results of internal assessments and external assessments.

F. Board of Visitors Oversight

To establish, maintain, and ensure that the University's internal audit function has sufficient authority to fulfill its duties, the Business Affairs and Audit Committee will

1. Discuss with the University Auditor and senior management the appropriate authority, role, responsibilities, scope, and services of the internal audit function, and discuss whether there are any inappropriate scope or resource limitations.
2. Ensure the University Auditor has unrestricted access to communicate and interact directly with the Business Affairs and Audit Committee, including in private or closed meetings without senior management present, as long as such meetings comply with all state and federal laws including, but not limited to the Code of Virginia §2.2-3711.
3. Participate in discussions about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
4. Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
5. Review the internal audit charter annually with the University Auditor to consider changes affecting the organization, such as the employment of a new University Auditor or changes in the type, severity, and interdependencies of risks to the organization; and approve substantive changes to the internal audit charter.
6. Approve the risk-based internal audit plan.
7. Receive communications from the University Auditor about the internal audit function including its personnel, budget, expenses, and performance relative to its plan, and provide input to senior management as appropriate.
8. Ensure a quality assurance and improvement program has been established.

6. EXCLUSIONS

None

7. APPENDICES

None

8. REFERENCES

[State Fraud, Waste, and Abuse Hotline](#)

[The Institute of Internal Auditors Global Internal Audit Standards](#)

[The Institute of Internal Auditors International Professional Practices Framework \(IPPF\)](#)

[Internal Control – Integrated Framework \(2013\)](#), Committee of Sponsoring Organizations of the Treadway Commission

9. INTERPRETATION

The authority to interpret this policy rests with the President of the University and is generally delegated to the University Auditor.

10. APPROVAL AND REVISIONS

The *Internal Audit Charter* replaces and expands upon the *Charter* last adopted by the Board of Visitors on September 19, 2014. The newly developed *Internal Audit Charter* was developed in the University Policy Template, and [it](#) was submitted to and approved by the President’s Cabinet at the meeting held on January 8, 2018. The *Internal Audit Charter* was then submitted to and approved by the Radford University Board of Visitors at the meeting held on February 16, 2018. The President signed the *Internal Audit Charter* on February 22, 2018.

Effective July 2, 2021, the *Internal Audit Charter*, was reviewed by the oversight department and no substantive revisions were deemed necessary. Minor editorial changes were made that did not affect the substance or intent of the policy.

[The *Internal Audit Charter* was revised to conform to changes outlined in the 2024 Institute of Internal Auditors Global Internal Audit Standards. The revised *Internal Audit Charter* was submitted to and approved by the President’s Cabinet on November 25, 2024. The revised *Internal Audit Charter* was then submitted to and approved by the Radford University Board of Visitors at the meeting held on December 6, 2024. The President signed the revised *Internal Audit Charter* on **DATE**.](#)

DATE: _____

Bret Danilowicz, Ph.D., President (*signature*)

For questions or guidance on a specific policy, contact the Oversight Department referenced in the policy.

Policy Title: Internal Audit Charter	Effective Date: 2/22/2018
Policy Number: GEN-PO-1005	Date of Last Review: 12/6/2024
Oversight Department: Office of Audit and Advisory Services	Next Review Date: 12/5/2027

1. PURPOSE

The Office of Audit and Advisory Services, serving as the internal audit function for Radford University (University), was established by the Board of Visitors (Board) and the President as an integral part of the overall internal control structure of the University. The *Internal Audit Charter* describes the general purpose, authority, and responsibility of the Office of Audit and Advisory Services.

2. APPLICABILITY

The *Internal Audit Charter* applies to all University employees, departments, and activities.

3. DEFINITIONS

Business Affairs and Audit Committee: Per the *Radford University Board of Visitors Board Manual*, a standing committee of the Board of Visitors. Among other responsibilities, this committee also oversees the internal audit function of the University, receives reports from external auditors, and performs studies of financial matters as directed by the Board.

Internal Auditing: An independent, objective assurance and advisory service designed to add value and improve the operations of an organization. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Internal Control: Based on the *Internal Control – Integrated Framework (2013)*, published by the Committee of Sponsoring Organizations of the Treadway Commission, internal control is a process, effected by the Board of Visitors, management, and other University employees designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. Internal control consists of five major components: control environment, risk assessment, control activities, information and communication, and monitoring activities.

Management: The collective body of those who have the authority and responsibility to make decisions in order to manage or direct the various operations and business processes of the University. Management encompasses various levels of the organization including division heads, deans, directors, managers, and supervisors.

University Auditor: The senior position that is responsible for effectively managing the University’s internal audit function in accordance with the *Internal Audit Charter* and the

mandatory elements of The Institute of Internal Auditors (IIA) International Professional Practices Framework. The University Auditor is the Chief Audit Executive.

University Employee: Any person employed as a teaching faculty, administrative or professional faculty, classified employee, part-time or wage employee, student employee, work/study employee, or any other person paid through the University's payroll process.

4. POLICY

- A. The University's Board of Visitors and the President are dedicated to supporting the internal audit function (i.e. the Office of Audit and Advisory Services), an integral part of the overall internal control structure of the University (see [Internal Control Policy](#)).
- B. The Board of Visitors and the President recognize that the purpose of the internal audit function is to strengthen the University's ability to create, protect, and sustain value by providing the Board of Visitors and management with independent, risk-based, and objective assurance, advice, insight, and foresight. Accordingly, the internal audit function enhances the University's successful achievement of its objectives, its governance, risk management, and control processes, its decision-making and oversight, its reputation and credibility with its stakeholders, and its ability to serve the public interest.
- C. The Board of Visitors and the President recognize that the University's internal audit function is most effective when its work is performed by competent professionals in conformance with The Institute of Internal Auditors' Global Internal Audit Standards which are set in the public interest, when the internal audit function is independently positioned with direct accountability to the Board of Visitors, and when internal auditors are free from undue influence and committed to making objective assessments.
- D. This Internal Audit Charter Policy outlines the Mandate for the University's internal audit function, the Office of Audit and Advisory Services:
 1. Authority –
 - a. The internal audit function's authority is created by its direct reporting relationship to the Business Affairs and Audit Committee of the Board of Visitors. Such authority allows for unrestricted access to the Board of Visitors.
 - b. The Board of Visitors authorizes the University's internal audit function to:
 - i. Have full and unrestricted access to all functions, data, records, information, physical property, and University employees or personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
 - ii. Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
 - iii. Obtain assistance from the necessary employees or personnel of the University and other specialized services from within or outside the University to complete internal audit services.
 2. Independence, Organizational Position, and Reporting Relationships
 - a. The University Auditor will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from

management, thereby establishing the independence of the internal audit function. The Office of Audit and Advisory Services staff will report to the University Auditor, who will report functionally to the Board of Visitors through the Business Affairs and Audit Committee and administratively (e.g., day-to-day operations) to the President. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Board of Visitors, when necessary, without interference, and supports the internal auditors' ability to maintain objectivity. Any decision to remove the University Auditor must be approved by the Business Affairs and Audit Committee.

- b. The University Auditor will confirm to the Business Affairs and Audit Committee of the Board of Visitors, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the University Auditor will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The University Auditor will disclose to the Business Affairs and Audit Committee any interference that internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.
3. Changes to the Mandate or Charter
- a. Circumstances may justify a follow-up discussion between the University Auditor, the Board of Visitors, and senior management on the internal audit mandate or other aspects of the audit charter. Such circumstances may include but are not limited to a significant change in the Global Internal Audit Standards, a significant reorganization within the organization, significant changes in the University Auditor, Board of Visitors, and/or senior management, significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates, or new laws or regulations that may affect the nature and/or scope of internal audit services.
- E. The Office of Audit and Advisory Services will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The University Auditor will report annually to senior management and the Business Affairs and Audit Committee regarding the internal audit function's conformance with these elements, which will be assessed through a quality assurance and improvement program.
- F. University employees must cooperate with the Office of Audit and Advisory Services in accordance with its authority.
- G. The Office of Audit and Advisory Services will not be authorized to:
1. perform any operational duties for the University or its affiliates.
 2. initiate or approve transactions external to the Office of Audit and Advisory Services.
 3. direct the activities of any University employee not employed by the Office of Audit and Advisory Services, except to the extent that such employees have been appropriately assigned to auditing teams, or to otherwise assist the audit team.

4. develop or write policies or procedures that they may later be called upon to evaluate. Draft materials developed by management may be reviewed for propriety or completeness; however, ownership of, and responsibility for, these materials remain with management.

5. PROCEDURES

A. Scope of Work

1. The scope of work for the Office of Audit and Advisory Services covers the entire breadth of the organization, including all of the University's activities, assets, and employees. This scope of work also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board of Visitors and management on the adequacy and effectiveness of governance, risk management, and controls processes for the University.
2. The scope of work for the Office of Audit and Advisory Services may include evaluating whether
 - a. Risks relating to the achievement of the University's strategic objectives are appropriately identified and managed.
 - b. The actions of the University's officers, directors, management, employees, and contractors or other relevant parties comply with the University's policies, procedures, and applicable laws, regulations, and governance standards.
 - c. The results of operations and programs are consistent with established goals and objectives.
 - d. Operations and programs are carried out effectively, efficiently, ethically, and equitably.
 - e. Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the University.
 - f. The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
 - g. Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.
3. Reviews and evaluations of internal control are performed by the Office of Audit and Advisory Services; however, the University's management will continue to be responsible for establishing and maintaining an adequate internal control system.
4. The Office of Audit and Advisory Services may also perform advisory and consulting services, the nature and scope of which may be agreed with the party requesting the service, provided the Office of Audit and Advisory Services does not assume management responsibility. If opportunities for improving the efficiency of governance, risk management, and control processes are identified during advisory and consulting engagements, they will be communicated to the appropriate level of management.

B. Objectivity

1. All work performed by the Office of Audit and Advisory Services will be conducted in an objective manner.
2. The University Auditor will ensure that the Office of Audit and Advisory Services remains free from all conditions that threaten to impair the ability of audit staff to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.
3. If the University Auditor determines that objectivity may be impaired, either in fact or in appearance, the University Auditor will take the appropriate action to address, and the details of the impairment will be disclosed to the appropriate parties.
4. The Office of Audit and Advisory Services staff will maintain an unbiased mental attitude that allows them to perform their work objectively and in such a manner that they will believe in their work product, that no quality compromises will be made, and that they will not subordinate their judgment on audit matters to others, either in fact or appearance.
5. The Office of Audit and Advisory Services staff will have no direct operational responsibility or authority over any of the activities that they audit or review, nor will they have had any within the previous year. This includes activities such as implementing internal controls, developing procedures, installing systems, or engaging in other activities that may impair their judgment.
6. The Office of Audit and Advisory Services staff will
 - a. Disclose impairments of independence or objectivity, in fact or appearance, at least annually to the University Auditor, who will determine if further disclosure is needed.
 - b. Exhibit professional objectivity in gathering, evaluating, and communicating information.
 - c. Make balanced assessments of all available and relevant facts and circumstances.
 - d. Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

C. University Auditor Responsibility

The University Auditor has the responsibility to:

1. develop a flexible risk-based annual audit plan, considering the input of senior management and the Business Affairs and Audit Committee. The plan will be discussed with senior management and the Business Affairs and Audit Committee and submitted to the Business Affairs and Audit Committee for review and approval.
2. communicate with senior management and the Business Affairs and Audit Committee the impact of resource limitations on the internal audit plan or if there are significant interim changes to the internal audit plan.
3. implement the annual audit plan and follow it to the extent possible, reviewing and adjusting it as necessary in response to changes in the University's business, risks, operations, programs, systems, and controls.

4. ensure that internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and laws and/or regulations. This includes reporting to appropriate levels of management significant issues related to the processes for controlling the activities of the University, including potential improvements to those processes.
5. follow up with management to verify that corrective actions are taken on findings and recommendations, and communicate the results of internal audit services to senior management and the Business Affairs and Audit Committee and for each engagement as appropriate.
6. evaluate and assess significant merging/consolidating functions and new or changing systems, services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
7. perform special studies, reviews, or investigations requested by management.
8. perform consulting and advisory services related to governance, risk management, internal controls, or other areas of interest and concern.
9. conduct investigations of fraud, waste, and abuse, including those referred by the Office of the State Inspector General related to State Fraud, Waste, and Abuse Hotline cases. Results of these investigations will be communicated to management and the Business Affairs and Audit Committee, as appropriate.
10. coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services, as appropriate. If the University Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and, if necessary, to the Business Affairs and Audit Committee.
11. identify and consider trends and emerging issues that could impact the University are considered and communicated to senior management and the Business Affairs and Audit Committee, as appropriate.
12. ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and this *Internal Audit Charter*.
13. ensure emerging trends and successful practices in internal auditing are considered.
14. establish and ensure adherence to policies, procedures, and methodologies designed to guide the Office of Audit and Advisory Services.
15. ensure adherence to the University's relevant policies and procedures, unless such policies and procedures conflict with this *Internal Audit Charter* or the Global Internal Audit Standards. Any such conflicts will be resolved or otherwise communicated to senior management and the Business Affairs and Audit Committee, as appropriate.
16. report at least annually to the Business Affairs and Audit Committee and senior management regarding
 - a. The internal audit function's mandate.
 - b. The internal audit plan and performance relative to its plan.
 - c. Internal Audit budget.

- d. Significant revisions to the internal audit plan and budget.
- e. Potential impairments to independence, including relevant disclosures as applicable.
- f. Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- g. Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Business Affairs and Audit Committee that could interfere with the achievement of the University's strategic objectives.
- h. Results of assurance services and other audit activities, as appropriate.
- i. Resource requirements.
- j. Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the University's risk appetite.

D. Ethics and Professionalism

The University Auditor will ensure that the Office of Audit and Advisory Services staff

- 1. Conforms with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- 2. Understands, respects, meets, and contributes to the legitimate and ethical expectations of the organization and are able to recognize conduct that is contrary to those expectations.
- 3. Encourages and promotes an ethics-based culture in the organization.
- 4. Reports organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

E. Quality Assurance and Improvement Program

- 1. The University Auditor will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function.
- 2. The quality assurance and improvement program will include both internal and external assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.
 - a. Internal assessments will include ongoing monitoring and periodic self-assessments of the internal audit function.
 - b. External assessments will be performed at least once every five years by a qualified, independent assessor or assessment team from outside the University; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

3. Annually, the University Auditor will communicate with senior management and the Business Affairs and Audit Committee about the internal audit function's quality assurance and improvement program, including the results of internal assessments and external assessments.

F. Board of Visitors Oversight

To establish, maintain, and ensure that the University's internal audit function has sufficient authority to fulfill its duties, the Business Affairs and Audit Committee will

1. Discuss with the University Auditor and senior management the appropriate authority, role, responsibilities, scope, and services of the internal audit function, and discuss whether there are any inappropriate scope or resource limitations.
2. Ensure the University Auditor has unrestricted access to communicate and interact directly with the Business Affairs and Audit Committee, including in private or closed meetings without senior management present, as long as such meetings comply with all state and federal laws including, but not limited to the [Code of Virginia §2.2-3711](#).
3. Participate in discussions about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
4. Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
5. Review the internal audit charter annually with the University Auditor to consider changes affecting the organization, such as the employment of a new University Auditor or changes in the type, severity, and interdependencies of risks to the organization; and approve substantive changes to the internal audit charter.
6. Approve the risk-based internal audit plan.
7. Receive communications from the University Auditor about the internal audit function including its personnel, budget, expenses, and performance relative to its plan, and provide input to senior management as appropriate.
8. Ensure a quality assurance and improvement program has been established.

6. EXCLUSIONS

None

7. APPENDICES

None

8. REFERENCES

[State Fraud, Waste, and Abuse Hotline](#)

[The Institute of Internal Auditors Global Internal Audit Standards](#)

[The Institute of Internal Auditors International Professional Practices Framework \(IPPF\)](#)

[Internal Control – Integrated Framework \(2013\)](#), Committee of Sponsoring Organizations of the Treadway Commission

9. INTERPRETATION

The authority to interpret this policy rests with the President of the University and is generally delegated to the University Auditor.

10. APPROVAL AND REVISIONS

The *Internal Audit Charter* replaces and expands upon the *Charter* last adopted by the Board of Visitors on September 19, 2014. The newly developed *Internal Audit Charter* was developed in the University Policy Template, and it was submitted to and approved by the President’s Cabinet at the meeting held on January 8, 2018. The *Internal Audit Charter* was then submitted to and approved by the Radford University Board of Visitors at the meeting held on February 16, 2018. The President signed the *Internal Audit Charter* on February 22, 2018.

Effective July 2, 2021, the *Internal Audit Charter*, was reviewed by the oversight department and no substantive revisions were deemed necessary. Minor editorial changes were made that did not affect the substance or intent of the policy.

The *Internal Audit Charter* was revised to conform to changes outlined in the 2024 Institute of Internal Auditors Global Internal Audit Standards. The revised *Internal Audit Charter* was submitted to and approved by the President’s Cabinet on November 25, 2024. The revised *Internal Audit Charter* was then submitted to and approved by the Radford University Board of Visitors at the meeting held on December 6, 2024. The President signed the revised *Internal Audit Charter* on **DATE**.

_____ **DATE:** _____
Bret Danilowicz, Ph.D., President (signature)

For questions or guidance on a specific policy, contact the Oversight Department referenced in the policy.

Finance and Administration



Financial Overview

Importance of Fund Source



Educational & General:

- Activities to provide instruction, public service, academic support (e.g., library, deans), student services (e.g., admissions, financial aid, registrar), and program support (e.g., administration, physical plant) services.

Student Financial Assistance:

- Activities to provide financial assistance to in-state students.

Sponsored Programs:

- Activities to provide additional resources for educational and general services through third-party grants, contracts, and research.

Auxiliary Enterprises:

- Activities to provide essentially self-supporting goods or services to students, faculty, and staff (e.g., residence halls, dining services, bookstore, athletics, student activities).

RADFORD UNIVERSITY – Agency 217

Educational & General (E&G)

101: Instruction*

102: Research*

103: Public Service*

104: Academic Support

105: Student Services

106: Institutional Support

107: Operations & Maint.

General Fund
Tuition & Fees
Indirect Costs
Sales & Services

Student Financial Assistance

108: Scholarships Fellowship

General Fund
Tuition & Fees

Sponsored Programs

110: Sponsored Programs

Federal Agencies
State Agencies
Localities
Private Sector
Non-Profits
Organizations

Auxiliary Enterprises

809: Food Service
Bookstore
Residential Services
Parking/Transport
Telecommunications
Student Union
Recreation Programs
Other Enterprise
Athletics

Student Fees
Sales & Service

Capital Outlay *(Non-Operating)*

998: Construction

General Fund
Nongeneral Fund
Debt

*The primary mission of Radford University is Instruction, Research, & Public Service carried out in E&G while other programs are designed to support needs derived from E&G operations.

Program Structure – Core Functions

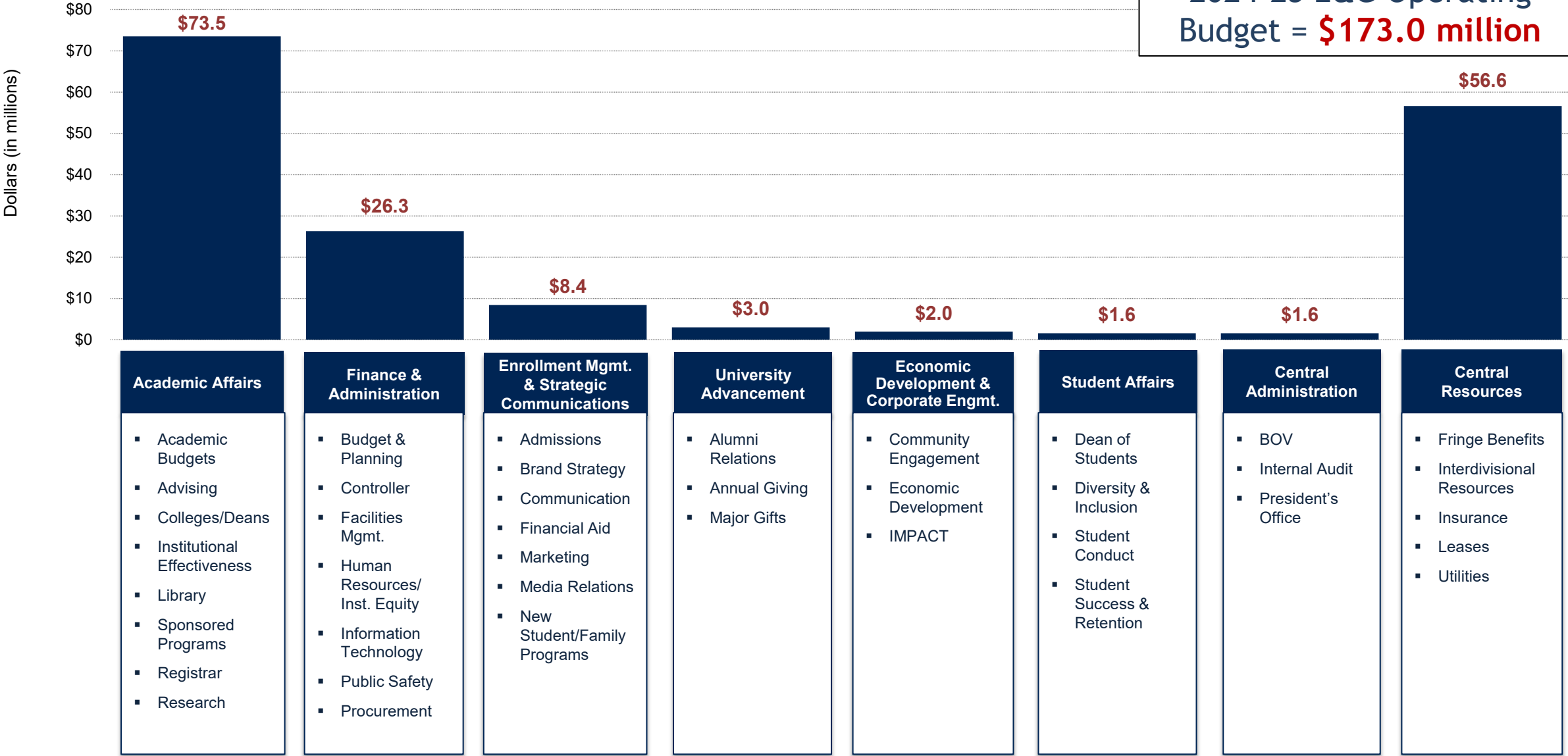
Subprogram Structure – Expenses

Fund Structure - Revenues

2024-25 Budget Summary by Major Program

<i>(\$ in Thousands)</i>	<u>Proposed Revenue</u>	<u>Proposed Expenditure</u>	<u>Proposed Cont/(Draw)</u>
University Operating			
Education & General	\$173,034	(\$173,034)	\$0
Student Financial Assistance	31,763	(\$31,763)	\$0
Sponsored Programs	8,962	(\$8,962)	\$0
Auxiliary Enterprise	65,249	(\$68,171)	(\$2,922)
Total University	<u>\$279,008</u>	<u>(\$281,930)</u>	<u>(\$2,922)</u>

2024-25 E&G Operating Budget = **\$173.0 million**



- Academic Affairs**
- Academic Budgets
 - Advising
 - Colleges/Deans
 - Institutional Effectiveness
 - Library
 - Sponsored Programs
 - Registrar
 - Research

- Finance & Administration**
- Budget & Planning
 - Controller
 - Facilities Mgmt.
 - Human Resources/ Inst. Equity
 - Information Technology
 - Public Safety
 - Procurement

- Enrollment Mgmt. & Strategic Communications**
- Admissions
 - Brand Strategy
 - Communication
 - Financial Aid
 - Marketing
 - Media Relations
 - New Student/Family Programs

- University Advancement**
- Alumni Relations
 - Annual Giving
 - Major Gifts

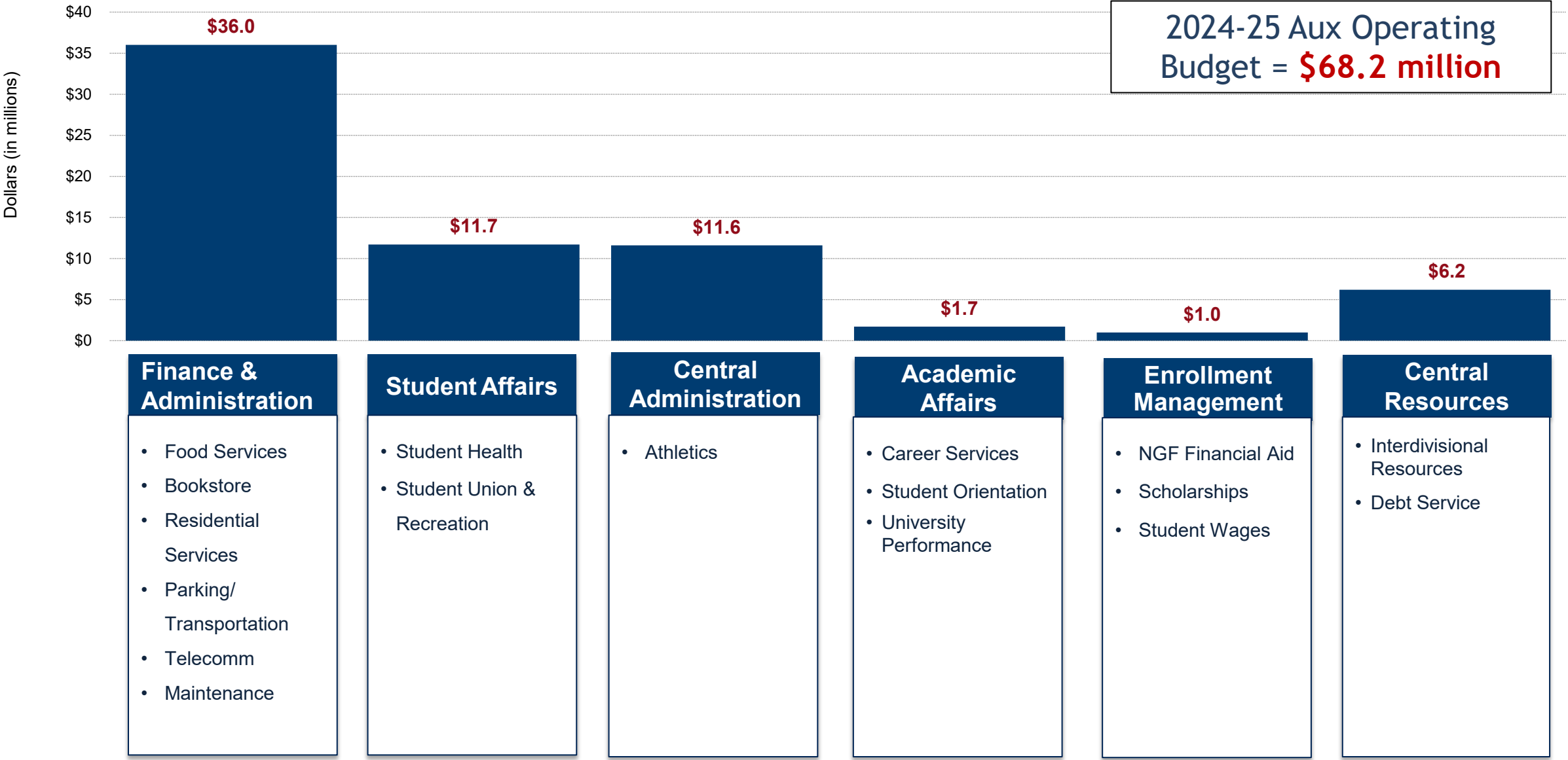
- Economic Development & Corporate Engmt.**
- Community Engagement
 - Economic Development
 - IMPACT

- Student Affairs**
- Dean of Students
 - Diversity & Inclusion
 - Student Conduct
 - Student Success & Retention

- Central Administration**
- BOV
 - Internal Audit
 - President's Office

- Central Resources**
- Fringe Benefits
 - Interdivisional Resources
 - Insurance
 - Leases
 - Utilities

2024-25 Aux Operating Budget = **\$68.2 million**



Expenditures by Category

(\$ in millions)

E&G

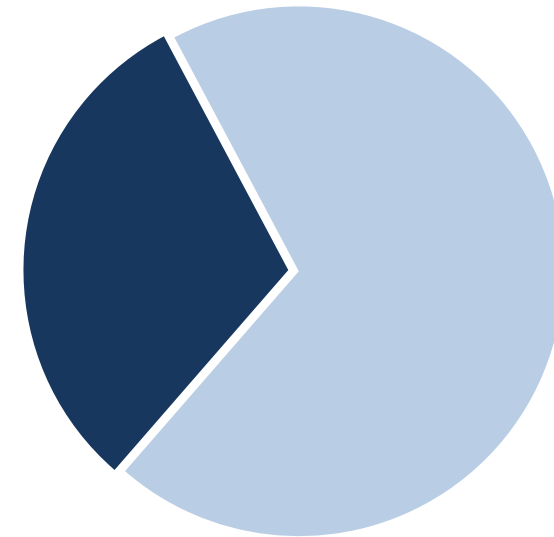
Personnel Services
\$123.8
71.6%



Nonpersonnel Services
\$49.2
28.4%

Auxiliary

Personnel Services
\$20.1
30.8%



Nonpersonnel Services
\$45.1
69.2%

Budget Development

Incremental Budgeting



- Centrally Managed
- Incrementally Developed
- Strategically Prioritized

Budget Development Timeline



Environmental
Scan

July – Oct



Budget Call

Oct – Jan



Budget
Review

Jan – Feb



Budget
Workshop

Feb



Tuition & Fee
Recommendati
on
March



Budget
Finalization

May – June

Budget Call & Review Process

TARGETS

1% - Budget Requests

2% - Carryforward Requests (*Optional*)

Reallocate Funds - More Effective/New Practices

Equipment Trust Fund

2021-2025 Savings Strategies

Division	FY2021	FY2022	FY2023	FY2024	FY2025	Total	% of Total Reductions	% FY25 E&G Budget
Academic Affairs	(5,037,249)	(3,059,139)	(1,692,986)	(3,403,393)	(1,170,538)	(15,534,526)	44.7%	42.5%
Finance & Administration	(1,778,831)	(353,008)	(154,818)	(421,517)	(405,274)	(3,420,801)	9.9%	15.2%
Central Administration	(114,878)	-			(43,897)	(158,775)	0.5%	0.9%
Economic Dev. & Corporate Ed.						-	0.0%	1.2%
Student Affairs	(89,214)	-			(36,707)	(111,455)	0.3%	0.9%
University Advancement	(450,664)	-		(9,300)	(32,500)	(570,859)	1.6%	1.8%
Enrollment Mgmt. & Strategic Comms	(363,078)	(46,973)		(171,977)	(158,027)	(804,431)	2.3%	4.8%
Central Resources	(1,847,459)	(441,622)	(2,750,100)	(5,270,671)	(797,057)	(14,113,893)	40.7%	32.7%
Total Divisional Budget Reductions	(9,681,373)	(3,900,742)	(4,597,904)	(9,276,858)	(2,644,000)	(34,714,740)	100.0%	100.0%

55.3% }
56.5% }

*Academic Affairs contains the Faculty Early Retirement Program (FERP) savings

Fiscal Year 2026 Planning

Fiscal Year Planning

CONSIDERATIONS

- Commonwealth Support Request
- Enrollment
- Student Affordability
- Strategic Focus
- Mandatory Cost Increases



Commonwealth Support Request

Nursing Support: \$2.0M
Additional Faculty to support increased Nursing enrollment



Roanoke Facility: \$7.5M
Planning Funds Support Request

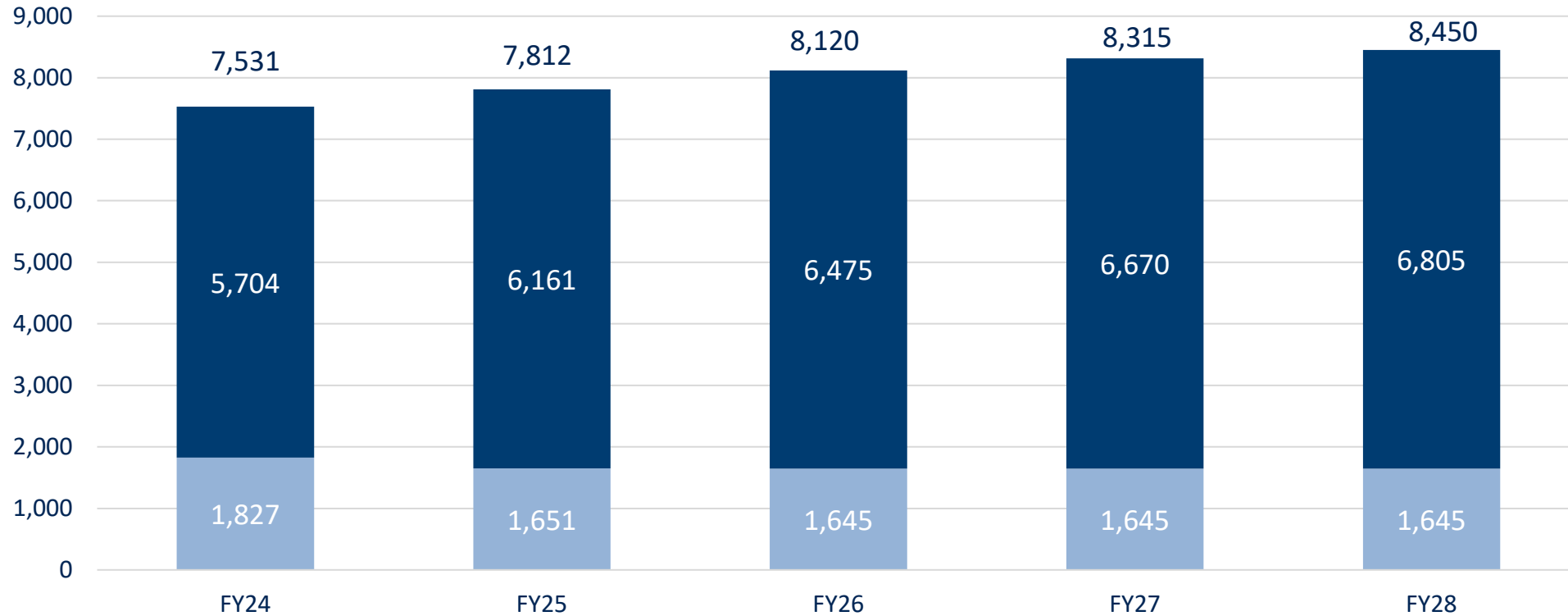


Dalton Renovation: \$52.3M
Appropriation Request - University Funds



Enrollment Outlook by Level

Enrollment by Level

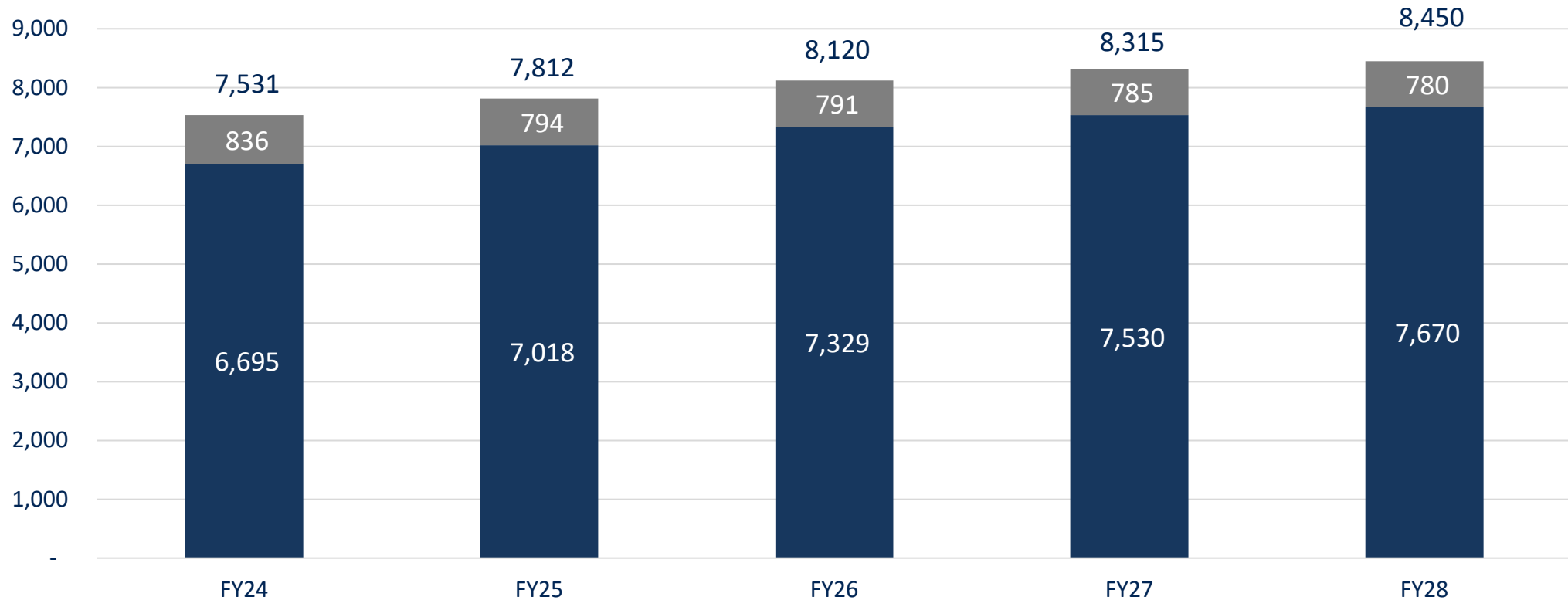


- FY24 & 25 Actuals; FY26 - FY28 Projections
- Enrollment data: IR 11/07/24

■ Graduate Headcount ■ Undergraduate Headcount

Enrollment Outlook by Residency

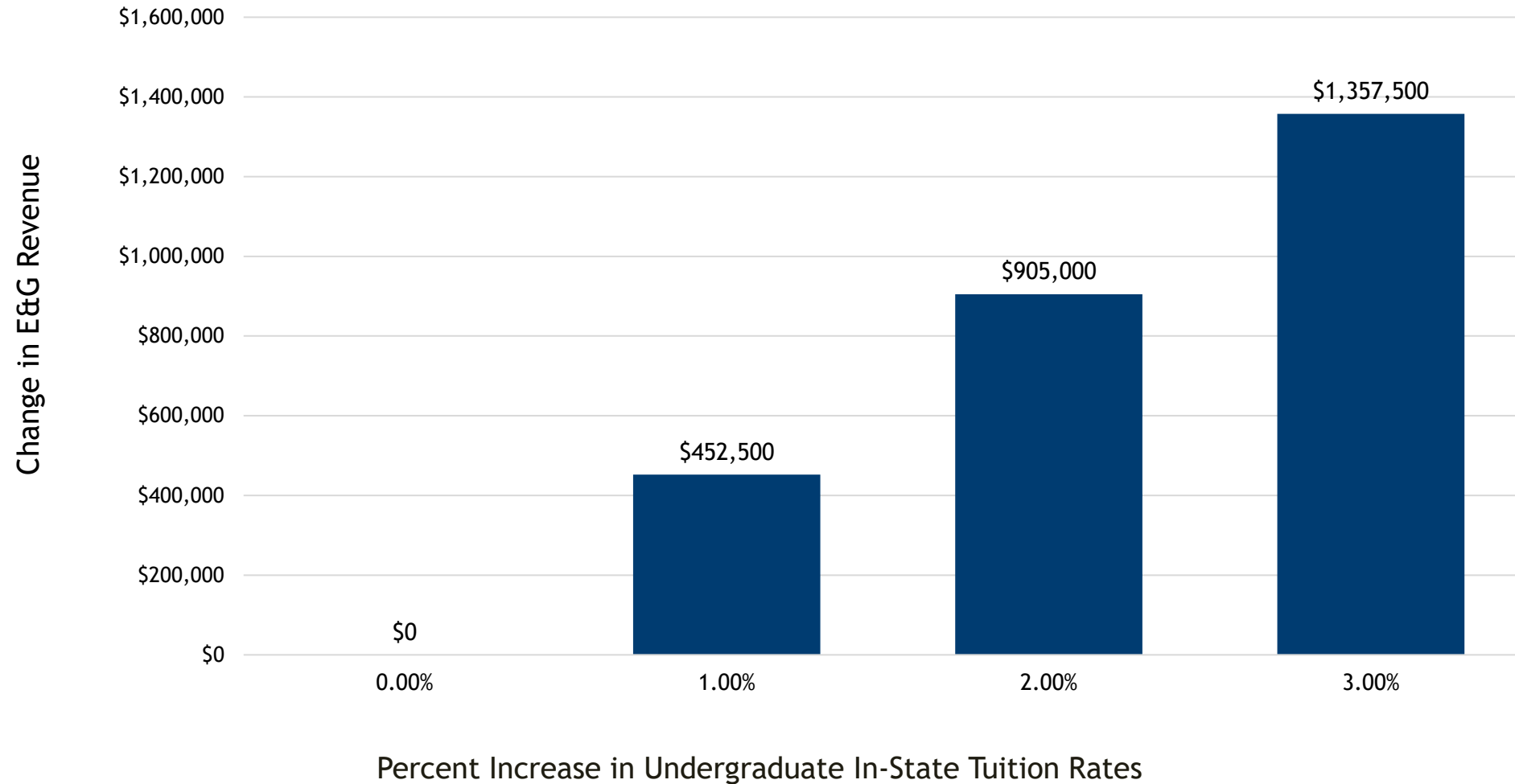
Enrollment by Residency



- FY24 & 25 Actuals; FY26 - FY28 Projections
- Enrollment data: IR 11/07/24

■ In-State Headcount ■ Out-of-State Headcount

Impact of Tuition Changes



Virginia Full Cost Policy

<u>SCHEV Estimate:</u>		<u>Internal Estimate:</u>	
Total FTE:	6,444	Total FTE:	7,239
Total OS FTE:	738	Total OS FTE:	733
OS UG FTE:	492	OS UG FTE:	495
OS GR FTE:	246	OS GR FTE:	238
OoS % of Cost:	84%	OoS % of Cost:	95%

Out-of-State UG Tuition & Fees:

Tuition:	21,166.00
Capital Fee:	447.00
Technology Fee:	120.00
Total:	21,733.00

Out-of-State GR Tuition & Fees:

Tuition:	19,058.00
Capital Fee:	447.00
Technology Fee:	120.00
Total:	19,625.00

SCHEV formula:

Total Resources/Total FTE – **TARGET**

[(UG OS FTE*UG rate) + (GR OS FTE*GR rate)]/Total OS FTE – **Average OS T&F**

Average OS T&F/TARGET = **OS % of Cost**

Internal: *IR estimated 2024-25 totals based on current FTEs*

Student Affordability



- Pricing Considerations
- Benchmarking
- Student Financial Aid
- Radford Tuition Promise



Strategic Priorities



- **Distinction:**
Defining the University's Distinctive Nature
- **Enrollment:**
Stabilizing Enrollment
- **Community:**
Enhancing Economic Development & Outreach
- **Affordability:**
Maintaining Affordability

2024 - 2026

Mandatory Cost Increases

- In setting the budget, the University must address mandatory cost pressures including:
 - Mandatory salary increases
 - Contractual operating commitments
 - Operation and maintenance of new and existing facilities
 - Contractual escalators for technology and maintenance contracts
 - Escalating utilities
 - Committed cost for previously approved projects
 - Teaching and Research Faculty promotion and tenure contractual commitments
 - Future debt service payments

Multi-Year Planning

Multi-Year Planning Assumptions

ASSUMPTIONS

- Tuition Rate Growth
 - 2% Undergraduate
 - 3% Graduate
- Annual Salary Growth
 - 2%
- Operating Expenses Increase
 - 3.2% (average)
- State Appropriations



Auxiliary Reserve

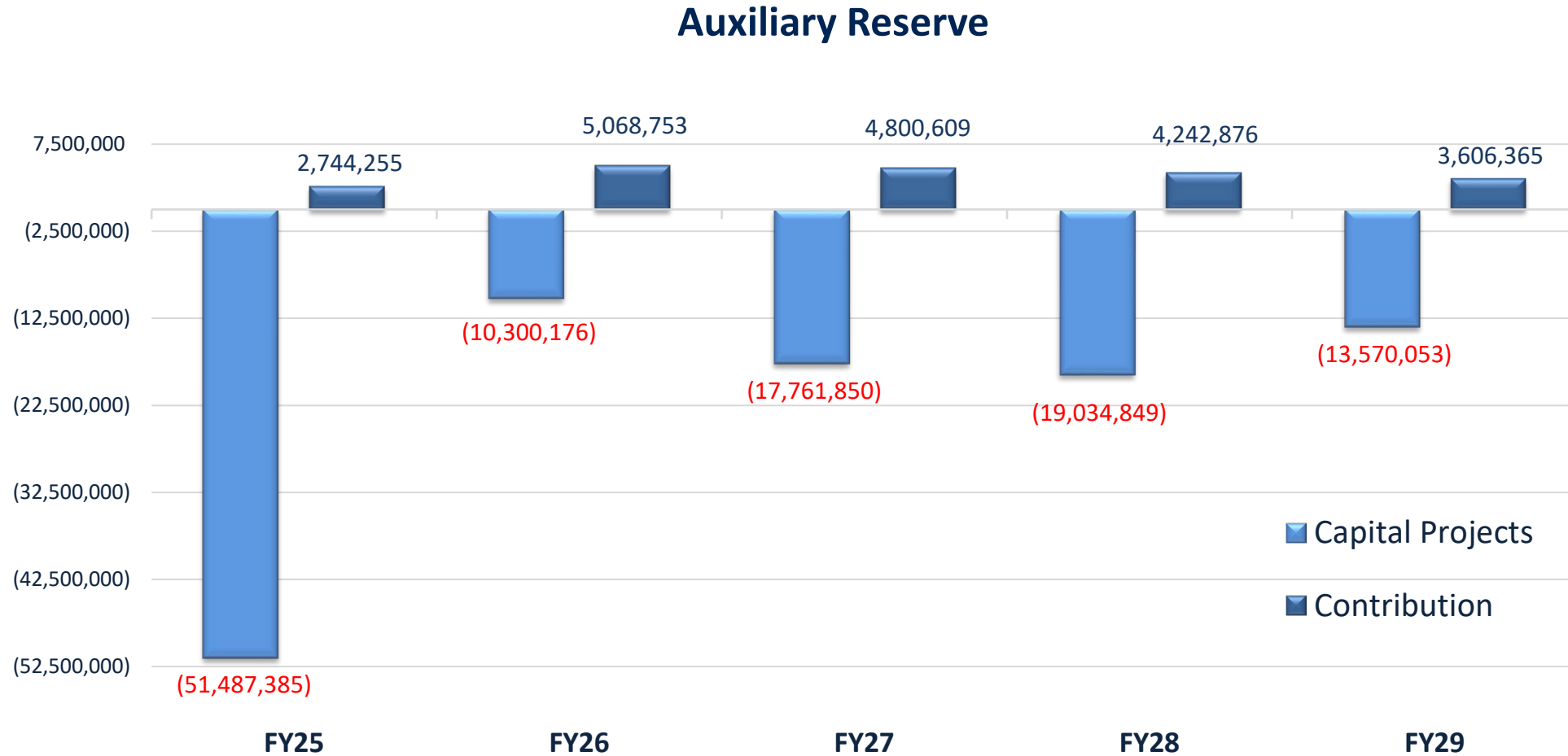
Projects	FY25	FY26	FY27	FY28	FY29
Reserve Beg. Balance	\$ 131,677,891	\$ 82,934,761	\$ 76,703,337	\$ 63,742,097	\$ 48,950,124
CoGen	(2,216,339)	(5,052,568)	(4,531,093)	5,000,000	-
Tyler/Norwood	(35,066,848)	(762,934)	-	-	-
Dalton Hall	-	(4,484,674)	(12,230,757)	(23,034,849)	(12,570,053)
Real Property	(9,691,000)	-	2,500,000	-	-
Athletics Projects	(1,513,198)	-	-	-	-
River Campus	-	-	(2,500,000)	-	-
Bonnie	(2,000,000)	-	-	-	-
Maintenance Reserve	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Budgeted Contribution/(Draw)	(2,921,956)	1,500,000	1,500,000	1,500,000	1,500,000
Interest Earned	5,666,211	3,568,753	3,300,609	2,742,876	2,106,365
Change	\$ (48,743,130)	\$ (6,231,423)	\$(12,961,241)	\$ (14,791,973)	\$ (9,963,688)
Reserve End. Balance	82,934,761	76,703,337	63,742,097	48,950,124	38,986,436

Beginning Balance	\$ 131,677,891
Budgeted Change	(92,691,455)
Remaining Balance	38,986,436
*Reserve Target	25,848,935
Over/(Under)	13,137,501

Reserve Target	22,966,444	23,655,437	24,365,100	25,096,053	25,848,935
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*SCHEV Recommended Reserve -- Range(\$17,969,830-25,848,935)

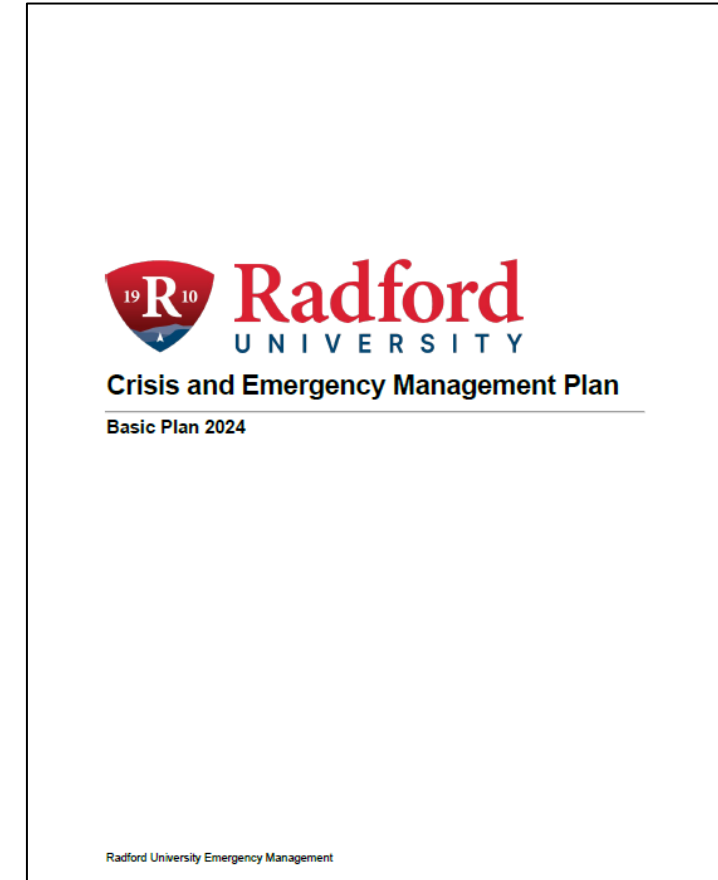
Auxiliary Reserve



Crisis Emergency Management Plan

Crisis and Emergency Management Plan

Establishes a flexible organizational framework for the University community and external partners to work together to implement the emergency management cycle to manage all-hazards incident, emergency, and event situations in a coordinated manner to provide for the health, safety, security, and mission continuity of the institution.



Requirements

- **Virginia's Executive Order 41 (2019):**
 - Emergency Management Coordinator shall be responsible for development, adoption, and maintenance of a written Crisis and Emergency Management Plan with respect to public institutions of higher education, and compliance with all related requirements in § 23.1-804 of the *Code of Virginia*.
- **Code of Virginia § 23.1-804. Institutional crisis and emergency management plan:**
 - Develop, adopt, and keep current a written crisis and emergency management plan
 - Review and exercise annually
 - ***Review and approve every four years by Board of Visitors***



Commonwealth of Virginia
Office of the Governor

CEMP Structure

- **Basic Plan**

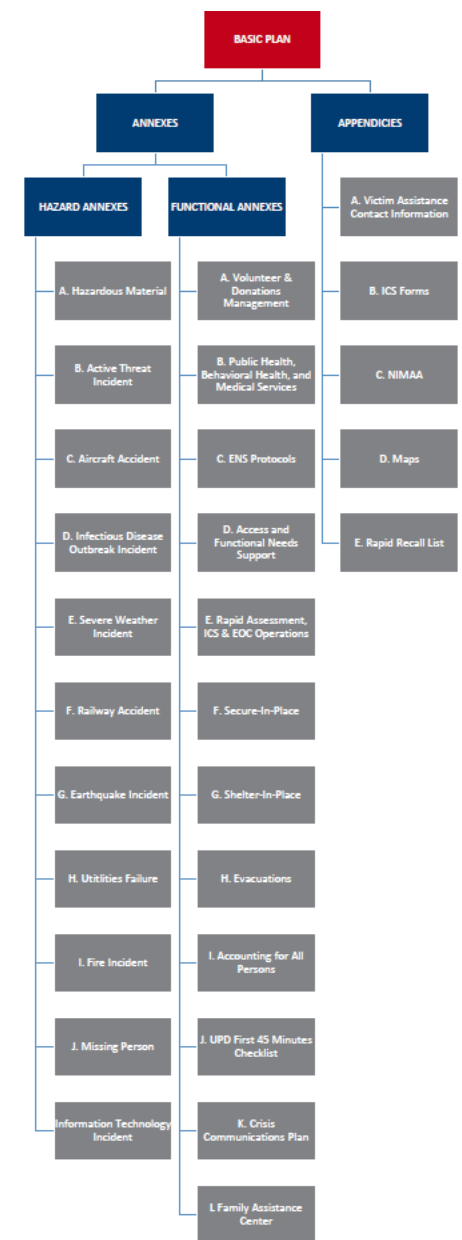
- Illustrates the overall methodology for how incidents are managed by the institution
- Includes critical information pertaining to organizational structures, roles, responsibilities, and other strategic-level operational concerns

- **Annexes**

- Provides operational guidance relative to University functional areas
- Outlines procedures for specific incidents or threats

- **Appendices**

- Contains supplemental information relevant to all CEMP elements

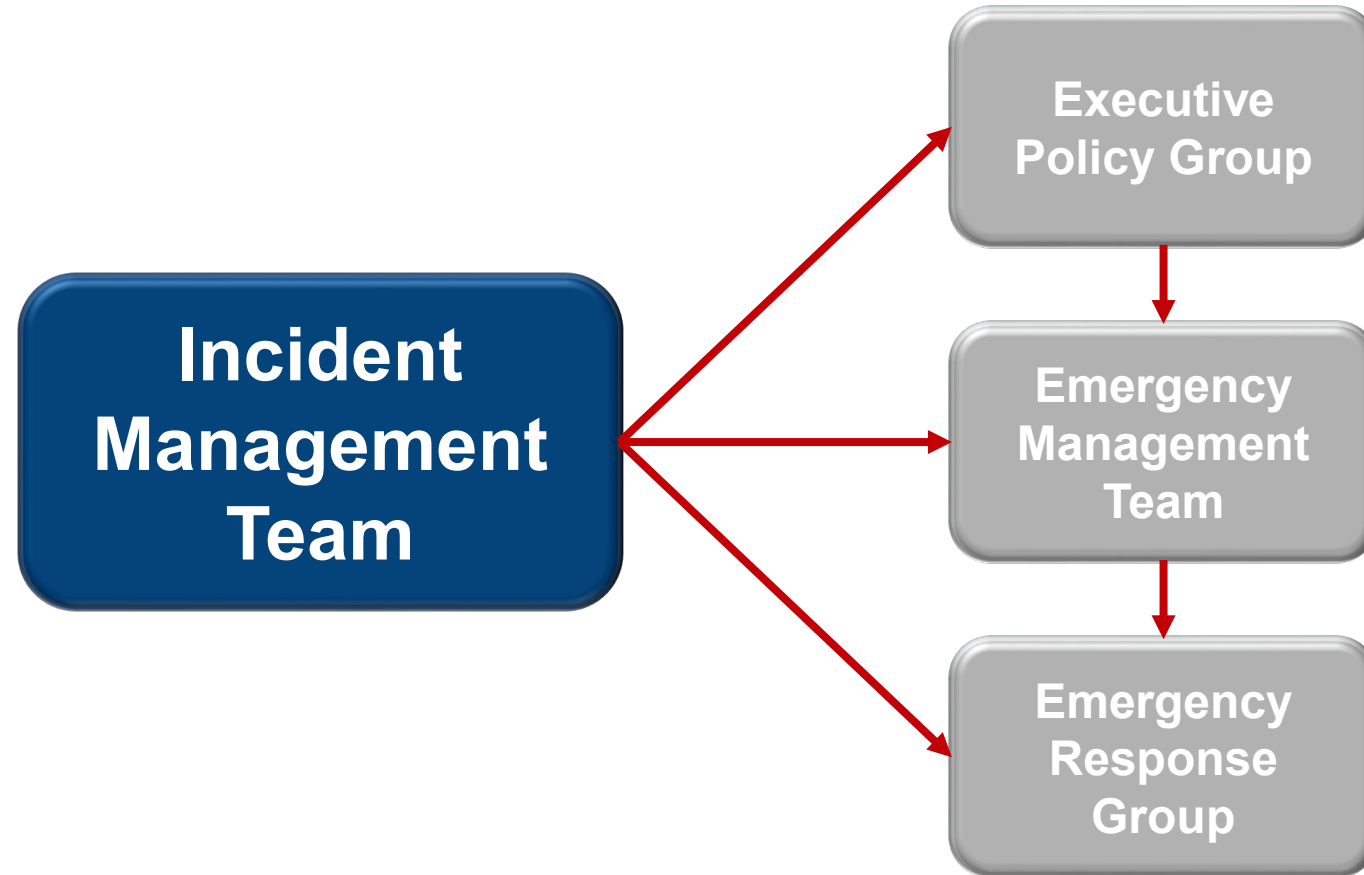


Key Plan Updates

The following key changes have been made since the 2020 plan reviewed by the BOV:

- Format and wording changes to adopt best practices;
- Establishment of the Executive Policy Group;
- Update from Incident Management Team to Emergency Management Team;
- Adoption of the Departmental EOC Structure in lieu of Emergency Support Function;
- Establishment & updates of Hazard Annexes versus Functional Annexes; and
- Inclusion of language to account for our Roanoke locations.

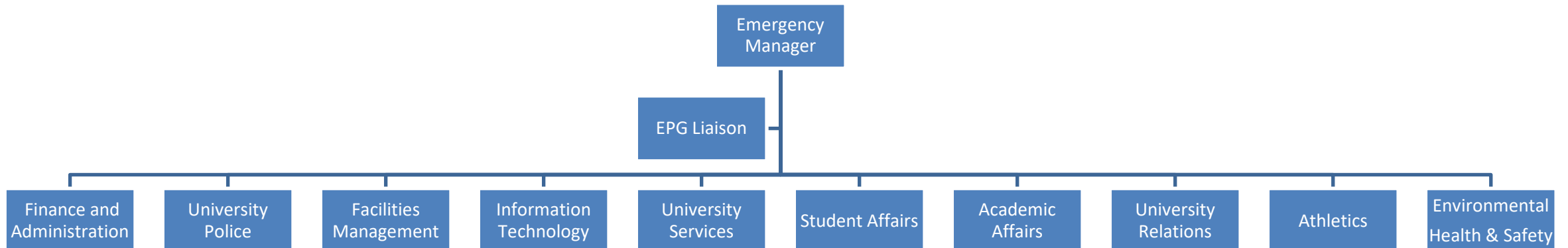
University Response Structure



Department EOC Structure

The University organizes its response and recovery capabilities into our day-to-day departmental structure. By operating in this context of normal relationships, department representatives can function in the EOC with minimal preparation or startup time.

Note that not all incidents result in the activation of all departments. It is possible an incident may be addressed without activating the EOC.



Annexes & Appendices

Hazard Annexes

Annex	Title
A	Hazardous Materials Incident
B	Active Threat Incident
C	Aircraft Accident
D	Infectious Disease Outbreak Plan
E	Severe Weather Incident
F	Railway Accident
G	Earthquake Plan
H	Utility Failure
I	Fire Incident
J	Missing Person
K	Information Technology Incident

Functional Annexes

Annex	Title
A	Volunteer & Donations Management
B	Public Health, Behavioral Health, & Medical Services
C	Emergency Notification System Protocols
D	Access and Functional Needs Support
E	Rapid Assessment ICS & EOC Operations
F	Secure-In-Place
G	Shelter-In-Place
H	Evacuation
I	Accounting for All Persons
J	UPD First 45 Minute Checklist
K	Crisis Communications Plan
L	Family Assistance Center

Appendices:

Appendix	Title
A	Victim Assistance Contact Information
B	Incident Command System (ICS) Forms
C	National Intercollegiate Mutual Aid Agreement (NIMAA)
D	Campus Maps
E	Rapid Recall List

Discussion

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
December 6, 2024

Action Item
Adoption of the Crisis and Emergency Management Plan

Item:

Adoption of the Crisis and Emergency Management Plan in accordance with Virginia Governor's Executive Order 41 and § 23.1-804 of the Code of Virginia.

Background:

The first Radford University Emergency Operations Plan (EOP) was adopted by the Radford University Board of Visitors on September 4, 2008. The EOP, now referred to as the Crisis Management Emergency Plan, as been reviewed and adopted by the Board of Visitors every four years thereafter.

In 2019 Virginia's Governor signed Executive Order 41 which describes the overarching strategic preparedness initiatives for State Agencies. Emergency preparedness is a core responsibility of all executive branch agencies and public institutions of higher education. Executive Order 41 directs *"that all State Agencies implement the emergency management initiatives prescribed in this Order to enhance emergency preparedness in our Commonwealth, focusing on continuity of government, continuity of operations, and the operational capability to fulfill their roles in the event of a disaster."* As part of this order, each State Agency shall appoint an Emergency Management Coordinator with responsibility for duties that requires in part the: *"development, adoption, and maintenance of a written Crisis and Emergency Management Plan with respect to public institutions of higher education, and compliance with all related requirements in § 23.1-804 of the Code of Virginia."*

Code of Virginia § 23.1-804, Institutional crisis and emergency management plan, requires in part, that: *"Every four years, each public institution of higher education shall conduct a comprehensive review and revision of its crisis and emergency management plan to ensure that the plan remains current, and the revised plan shall be adopted formally by the governing board. Such review shall also be certified in writing to the Department of Emergency Management."*

The Radford University Crisis and Emergency Management Plan (CEMP) provides all-hazard guidance intended to preserve life, protect property, and contain an incident, emergency, or event on campus in order to continue the University's mission. The CEMP establishes incident organization to direct and control operations by assigning broad responsibilities to specific entities for disaster mitigation, prevention, preparedness, response, and recovery. The CEMP also provides the framework within which more detailed emergency plans and procedures can be developed and maintained.

This plan does not supersede or replace the procedures for safety, hazardous materials response, or other procedures that are already in place. Rather, it supplements those procedures with an organizational structure that provides for the immediate focus of management on response operations and the early transition to recovery operations.

The Plan includes; the Basic Plan, which provides high-level strategic guidance and a conceptual management framework; Annexes which provide operational guidance relative to University

functional areas, foreseeable hazards, and other key information; and Appendices which contain supplement information relevant to all CEMP elements.

The CEMP may be utilized, in whole or in part, whenever incident conditions exist where immediate action is required. Incident response should be prioritized based on several considerations of; protect life safety, secure critical infrastructure and facilities, or to resume teaching and research programs.

Should an incident, emergency, or event require University response, the Executive Policy Group (EPG) may be convened. The EPG provides leadership support to emergency operations, addresses the safety and welfare of students, faculty, staff, and visitors, and assures, to the extent possible, the continuity and timely resumption of University operations.

Additionally, the EPG approves overall priorities and strategies for incident response and recovery, approves any temporary polices, identifies and approves financial resource allocations, approves suspending classes and events or closing the university, approves press releases and external communications, approves returning to normal operations, and remains accessible to the Emergency Management Team for updates and guidance.

In the event of an incident that may cause significant impact to university operations or last for an extended period, members of the Emergency Management Team (EMT) may be activated which may require the use Emergency Operations Center (EOC) to centralize the command, control, and coordination necessary to manage the incident. Upon activation of the CEMP, the EOC may be partially or fully activated (physically or virtually) depending on the type and scope of the incident, emergency, or event.

The EMT provides overall incident management and coordination, determines the scope and impact of the incident, serves as the primary information collection and dissemination clearinghouse, issues communication through Marketing & Communications, identifies resource needs and shortfalls and makes requests for resources, coordinates with local, state, and federal government agencies, maintains situational awareness and a common operating picture throughout the incident, re-assigns/deploys individuals and resources in support of response and recovery operations, and implements university business continuity of operations plan.

The Office of Emergency Management has led efforts with university stakeholders, in conducting a comprehensive review and update to ensure the plan remains current and operable as deemed necessary. Modifications to the previously adopted plan include format and wording changes to adopt best practices; establishment of the Executive Policy Group; update from Incident Management Team to Emergency Management Team; adoption of the Departmental EOC Structure in lieu of Emergency Support Function; establishment & updates of Hazard Annexes versus Functional Annexes; and inclusion of language to account for our Roanoke locations.

Action:

Radford University Board of Visitors adoption of the Crisis and Emergency Management Plan, as presented.

Radford University Board of Visitors
RESOLUTION
Adoption of the Crisis and Emergency Management Plan
December 6, 2024

Adoption of the Radford University Crisis and Emergency Management Plan;

WHEREAS, the Board of Visitors of Radford University is concerned with the health and well-being of its students, faculty and staff and desires that the best possible emergency service be available to them; and

WHEREAS, the President is concerned with the health and well-being of its students, faculty and staff and desires that the best possible emergency service be available to them; and

WHEREAS, the *Code of Virginia § 23.1-804* states that all public institutions of higher education shall develop, adopt, and keep current a written crisis and emergency management plan; and

WHEREAS, every four years, each institution shall conduct a comprehensive review and revision of its crisis and emergency management plan to ensure the plan remains current, and the revised plan shall be adopted formally by the Board of Visitors; and

WHEREAS, such review shall be certified in writing to the Virginia Department of Emergency Management; and

WHEREAS, such a plan has been developed by university staff in compliance with Virginia Department of Emergency Management planning standards and best practices as established by the Federal Emergency Management Agency planning guides.

NOW THEREFORE, BE IT RESOLVED that the Radford University Board of Visitors does hereby officially adopt the Radford University Crisis and Emergency Management Plan.

Adopted: December 6, 2024

Marquett Smith
Rector
Radford University Board of Visitors

Karen Casteel
Secretary to the Board of Visitors
Radford University

**RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs and Audit Committee
December 5, 2024**

**Information Item
Capital Projects and Information Technology Services Update**

Item 1: Facilities /Planning and Construction update on capital projects.

Artis Center for Adaptive Innovation and Creativity

Project Budget ----- \$126,631,000
Architect/Engineer Firm----- Hord Coplan and Macht
Construction Manager----- Skanska

The Artis Center, an approximately 178,000-square-foot multi-story building includes state-of-the-art instruction, laboratory, maker, studio, computer, and collaborative spaces that integrate the arts and health sciences, along with office and other academic support functions. Specialty spaces include an instructional auditorium and support spaces, health science clinical lab spaces, painting and drawing studio spaces, and music and dance studio spaces. The building hosts a beautiful 500-seat proscenium theatre. The project is currently in line to receive LEED Silver certification through the US Green Building Council’s Leadership in Energy and Environmental Design (LEED).

The Artis Center for Adaptive Innovation and Creativity construction was substantially complete on August 2, 2024, and a temporary certificate of occupancy was received from the State Building Official. Classes were held in the building with the start of the fall semester.

Punchlist work is winding down but continues. Mechanical, electrical, and plumbing systems are operating, and the final Testing and Balancing (TAB) report is nearing completion. Most of the owner-furnished equipment has been delivered and installed. Two external vendors continue to work on AV installations with completion anticipated in November. The work in the Ceramics Room 200 was added to the contract and the work is now substantially complete with ceramic classes beginning the first week in November.

The Information Technology Services team is finalizing the infrastructure and AV installations. The AV vendor will complete the proscenium theatre technology in mid-December. For the rest of the building, installations are done, and we are fine-tuning system configurations. We expect further enhancements in the spring to ensure systems meet faculty and student needs.

Renovation of Tyler and Norwood Halls

Project Budget ----- \$38,500,000

Architect/Engineer Firm----- Hanbury

Contractor----- Avis Construction

Norwood Hall and Tyler Hall are currently undergoing substantial interior renovations. The renovation includes the replacement of plumbing piping, fixtures, HVAC systems, fire alarm systems, electrical upgrades, accessibility improvements, and asbestos abatement; similar to the renovation scopes completed for the Moffett Quad residence halls in 2016. The renovations also include significant improvements to the first-floor building entries, and student support areas (i.e. lounges, kitchen, study spaces), along with activating the porch areas for student gathering space. These renovations will give vibrant new life to these buildings built in the early 1900’s.

Phase 1 of the project consisted of non-structural selective demolition of the interior of the buildings and was completed in the last quarter of 2023. The demolition revealed deficiencies in the existing floor structure in both buildings that were not anticipated in the design. Repairing the floors included structural support and fireproofing.

The project entered Phase 2 (Construction) of the project in June 2024. Avis Construction, from Roanoke, Virginia, was awarded the contract. Repairs to concrete floors are underway and floors are being prepared for additional reinforcement in both buildings. Significant structural deficiencies were uncovered in Tyler Hall causing the project completion to be delayed until the spring of 2026.

The Norwood Hall renovation is on schedule for completion in August 2024 as planned. Currently mechanical, electrical and plumbing work has begun with partition walls being repaired and constructed per the design.

Combined Heat and Power/Co-Generation Facility

Project Budget ----- \$23,000,000

Architect/Engineer Firm----- Trane

The Combined Heat and Power/Co-Generation Facility project that converts an existing building (the Art Annex) into a combined heat and power (CHP) facility for the campus has begun. The conversion of the facility to CHP consists of installing two 3.3-megawatt natural gas-fired reciprocating engines. The engines will generate electricity for campus utilization while the waste heat generated from the equipment will supplement the University steam plant generation.

The overall project cost for construction is approximately \$23 million. The project is estimated to save the University \$2.0 million in annual operating costs. The approved 2022-24 Biennial Budget included \$11.2 million in general funds and \$4.8 million in non-general funds for this project. Due to the escalation of construction costs for mechanical and electrical installation projects, the university has requested approval to infuse \$7.0 million in non-general funds into the project. The project qualifies for funding from the Investment Recovery Act and the university is working to meet the criteria to receive \$7 million on completion of the project. Negotiations with the City continue concerning the Interconnection Agreement terms.

The University has received approval from the Virginia Department of Energy and the Division of Engineering

and Buildings to move forward with the project. High-risk review was completed and approved to move forward by the Division of Purchases and Supply and the Office of the Attorney General.

A building permit has been received from the Department of Engineering and Buildings for the early phase interior demolition and foundation package, and the work has begun. State approvals have also been obtained from the Art and Architectural Review Board and the Department of Historical Resources. An Environmental Impact Review (EIR) was submitted to the Department of Environmental Quality (DEQ) and approved in early November.

Improve Campus Utilities Infrastructure

Project Budget ----- \$15,425,000

The Improve Campus Utilities Infrastructure project will provide improvements to campus utility infrastructure, including upgrades and enhancements to basic utilities and overall building safety and security. The project will address infrastructure concerns in advance of planned future facility needs and will enhance the resiliency and redundancy of the campus enterprise to mitigate the increased impacts of various weather, economic, and other external events, and factors. The approved 2022-24 Biennial Budget included \$15.4 million in general funds for this project.

The project will allow for significant campus utilities improvements and upgrades for the safety and security of students, employees, and guests, as well as for the efficiency and effectiveness of the infrastructure future needs. Many of the basic campus utilities were originally installed between 75 and 100 years ago, as part of the City of Radford. As the campus has grown and the facility footprint has increased, these original utility systems and components have reached end of life. As resources have been available, various utility improvement and upgrade projects have been undertaken across campus. This approach has been partially successful, but only a small portion of the campus, at the most critical locations, have been updated.

The existing infrastructure systems and components included in the construction portion of the umbrella project include water, stormwater, sanitary, steam, electrical, chilled water, information technology, fire alarm, access control and security, and accessibility.

University planning and evaluation of the access control and security systems have begun with the intent to select a future direction for the University's card access and security systems.

The University has received the Medium Voltage Electrical Master Plan from Wiley and Wilson. As part of the development of the electrical master plan, an evaluation of the existing underground medium voltage distribution system was conducted with a brief shutdown of power over a large portion of the campus.

The infrastructure work will be completed in phases. The first phase has begun with a Request for Proposals for the design of the electrical medium voltage phase of the project being posted in mid-November. The university will continue with the process of advertisement for proposals for the selection of A&E firms for the design of the other phases.

Dalton Hall

Dalton Hall constructed in 1991 with approximately 74,000 square feet, serves as the primary hub for the University's main dining facility, post office, and bookstore. In 1996, a substantial exterior modification expanded the main entrance by approximately 4,000 square feet. Over its 33-year lifespan, Dalton Hall has undergone minimal renovation, limited to repairs, interior updates, and mechanical equipment replacements.

The proposed renovation is targeted to support the University by enhancing the facility to meet the needs and preferences of today's students. Fully renovating the building will maximize the impact of funds, ensuring an enhanced dining experience, increased flexibility in dining choices, and improved pedestrian flow across and between floors. While the primary focus is on interior spaces, the renovation project will also streamline ADA access, facilitate upgrades to mechanical and electrical systems, and ensure compliance with current building codes for all modified components.

The University has submitted the Capital Funding Request to the Department of Planning and Budget for approval to move forward with the design for this project.

New Medical Arts Building in Roanoke

The University submitted the Capital Funding Request to conduct pre-planning work for the proposed construction of a new medical art building at the Roanoke Campus to the Department of Planning and Budget for approval. The building will provide state-of-the-art medical education space including academic classrooms, laboratories, and administrative spaces to support the Roanoke operations.

River Campus

The Master Plan identified development of the River Campus on University and City of Radford (City) properties adjacent to the New River. Stakeholder meetings have taken place, including academic and student affairs, and an initial visioning document has been compiled. The visioning document will serve to identify initial projects for execution, and planning and prioritization of further River Campus development projects.

The overall River Campus development includes zones for higher density public activities such as an amphitheater, event space, food and beverage areas, and associated support spaces; for quieter academic and passive recreation spaces; and for highly active recreation and student engagement areas.

An initial project was completed in Summer 2021 that included the greenway extension on university property adjacent to parking Lot Z and the New River. In coordination with the City, the second phase of the project to link the University greenway to the City greenway was completed in June 2022. Outdoor seating and spaces designed to accommodate small informal gatherings were recently added.

Further development projects include more significant public projects such as an amphitheater and food services, along with more recreation-based projects such as access to the river for people and boats, climbing walls and bouldering, and zip lines and rope courses. An architect-engineer firm, hired by the University, has performed a feasibility study for the preferred location for an amphitheater that is currently being evaluated for next steps in conjunction with the City.

The City of Radford has completed the rehabilitation of Ripley Bridge on University Drive across the Norfolk Southern tracks adjacent to East Main Street.

Item 2: Information Technology Services (ITS) update on information technology projects.

Website Redesign and Content Management System Change

Marketing and Communications and Information Technology Services (ITS) migrated the last web site from the old web server to the new CMS on November 20. This included the redesign and migration of 7,000 university-wide pages, hundreds of images and other assets. Web site owners and editors have been trained for their new responsibilities regarding the care and maintenance of their departmental websites with training and support provided. The teams can now focus efforts on enhancements and improvements including the search system and departmental content enhancements.

IT Security Operational Update

Information Technology Security Standard Updated

The Information Technology Services team worked with Internal Audit to review and update the IT Security Standard with changes to incorporate requirements of GLBA and other minor wording changes to reflect the use of cloud technologies.

Disaster Recovery Testing

In September, IT Security coordinated a disaster recovery exercise testing the real-world recovery capabilities of some of our critical systems. Lessons learned from this exercise were integrated into a second live exercise that took place in November. This exercise included the successful recovery of a larger set of our critical systems. IT Security is working to make this type of exercise more routine with the next test taking place in January.

The Night Watch

The Information Security team has been working with students from the Cybersecurity program to implement a student manned Security Operations Center. After more than a year of effort and training, the first cohort is now active, helping to protect Radford University by monitoring security systems and responding to security events. With four active members, and five more in training, the Night Watch is poised to become an integral part of securing Radford University.

Human Resources Applicant and Performance Management System Implementation

Human Resources and Information Technology Services (ITS) continue transitioning from PeopleAdmin to PageUp as the tool for applicant tracking and performance management. The team is working with the vendor to test the integration process and the performance management module. Performance planning for the 2025 year will launch in January in the PageUp system.

Annual GLBA IT Security Report from CISO

The Gramm-Leach-Bliley Act (GLBA) mandates that financial institutions providing financial services or products safeguard the security, confidentiality, and integrity of customer financial records, or "Covered Data." Under the GLBA Safeguards Rule, financial institutions are required to establish and maintain appropriate administrative, technical, and physical protections for customer information, with compliance monitored by the Federal Trade Commission (FTC). GLBA applies to Radford University and other higher education institutions because we receive federal financial aid under Title IV of the Higher Education Act, and we distribute this aid to students.

GLBA requires the following:

- A comprehensive information security program
- Designation of a Qualified Individual that oversees and enforces the security program
- A regular risk assessment to identify risks to the organization and customer information
- Design and implementation of safeguards to control identified risks
- Regular testing or monitoring of the effectiveness of the safeguards' key controls, systems, and procedures
- Security policies and procedures
- Service provider oversight
- Evaluation and adjustment of the information security program based on testing and monitoring results, risk assessment results, and material changes in the environment
- Creation of a written incident response plan
- Annual reporting to the Board of Visitors by the Qualified Individual
- Notification about specific events, as defined in GLBA, to the FTC

Radford University maintains a comprehensive information security program that includes policies, standards and procedures as well as risk assessments, system monitoring and alerts, incident response plans and end user training. We regularly review and modify our IT Security Standard as a result of risk identification and changes to our environment and to conform with changes in regulations, such as the enforcement portion of the GLBA requirement. For example, we recently updated the IT Security Standard to more formally identify the Chief Information Security Officer (CISO) as the Qualified Individual who oversees and enforces the security program.

We review our Risk Assessment annually, and have monitoring implemented on all our critical IT assets. We assess our service providers annually via our Third-Party Vendor Risk Management Program and maintain our Incident Response Plan. The security program is constantly adjusting to changes in attackers' methodologies. And finally, this report is intended to fulfill the annual reporting requirement.

CampusGuard, our higher education consultant, finished a GLBA risk assessment in early 2023. The CISO, in conjunction with teams from Information Technology Services (ITS), Financial Aid and the Bursar's office, worked with CampusGuard to address our GLBA compliance requirements by responding to the recommendations of this risk assessment. This project was completed earlier this year, and it addressed the majority of the recommendations from the risk assessment. We are planning the implementation of a dedicated server to assist with GLBA workflows to further enhance the security of our GLBA processes.

ITS underwent a significantly higher number of audits during the previous fiscal year: our annual audit with the Auditor of Public Accounts (APA), two internal audits, and an unanticipated higher education cybersecurity audit by the Virginia Office of the State Inspector General (OSIG). These audits included user computing, asset management, incident response, and physical security of the datacenters. As a result, actions were identified to address the audit recommendations, action timeframes have been identified, and the teams are diligently working to address them.

Minutes



Radford
UNIVERSITY



Business Affairs and Audit Committee
10:30 a.m.
September 5, 2024
Mary Ann Jennings Hovis Board Room, Radford, VA

DRAFT
Minutes

Committee Members Present

Dr. Betty Jo Foster, Chair
Mr. George Mendiola, Jr., Vice Chair
Ms. Jeanne Armentrout
Ms. Joann S. Craig
Mr. Jonathan D. Sweet
Mr. James C. Turk

Board Members Present

Mr. Marquett Smith, Rector
Mr. Tyler W. Lester, Vice Rector
Mr. Dale S. Ardizzone
Ms. Betsy D. Beamer
Ms. Callie M. Dalton
Mr. William C. Davis
Ms. Jennifer Wishon Gilbert
Ms. Lisa Pompa
Mr. David A. Smith
Dr. Matthew Close, Faculty Representative

Others Present

Dr. Bret Danilowicz, President
Ms. Karen Castele, Secretary to the Board of Visitors and Special Assistant to the President
Mr. Jorge Coartney, Associate Vice President for Facilities Management
Mr. Brandon Cohen, University Budget Director
Ms. Kimberly Dulaney, Executive Director of Strategic Sourcing
Ms. Lisa Ghidotti, Executive Director of Government Relations and Strategic Initiatives
Dr. Dannette Gomez-Beane, Vice President for Enrollment Management and Strategic Communications
Dr. Rob Hoover, Vice President for Finance and Administration and CFO
Dr. Angela Joyner, Vice President for Economic Development and Corporate Education
Ms. Margaret McManus, University Auditor

Mr. Ed Oakes, Associate Vice President for Information Technology Services and CIO
Ms. Susan Richardson, University Counsel
Ms. Deana Sentman, Associate Vice President for Finance and University Controller
Dr. Susan Trageser, Vice President for Student Affairs
Dr. Bethany Usher, Provost and Senior Vice President for Academic Affairs
Ms. Penny White, Vice President for University Advancement

Call to Order

Dr. Betty Jo Foster, Chair, formally called the meeting to order at 10:26 a.m. in the Mary Ann Jennings Hovis Board Room, Martin Hall. Dr. Foster welcomed everyone to the September meeting of the Business Affairs and Audit Committee.

Approval of Agenda

Dr. Foster asked for a motion to approve the September 5, 2024, meeting agenda, as published. Ms. Joann Craig, so moved, Ms. Jeanne Armentrout seconded, and the motion was carried unanimously.

Approval of Minutes

Dr. Foster asked for a motion to approve the minutes of the June 6, 2024, Business Affairs and Audit Committee meeting, as published. Mr. George Mendiola so moved and Ms. Craig seconded. Mr. Jonathan Sweet abstained and the remaining members approved.

Reports

University Auditor's Report

University Auditor Margaret McManus presented oral reports related to auditor independence, the internal quality assurance program, and the quarterly review of the University Discretionary Fund. She also presented reports related to prior and projected audit department activity, three audit reports, and a follow-up audit status report. Fiscal year 2024 goals were reported upon, and similar goals for fiscal year 2025 were discussed. A copy of the report was included with the board materials.

Information Technology Services and Capital Projects Updates

Associate Vice President of Information Technology Ed Oakes presented updates regarding infrastructure and the security of our network. This discussion included information regarding major systems; on-premises network and systems, such as firewalls, network segregation, CrowdStrike, vulnerability scanning and VPN access. He also discussed Annual Security Awareness Training and 2 Factor Authentication.

Associate Vice President for Facilities Management Jorge Coartney provided an update on active and future Capital Projects. These projects included the Artis Center, Tyler and Norwood Halls renovations, Co-Gen Project, Campus Utilities Infrastructure, Athletics Facilities Improvements, as well as the Roanoke Innovation Corridor and Dalton Hall renovation.

An update on Information Technology Services and Capital Projects was provided in the board materials.

Financial Update

Vice President Rob Hoover presented the financial performance report for 2023-24, which included a review of the year-end financial activity as of June 30, 2024. A copy of this report was provided in the board materials.

Action Items

Recommendation for Approval of the 2024-25 Proposed Operating Budget

Vice President Hoover reviewed the 2024-25 Proposed Operating Budget. Dr. Foster asked for a motion to recommend the proposed budget, as presented, to the full Board for approval. Ms. Armentrout so moved, Mr. Mendiola seconded, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment A* and is made a part hereof.

ADJOURNMENT

With no further business to come before the committee, Dr. Foster adjourned the meeting at 12:00 p.m.

Respectfully submitted,

Pamela Fitchett
Executive Assistant to the
Vice President for Finance and Administration
and Chief Financial Officer

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 5, 2024

Action Item
Approval of the Radford University 2024-25 Operating Budget

Item:

Board of Visitors approval of the Radford University 2024-25 operating budget.

Executive Summary:

Each year, the Vice President for Finance and Administration & Chief Financial Officer is responsible for presenting Radford University's projected annual operating budget to the Board of Visitors for the upcoming fiscal year. The 2024-25 operating budget was developed in consideration of projected enrollment levels, actions taken by the Governor and General Assembly during the 2024 session, Board-approved tuition and fee rates, the strategic goals of the University, and the economic outlook.

As noted in last year's budget submission, Radford University closed out a strategic plan that guided the University for the last five years. Since that time, the University prepared and has been operating with a two-year strategic plan (2024-2025) to guide operations and programs, taking advantage of proven high-impact practices across divisions. While the University has a lot to be proud of, including a diverse student population, strong academic programs, solid infrastructure and dedicated faculty and staff, obvious challenges were identified that must be addressed ahead. The most critical issue of declining enrollment mirrors what many small, regional universities are experiencing across the country. The current two-year plan is focused on this critical issue as the University seeks to understand the cause and find solutions to the enrollment shifts.

The Commonwealth's revenue forecast has remained strong, providing the Governor the ability to include significant investments to address funding for: tax relief for Virginian families, increase funding for law enforcement, support the development of lab schools, and multiple higher education initiatives, including increased funding for undergraduate financial aid. Given the current stability of the Commonwealth's fiscal outlook, the 2024-26 biennial budget includes a three percent pay raise for eligible state employees that was effective June 10, 2024.

Considering the aforementioned items, the 2024-25 operating budget demonstrates a conservative use of University resources. The proposed budget identifies key operating efficiencies that help to address mandatory and unavoidable cost increases while maximizing funding opportunities for strategic plan initiatives.

Six-Year Planning Processes and 2024-25 Budget Development:

The Virginia Higher Education Opportunity Act of 2011 (TJ21) was passed by the 2011 General Assembly and is based on recommendations from the Governor's Commission on Higher Education Reform, Innovation and Investment, which was formed through Executive Order No. 9 issued in March 2010. The TJ21 legislation requires institutions of higher education to prepare

and submit a “Six-Year Plan” by July 1st each year in accordance with criteria outlined by the Higher Education Advisory Committee (HEAC).

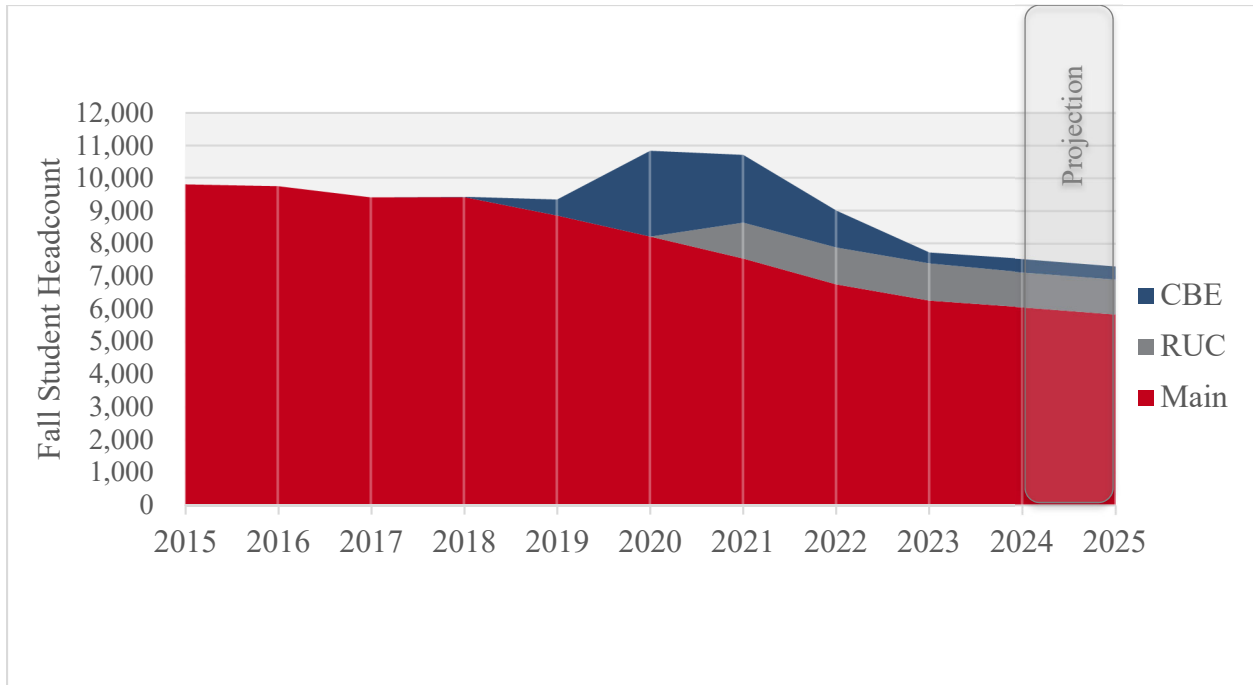
As an integral part of the six-year planning process, the University’s internal annual budget development cycle provides the opportunity to reevaluate the essential needs for the upcoming fiscal year and outline divisional priorities for the outlying years. The budget development review engages key personnel and provides a consistent mechanism to prioritize funding requests and strategically align the institution’s long-range goals with projected resources.

The University submitted an update to the previously submitted 2024-25 Six-Year Plan to the State Council of Higher Education for Virginia (SCHEV) on July 17, 2024, while making no substantive changes. The University’s Six-Year Plan identifies the targeted objectives and strategies to achieve both Virginia and institutional goals and provides a foundation for preparing tuition and mandatory fee recommendations for consideration by the Board.

Enrollment Trend:

As has been discussed broadly with the Board, the University has seen a decrease in undergraduate enrollment for almost a decade. During that time, there has been an overall decrease and significant shift in the mix of student classification between instructional level and modality. This shift in enrollment classification is illustrated in the following chart. The University remains focused on increasing undergraduate student enrollment through innovative transfer options, such as the Bridge Program, as well as increasing enrollment in high demand Health Sciences programs offered on both main campus and at RUC.

Conservative assumptions were used to develop the 2024-25 budget based on enrollment projections and retention trend data from prior years. Enrollment for 2024-25 on main campus is cautiously projected below prior year levels as the University seeks to stabilize throughout the upcoming years. Enrollment for RUC is projected slightly lower than prior year levels based on associate program offerings transferring to the Virginia Community College System. Early enrollment data, however, indicates that the university will see an increase in student headcount instead of the projected declines, resulting in a more optimistic outlook and confidence in meeting tuition revenue targets.



Mandatory Cost Increases:

The University compiled the fiscal year 2025 budget with the information as provided within the 2024 Special Session I Virginia Acts of Assembly Chapter 2 and estimates that were anticipated to impact future funding considerations as shown below:

2024-25 General Assembly Estimated Impact Summary

	2024-25
E&G - Educational & General	
Compensation Adjustments *	\$8,060,402
Affordable Access Funding	6,397,000
Fringe/Central System Changes*	2,824,970
Total E&G General Fund Recommendations	\$17,282,372
SFA - Student Financial Assistance	
In-State Undergraduate Financial Aid	5,591,010
Graduate Fellowships	57,500
Total E&G and SFA General Fund	\$5,648,510

Notes:

(*) Central Appropriation amounts are not included in the University's line-item appropriation. Instead, they are held centrally by the state and allocated after the start of the fiscal year. For this reason, estimates have been provided.

Other Mandatory Costs –

In addition to the state-mandated items, the University must also address teaching and research faculty promotion and tenure contractual commitments, operation and maintenance of facilities, contractual escalators for technology and maintenance contracts, escalating utilities, and committed costs for previously approved projects. These initiatives, referred to as Mandatory Costs, combine to total \$3.6 million for the University.

Funding Sources and Cost Drivers:

Radford University main campus is very reliant upon general fund support due to the significant number of in-state undergraduate students served (90 percent as of Fall 2023). The state’s cost share model identifies that the University’s E&G program should be funded 67 percent from Commonwealth’s general fund support and 33 percent through institutional non-general fund sources (i.e. tuition, E&G fees, etc.).

As demonstrated in Figure 1, the 2024-25 projected E&G general fund split is still below the Commonwealth’s policy of 67 percent. The difference reflects funding of essential programmatic needs to support the University’s in-state student population.

Figure 1: E&G General Fund Appropriation Historical Trend

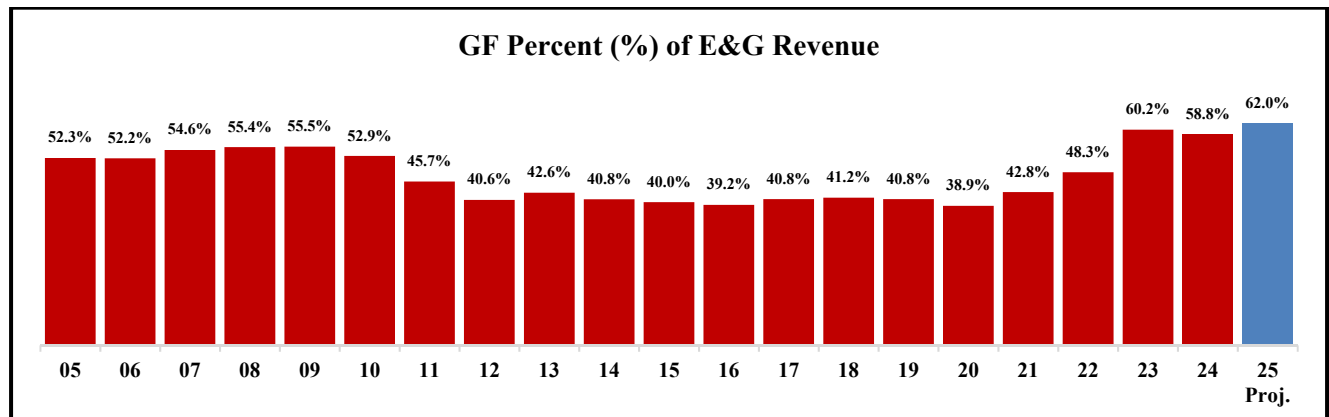
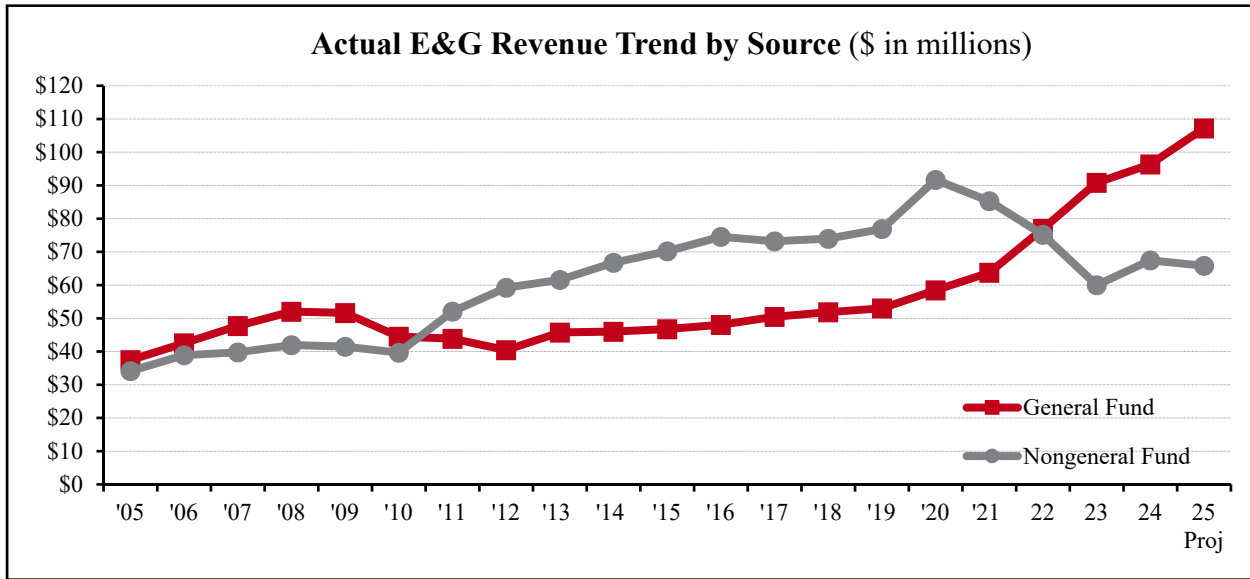


Figure 2 displays the E&G general fund and non-general fund trends between 2005 and 2025 (projected). In 2010, as a result of the economic downturn and the sustained loss of general fund support, students and their families began funding the majority of the cost of education. The increase in non-general funds for 2020 relates primarily to the merger with Jefferson College of Health Sciences and the related \$20.6 million in Tuition and Fee revenue associated with the new RUC site. There is also an increase in general funds related to the initial \$1.7 million allocation to RUC, as well as an infusion of support for Tuition Moderation Funding and other mandatory cost increases. The most notable increase comes in 2022 with the historic \$10 million investment to equalize RUC tuition with the main campus, along with \$2.9 million to maintain affordability on main campus. The Commonwealth has continued to invest in higher education to ensure institutions remain affordable.

Figure 2: E&G General Fund/Non-general Fund Split Historical Trend (Nominal Dollars)



Proposed Operating Budget:

2024-25 Projected Total Revenue

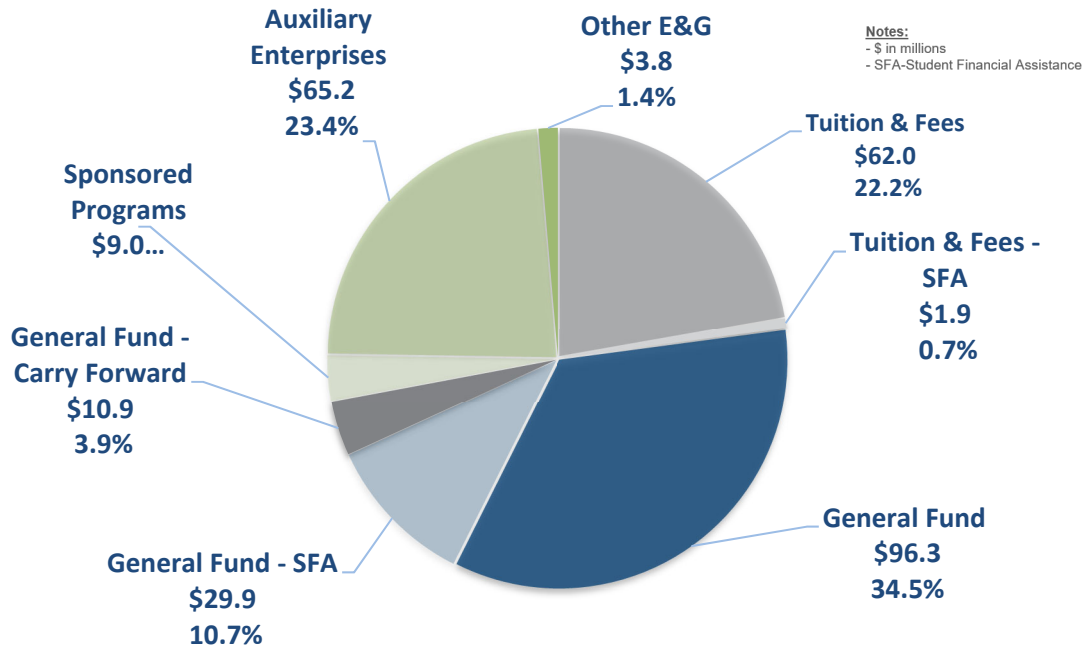
Radford University’s institutional budget is derived from two fund sources:

- **General Fund (GF)** – Virginia tax dollars (unrestricted), distributed through the Commonwealth’s budget process and documented through the Virginia Acts of Assembly (i.e. Appropriations Act).
- **Non-general Fund (NGF)** – tuition, mandatory (technology and comprehensive) fees, user (room and board) fees, other E&G and auxiliary enterprises fees, grants/contracts/research, federal student work study, and commissions (e.g. dining services, bookstore, laundry, etc.).

For the fiscal year 2024-25 the University is projecting revenue of \$279.0 million. This reflects an 8 percent increase from the 2023-24 Original Total Budget.

The majority of the University’s total operating budget (51 percent) is supported through non-general fund sources. The remaining 49 percent is supported through the general fund. Figure 3 displays the breakdown of projected revenue by major funding sources.

Figure 3: 2024-25 Projected Total Revenue (All Sources and Programs)



2024-25 Projected Total Expenditures

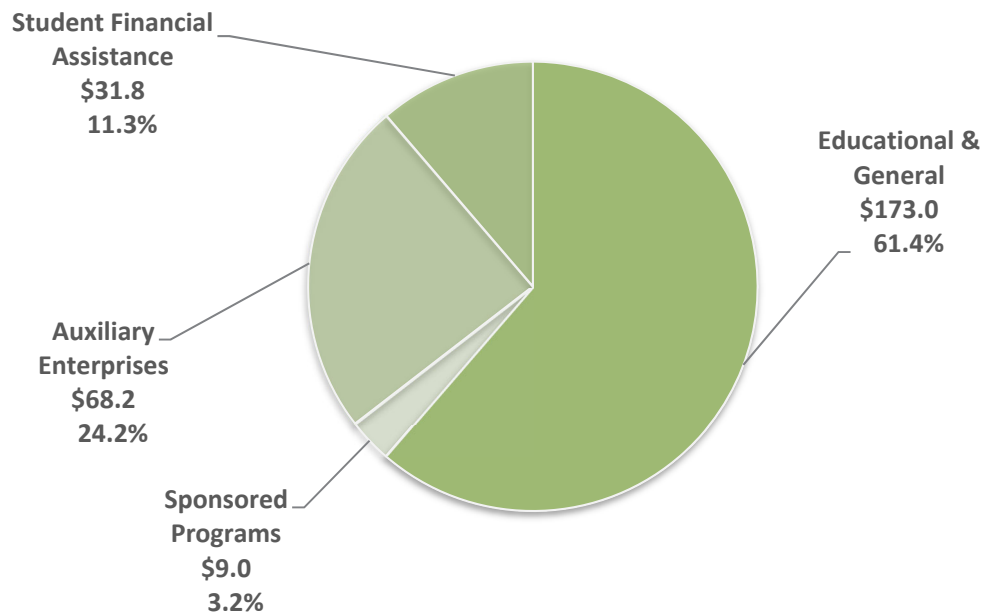
Expenditures are expected to total \$281.9 million for 2024-25.

Figure 4 illustrates projected expenditures for each of the major programs which include:

- **Educational & General (E&G):** Activities to provide instruction, research, public service, academic support (e.g., library, deans), student support services (e.g., admissions, financial aid, registrar), and program support (e.g., administration, institutional support, physical plant) services.
- **Student Financial Assistance:** Activities to provide financial assistance to Virginia students.
- **Financial Assistance for Educational and General Services Program (Sponsored Programs, Grants and Contracts):** Activities to provide additional resources for educational and general services through third-party grants, contracts, and research.
- **Auxiliary Enterprises:** Self-supporting activities to provide goods or services to students, faculty, staff, and visitors (e.g. residence halls, dining services, bookstore, athletics, student activities, etc.).

The E&G program represents 61.4 percent of the expenditure budgeted while Auxiliary Enterprises accounts for 24.2 percent. The remaining 14.4 percent is split between Student Financial Assistance and Sponsored Programs.

Figure 4: 2024-25 Projected Expenditures by Major Program



Attachment I and Schedules A and B provide an overview of the University’s proposed 2024-25 operating budget by major program. Attachment I details the 2024-25 Funded E&G Initiatives, Schedule A provides an overview of the 2024-25 Total University Operating Budget, and Schedule B reflects the 2024-25 Auxiliary Enterprise Budget by major program area.

The following is a narrative description by major program to complement the financial information presented in Attachment I and Schedules A and B.

Educational & General (E&G) Program –

The Educational and General (E&G) program supports instruction, academic support, libraries, public service, student services, institutional support, and operation/maintenance of the physical plant. The proposed 2024-25 E&G operating budget (base and one-time) totals \$173.0 million. The percentage of the E&G budget supported by general funds is projected to be 62.0 percent for 2024-25. The University is anticipating to receive \$8.1 million in new base general funds over the previous year for mandated salary increases as well as \$6.4 million in Affordable Access funding and an additional \$2.8 million in fringes and other categories. Projected E&G non-general fund revenue is derived primarily from tuition and fees at \$63.6 million, a 2023-2024 non-general fund carryforward of \$10.8 million, with all other E&G revenue totaling \$3.5 million.

Student Financial Assistance Program –

Commonwealth support from the general fund is appropriated for scholarships and fellowships to undergraduate and graduate students. The authorized general fund appropriation for fiscal year 2024-25 is \$29.9 million, which is a \$5.7 million increase over fiscal year 2023-24. In addition to general fund support, the University continues to commit \$1.9 million from institutional non-general fund resources to support undergraduate need-based financial aid.

Financial Assistance for Educational and General Services Program (Grants/Contracts) –

The University receives external funding for grants and contracts from a variety of federal, state, private, and local sources. For the fiscal year 2024-25, estimated annual activity for Sponsored Programs is projected at \$9.0 million.

Auxiliary Enterprises Program –

The Auxiliary Enterprises program supports student service activities such as residential life, dining, athletics, recreation, student health, and transportation. Funding for this program is generated from contract commissions and fees assessed to students and/or users. The Commonwealth requires Auxiliary Enterprises to be financially self-supporting. For this reason, general fund support and tuition revenue cannot be allocated to these activities.

For the fiscal year 2024-25, the revenue budget for Auxiliary Enterprises is projected to be \$65.2 million. It should be noted that all auxiliary budgets were adjusted to account for projected revenue changes due to enrollment levels, salary increases, auxiliary indirect rate, and contractual commitments, as necessary. It is projected that approximately \$2.9 million will be drawn against reserve funds. Further review and reductions in expense budget will be ongoing throughout the remainder of the fiscal year to limit the reserve draw

Action:

Radford University Board of Visitors approval of the 2024-25 operating budget as presented in Schedule A for Total Operating Budget and Schedule B for Auxiliary Enterprises.

RADFORD UNIVERSITY BOARD OF VISITORS
Resolution
September 6, 2024

Approval of the Radford University 2024-25 Operating Budget

BE IT RESOLVED, the Radford University Board of Visitors approves the fiscal year 2024-25 operating budget as presented in Schedule A for Total Operating Budget and Schedule B for Auxiliary Enterprises.

Approved: September 6, 2024

Marquett Smith
Rector
Radford University Board of Visitors

Karen Castele
Secretary to the Board of Visitors
Radford University

**2024-25 Resource Allocation Analysis
As of July 1, 2024**

REVENUE - estimated	
General Fund Changes	
Compensation Adjustments (prior 7%, current 3%)	\$ 8,060,402
Affordable Access Funding	\$ 6,397,000
Fringe Benefits & Other	\$ 2,824,970
Total GF Changes	\$ 17,282,372
Non-General Fund Changes	
Tuition Impact (Enrollment: -3.03%, Tuition Rate increases)	\$ (624,275)
Tuition Refund (UG In-State 1.5%)	\$ (786,853)
Other	\$ (2,270,000)
Total Non-GF Changes	\$ (3,681,128)
Total Revenue Changes	\$ 13,601,244
EXPENSES - estimated	
Compensation & Fringes	
Fringe Increase	\$ 979,000
Compensation Adjustments	\$ 3,343,000
Central Cost Commitments	
Mandatory Costs (State Funded)	\$ 6,397,000
Mandatory Costs (RU Funded)	\$ 3,620,000
RU Strategic Commitments	\$ 3,815,000
Divisional	
Divisional Requests	\$ 1,099,000
Divisional Savings Strategies	\$ (2,644,000)
Total Expense Changes	\$ 16,609,000
SAVINGS STRATEGIES	
Academic Affairs	\$ (1,170,538)
Finance & Administration	\$ (405,274)
Central Administration	\$ (43,897)
Economic Development	
Student Affairs	\$ (36,707)
University Advancement	\$ (32,500)
Enrollment Management & Strategic Communications	\$ (158,027)
Central Resources	\$ (797,057)
Total Savings Strategies	\$ (2,644,000)

**Radford University
Proposed University Operating Budget
2024-25**

Dollars in Thousands

	Annual Budget for 2023-24			2023-24 Adjusted Total Budget	2024-25 Adjustments			2024-25 Recommended Total Budget
	Original Total Budget (a)	Adjustments	Adjusted Total Budget (b)		Technical Adjustments	Base Adjustments	One-Time Adjustments	
Educational and General Programs								
<u>Revenues</u>								
General Fund	\$85,810	\$3,435	\$89,246	\$89,246	(\$3,435)	10,526	\$0	\$96,336
NGF Carryforward	6,500	(235)	6,265	6,265	(6,265)	0	10,880	10,880
Tuition and Fees	63,579	0	63,579	63,579	(0)	(1,525)	0	62,054
All Other Income	3,546	0	3,546	3,546	(1,527)	0	1,745	3,764
Revenue	\$159,435	\$3,200	\$162,636	\$162,636	(\$11,227)	\$9,000	\$12,625	\$173,034
<u>Expenditures</u>								
Instructional & Academic Support	(\$98,259)	(\$18)	(\$98,277)	(\$98,277)	\$3,062	(\$4,622)	(\$1,745)	(\$101,582)
All Other Support Programs	(61,177)	(3,112)	(64,289)	(\$64,289)	\$11,218	(7,502)	(10,880)	(\$71,452)
Expenditures	(\$159,435)	(\$3,130)	(\$162,566)	(\$162,566)	\$14,281	(\$12,124)	(\$12,625)	(\$173,034)
Reserve Draw (Deposit)	0	(70)	(70)	(70)	(3,054)	3,123	0	(0)
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance								
Revenue	\$26,115	\$12,203	\$38,318	\$38,318	(\$12,203)	\$5,649	\$0	\$31,763
Expenditures	(\$26,115)	(\$12,203)	(\$38,318)	(\$38,318)	12,203	(5,649)	0	(31,763)
Reserve Draw (Deposit)	0	0	0	0	0	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs								
Revenue	\$8,962	\$84	\$9,046	\$9,046	(\$84)	\$0	\$0	\$8,962
Expenditures	(8,962)	(\$84)	(9,046)	(9,046)	84	0	0	(8,962)
Reserve Draw (Deposit)	0	0	0	0	0	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Auxiliary Enterprises								
Revenues	\$63,216	\$168	\$63,383	\$63,383	(\$168)	\$2,033	\$0	\$65,249
Expenditures	(64,215)	(1,884)	(66,099)	(66,099)	2,138	(2,593)	(1,616)	(68,170)
Reserve Draw (Deposit)	999	1,717	2,716	2,716	(1,971)	560	1,616	2,921
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total University								
Revenues	\$257,728	\$15,655	\$273,383	\$273,383	(\$23,681)	\$16,682	\$12,625	\$279,008
Expenses	(258,727)	(17,302)	(276,028)	(276,028)	28,706	(20,365)	(14,241)	(281,929)
Reserve Draw (Deposit)	999	1,647	2,646	2,646	(5,024)	3,683	1,616	2,921
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:

- (a) Original Total Budget - Reflects the 2023-24 Operating Budget as of July 1, 2023 which was approved by the Board at the September 2023 meeting. Both recurring and one-time operating budgets are included.
- (b) Adjusted Total Budget - Reflects the 2023-24 Operating Budget as of June 30, 2024. Both recurring and one-time operating budgets are included.
- (c) Recommended Total Budget - Reflects the proposed 2024-25 Original Total Budget as of July 1, 2024. Both recurring and one-time operating budgets are included.

Radford University
Proposed Auxiliary Enterprise Budget
2024-25

Dollars in Thousands

	Annual Budget for 2023-24		2024-25 Adjustments				2024-25 Recommended Total Budget (c)
	Original	Adjusted	2023-24	Technical	Base	One-Time	
	Total Budget (a)	Total Budget (b)	Total Budget	Adjustments	Adjustments	Adjustments	
Residential & Dining Programs							
Revenues	\$32,852	\$32,852	\$32,852	(\$0)	\$1,113	\$0	\$33,965
Expenditures	(\$33,860)	(\$34,625)	(34,625)	\$1,076	(1,318)	0	(34,868)
Reserve Draw (Deposit)	1,008	1,773	1,773	(1,076)	205	0	903
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bookstore							
Revenues	\$70	\$70	\$70	\$0	\$193	\$0	\$263
Expenditures	(\$69)	(\$69)	(69)	0	(221)	0	(290)
Reserve Draw (Deposit)	(1)	(1)	(1)	0	29	0	28
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking & Transportation							
Revenues	\$1,752	\$1,752	\$1,752	\$0	\$85	\$0	\$1,837
Expenditures	(\$1,711)	(\$1,711)	(1,711)	3	(142)	0	(1,850)
Reserve Draw (Deposit)	(41)	(41)	(41)	(3)	57	0	13
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications							
Revenues	\$520	\$520	\$520	\$0	\$0	\$0	\$520
Expenditures	(\$508)	(\$508)	(508)	(3)	0	0	(511)
Reserve Draw (Deposit)	(12)	(12)	(12)	3	0	0	(9)
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Student Health Services							
Revenues	\$2,547	\$2,547	\$2,547	\$0	\$62	\$0	\$2,609
Expenditures	(\$2,533)	(\$2,723)	(2,723)	\$175	(36)	0	(2,583)
Reserve Draw (Deposit)	(14)	176	176	(175)	(27)	0	(26)
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Student Programming							
Revenues	\$7,706	\$7,714	\$7,714	(\$1,633)	\$123	\$0	\$6,203
Expenditures	(\$7,658)	(\$7,766)	(7,766)	1,752	(156)	0	(6,170)
Reserve Draw (Deposit)	(48)	52	52	(119)	33	0	(33)
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building & Facilities							
Revenues	\$829	\$829	\$829	\$1,626	\$112	\$0	\$2,567
Expenditures	(\$1,707)	(\$1,657)	(1,657)	(1,281)	(15)	0	(2,954)
Reserve Draw (Deposit)	878	828	828	(344)	(97)	0	387
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions							
Revenues	\$5,463	\$5,518	\$5,518	(\$54)	\$201	\$0	\$5,664
Expenditures	(\$4,730)	(\$5,157)	(5,157)	102	(168)	(1,391)	(6,614)
Reserve Draw (Deposit)	(733)	(361)	(361)	(48)	(33)	1,391	949
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics							
Revenues	\$11,476	\$11,582	\$11,582	(\$106)	\$144	\$0	\$11,620
Expenditures	(\$11,439)	(\$11,883)	(11,883)	314	(536)	(225)	(12,331)
Reserve Draw (Deposit)	(37)	301	301	(208)	392	225	710
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Auxiliary Enterprise							
Revenues	\$63,216	\$63,383	\$63,383	(\$168)	\$2,033	\$0	\$65,249
Expenses	(64,215)	(66,099)	(66,099)	2,137	(2,593)	(1,616)	(68,171)
Reserve Draw (Deposit)	999	2,716	2,716	(1,969)	560	1,616	2,922
NET	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:

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End of Board of Visitors Materials

