



# RADFORD UNIVERSITY

## REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2020

Auditor of Public Accounts  
Staci A. Henshaw, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

(804) 225-3350



## AUDIT SUMMARY

We have audited the basic financial statements of Radford University (University) as of and for the year ended June 30, 2020, and issued our report thereon, dated May 26, 2021. Our report, included in the University's Annual Report, is available at the Auditor of Public Accounts' website at [www.apa.virginia.gov](http://www.apa.virginia.gov) and at the University's website at [www.radford.edu](http://www.radford.edu). Our audit found:

- the financial statements are presented fairly, in all material respects;
- one internal control finding requiring management's attention; however, we do not consider it to be a material weakness; and
- one instance of noncompliance or other matters required to be reported under Government Auditing Standards.

Our audit also included testing over the major federal program of the Education Stabilization Fund for the Commonwealth's Single Audit as described in the U.S. Office of Management and Budget Compliance Supplement; and found no internal control findings requiring management's attention or instances of noncompliance in relation to this testing. We did not perform audit work related to the prior audit finding entitled "Improve Enrollment Reporting Process" because the University did not implement corrective action during our audit period. We will follow up on this finding during the fiscal year 2021 audit.

## - TABLE OF CONTENTS -

### Pages

AUDIT SUMMARY

INTERNAL CONTROL AND COMPLIANCE FINDING AND RECOMMENDATION

1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

2-4

UNIVERSITY RESPONSE

5

UNIVERSITY OFFICIALS

6

## INTERNAL CONTROL AND COMPLIANCE FINDING AND RECOMMENDATION

### **Improve Operating System Security**

**Type:** Internal Control and Compliance

**Severity:** Significant Deficiency

**Repeat:** No

Radford University's (University) Information Technology Services (ITS) does not document and apply a baseline security hardening configuration for its operating system that supports the University's accounting and financial reporting system. As a result, the University does not secure the operating system in accordance with its Information Technology (IT) Security Standard, 5003s-01 (Security Standard), and industry best practices. We communicated two control weaknesses that resulted from the absence of a baseline security hardening configuration to management in a separate document marked Freedom of Information Act Exempt (FOIAE) under § 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms.

The Security Standard, Section 4.3.2, requires ITS to identify, document, and apply appropriate baseline security configurations to all University IT systems. Additionally, the Security Standard requires ITS to review and revise all baseline security configuration standards annually or more frequently as needed. Baseline security configurations are essential controls in information technology environments to ensure that systems have appropriate configurations and serve as a basis for implementing or changing existing information systems. Formal hardening procedures should also include applicable settings and configurations that are in an industry best practice benchmark, such as Center for Internet Security (CIS) Benchmarks. The absence of a baseline configuration increases the risk that these systems will not meet minimum security requirements and recommendations to protect data from malicious access attempts.

ITS has an ongoing project to evaluate hardening best practices, such as the CIS Benchmark, and develop baseline configurations that identify the security controls implemented or deviations from the CIS Benchmark for the operating system environment. However, the project was delayed due to a shift in priorities to support the University during the COVID-19 pandemic and the Information Security Officer leaving in September 2020.

ITS should develop and maintain baseline configurations for its operating system environment to meet the requirements of the Security Standard and CIS Benchmark. Additionally, ITS should apply the baseline configuration settings to address the controls discussed in the communication marked FOIAE to maintain the confidentiality, integrity, and availability of the University's sensitive and mission critical data.



Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

May 26, 2021

The Honorable Ralph S. Northam  
Governor of Virginia

The Honorable Kenneth R. Plum  
Chairman, Joint Legislative Audit  
and Review Commission

Board of Visitors  
Radford University

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER

## FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of **Radford University** as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated May 26, 2021. We did not consider internal controls over financial reporting or test compliance with certain provisions of laws, regulations, contracts, and grant agreements for the financial statements of the component unit of the University, which was audited by another auditor in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control entitled "Improve Operating System Security" which is described in the section titled "Internal Control and Compliance Finding and Recommendation," that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the section titled "Internal Control and Compliance Finding and Recommendation" in the finding and recommendation entitled "Improve Operating System Security."

### **The University's Response to Findings and Recommendations**

We discussed this report with management at an exit conference held on April 19, 2021 and provided a draft report on June 7, 2021. The University's response to the findings and recommendations identified in our audit is described in the accompanying section titled "University Response." The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Status of Prior Findings and Recommendations**

We did not perform audit work related to the finding and recommendation included in our report dated April 22, 2019, entitled "Improve Enrollment Reporting Process" because the University did not implement corrective action during our audit period. We will follow up on this finding and recommendation during the fiscal year 2021 audit.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

ZLB/clj



June 18, 2021

The Auditor of Public Accounts  
P.O. Box 1295  
Richmond, VA 23218

Dear Ms. Henshaw:

We have reviewed the audit finding and recommendation titled "Improve Operating System Security" for the year ended June 30, 2020. Radford University acknowledges and concurs with the audit finding. As stated in the finding and recommendation, Radford University's Information Technology Services (ITS) project related to this finding was delayed as a result of the COVID-19 pandemic. However, ITS is expected to complete the review and update the baseline configuration and remediate the noted control references by November 1, 2021.

We would like to thank you and your staff for the valuable services that you provide.

Sincerely,

A handwritten signature in black ink, appearing to read "Chad A. Reed".

Chad A. Reed  
Vice President for Finance & Administration and Chief Financial Officer



## **RADFORD UNIVERSITY**

As of June 30, 2020

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