



# NORFOLK STATE UNIVERSITY

## REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2023

Auditor of Public Accounts  
Staci A. Henshaw, CPA

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

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## AUDIT SUMMARY

We have audited the basic financial statements of Norfolk State University (University) as of and for the year ended June 30, 2023, and issued our report thereon, dated October 4, 2024. Our report, included in the University's basic financial statements, 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.nsu.edu](http://www.nsu.edu). Our audit found:

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

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

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## INTERNAL CONTROL AND COMPLIANCE FINDINGS AND RECOMMENDATIONS

### **Improve Internal Controls over Financial Reporting**

**Type:** Internal Control

**Severity:** Significant Deficiency

Norfolk State University's (University) Controller's Office did not properly implement the requirements of Governmental Accounting Standards Board (GASB) Statement No. 96, which prescribes the proper accounting and financial reporting for subscription-based information technology arrangements (SBITAs) nor GASB Statement No. 94, which prescribes the proper accounting and financial reporting for public-private and public-public partnerships (PPPs) and availability payment arrangements. These standards were new and complex, requiring significant preparation and effort from the Controller's Office prior to implementation. However, even with the Controller's Office's efforts to implement these standards, we identified the following errors:

- The Controller's Office did not properly enter multiple required elements into the Commonwealth's lease system for eight long-term SBITAs reviewed, resulting in inaccurate present value calculations and amortization schedules. Upon management receiving notification of the errors, management performed an additional analysis of long-term SBITAs and identified an overstatement of its SBITA assets and liabilities totaling approximately \$607,000 and \$949,000, respectively, resulting in a net position increase of \$342,000.
- The Controller's Office did not complete an adequate analysis of contracts or arrangements that could represent PPPs. As a result, NSU did not properly identify and disclose two arrangements.

The Commonwealth Accounting Policies and Procedures (CAPP) Manual Topics 31305 and 31310 state that all agencies must follow guidelines as required by GASB Statement No. 96, and users of the lease system should review the specific requirements of the statement. Further, the CAPP Manual requires institutions to implement internal control procedures to properly evaluate all potential contracts to use non-financial assets to determine if the transaction is truly a SBITA. Although the CAPP Manual does not include guidelines surrounding GASB Statement No. 94, it is the Controller's Office's responsibility to have adequate policies and procedures in place to properly identify and account for its PPPs in accordance with the generally accepted accounting principles.

The errors identified are primarily due to an inadequate review of contracts and other supporting documents, incomplete user guidance on how the Commonwealth's lease system operates for certain required inputs, and human error. Additionally, while the Controller's Office has a process in place to review expense accounts and other supporting documentation for potential SBITAs and PPPs, the process did not identify all relevant activity the standards require to be reported. Misapplication or misinterpretation of GASB standards can result in inaccurate financial reporting, which can affect long-term planning and the decision making of individuals or other entities that rely on the reported financial information.

The Controller's Office should strengthen its understanding and procedures over these new accounting and financial reporting requirements and report the University's financial statements in accordance with GASB standards. Additionally, management should review existing processes and dedicate the necessary resources to properly implement new accounting standards in the future.

### **Ensure Timely Information Technology Security Audits**

**Type:** Internal Control and Compliance

**Severity:** Significant Deficiency

The University does not perform timely information technology (IT) security audits over its sensitive IT systems in accordance with the Commonwealth's IT Security Standard, SEC501 (Security Standard) and the IT Security Audit Standard, SEC502 (Security Audit Standard). The University has not assessed two of its three sensitive systems since December 2019 and has never assessed the third sensitive system. Additionally, the University has not developed a policy or procedure that details the requirements and process for performing IT security audits over each of its sensitive systems within a certain interval of time.

The Security Standard, section 7.2, states that each agency shall require that IT systems undergo an IT security audit as required by and in accordance with the current version of the Security Audit Standard, assign an individual to be responsible for managing IT security audits, and require that only independent parties perform IT security audits since they are not associated with the processes or procedures of the system. The Security Audit Standard, section 1.4, states that at a minimum, IT systems that contain sensitive data, or reside in a system with a high sensitivity on any of the criteria of confidentiality, integrity, or availability, shall be assessed at least once every three years or more frequently as commensurate with risk.

Without conducting IT security audits for each of its sensitive systems, the University increases the risk it will not discover weaknesses in its sensitive systems. Additionally, without having a defined policy and procedure that outlines the requirements for performing IT security audits, the University cannot ensure that it is properly planning and executing the audits.

The University was previously a Level 1 institution required to rely on the Virginia Information Technologies Agency's (VITA) Audit Services to complete IT security audits. The University obtained Level 2 status in December 2021 but was still under contract with VITA's Audit Services until June 2023. The University initially contracted with an independent auditor to complete an IT general controls audit in May 2023. The University has since extended its contract with an independent auditor to complete the planned audits; however, the contractor has not yet completed the audits. The University created an IT Security Audit Plan in January 2024 that includes a planned audit over each of its three sensitive systems and indicates an anticipated completion date of December 2024.

The University should establish a policy and procedure that requires IT systems classified as sensitive to undergo IT security audits at least once every three years or more frequently commensurate with risk and assign responsibility to management for IT security audits. The University should then complete the planned IT security audits over each of its sensitive systems. Compliance with the Security

Standard and Security Audit Standard will help to ensure the confidentiality, integrity, and availability of sensitive and mission-critical data.

#### **Improve Wireless Local Area Network Security**

**Type:** Internal Control and Compliance

**Severity:** Significant Deficiency

**First Reported:** Fiscal Year 2022

The University is making progress to improve the security for its wireless local area network (WLAN). The University remediated three out of four issues identified in the previous audit; however, the University has not implemented one critical security control in accordance with the Security Standard.

We communicated one control weakness to management in a separate document marked Freedom of Information Act (FOIA) Exempt under § 2.2-3705.2 of the Code of Virginia, due to its sensitivity and description of security controls. The Security Standard requires organizations to implement certain controls that reduce unnecessary risk to the confidentiality, integrity, and availability of the University's information systems and data.

The University should dedicate the necessary resources to implement the critical security control for the WLAN as communicated in the FOIA Exempt recommendation to meet the requirements of the Security Standard. Implementing the required control will help maintain the confidentiality, integrity, and availability of sensitive and mission-critical data.

#### **Improve Controls over Terminated Employees**

**Type:** Internal Control and Compliance

**Severity:** Significant Deficiency

**First Reported:** Fiscal Year 2019

Direct supervisors are not completing the HR-1 form (Departmental Request for Personnel Action) nor making other required notifications of employee separations consistently or timely for terminated employees, resulting in untimely deactivation of terminated employees' system access, payroll errors, and inaccurate and incomplete human resource information. Our review identified the following:

- For three out of seven terminated employees (43%) reviewed, the University paid the employees after their termination date, resulting in employees receiving between one and five paychecks 45 days or more after their termination date. Additionally, the University overpaid one employee by \$11,187.50.
- For two of 17 employees (12%) reviewed, the date of termination in the human resource system did not agree to the individual's resignation letter or other supporting documentation.

- For two of 17 employees (12%) reviewed, staff recorded the termination in the human resource system more than five business days after the termination date.
- For four of 17 employees (14%) reviewed, staff did not complete an off-boarding checklist for the employee.
- For 16 out of 18 employees (88%) reviewed, the University did not begin the access deactivation process within 24 hours after separation for employees with access to the Commonwealth's electronic purchasing system.
- For seven out of 14 employees (50%) reviewed, the University did not deactivate access to the University's network within 24 hours of separation.

Per CAPP Manual Topic 50320—Terminations, agencies must verify that human resource system information concerning terminating employees is complete, properly authorized, and entered accurately into the system. Fiscal officers must ensure proper and accurate issuance of all payments. Additionally, the Security Standard, section PS-4a, states that an organization must disable information system access within 24 hours of employment termination. Further, the Commonwealth's purchasing system security standard, section 2.9, requires the deactivation of terminated users' access within 24 hours of employment termination. Lastly, the University's logical access control policy and purchasing system user access policy requires system owners to remove access within 24 hours of notification of employment termination.

The University's current process is for supervisors to complete the manual HR-1 form, which triggers the off-boarding process in Human Resources, Payroll, and other departments. If department supervisors do not report terminations timely or accurately, the applicable departments cannot process deactivations timely. For the terminated employees with access to the University network, the Office of Information Technology began the deactivation process within 24 hours of notification, but the initial notifications from individual departments were not timely. Additionally, for three of the 16 exceptions identified for terminated employees retaining access to the purchasing system, the Security Officer did not receive an HR-1 form to notify them of the separation. For the remaining 13 exceptions, management attributed the delay in access removal to the implementation and transition to a new purchasing system. The University is implementing an automated HR-1 form process in fiscal year 2024.

The underlying cause of these exceptions is the lack of detailed policies and procedures and untimely communication by the terminated employees' direct supervisors, as there is often a delay between when an employee separates to when the supervisor completes the HR-1 form. The HR-1 form alerts Human Resources of an employee's departure from the University and starts the off-boarding process. The risk of payroll errors and inaccurate and incomplete human resource information increases when direct supervisors do not complete procedures pertaining to terminating employees timely. Further, untimely removal of user access increases the risk of unauthorized transactions and could compromise the integrity of the University's internal systems. Additionally, users can access the purchasing system via the internet without the University's network access.

University management should review existing policies and procedures to ensure they clearly reflect the responsibility and expected time frame for individual departments to complete the HR-1 form upon notification of an employee's termination. Management should also ensure the policies reflect that the University will hold the department supervisors accountable when they do not follow established policies and procedures.

#### **Comply with Prompt Payment Provisions**

**Type:** Internal Control and Compliance

**Severity:** Significant Deficiency

**First Reported:** Fiscal Year 2019

The University's individual departments are not updating purchase orders or submitting payment authorizations to Accounts Payable timely, resulting in late payments and noncompliance with the prompt payment requirements of the Virginia Public Procurement Act (VPPA). In our sample of 35 vouchers for which prompt payment requirements were applicable, we identified five instances (14%) in which the University did not process payment timely.

The VPPA (§ 2.2-4300 et seq. of the Code of Virginia) requires state agencies to pay for delivered goods and services within 30 calendar days after receipt of a proper invoice, or 30 days after receipt of the goods or services, whichever is later. Not following prompt payment requirements established by the Code of Virginia may harm the University's reputation as a buyer, damage relationships with vendors, and could result in late fees.

In the cases noted above, late payment of invoices was primarily a result of delays by the individual purchasing departments in not updating purchase orders in the University's financial system or informing Accounts Payable of payment authorization on invoices upon receipt of the invoices. Without an accurate and properly approved purchase order or an authorization of payment from the purchasing department, Accounts Payable cannot process payment for the respective vendor charges.

University management should review existing processes and policies to ensure they clearly reflect the responsibility and expected time frame for individual departments to approve and submit required documentation to Accounts Payable. Management should also ensure the policies reflect that the University will hold department supervisors accountable when they do not follow established policies and procedures. Clarifying and communicating its policies and procedures will assist in the University's ability to process vendor payments in compliance with the prompt payment requirements of the VPPA.

#### **Ensure Accurate Reporting of Retirement Census Data**

**Type:** Internal Control

**Severity:** Significant Deficiency

Human Resources is not accurately reporting salary change census data in the Commonwealth's retirement benefits system. In our review of 23 employees with a salary change during fiscal year 2023, we identified the following errors:



- Five of 22 (23%) employees reviewed have an inaccurate previous salary;
- 14 of 22 (64%) employees reviewed have an inaccurate previous salary end date;
- One of 23 (4%) employees reviewed has an inaccurate current salary; and
- 12 of 23 (52%) employees reviewed have an inaccurate current salary start date.

CAPP Manual Topic 50410 and the Virginia Retirement System (VRS) Confirmation and Payment Scheduling Employer Manual require creditable compensation and data elements reconciliation between the human resource and retirement benefits systems monthly before certifying the contribution. Management attributes the inaccurate census data to turnover and staff vacancies in the Human Resources benefits position as well as not completing monthly reconciliations. Not reporting accurate data can affect the integrity of the information in the Commonwealth's retirement benefits system that determines pension liability calculations for the agencies and institutions participating in VRS pension plans and can result in a misstatement in the Commonwealth's and University's financial statements. Additionally, errors in members' retirement-related data can cause under or overpayment of retirement contributions to the retirement benefit system and can create errors when members retire.

Management should review existing processes and policies and update as necessary to ensure Human Resources appropriately reconciles and accurately reports retirement census data. Additionally, management should appropriately train staff on how to enter salary changes in the retirement benefits system and to provide awareness of the requirement to report accurate information.

### **Comply with Employment Eligibility Requirements**

**Type:** Internal Control and Compliance

**Severity:** Significant Deficiency

**First Reported:** Fiscal Year 2022

In our prior audit, we identified instances where Human Resources did not comply with federal requirements issued by the U.S. Citizenship and Immigration Services of the U.S. Department of Homeland Security regarding completion of Employment Eligibility Verification (Form I-9) and case creation in the employment eligibility verification system. The noncompliance resulted primarily from the decentralized nature of hiring and onboarding of employees, turnover, a shortage of trained Human Resources staff, and untimely submission of documents by new hires. As of June 30, 2023, the University's corrective action remained ongoing.

The Immigration Reform and Control Act of 1986 requires that employers complete Form I-9 to verify both identity and employment eligibility for all employees. The U.S. Citizenship and Immigration Services sets forth federal requirements for completing Form I-9 in the Handbook for Employers M-274 (Handbook). Chapter 3 of the Handbook requires the employee to complete and sign Section 1 of Form I-9 by the first date of employment. Chapter 4 of the Handbook requires the employer to complete Section 2 of Form I-9 within three business days of the first date of employment. The E-Verify User

Manual M-775 (Manual), Chapter 2.2 requires the employer to create a case for each newly hired employee no later than the third business day after he or she starts work for pay. If an employee presents a U.S. passport, Chapter 2.1 of the Manual requires the employer to retain a copy with Form I-9. Additionally, § 40.1-11.2 of the Code of Virginia requires all agencies to use the E-Verify program for each newly hired employee who is to perform work within the Commonwealth. Noncompliance with federal regulations related to employment verification could result in civil and/or criminal penalties and debarment from government contracts.

Human Resources is developing policies, procedures, and training materials to ensure accurate and timely completion of all requirements. Management should continue to monitor the implementation of the corrective action plan to resolve this finding. We will review management's corrective action during our next audit.

### **Improve Compliance over Enrollment Reporting**

**Type:** Internal Control and Compliance

**Severity:** Significant Deficiency

**First Reported:** Fiscal Year 2018

University personnel did not report accurate and/or timely enrollment data to the National Student Loan Data System (NSLDS) for students who had an enrollment level change, withdrawn, or graduated. The underlying cause is related to management oversight. From a review of 40 students, we noted the following noncompliance:

- The enrollment level status was not accurate for 11 students (28%);
- The effective date of the applicable enrollment status change was not accurate for 14 students (35%);
- The University did not report enrollment changes timely for ten students (25%); and
- At least one campus- or program-level field deemed critical was inaccurate for 34 students (85%).

In accordance with § 685.309 of Title 34 of the Code of Federal Regulations and further outlined in the NSLDS Enrollment Guide, published by the U.S. Department of Education (ED), enrollment changes must be reported to NSLDS within 30 days when attendance changes, unless a roster file will be submitted within 60 days. The accuracy of Title IV enrollment data depends heavily on information reported by institutions. Untimely and inaccurate data submitted to NSLDS can affect the reliance placed on the system by ED for monitoring purposes. Noncompliance may also have implications for an institution's continued participation in Title IV programs.

University management should implement corrective action to ensure that the University is reporting accurate student enrollment data timely to the NSLDS. Management should also consider implementing a quality control review process to monitor the accuracy of campus and program-level batch submissions.



Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

October 4, 2024

The Honorable Glenn Youngkin  
Governor of Virginia

Joint Legislative Audit  
and Review Commission

Board of Visitors  
Norfolk State University

Javaune Adams-Gaston  
President, Norfolk State 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 aggregate discretely presented component units of **Norfolk State University (University)** as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated October 4, 2024. Our report includes a reference to other auditors who audited the financial statements of the component units of the University, as described in our report on the University's financial statements. The other auditors did not audit the financial statements of the component units of the University in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the component units of the University.

### Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control titled "Improve Internal Controls over Financial Reporting," "Ensure Timely Information Technology Security Audits," "Improve Wireless Local Area Network Security," "Improve Controls over Terminated Employees," "Comply with Prompt Payment Provisions," "Ensure Accurate Reporting of Retirement Census Data," "Comply with Employment Eligibility Requirements," and "Improve Compliance over Enrollment Reporting," which are described in the section titled "Internal Control and Compliance Findings and Recommendations," that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the section titled "Internal Control and Compliance Findings and Recommendations" in the findings and recommendations titled "Ensure Timely Information Technology Security Audits," "Improve Wireless Local Area Network Security," "Improve Controls over Terminated Employees," "Comply with Prompt Payment Provisions," "Comply with Employment Eligibility Requirements," and "Improve Compliance over Enrollment Reporting."

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

We discussed this report with management at an exit conference held on October 4, 2024. Government Auditing Standards require the auditor to perform limited procedures on the University's response to the findings identified in our audit, which is included in the accompanying section titled "University Response." The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Status of Prior Findings**

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

### **Purpose of this Report**

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

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

LDJ/vks

## FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Improve Internal Controls over Financial Reporting	Ongoing	2023
Ensure Timely Information Technology Security Audits	Ongoing	2023
Improve Wireless Local Area Network Security	Ongoing	2022
Improve Controls over Terminated Employees**	Ongoing	2019
Comply with Prompt Payment Provisions	Ongoing	2019
Ensure Accurate Reporting of Retirement Census Data	Ongoing	2023
Comply with Employment Eligibility Requirements	Ongoing	2022
Improve Compliance over Enrollment Reporting	Ongoing	2018

\* A status of **Ongoing** indicates a new and/or existing finding that requires management's corrective action as of fiscal year end.

\*\* Prior report finding title: Remove System Access Timely



We see the future in you.

**FINANCE AND ADMINISTRATION**

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October 4, 2024

Ms. Stacie Henshaw  
The Auditor of Public Accounts  
P.O. Box 1295  
Richmond, VA 23218-1295

Dear Ms. Henshaw:

Norfolk State University has reviewed the Internal Control and Compliance Findings and Recommendations provided by the Auditor of Public Accounts for the fiscal year ending June 30, 2023, and agrees in principle with all the findings.

Attached for your consideration is a brief update as to where the University is with respect to the findings. The formal Corrective Action Workplan will be submitted within thirty days as required by CAPP Manual Topic No. 10205. Please contact Ms. Karla Amaya Gordon, AVP for Finance and Administration/University Controller, 757-823-8345, [kjagordon@nsu.edu](mailto:kjagordon@nsu.edu); or me should you have any questions or require additional information.

On behalf of Norfolk State University, please extend my appreciation to all your staff for their professional audit work and recommendations.

Sincerely,

Gerald E. Hunter, PhD  
Vice President for Finance and Administration

Cc: Javaune Adams-Gaston, PhD, President  
Justin Moses, J.D., EdD, VP for Operations & Chief Strategist for Institutional Effectiveness  
Karla Amaya Gordon, AVP for Finance and Administration/University Controller  
Derika Burgess, University Internal Auditor  
S. Faye Monroe-Davis, Chief Information Officer



### **FY 2023 – Internal Control & Compliance Findings Management Response**

Norfolk State University's administration accepts the findings by the Auditor of Public Accounts. It is important to note that there were no material weakness findings during the audit. All findings in this audit are significant deficiencies which reflects that the University's internal controls are adequate to prevent or detect material misstatements in the University's financial statements. The audit found the financial statements are presented fairly, in all material respects.

#### **Improve Internal Control over Financial Reporting**

The Controller's Office has updated the procedures on the identification and reporting over subscription-based information technology arrangements (SBITA) and public-private partnerships. Updates included establishing a specific reporting code to track SBITA purchases. The Controller's office has worked with APA and DOA to clarify our understanding of standards and have updated procedures to ensure compliance with this standard.

#### **Ensure Timely Information Technology Security Audits**

The University Office of Information Technology (OIT) and Internal Audit (IA) completed the audits for its sensitive systems in July 2024. OIT is currently revamping its security program. A draft Information Security Policy is in progress for management and Board of Visitors (BOV) approval. The Information Security Policy charges OIT with developing an Information Security Program based on appropriate security controls from the Commonwealth security standard SEC530. The policy includes the creation of eighteen security standards based on corresponding SEC530 control families. The standards will replace the current BOV information security policies and complete the remaining requirements for the program.

#### **Improve Wireless Local Area Network Security**

While OIT did monitor the noted critical security system controls for the WLAN, daily reports were not configured in the existing systems at that time. The system configuration needed to create the daily reports but were subsequently completed during the audit. OIT currently has implemented the required controls for the WLAN security.

#### **Comply with Prompt Payment Provisions**

The University has provided divisional training for budget managers and fiscal staff on the importance of timely receipts of goods and services within the University's financial system and providing Accounts Payable the appropriate authorization time to pay invoices. The training is on-going and includes additional resources to aid in the Procure-to-Pay process. The University is also reviewing publishing procedures for vendors on invoice submission to ensure invoices are submitted to Accounts Payable for timely payment. Invoices are not considered valid until they are received by Accounts Payable from the vendor.



#### **Improve Controls over Terminated Employees**

Human Resources (HR) has established procedures regarding the clearance process. Monthly training will be distributed to stakeholders across campus including departmental managers. Review of the procedures and corrective action plan is underway to verify implementation of the changes that will improve internal control over separated employees. Action items include HR recognizing and verifying the appropriate separation documentation prior to the employee's separation becoming official.

#### **Ensure Accurate Reporting of Retirement Census Data**

Human Resources is in the process of developing reconciliation and monitoring procedures. This will ensure that retirement census data is accurately and timely reconciled and reported in the Virginia Retirement System. The new process will provide Human Resources with a more efficient way to detect and correct errors both foreseeable and unforeseeable. As a part of internal controls, Human Resources' new process will begin with running the benefit recon audit queries after each pay period, which are the 1st and 16th of each month. Additionally, a customizable template is being developed as a checks and balances to ensure that all responsibilities related to performing the reconciliation have been met. Adding to this, the Interim Assistant Vice President and Chief Human Resource Officer has designated a Human Resource Information System (HRIS) benefits functional area to solely handle this responsibility on an ongoing basis. The HRIS and Operations Manager is in the process of developing a training guide for the HRIS staff who will be serving in this area of responsibility.

#### **Comply with Employment Eligibility Requirements**

Human Resources has established procedures and guidelines for the onboarding of faculty and staff. In partnership with a cohort of institutions led by the College of William & Mary, Norfolk State University is currently considering an automated HRIS system to manage all personnel functions including but not limited to hiring, onboarding, employment eligibility, employee separations, pay actions, and employee performance. In working with our colleague cohort institutions, we have learned that we share many of the same concerns as it pertains to the use of effectively managing employment compliance. It is a university goal to have this system implemented as soon as practicable. The Office of Human Resources has also hired several new employees to fill key critical positions that will manage and support the functions related to the items of this audit.

#### **Improve Compliance over Enrollment Reporting**

A review and verification of the implementation of the corrective action plan to improve compliance over enrollment reporting is underway. Financial Aid and the Registrar's staff have worked together to resolve the reporting discrepancies to include reviewing system set-up and processes for sending enrollment verification and degree data. The current fall enrollment reports are being monitored closely to ensure implementation of the plan resolves the issues.