CHRISTOPHER NEWPORT UNIVERSITY

REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2025

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350

AUDIT SUMMARY

We have audited the basic financial statements of Christopher Newport University (University) as of and for the year ended June 30, 2025, and issued our report thereon, dated June 24, 2026. Our report, included in the University's basic financial statements, is available at the Auditor of Public Accounts website at www.apa.virginia.gov and at the University's website at www.cnu.edu. Our audit found:

- the financial statements are presented fairly, in all material respects;

- two matters involving internal control and its operation requiring management's attention that also represent instances of noncompliance with applicable laws and regulations that are required to be reported under Government Auditing Standards; however, we do not consider these matters to be material weaknesses; and

- adequate corrective action with respect to the prior audit findings identified as complete 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 audit as well as recommendations for addressing those findings. Our assessment does not remove management's responsibility to perform a thorough assessment of the conditions and causes of the findings and develop and appropriately implement adequate corrective actions to resolve the findings as required by the Department of Accounts in Topic 10205 – Agency Response to APA Audit of the Commonwealth Accounting Policies and Procedures Manual. Those corrective actions may include additional items beyond our recommendation.

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INTERNAL CONTROL AND COMPLIANCE FINDINGS AND RECOMMENDATIONS

Improve IT Risk Management and Contingency Planning Program
Type: Internal Control and Compliance
Severity: Significant Deficiency
First Reported: Fiscal Year 2023

Our fiscal year 2023 report found Christopher Newport University (University) did not have an effective process to maintain its information technology (IT) risk management and contingency planning program in accordance with its previously adopted security standard, the Commonwealth's Information Security Standard, SEC530 (Security Standard). Management informed us corrective action remained ongoing throughout the fiscal year 2025 audit period for the eight previously identified deficiencies. As management plans to complete corrective action after the fiscal year under review, we will evaluate whether the corrective action achieved the desired result during the fiscal year 2026 audit.

The Security Standard outlines several requirements for the University to document and maintain its IT risk management and contingency planning documents to ensure it identifies essential business functions and supporting systems, classifies data sensitivity, identifies risks and mitigating controls to its IT environment and supporting systems, and defines and tests contingency and disaster recovery procedures. Failure to fully implement the Security Standard requirements weakens the University's overall security and continuity posture, increasing the likelihood of unidentified critical risks, unprotected key systems, and difficulty maintaining or restoring operations during disruptions.

Turnover at key positions, such as Information Security Officer (ISO) and Registrar, delayed the University's corrective actions. Additionally, the University has elected to adopt a new security standard and as a result is revising its information security program to consider other security standards, such as the National Institute of Standards and Technology Standard 800-53 and the International Organization for Standardization and International Electrotechnical Commission Standard 27002:2022, which has impacted the timing of the University's corrective actions.

Management should continue implementing planned corrective actions, to include developing a formal process to ensure the information within the IT risk management and contingency planning documents is consistent, reflects the current environment, and addresses the eight previously identified deficiencies. Improving the University's risk management and contingency planning program will help it effectively protect key systems and respond to interruptions in information technology operations within management's expected timeframes.

Improve Change Management

Type: Internal Control and Compliance
Severity: Significant Deficiency
First Reported: Fiscal Year 2024

Our prior year report found Christopher Newport University did not consistently perform information technology changes in accordance with its Change Management Standard and Procedures and its Change Management Policy. Additionally, the University did not annually review its Change Management Policy. Management informed us corrective action remained ongoing throughout the fiscal year 2025 audit period. As management plans to complete corrective action after the fiscal year under review, we will evaluate whether the corrective action achieved the desired result during the fiscal year 2026 audit.

The Change Management Policy requires the University to conduct an annual review of the policy. Additionally, the Change Management Standard and Procedures require the University to conduct risk and security level assessments to assess risks associated with changes and subsequently seek approval from the Change Management Board and the Chief Information Officer or Deputy Chief Information Officer for each change. The University increases the risk of unauthorized changes by not consistently following its change management policy and process. Unauthorized changes may weaken cybersecurity defenses or result in data loss or corruption.

Turnover at the ISO position impacted the completion of corrective action, as the new ISO did not join the University until May 2025. While the University completed updates to its Change Management Policy as of October 2025, it is currently awaiting approval for its updates to the Change Management Standard. The University cannot update its Change Management Procedures until management approves the updates to the Change Management Standard, which impacts the timing of the University's corrective actions.

The University should continue implementing corrective action, to include completing the implementation of its new Change Management Standard and Procedures, ensuring it follows all elements of the process for each change, and including enforcing appropriate segregation of duties. The University should also review its Change Management Policy and its Change Management Standard and Procedures on an annual basis. Improving the University's change management process will help protect the confidentiality, integrity, and availability of sensitive and mission-critical data.

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 24, 2026

The Honorable Abigail D. Spanberger
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
Christopher Newport University

William G. Kelly
President, Christopher Newport 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 the **Christopher Newport University** (University) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated June 24, 2026. Our report includes a reference to another auditor 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 auditor 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 IT Risk Management and Contingency Planning Program" and "Improve Change Management," 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 titled "Improve IT Risk Management and Contingency Planning Program" and "Improve Change Management."

The University's Response to Findings

We discussed this report with management at an exit conference held on June 11, 2026. 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 completed adequate corrective action with respect to the prior reported findings identified as ongoing in the Findings Summary included in the Appendix. The University has taken adequate corrective action with respect to the prior audit findings identified as complete 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

SDB/clj

FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	Fiscal Year First Reported
Improve Physical and Environmental Security Program Documentation	Complete	2024
Strengthen Controls Over Financial Reporting	Complete	2024
Improve IT Risk Management and Contingency Planning Program	Ongoing	2023
Improve Change Management	Ongoing	2024

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

CHRISTOPHER NEWPORT
UNIVERSITY

June 7, 2026

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

Dear Ms. Henshaw:

Christopher Newport University has reviewed the findings and recommendations provided by the Auditor of Public Accounts for fiscal year ended June 30, 2025. The University appreciates the effort and hard work the APA auditors put towards the audit this year and has the following response to the Internal Control and Compliance Matters:

INTERNAL CONTROL AND COMPLIANCE MATTERS

Improve IT Risk Management and Contingency Planning Review

Management is implementing a formal process to ensure IT risk management and contingency planning documents remain consistent, current, and address previous identified deficiencies. This will strengthen the University's risk management framework, protecting key systems and ensuring a timely response to IT operational interruptions.

Improve Change Management

The University will continue to dedicate the resources needed to fully implement its new Change Management Standard and Procedures, ensuring compliance across all change types. In October 2025, the Policy Committee approved an updated Change Management Policy drafted by the new Information Security Officer (ISO). Additionally, the Configuration Management Standard is currently undergoing review for final approval.

Sincerely,

Sarah Herzog

Sarah E. Herzog
Chief Financial Officer/Associate Vice President

Office of the Chief Financial Officer/Associate Vice President
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Phone: 757-594-7222