

AGENDA
BOARD OF VISITORS
AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING
Tuesday, April 20, 2021
Bishop Kim W. Brown, Chair
3:00 p.m. to 5:00 p.m.

Electronic Meeting Participation

See information on page 2 of the agenda for webinar link

- I. Call to Order/Establish Quorum
- II. Recommend Approval of the March 18, 2021 Committee Minutes
Ratify Approval of the February 18, 2021 Committee Minutes
- III. Discussion Items –
 - a. Chief Compliance Officer Introduction
 - b. Action Plans Timelines
 - c. Clery Act Audit
 - d. OIT Updates: Cyber Security Insurance
- IV. ***Closed Meeting – Pursuant to §2.2-3711A.1, 4, 7 and 8, Code of Virginia***
- V. Open Meeting
- VI. Actions/Motions
- VII. Public Comment
- VIII. Adjournment

Audit, Risk and Compliance Committee

Bishop Kim W. Brown, Chair

Dwayne B. Blake

Mary L. Blunt

Dr. Deborah M. DiCroce

BK Fulton

(Vacancy)

Staff:

Derika L. Burgess, Chief Audit Executive

Dawn M. Hess, Chief Compliance Officer

The President participates in all Committee meetings.

All times are approximate and the Board reserves the right to adjust its schedule as necessary.
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NSU BOARD OF VISITORS

Audit, Risk and Compliance Committee Meeting (*continued*)

Tuesday, April 20, 2021

The Norfolk State University Board of Visitors Audit, Risk and Compliance Committee will meet April 20, 2021. Pursuant to [Executive Amendment 28 to HB29 \(2020\)](#), the Committee will meet by electronic communication means, without a quorum and without any Board member physically assembled at one location.

The meeting will be held in open and closed session via the Zoom Webinar app. The open session of the meeting can be accessed through the app using the following link to register:

April 20, 2021 https://nsu-edu.zoom.us/webinar/register/WN_JI7JgnWERvawTCmp3TinoA

Registering will allow participants to attend virtually or by phone. Information on public comment is provided on the registration form. Public comment should address only the items listed on the agenda.

If you require assistance with registering, or if there is any interruption in the broadcast of the meeting, please contact (atallbritton@nsu.edu 757-823-8676).

A recording of the meeting will be posted to the Board of Visitors website following the meeting.

All times are approximate and the Board reserves the right to adjust its schedule as necessary.

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**BOARD OF VISITORS
AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING
ELECTRONIC MEETING**

March 18, 2021

MINUTES

1. Call to Order

Bishop Brown, Chair, called the Audit, Risk and Compliance Committee meeting to order at approximately 8:30 a.m. A quorum was established. Listed below are the individuals that joined the webinar meeting.

Participants – Committee Members

Bishop Kim W. Brown, Chair
Mr. Dwayne B. Blake
Ms. Mary L. Blunt
Dr. Deborah M. DiCroce, Vice Rector
Mr. BK Fulton

Non-Participant – Absent Committee Member

Mr. Michael J. Helpinstill

Participant – Student Representative to the Board

Mr. Jeremiah O'Bryant

Participants – NSU Administrators and Staff

Dr. Javaune Adams-Gaston, President
Dr. Justin L. Moses, VP for Operations & Chief Strategist for Institutional Effectiveness
Dr. DoVeanna Fulton, Provost/Vice President for Academic Affairs
Ms. Derika Burgess, Interim Chief Audit Executive
Dr. Melissa J. Barnes, Director, Financial Aid
Ms. Paula R. D. Shaw, Director, Sponsored Programs
Ms. Crystal D. Jenkins, Executive Director, NSU Foundation
Mr. James L. Stevens, Information Security Officer
Mr. Vincent M. Moore, Chief of Police
Mrs. April T. Allbritton, Office Manager/Board Liaison
Mr. Rasool A. Shabazz, Project Engineer, Office of Information Technology

Participant – Counsel

Ms. Pamela F. Boston, University Counsel and Senior Assistant Attorney General

Observers – NSU Administrators and Staff

Mr. Ericke S. Cage, Executive Advisor to the President and Board of Visitors for Policy, Compliance and University Ombudsman
Mrs. Sandra Faye Monroe-Davis, Chief Information Officer
Mr. Ronald Forehand, Assistant University Counsel
Ms. Tanya S. White, Special Assistant to the President

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Audit, Risk and Compliance Committee Meeting

March 18, 2021

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Observer – NSU Faculty

Dr. Lamiaa S. Youssef, Special Assistant to the Provost

2. Approval of the Minutes

Mr. Blake motioned, seconded by Mr. Fulton, the Committee unanimously voted to approve the Audit, Risk and Compliance Committee minutes for February 18, 2021.

3. Update on Action Plan for Financial Aid – The following information was provided by the NSU Foundation Executive Director and the Financial Aid Director.

- Internal Audit performed an audit of the NSU Foundation to ensure that endowments are being awarded according to donor criteria. All findings have been closed. Criteria for awards implemented with a two-person review. Semi-annual meetings are held to review the process and criteria.
- Approximately thirteen (13) awards do not show on the spending policy, because certain sororities, fraternities and alumni organizations handle their awards directly via an external process. The Foundation is working to change the endowment agreements with these organization to allow Financial Aid to process the awards. Gift officers are also working with donors who may not have an executed gift agreement.
- The AwardSpring software allows every student to apply online for every endowment where they are eligible. The review/scoring process is handled through this platform. The platform allows students to upload donor thank you letters with the Foundation having access to the letters as needed. The Foundation can track endowment spending and generate trending reports using AwardSpring.
- The scholarship application process rolled out April 2000. Students meeting the key element criteria are automatically identified for an award. Awards are coded and attached to a general ledger account number.
- Most of the student's information meeting the criteria is generated by the Colleague system; however, some areas that are self-reporting may include community service, residing in public housing, or identifying residence of a particular county.

4. Update on Action Plan for Sponsored Programs – Below is an update from the Director of Sponsored Programs.

- A comprehensive review was done to ensure all policies were updated. Removed operational inconsistencies and eliminated any redundancies. Policies were updated to comply with NSU requirements, those of the sponsor, or the Commonwealth of Virginia. The policies fall under the auspices of the Dean of Graduate Studies and Research since the former reporting position was eliminated. Interactive links incorporated and tested

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Audit, Risk and Compliance Committee Meeting

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in addition to converted to electronic processes where applicable. Policies have been submitted for legal review.

- Project directors or principal investigators are no longer the sole approver. A supervisor, department head/chair, or team must also provide approval.
- Training is being provided jointly with Sponsored Programs and Finance and Administration.
- The university uses the Commonwealth of Virginia Conflict of Interest Policy (COI) relative to research. Employees are asked to identify any conflict at the proposal stage. Conflict is also monitored after the award is provided. Once a conflict is identified, it is escalated. The university is developing its own COI policy.
- Complying with the Health and Human Services and the Commonwealth of Virginia standards relative to research on human subjects.
- Purchased an electronic management system (IRBNet) that will convert manual processes to an automated system by August 15, 2021.

5. Update on Action Plan for Information Security – The following are comments from the Chief Strategist, Chief Information Security Officer and Chief of Police.

- Information Security has been created as a specific unit at the recommendation of the Virginia Information Technology Agency (VITA).
- Ten of the twenty findings have been closed. Eight are ongoing and two are partially completed.
- Three policies were created and approved by the Board in December 2020 with others forthcoming. One of the approved policies allowed for media to be stored in the Dispatch Room.
- The Dispatch Room is secure and only VCIN certified officers have access to the room.
- It is a requirement that every system on the network receives authorization to operate from the agency head. This requirement will be incorporated into the IT Security Program. The security system plan will be included as part of the risk assessment.
- Contingency planning is currently in place; however, the process needs to be documented within the Continuity Plan. Plan to hire a Business Continuity Officer.
- Safeguards are in place to sign in and escort vendors and contractors while on campus.

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Audit, Risk and Compliance Committee Meeting

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Committee members spoke to the potential of HBCUs being a target for cyberattacks.

Action Items:

Next Meeting:

- **Cybersecurity Insurance Policy Update (Dr. Moses will follow up with Mr. Hunter)**
- **Action Plan Update of Ongoing Items from Chief of Police and Chief Information Security Officer**

Future Item:

- **Ensure the risk assessment starts in ample time to support the development of the Audit Plan that would need to be approved by the Board. The risk assessment to pinpoint the highest areas of concern to be audited. Include an audit of cybersecurity processes/protection methods.**

- 6. Public Comment** – There being no public comment, the Committee proceeded with a motion to go into Closed Meeting.

7. Closed Meeting

Mr. Blake motioned, seconded by Ms. Blunt, the Committee unanimously voted to adjourn and reconvene in Closed Meeting pursuant to Section 2.2-3711(A) 1, 4, 7 and 8 of the Code of Virginia, for the following purposes, pursuant to the noted subsections: (1) and (4) to discuss personnel matters, including more specifically, discussion of performance evaluations as well as the promotion of, specific individuals and certain university employees; and to discuss or evaluate performance of departments of the University that necessarily involve discussion regarding performance of individual employees, more specifically related to reports, investigative notes, correspondence and information furnished in confidence and records otherwise exempted, of the university Internal Audit Office; and (7) and (8) consultation with legal counsel pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the university, along with any necessary consultation with legal counsel regarding matters noted in this motion.

The President and Interim Chief Audit Executive participated in the Closed Meeting.

8. Open Meeting

The Committee having reconvened in open session, took 4-0 Roll Call vote on certification that that (1) only public business matters lawfully exempted from open meeting requirements, and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the Board. Any member of the Committee who believes that there was a departure from

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Audit, Risk and Compliance Committee Meeting

March 18, 2021

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the requirements as stated above, shall so state prior to the vote, indicating the substance of the departure that in his, or her judgment, has taken place.

Closed Session Certification

Bishop Brownyes
Mr. Blakeyes
Ms. Blunt.....yes
Dr. DiCroceyes
Mr. Fultonyes
Mr. Helpinstillabsent

9. Adjournment

There being no further business the meeting adjourned at approximately 10:29 a.m.

Respectfully submitted,

April T. Allbritton, Board Liaison

Bishop Kim W. Brown, Chair
Audit, Risk and Compliance Committee



NORFOLK STATE UNIVERSITY

April 20, 2021 Internal Audit Update

Meeting Agenda

1. Chief Compliance Officer Introduction
2. Action Plans Timelines
3. Clery Act Audit
4. OIT Updates: Cyber Security Insurance

Chief Compliance Officer

Dr. Dawn M. Hess, appointed as NSU's first Chief Compliance Officer, effective March 25, 2021.

As Chief Compliance Officer:

- Implement a comprehensive compliance program.
- Assist in promoting and maintaining a culture of compliance.
- Implement educational measures and data driven practices to support compliance related initiatives.

Previously:

- Director of Enterprise Risk Management for Finger Lakes Community College, one of the 64 colleges in the State University of New York (SUNY), which is the nation's largest comprehensive public university system.
- Developed, implemented, and maintained a robust centralized college-wide risk management program providing effective oversight to support compliance throughout the organization.
- Led a New York State Education Department civil rights compliance review.
- Adjunct professor with Rochester Institute of Technology teaching management system design for nearly twenty years.
- Collaborating on a National Institute of Standards and Technology grant focused on risk, disruption and business continuity.
- Serving on advisory board of United Educators.

Fun Facts:

Doctoral degree from Northeastern University in education with a focus on organizational leadership.

Two patents for handicap accessible office products.

Work on operational controls within management systems has been adopted by NASA.

Action Plan Timelines

IIA Standard 2500

- establish and maintain a system to monitor the disposition of audit findings but stops short of prescribing time limits for performance of management action plans

ISO 9001 clause 8.2.2

- Only requires process owners to take corrective action “without undue delay”

Current Structure

- MRIA to be implemented within 6 months
- MRA to be implemented within 9 months
- OBS to be implemented within 12 months

Action Plan Timelines

Challenges

- Complexity of actions agreed upon
- Lack of resources required to address the findings
- Unrealized time commitment needed to correct issues

Proposed Changes

1. Enable management the ability to develop action plan timeframes not to exceed one year.
2. If greater than 12 calendar months are requested, each exception would then require documentation and approval by upper management.
3. In addition, root causes for each finding will be raised in an effort to assist with the efficient use of resources and effectiveness action plans

Clery Audit

| NSU Internal Audit Audit Plan 2020-2021 | | |
|---|--|---|
| Status | Proposed Audit Area | Audit Description/ Preliminary Audit Scope |
| Complete | Sponsored programs - Pre - Award | Follow up review to evaluate the design and operating effectiveness of the internal controls over the process for developing and submitting proposals. |
| Complete | Sponsored programs - Cash Drawdown process | Review of the drawdown process for compliance with the requirements of the OMB Uniform Guidance. |
| In Progress | Continuous Monitoring | Quarterly review of spenddown rates on grants. |
| On Hold | Continuous Monitoring | Quarterly review of departmental Small Purchase Charge Card activity. (Departments will be randomly selected). |
| On Hold | Construction Expenses | Outsourced audit - Audit of the construction contracts to ensures NSU was billed for project construction costs in accordance with contract requirements. |
| Complete | Spartan Ticket Center | Review of the cash handling, and check and credit card processing controls |
| In Progress | Clery Act Compliance | Review of the process for complying with the requirements of the Clery Act. |
| Not Started | Environmental Health and Safety | Review of the process for identifying, assessing and addressing unsafe campus conditions (both students and employees). |
| | | |
| External Audit TBD | IT System User Access Review - Administrative Privileges | Review of the user provisioning process and controls in place for granting and monitoring administrative access. Confirm compliance with NIST 800-53 and VITA 501. Systems will be selected at the time of the audit. |
| External Audit TBD | IT Security Audits | Review for compliance with VITA SEC 501. |



NORFOLK STATE UNIVERSITY

April 20, 2021
Cyber/IT Security Program Update

Cybersecurity Liability Insurance

1. Informal group met on April 7, 2021 to review current state of insurance
 - a. Confirmed coverage at 1MM
 - b. Confirmed NSU pays \$19,532 as our portion of 715k premium
2. Discussion with Risk Management VA Department of the Treasury (DRM), Bryan Chamberlain

Future actions include:

 - a. Holistic change in approach for all VA state schools including NSU
 - b. Advised to not seek supplemental insurance at this time due to market tolerances
 - c. Public schools have not sought supplemental insurance
 - d. DRM is opening invitations to bid for cyber insurance tiers at 2MM and 4MM beginning May 2021

Threat Assessment

Threat

- Any circumstance or event (human, physical, or environmental) with the potential to cause harm to an information system in the form of destruction, disclosure, adverse modification of data, or denial of service by exploiting a vulnerability which may halt or disrupt any of the agency's critical business functions.

| | |
|--------------------------|--|
| Communication Failure | Computer Crime |
| Cyber-Terrorism | Fraud/Embezzlement |
| Hardware Failure | Human Error |
| Loss of Key Personnel | Malicious Use |
| Pandemic Event | Power Loss |
| Sabotage | Terrorism |
| Unauthorized Access/Use | Vandalism |
| Fire (Major or Minor) | Weather Event (Tornado, Hurricane, Blizzard) |
| Bomb Threats | Biological Contamination |
| Application Flaws | Disruption of Service |
| Unfavorable Legal Action | Damage to Agency/University Reputation |

IT Security

Terms & Conditions (T&C)

☒ (Select All)

- ☐ ACCEPTABLE USE POLICY
- ☐ AGENCY RESPONSIBILITIES
- ☐ APPLICATION AND LICENSED SERVICES SUPPORT
- ☐ CLOUD SERVICES WARRANTY
- ☐ COMMENCEMENT AND ACCEPTANCE OF LICENSED SERVICES
- ☐ CONTENT PRIVACY AND SECURITY
- ☒ CYBER SECURITY LIABILITY INSURANCE
- ☐ DESCRIPTION OF LICENSED SERVICES
- ☐ ESCROW AGREEMENT
- ☐ EXIT ASSISTANCE
- ☐ LIABILITY
- ☐ PROPRIETARY RIGHTS
- ☐ RECORDS AND AUDIT
- ☐ SERVICE LEVELS AND REMEDIES
- ☐ SUPPLIER RESPONSIBILITIES
- ☐ TERM AND TERMINATION
- ☐ THIRD PARTY TERMS AND CONDITIONS

- Contract Language
 - “In addition to other insurance coverage requirements in the Contract, Supplier shall carry Cyber Security Liability insurance coverage in the amount of \$XXX,XXX,XXX.”

Questions?