

# WILLIAM & MARY

BOARD OF VISITORS  
COMMITTEE ON AUDIT, RISK AND COMPLIANCE  
DRAFT MINUTES  
FEBRUARY 7, 2024  
ROOM 302 – BLOW MEMORIAL HALL

## **COMMITTEE MEMBERS PRESENT**

Ms. Cynthia E. Hudson, Chair  
Mr. John P. Rathbone, Vice Chair  
Mr. C. Michael Petters

Ms. Laura Keehner Rigas (*via phone*)  
Ms. Ardine Williams

## **COMMITTEE MEMBERS PRESENT**

Mr. J.E. Lincoln Saunders

## **OTHER BOARD MEMBERS PRESENT**

Mr. Steve J. Huebner

Dr. Taylor V. Brings, Staff Liaison

## **OTHERS PRESENT**

Dr. Katherine A. Rowe, President  
Ms. Carrie Nee, University Counsel  
Mr. Kent Erdahl, Director of Internal Audit  
Ms. Pamela Mason, Chief Compliance Officer/FOIA Officer  
Dr. Virginia M. Ambler, Vice President for Student Affairs  
Mr. Donald Butler, W&M Chief of Police  
Mr. Sean Hughes, Associate Vice President for Business Affairs  
Mr. Brian Mann, Director of Athletics  
Ms. Melanie T. O'Dell, Chief Financial Officer  
Mr. Eric Sandridge, Deputy Auditor of Public Accounts  
Mr. Michael J. Fox, Secretary to the Board of Visitors  
Mr. Tyler Cattini, Office of the President Intern

## **INTRODUCTORY REMARKS**

Ms. Cynthia E. Hudson, Chair, called the meeting to order at 3:46 p.m.

Ms. Hudson said that Ms. Laura Keehner Rigas notified the Rector that she is unable to attend this meeting due to a family medical situation. She would like to participate in the meeting electronically from her car enroute to Williamsburg. Pursuant to the Virginia Freedom of Information Act and Section III.D of the Board bylaws, Ms. Hudson moved that the Board approve the use of electronic participation. The motion was seconded by Mr. John P. Rathbone and approved via voice vote.

## **APPROVAL OF MINUTES**

Recognizing that a quorum was present, Ms. Hudson asked for a motion to approve the minutes of the November 17, 2023, meeting. The motion was made by Mr. C. Michael Petters, seconded by Mr. Rathbone and approved by voice vote.

## **REPORT FROM DEPUTY AUITOR OF PUBLIC ACCOUNTS**

Mr. Eric Sandridge, Deputy Auditor of Public Accounts (APA), reviewed the audit for the period of July 1, 2022-June 30, 2023. He said that the APA held a kickoff meeting with management and has been engaged with William & Mary and Richard Bland College regarding the audit. The objective of the audit is to provide an opinion on the consolidated financial statements. In connection with the audit, the APA will review internal controls for compliance with laws and regulations, and issue a separate report on internal controls and compliance.

Mr. Sandridge communicated that management is responsible for the internal control environment and provided a high-level overview of key risks including management override. The audit is scheduled to be completed before the April board meeting and will be presented to the Committee on Audit, Risk and Compliance at that meeting.

#### **REPORT FROM INTERNAL AUDITOR**

Mr. Kent Erdahl, Director of Internal Audit, presented a final accounting of 2023 Internal Audit work, which included eight completed audits and two deferred audits from the original plan. He said one unplanned audit was added and four Office of State Inspector General (OSIG) hotline investigations were performed during the year.

Mr. Erdahl commented on the Virginia Institute of Marine Science (VIMS) Office of Sponsored Programs audit and noted that improvement opportunities include alignment of policies and procedures with current guidelines and enhancing communication with faculty on the Office of Sponsored Programs levels of support. He also said there is an opportunity for VIMS and W&M Sponsored Programs Offices to work together to achieve efficiencies.

In addition to standard audits, Mr. Erdahl and Mr. Edward Aractingi, Chief Information Officer, partnered on a department level data security project. The work was not intended to be an audit, but rather to open a dialog with unit leaders about data security. These conversations are resulting in recommendations that are being shared across the university. Internal Audit and Information Technology plan to continue this work in 2024.

Mr. Erdahl reported that in January 2024, two auditors resigned due to other offers with increases in salary. Mr. Erdahl has subsequently hired two new auditors and there remains one vacancy in the office. A discussion ensued regarding IT audit staffing and the shortage of this skill set across higher education in general. Mr. Erdahl noted that other Virginia universities have outsourced or co-sourced IT audits and said that W&M may need to move to this type of staffing model. Mr. Petters and Ms. Ardine Williams suggested adopting an outsourcing model and not delay too long as the need for this skill set is critical. Dr. Katherine A. Rowe, President, advised that Internal Audit seeks external expertise for an IT audit now to assess if this is the right model long-term.

Mr. Erdahl presented a follow-up scorecard of completed audits to confirm implementation of management recommendations. In November the committee recommended discussion topics more focused on key risk areas. In response, Mr. Erdahl presented an Audit, Risk and Compliance calendar for future meeting topics. He said that Ms. Mason, Chief Compliance Officer, will provide Title IX and investigation reports as pre-reads to the Committee and will provide a formal report during the November meeting. Other higher-risk areas such as IT, Campus Safety, and Student Health will be presented annually or semi-annually to the Committee. Mr. Erdahl said that as risks emerge, the calendar will be modified to bring the most relevant topics to the committee.

Finally, Mr. Erdahl informed the Committee that the OSIG is launching a cyber audit of all Virginia higher education institutions. William & Mary, VIMS and Richard Bland College will be in scope and the audit will likely extend well into calendar year 2024.

#### **REPORT FROM CHIEF INFORMATION OFFICER**

Mr. Aractingi presented a report on cybersecurity for the university. He reviewed the overall security principles, which include:

- Enterprise Risk, ensuring everyone knows their role in risk mitigation; and
- Preparedness and response is collaborative, within university departments and across Virginia schools, as well as state and federal agencies.

Mr. Aractingi provided an update on IT's cybersecurity work, noting there is now two-factor authentication for all systems. He said IT has been working on eliminating dormant accounts, such as alumni accounts and over 45,000 accounts had been removed from the system. Mr. Aractingi reported that for the first time since 2019, IT is fully staffed in all security team positions. There is a working team in place to review and update IT policies and procedures, and to eliminate obsolete policies. The university achieved 100% compliance with cybersecurity training for all employees for the second year in a row. Mr. Aractingi reported on simulated phishing and discussion ensued regarding the frequency of these tests. Mr. Aractingi agreed to evaluate and consider increasing simulated phishing.

Mr. Aractingi said IT annually hires an external firm for risk assessment and to report findings, and as mentioned by Mr. Erdahl, they have partnered with Internal Audit on an evaluation of enterprise systems at the business units' level.

Mr. Aractingi said that IT has modernized the Distributed Denial-of-Service monitoring/mitigation and central event logging system. IT is now able to track logins on the system in real time, and it brings awareness to activity. For example, IT can know if someone logs into our system from two different countries within minutes and be alerted of a potential hack.

Lastly, Mr. Aractingi presented the cybersecurity action plan to the committee. The three actions for the coming year include a review of third-party cloud services security, a risk assessment of research areas, and an evaluation of Gramm-Leach-Bliley Act compliance.

#### **CLOSED SESSION**

Ms. Hudson moved that the Committee on Audit, Risk and Compliance convene into closed session pursuant to Virginia Code Sections: §2.2-3711.A.1 to discuss the performance of employees in the School of Education, the Department of Athletics, Arts & Sciences, University Libraries, and RBC human resources; §2.2-3711.A.7 and A.8 for consultation with legal counsel regarding pending and anticipated litigation and compliance matters; and § 2.2-3711.A.19 for discussion of plans to address specific cybersecurity threats and vulnerabilities and actions taken by IT staff to respond to such threats. Motion was seconded by Mr. Rathbone and approved by roll call vote – 5-0 – conducted by Mr. Michael J. Fox, Secretary to the Board of Visitors. Mr. J.E. Lincoln Saunders was absent from the meeting.

At that time the Committee and Board members, President, Provost, University Counsel and members of the Executive Leadership Team entered the closed session meeting at 4:39 p.m.

#### **RECONVENED OPEN SESSION**

Following the closed session, the Committee returned to open session at 4:58 p.m. Ms. Hudson moved that the Committee certify by roll call vote that, to the best of each member's knowledge, only matters lawfully exempted from the open meeting requirements under the Freedom of Information Act were discussed, and only matters identified in the motion to have the closed session were discussed. Motion was seconded by Mr. Petters and approved by roll call vote – 5-0 – conducted by Mr. Fox. Mr. J.E. Lincoln Saunders was absent from the meeting.

#### **ADJOURNMENT**

There being no further business, Ms. Hudson adjourned the meeting at 4:58 p.m.