VIRGINIA COMMONWEALTH UNIVERSITY
AUDIT, INTEGRITY AND COMPLIANCE COMMITTEE MEETING
7:45 A.M.
MAY 11, 2018
JAMES BRANCH CABELL LIBRARY
901 PARK AVENUE – ROOM 311
RICHMOND, VIRGINIA

AGENDA

1.	**CALL TO ORDER**	**Keith Parker,** *Chair*
2.	**APPROVAL OF AGENDA**	**Keith Parker,** *Chair*
3.	**APPROVAL OF MINUTES** (March 22, 2018)	**Keith Parker,** *Chair*
4.	**AUDITOR OF PUBLIC ACCOUNTS (APA) ENTRANCE CONFERENCE FOR FY 2019 AUDIT**	**Karen Helderman,** *Audit Director, APA*
5.	**AUDIT, INTEGRITY AND COMPLIANCE COMMITTEE DASHBOARD MEASURES**	**Bill Cole,** *Executive Director, Audit and Compliance Services*
6.	**AUDIT, INTEGRITY AND COMPLIANCE COMMITTEE CHARTER AND MEETING PLANNER ANNUAL UPDATE**	**Bill Cole,** *Executive Director, Audit and Compliance Services*
7.	**PROPOSED FY 2019 AUDIT WORK PLAN**	**Bill Cole,** *Executive Director, Audit and Compliance Services*
8.	**PROPOSED FY 2019 UNIVERSITY ETHICS AND COMPLIANCE PROGRAM INITIATIVES**	**Jacqueline Kniska,** *Integrity and Compliance Officer*
9.	**DATA GOVERNANCE UPDATE**	**Alex Henson,** Chief *Information Officer*
10.	**AUDIT AND COMPLIANCE UPDATE FOR INFORMATION** A. Compliance Education	**Jacqueline Kniska,** *Integrity and Compliance Officer*
	B. Audit Work Plan Status Report	**Bill Cole,** *Executive Director, Audit and Compliance Services*

11. CLOSED SESSION
Freedom of Information Act Section 2.2-3711 (A)
(1) and (7), specifically:

University Counsel Litigation Update   **Jake Belue,** *Associate University Counsel*

EXECUTIVE SESSION

12. RETURN TO OPEN SESSION AND   **Keith Parker,** *Chair*
CERTIFICATION
- Approval of Committee action on matters Discussed in closed session, if necessary

13. ADJOURNMENT   **Keith Parker,** *Chair*

Board of Visitors
Audit, Integrity and Compliance Committee
7:45 a.m.
March 22, 2018
James Cabell Library
901 Park Avenue, Room 311, Richmond, Virginia

Minutes

COMMITTEE MEMBERS PRESENT

Mr. Keith T. Parker, Chair
Mr. Ronald McFarlane, Vice Chair
Mr. Todd P. Haymore
Mr. H. Benson Dendy III
Dr. Robert D. Holsworth
Dr. Carol S. Shapiro

COMMITTEE MEMBERS ABSENT

Mr. Edward McCoy

OTHERS PRESENT

Mr. William H. Cole, Jr.
Dr. Michael Rao, President
Mr. Jacob A. Belue
Staff from VCU

CALL TO ORDER

Mr. Keith T. Parker, Chair, called the meeting to order at 7:52 a.m.

APPROVAL OF AGENDA

Mr. Parker asked for a motion to approve the agenda for the March 22, 2018 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the agenda for the March 22, 2018 meeting of the Audit, Integrity, and Compliance Committee (AICC) was approved.

APPROVAL OF MINUTES

Mr. Parker asked for a motion to approve the minutes of the December 8, 2017 meeting of the Audit, Integrity and Compliance Committee, as published. After motion duly made and seconded the minutes of the December 8, 2017 Audit, Integrity, and Compliance Committee meeting were approved. A copy of the minutes can be found on the VCU website at the following webpage http://www.president.vcu.edu/board/minutes.html.

REPORTS AND RECOMMENDATIONS

Audit, Compliance, and Integrity Committee Dashboard Measures

Mr. Alex Henson, Chief Information Officer, discussed current information technology security measures in place and plans related to the Data Security measure. Mr. Bill Cole reviewed the Committee Dashboard Measures. Indicators for Data Security and Compliance Oversight are yellow and all other indicators are green.

Sexual Harassment Prevention Education/Training Update

Ms. Laura Rugless, Director for Equity and Access Services, discussed Title IX education highlighting online training completion and additional employee education.

COI Update for Commonwealth reporting Requirements

Mr. Bill Cole, Executive Director for Audit and Compliance Services, reported that the deadline for completion of the Conflict of Interest (COI) reporting to the Commonwealth was February 1, 2018. All board members and employees required to report completed this requirement by the deadline.

Policy Status Update

Ms. Jacqueline Kniska, Integrity and Compliance Officer, reported a policy status update. Maintaining policies was identified as a risk at the September meeting. Ms. Kniska discussed the review of existing policies and results of the 2017 gap assessment.

Audit Update for Information

Mr. Bill Cole reported on two audit reports issued by Audit and Management Services that did not include findings warranting the Committee's attention – Institutional Animal Care and Use Program and Technology Incident Response Management. The audit team concluded positively to the audit objectives for these audits, but did provide some recommendations for management's attention. Mr. Cole also reported that Audit and Management Services has completed eight audits in the FY2018 workplan and five audits are currently in progress. The workplan is on schedule to be completed by the end of the year.

CLOSED SESSION

On motion made and seconded, the Audit, Integrity, and Compliance Committee of the Virginia Commonwealth University Board of Visitors convened into closed session pursuant to Sections 2.2-3711 (A) (1) and 2.2-3711 (A) (7) of the Virginia Freedom of Information Act to discuss certain personnel matters involving the performance of identifiable employees or faculty of the University, and to discuss the evaluation of performance of departments or schools of the University where such evaluation will necessarily involve discussion of the performance of specific individuals, including Audit Reports of individually identified departments and/or schools, and to consult with legal counsel and receive briefings by staff members regarding

legal matters and actual or probable litigation relating to the aforementioned Audit Reports where such consultation or briefing in open session would adversely affect the negotiating or litigating posture of the University.

RECONVENED SESSION

Following the closed session, the public was invited to return to the meeting. Mr. Parker, Chair, called the meeting to order. On motion duly made and seconded the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BE IT RESOLVED, that the Audit, Integrity, and Compliance Committee of the Board of Visitors of Virginia Commonwealth University certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Committee of the Board.

Vote	Ayes	Nays
Mr. Keith Parker, Chair	X	
Mr. Ronald McFarlane, Vice Chair	X	
Mr. Ben Dendy	X	
Dr. Robert Holsworth	X	
Mr. Todd P. Haymore	X	
Dr. Carol Shapiro	X	

All members responding affirmatively, the motion was adopted.

ADJOURNMENT

There being no further business Mr. Parker, Chair, adjourned the meeting at 9:22 a.m.

Virginia Commonwealth University
Audit, Integrity and Compliance Committee
Entrance Conference Agenda
May 11, 2018

1. **Discussion of APA audit team and resources** –
   Project Manager – Karen Helderman, Audit Director
   In-Charge – Dawn Scharf, Audit In-Charge
   Information Security – Zach Kringelman and Blake Bialkowski

2. **Audit timing** – Our Office's work plan requires completion of the universities that are material to the Commonwealth's CAFR (UVA, VT, and VCU) during the fall of each year.

3. **Timeline of the audit completion** – We will begin control and transactional testing in the late spring and will complete substantive testing during the fall. We will also test the consolidation of the VCU Health System Authority and Foundation financial information as part of the University financial statement audit process. Our anticipated deadline is early-November 2018.

4. **Audit objectives** – Our main audit objective is to provide an opinion on the University's financial statements. More specifically, our audit objectives include:

   i. Ensuring the financial statements present fairly the financial position, the changes in financial position, and the cash flows for the period under examination in conformity accounting principles generally accepted in the United States;
   ii. Determining whether the University has adequate internal control over financial reporting sufficient to mitigate the risk of material misstatements; and,
   iii. Determining compliance with significant laws, grants, and provisions of grant agreements.

5. **Audit scope** – We do not review all transactions or accounts in detail. We use materiality to focus our work on those financial statement line items and those transactions that are material or significant to the University. We will also issue a report on internal controls and compliance that will include any findings or recommendations that we may issue as a result of the audit. Our audit will include testing of the University's student financial aid procedures; however, the University's research and development grants are not in cycle to the Statewide Single Audit this year. Finally, our office will complete agreed-upon procedures over VCU's NCAA program and issue a report that includes a schedule of financial activity related to intercollegiate athletics.

6. **Discussion of Risk with Board Members** – The APA encourages the Board of Visitors to provide input regarding the risks they perceive to the University in completing its mission. Board members can direct their questions and comments to the Audit Committee Chair or the Executive Audit Director, who will forward them to the APA Project Manager. During the audit we plan to communicate directly with the Audit Committee Chair to discuss the following:

   - Any areas of fraud risk
   - Any areas of institutional risk
   - Any matters that the Board believes should be considered in planning

Terms of the Engagement

Responsibilities during the audit process:

➤ **The Auditor's (APA) Responsibilities**

Overall Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards for financial audits contained in the *Government Auditing Standards*. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable, rather than absolute assurance, about whether the financial statements are free of material misstatement whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*.

Audit Procedures-Internal Control and Compliance

Our audit will include obtaining an understanding of internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate in writing to management and those charged with governance any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Also, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants

Those charged with governance

We are responsible for communicating significant matters related to the financial statement audit that are, in the auditor's professional judgment, relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. GAAS do not require the auditor to design procedures for the purpose of identifying other matters to communicate with those charged with governance.

➢ **Management's Responsibilities –**

Our audit will be conducted on the basis that Management and those charged with governance **acknowledge and understand that they have the following responsibilities:**

- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- Identify and ensure compliance with applicable laws, regulations, contracts, and grant agreements
- Informing the APA about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements
- Informing the APA of knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, regulators, or others
- Ensuring that management is reliable and financial information is reliable and properly recorded
- Making all financial records and related information available to the APA
- Providing the APA with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence
- Responding to audit findings and recommendations, as well as providing your planned corrective actions and the timing and format for providing that information
- Providing the APA at the end of the audit with a written letter confirming certain representations made during the audit
- Adjusting the financial statements to correct material misstatements and providing the APA with a representation that the effects of any uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

➢ **Audit Committee**

- Communicate with APA about audit scope
- Communicate with management and internal audit regarding progress
- Receive reports and findings from management and external audit

Other Elements of the audit process:

Overall planned scope of the audit

➢ **Approach to internal control –** We review internal controls to identify those areas where we can replace substantive testing with transactional testing. We look for management to have written formal policies and procedures and check for the implementation of those procedures.

➢ **Concept of materiality –** We do not review all transactions or accounts in detail. We use materiality to focus our work on those financial statement line items and those transactions that are material or significant to the University.

Identification of potential fraud risks

➢ **Approach to fraud –** Most of our audit is focused on our opinion on the financial statements and materiality. Our primary interest related to fraud would be in how it may affect the financial statements and those controls that the financial statements rely upon. The audit is not designed to detect error or fraud that is immaterial to the financial statements. However, we review policies and procedures for fraud risk and may direct our testwork towards addressing fraud risk.

➢ **Responsibility for identifying fraud risks and fraud –** Auditing standards require us to assess fraud risk, interview management and staff about their knowledge of fraud and fraud risk, and review exceptions for indications of possible fraudulent transactions. Auditors should be looking for red flag fraud indicators. Even though government entities are not always profit oriented, the auditors remain vigilant about financial statement fraud.

Audit Reporting

We will issue a written report upon completion of our audit of the University's financial statements. We will make reference to the Component Auditor's audit of the Virginia Commonwealth Health System Authority, and the University's Foundations in our report on the University's financial statements. Our report will be addressed to the board of visitors of the University. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph(s). If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards.* The report on internal control and compliance will include a statement that the report is intended 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 Audit Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Board of Visitors Executive Summary
May 2018

PRESENTATION TITLE: Audit, Integrity, and Compliance Committee Dashboard Measures	
Presenter Name and Title: Bill Cole, Executive Director Alex Henson, Chief Information Officer	
Responsible University Division: Audit and Compliance Services **BOV Committee:** Audit, Integrity, and Compliance Committee	
Quest Theme(s) and Goal(s) to be Addressed:	

Key Presentation Messages	1. The committee's dashboard measures primarily utilize the following signal light rating method:
	
	    Green = No Significant Matters/Delays,
	
	    Yellow = Known Matters/Delays requiring increased management action/resources or senior management monitoring, and
	
	    Red = Significant challenges/issues encountered resulting in delays, budget overages, or institutional risk
	
	2. This Committee's currently rated measures are:
	    Data Governance Program Status, rated Green
	    Data Security, rated Yellow
	    ERM Implementation Time Line; rated Green
	    Planned Audits; rated Yellow
	    Special Projects; rated Green
	    Compliance Oversight; rated Yellow

Governance Implications	Appropriate resources and business practices are in place to address these dashboard measures.
Governance Discussion Questions	Do the "yellow" measures require any special attention by the committee?
Next Steps for Management (Responsible Division Head; Timeframe for Action)	Take appropriate measures to address Dashboard measures that show need for improvement.
Next Steps for Governance (Responsible Board Member; Timeframe for Action)	Continue to monitor the Dashboard measures provided at each Audit, Integrity, and Compliance Committee meeting.

AUDIT, INTEGRITY, AND COMPLIANCE COMMITTEE DASHBOARD MEASURES

## INFORMATION TECHNOLOGY GOVERNANCE - DATA INTEGRITY

DATA GOVERNANCE PROGRAM (development of program)

Program progressing successfully

Barriers / challenges encountered that may have an impact on issue resolution or implementation. Executive Council to resolve challenge.

Significant challenge encountered; will require decision from Executive Leadership Team to resolve
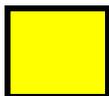
DATA SECURITY (number of security incidents / breaches)

No data breaches have occurred or seem likely to occur; security risks are well understood and being mitigated; resources viewed as aligned with threat and risk environment

No breach has occurred, but minor security incidents or near-misses have occurred; significant audit findings have occurred but are being mitigated; some overload or barriers / challenges encountered that may require adjustment or reallocation of resources

Significant breach requiring notification has occurred or conditions exist where significant barriers/challenges are likely to produce unacceptably high levels of risk

Notes: There have been no significant security incidents since our last meeting. Phishing and hacking/intrusion attempts continue to be the top threats faced by VCU. While there have been some aggressive phishing attacks targeting students, compromised accounts are at an all-time low due to increased use of multi-factor authentication and continued training and education. Our simulated phishing program has been broadly deployed, and we're seeing a continued reduction in the numbers of people clicking on the links in these mails and an increase in reports of suspicious mail to our IT security team. Over the past quarter we have made significant improvements and enhancements to the security of the network segment that handles credit card transactions in order to comply with new requirements in the Payment Card Industry Data Security Standard. We have also made additional enhancements to our threat monitoring systems.

ERM PROGRAM

Status of ERM mitigation plans

Program progressing on schedule

Program not on schedule; ERM Committee to address.

Program significantly behind schedule; Executive Management attention required.

Notes:　　The ERM Steering Committee (Committee) continues to review of the Risk Mitigation and Management (RMM) Plans to assess risk appetite and impact to the university.

PLANNED AUDIT STATUS

PLANNED AUDITS (status of audits - planned and unplanned to available resources)

SPECIAL PROJECTS (status of special projects - planned and unplanned to available resources)

Progressing as planned and within overall budget

Some overload or barriers / challenges encountered that may require adjustment or reallocation of resources to resolve

Significant overload or barriers / challenges encountered resulting in major delays or changes to scheduled work plan

Notes:　　Due to staff turnover and delays in completion of audits, the audit reports scheduled for the May committee meeting have been delayed to the next scheduled meeting. With the exception of a planned special project, AMS is anticipating the completion of the work plan.

COMPLIANCE OVERSIGHT
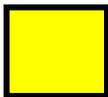
Compliance requirements compared to known material violations

No known noncompliance

Challenges encountered that have an impact on resolution or implementation

Significant compliance challenge encountered

Notes:　　Institutional infrastructure to ensure compliance with the multitude of federal and state laws and regulations as well as university policies and procedures still requires attention.

Board of Visitors Executive Summary
May 2018

PRESENTATION TITLE: Audit, Integrity, and Compliance Committee Charter and Meeting Planner Update	
Presenter Name and Title: Bill Cole, Executive Director	
Responsible University Division: Audit and Compliance Services **BOV Committee:** Audit, Integrity, and Compliance Committee	
Quest Theme(s) and Goal(s) to be Addressed:	
Key Presentation Messages	1. The committee charter and meeting planner is updated annually in May. 2. The Audit, Integrity, and Compliance Committee will need to review and approve the charter.
Governance Implications	1. Ensure that the committee charter accurately reflects the committee's duties and responsibilities. 2. Ensure that the committee is informed on relevant matters affecting audit and compliance, data integrity, and legal matters.
Governance Discussion Questions	1. What are the potential risks associated with IT infrastructure and data governance? 2. Are there any significant audit risks for the committee to consider?
Next Steps for Management (Responsible Division Head; Timeframe for Action)	1. Continue to maintain resources for a secure IT infrastructure that provides timely and useful information and data to the users, management, and the Board. 2. Continued support to the Enterprise Risk Management program.
Next Steps for Governance (Responsible Board Member; Timeframe for Action)	1. Receive reports from management on current efforts affecting data security and data integrity in institutional reporting. 2. Receive updates on audit and compliance services, ERM program, and legal matters.

VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS

AUDIT, INTEGRITY, AND COMPLIANCE COMMITTEE CHARTER

I. PURPOSE

The primary purpose of the Audit, Integrity, and Compliance Committee is to assist the Board of Visitors in fulfilling its fiduciary responsibilities related to oversight of:

- Soundness of the university's system of internal controls
- Integrity of the university's financial accounting and reporting practices
- Independence and performance of the internal and external audit functions
- Integrity of information technology infrastructure and data governance
- Effectiveness of the university's ethics and compliance program
- University's enterprise risk management program
- Legal matters

The function of the Audit, Integrity, and Compliance Committee is oversight. University management is responsible for the preparation, presentation, and integrity of the university's financial statements. University management is also responsible for maintaining appropriate financial accounting and reporting policies, procedures, and controls designed to assure compliance with generally accepted accounting principles and applicable laws and regulations. University management is also responsible for effective design, implementation, and operation of information technology infrastructure as well as data management and data governance policies and procedures.

Audit and Management Services, within Audit and Compliance Services, examines and evaluates the adequacy and effectiveness of the university's system of internal controls; examines whether university operations and employee actions are conducted in compliance with relevant policies, procedures, standards, and applicable laws and regulations; and performs management services activities, including advisory services for critical systems development projects, performance of special projects requested by the Board and senior management, and investigation of allegations of fraud or improprieties. The university's external auditor, the state Auditor of Public Accounts, is responsible for planning and conducting the financial statement examination in accordance with generally accepted government auditing standards.

The Integrity and Compliance Office, within Audit and Compliance Services, promotes a culture of ethics and compliance through training, support and guidance; evaluates the adequacy and effectiveness of existing policies, procedures, and compliance programs; administers the University Helpline and maintains other reporting mechanisms available to all employees, and reports information related to the Ethics and Compliance Program effectiveness throughout the year. University management is responsible for establishing and enforcing policies and procedures and for maintaining appropriate programs to comply with

all applicable laws and regulations. The Integrity and Compliance Office is a resource available to all areas of the university.

II.   COMPOSITION AND INDEPENDENCE

The Audit, Integrity, and Compliance Committee will be comprised of three or more Visitors. Each member must be free from any financial, family or other material personal relationship that, in the opinion of the Board or Audit, Integrity, and Compliance Committee members, would impair their independence from management and the university.

III.   MEETINGS

The Audit, Integrity, and Compliance Committee will meet at least four times annually. Additional meetings may occur more frequently as circumstances warrant. The Committee chairman should meet with the Executive Director of Audit and Compliance Services as necessary and at least prior to each Committee meeting to finalize the meeting agenda and review the issues to be discussed.

IV.   RESPONSIBILITIES

In performing its oversight responsibilities, the Audit, Integrity, and Compliance Committee shall:

A.   **General**:

1. Adopt a formal written charter that specifies the Committee's scope of responsibility. The charter should be reviewed annually and updated as necessary.
2. Maintain minutes of meetings.
3. Authorize investigations into any matters within the Audit, Integrity, and Compliance Committee's scope of responsibilities.
4. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.
5. Consistent with state law, the Committee may meet in closed session (without members of senior management present) with the external auditors and/or the Executive Director of Audit and Compliance Services to discuss matters that the Committee or any of these groups believe should be discussed privately.
6. Review and approve the Audit and Compliance Services budget and resource plan.
7. Approve the Audit and Compliance Services charter. The charter should be reviewed annually and updated as necessary.

B.   **Internal Controls/Financial Statements**:

1. Review and evaluate the university's processes for assessing significant risks and exposures.
2. Make inquiries of management and the external auditors concerning the effectiveness of the university's system of internal controls.

3. Determine whether the external auditors are satisfied with the disclosure and content of the financial statements, including the nature and extent of any significant changes in accounting principles.

4. Review management's written responses to significant findings and recommendations of the auditors, including the timetable to correct the weaknesses in the internal control system.

5. Advise management and the external auditors that they are expected to provide a timely analysis of significant financial reporting issues and practices.

6. Require Audit and Compliance Services to perform annual reviews of the President's discretionary accounts and to issue a report thereon to the Committee.

C. External Auditors:

1. Meet with the external auditors and university management to review the scope of the external audit for the current year. The auditors should inform the Audit, Integrity, and Compliance Committee of any significant changes in the original audit plan.

2. Discuss with the external auditors their processes for identifying and responding to key audit and internal control risks.

3. Review the coordination of internal and external audit procedures to promote an effective use of resources and ensure complete and efficient coverage of the university's risks.

4. Meet with the external auditors at the completion of the audit. A portion of the meeting may be conducted in Executive Session without members of university management present.

D. Internal Auditors:

1. Review and approve the annual audit and management services work plan and any significant changes to the plan.

2. Review annually the qualifications of the audit and management services staff and the level of staffing.

3. Assess the effectiveness of the internal audit function, including its independence and reporting relationships and conformance with The Institute of Internal Auditors' (IIA) Definition of Internal Auditing, Core Principles, the IIA Code of Ethics and the *International Standards for Professional Practice of Internal Auditing* by inquiring and reviewing the assessment results of the internal and external Quality Assurance and Improvement Program.

4. Review completed audit reports and progress reports on executing the approved work plan and inquire of any other matters that require audit resources.

5. Review annually the status of previously issued internal audit findings.

6. Inquire of the Executive Director of Audit and Compliance Services regarding any difficulties encountered in the course of his audits, including any restrictions on the scope of work or access to required information.

7. Review the performance of the Executive Director in consultation with the President and approve the Executive Director's annual salary compensation and bonus, if any.

8. Review and approve the appointment, replacement, reassignment, or dismissal of the Executive Director of Audit and Compliance Services.

E. Data Integrity:

1. Review the adequacy of the university's IT management methodology with regards to internal controls, including applications, systems, and infrastructure. This includes but is not limited to:
   - Physical and virtual security with regards to university servers and storage
   - Network security architecture and operations
   - Reliability and robustness of data center (servers and storage) and network infrastructure environments
   - Disaster recovery and business continuity infrastructure and associated processes and procedures.

2. Review the adequacy of the university's data management policies and procedures to ensure data security and data integrity in institutional reporting. This includes but is not limited to:
   - Authentication and authorization mechanisms in accessing university data
   - Data Governance structure and policies
   - Data security policies including data access roles and responsibilities

F. University Ethics and Compliance Program:

1. Review the annual compliance planned initiatives and any significant changes to the plan.

2. Review the qualifications of the compliance staff and the level of staffing.

3. Assess the effectiveness of the compliance program, including its independence and reporting relationships.

4. Review completed compliance reports and progress reports on the status of compliance and integrity related initiatives including process and plans in place to assess conflict of interest management (inclusive of institutional and individual conflicts).

5. Require the Integrity and Compliance Office to report on management's processes and procedures that provide assurance that the university's mission, values, and codes of conduct, and universitywide policies are properly communicated to all employees.

6. Review results of compliance reviews to ensure system and controls are designed to reasonably ensure compliance with laws and regulations, university policies and the code of conduct.

7. Inquire of the Executive Director of Audit and Compliance Services whether there have been any restrictions on the scope of work or access to required information in conducting compliance and ethics reviews.

G. Enterprise Risk Management

1. Provide oversight of the university's Enterprise Risk Management program.
2. Review the university's risk appetite.
3. Require periodic reporting on the overall program's design and effectiveness, including newly identified risks
4. Monitor progress of Risk Mitigation Plans and review policy and resource improvements as necessary.

H. Legal:

1. Consult as necessary with University Counsel regarding legal issues concerning the university.

Virginia Commonwealth University
Board of Visitors

Audit, Integrity and Compliance Committee Meeting Planner

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	**A**	**Q**	**AN**	**Q1**	**Q2**	**Q3**	**Q4**
				Sep	Dec	Mar	May
A. General							
1. Review and update Audit, Integrity, and Compliance Committee charter and meeting planner	X						X
2a. Approve minutes of previous meeting		X		X	X	X	X
2b. Maintain minutes of meetings		X		X	X	X	X
3. Authorize investigations into any matters within the Committee's scope of responsibilities			X				
4. Report Committee actions to the Board of Visitors with recommendations deemed appropriate		X		X	X	X	X
5. Meet in executive session, with external auditors and/or Executive Director of Audit and Compliance Services		X		X	X	X	X
6. Review and approve the Audit and Compliance Services budget and resource plan.	X			X			
7. Review and approve Audit and Compliance Services charter	X			X			
B. Internal Controls/Financial Statements							
1. Review and evaluate university's process for assessing significant risks and exposures	X			X			
2. Make inquiries of management and external auditors concerning the effectiveness of the university's system of internal controls			X	X			X
3. Determine whether the external auditors are satisfied with the disclosure and content of the financial statements, including the nature and extent of any significant changes in accounting principles	X			X			
4. Review management's written responses to significant findings and recommendations of the auditors, including the timetable to correct the weaknesses in the internal control system			X				
5. Advise management and the external auditor that they are expected to provide a timely analysis of significant current financial reporting issues and practices			X	X			X

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sep	Dec	Mar	May
6. Require Audit and Compliance Services to perform annual reviews of the president's discretionary accounts and to issue a report thereon to the Committee			X		X		
C. External Auditors							
1. Meet with external auditors and university management to review the scope of the external audit for the current year	X						X
2. Discuss with the external auditors their processes for identifying and responding to key audit and internal control risks	X						X
3. Review the coordination of internal and external audit procedures to promote an effective use of resources and ensure complete and efficient coverage of the university's risks			X				X
4. Meet with the external auditors at the completion of the audit	X				X		
D. Internal Auditors							
1. Review and approve the annual audit and management services work plan and any significant changes to the plan	X						X
2. Review the qualifications of the audit and management services staff, the adequacy of the staffing level	X			X			
3. Assess the effectiveness of the internal audit function, including its independence and reporting relationships and conformance with the Definition of Internal Auditing, Core Principles, the IIA Code of Ethics and the *International Standards for Professional Practice of Internal Auditing* by inquiring and reviewing the assessment results of the internal and external Quality Assurance and Improvement Program	X				X		
4. Review completed audit reports and progress reports on executing the approved work plan and inquire of any other matters that require audit resources		X		X	X	X	X
5. Review annually the status of previously issued internal audit findings	X			X			
6. Inquire of the Executive Director of Audit and Compliance Services regarding any difficulties encountered in the course of his audits, including any restrictions on the scope of work or access to required information		X		X	X	X	X

A = Annually; Q = Quarterly; AN = As Necessary Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	Frequency			Planned Timing			
	A	**Q**	**AN**	**Q1** Sep	**Q2** Dec	**Q3** Mar	**Q4** May
7. Review the performance of the Executive Director in consultation with the President and approve the Executive Director's annual salary compensation and bonus, if any.	X			X			
8. Review and approve the appointment, replacement, reassignment, or dismissal of the Executive Director of Audit and Compliance Services			X				
E. Data Integrity							
1. Review the adequacy of the university's IT management methodology with regards to internal controls, including applications, systems, and infrastructure. This includes but is not limited to: • Physical and virtual security with regards to university servers and storage • Network security architecture and operations • Reliability and robustness of data center (servers and storage) and network infrastructure environments • Disaster recovery and business continuity infrastructure and associated processes and procedures			X	X		X	
2. Review the adequacy of the university's data management policies and procedures to ensure data security and data integrity in institutional reporting. This includes but is not limited to: • Authentication and authorization mechanisms in accessing university data • Data Governance structure and policies • Data security policies including data access roles and responsibilities			X	X		X	
F. University Ethics and Compliance Program							
1. Review the annual compliance planned initiatives and any significant changes to the plan	X						X
2. Review the qualifications of the compliance staff and the level of staffing (utilization and effort focus)	X			X			
3. Assess the effectiveness of the compliance program, including its independence and reporting relationships	X			X			
4. Review completed compliance reports and progress reports on the status of compliance and integrity related activities initiatives including process and plans in place to assess conflict of interest management (inclusive of institutional and individual conflicts)			X	X	X	X	X

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
	A	**Q**	**AN**	**Q1**	**Q2**	**Q3**	**Q4**
				Sep	Dec	Mar	May
5. Require the Integrity and Compliance Office to report on management's processes and procedures that provide assurance that the university's mission, values, and codes of conduct and universitywide policies are properly communicated to all employees	X			X			X
6. Review results of compliance reviews to ensure system and controls are designed to reasonably ensure compliance with laws and regulations, university policies and the code of conduct			X	X	X	X	X
7. Inquire of the Executive Director of Audit and Compliance Services whether there have been any restrictions on the scope of work or access to required information in conducting compliance and ethics reviews		X		X	X	X	X
G. Enterprise Risk Management							
1. Provide oversight of the university's Enterprise Risk Management program		X		X	X	X	X
2. Review the university's risk appetite			X				
3. Require periodic reporting on the overall program's design and effectiveness, including newly identified risks		X		X	X	X	X
4. Monitor progress of Risk Mitigation Plans and review policy and resource improvements as necessary		X		X	X	X	X
H. Legal							
1. Consult as necessary with University Counsel regarding legal issues concerning the university		X		X	X	X	X

Board of Visitors Executive Summary
May 2018

Presenter Name and Title: Bill Cole, Executive Director	
Responsible University Division: Audit and Compliance Services **BOV Committee:** Audit, Integrity and Compliance Committee	
Quest Theme(s) and Goal(s) to be Addressed:	
Key Presentation Messages	1. The proposed audit work plan was developed based on the COSO model for assessing risks, major business unit listing, university critical issues, Enterprise Risk Management considerations and the annual risk assessment. 2. We developed a three-year work plan after conducting an in-depth (deep dive) risk assessment. Risk considerations included financial impact, complexity of processes, changes in operations, time since last audit, number of employees and students, previous operational issues, enterprise risks, industry trends and reputational impact. Key stakeholders were interviewed to obtain their concerns and operational plans/changes. 3. Budgeted hours include risk-based audits, management requests, special projects and investigations. 4. Work plan is based on staff productivity for the funded staffing levels.
Governance Implications	Appropriate coverage of audit risk through the audit work plan with the resources provided.
Governance Discussion Questions	1. Are there the necessary resources to complete the proposed work plan? 2. How were industry risks and the ERM program considered during the development of the work plan?
Next Steps for Management (Responsible Division Head; Timeframe for Action)	Notify management responsible for areas in the audit work plan. Establish a schedule and assign personnel. • University Deputy Director of Audit and Management Services (open position) • Courtney McGregor - Deputy Director of IT Audit
Next Steps for Governance (Responsible Board Member; Timeframe for Action)	Monitor completion of work plan and approve changes as determined necessary.

Audit and Compliance Services
Audit and Management Services
2019 Audit Work Plan Development

Below are brief descriptions of the materials provided to the Audit, Integrity and Compliance Committee for the purpose of reviewing and approving the university's annual audit work plan. Audit and Management Services (AMS) performed an in-depth risk assessment for fiscal years 2019 through 2021 to develop the three-year audit work plan.

COSO Internal Control and Enterprise Risk Management (ERM) Frameworks

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is an industry standard model for assessing risks and internal controls in both the public and private business sectors. The COSO Internal Control Framework cube represents the various business objectives and control components within an organization. The 17 principles provide guidance to implement the five components of internal control.

The ERM Framework is an expansion of the COSO Cube. It further details the risk management activities including risk event identification, prevention and response planning. Additionally, it depicts a wider array of risks, including compliance, strategic, operational, financial and reputational risks. During the creation of annual audit work plan, there is coordination between these models to identify risks and potential areas to be audited.

Financial Magnitude

AMS reviews the financial impact of 10 major functional areas within the university. These areas including significant funding sources, expense drivers and information technology infrastructure. The financial magnitude along with the COSO, ERM and industry risks are evaluated when determining the audits and projects for the audit work plan.
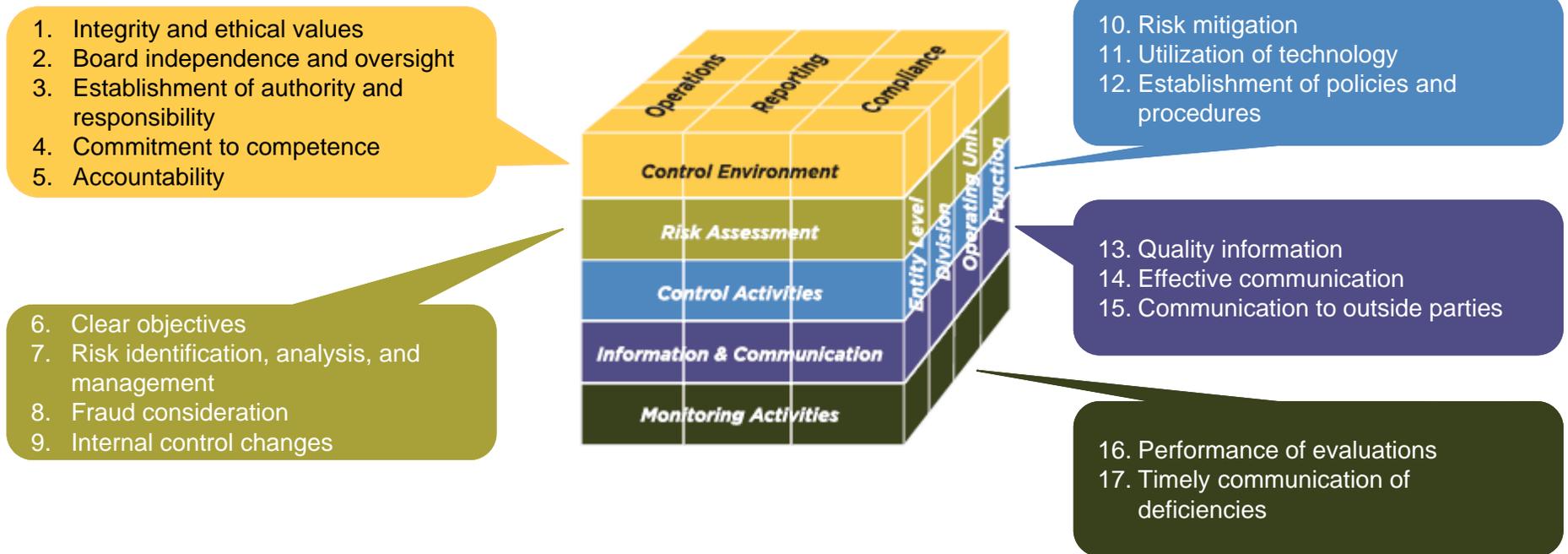
Three-Year Audit Work Plan

This spring, AMS performed in-depth (deep dive) audit risk assessments for both the university operations and information technology (IT). Both assessments include an extensive analysis of risk factors and interviews with key administrators and are combined at the end of the assessment process to represent a three-year audit work plan or cycle for the university. The three-year plan was developed to provide audit coverage of the most significant risks or units that have a periodic audit requirement. For the second and third years of this three-year plan, AMS will determine whether operational changes or additional risks have occurred which would result in revisions to the audit work plan.

Proposed Audit Work Plan

The proposed audit work plan is developed based on the annual risk assessment procedures and discussions with senior management prior to being provided to the AICC committee for review and to the full board of approval.

COSO 17 Principles

1. Integrity and ethical values
2. Board independence and oversight
3. Establishment of authority and responsibility
4. Commitment to competence
5. Accountability

6. Clear objectives
7. Risk identification, analysis, and management
8. Fraud consideration
9. Internal control changes

10. Risk mitigation
11. Utilization of technology
12. Establishment of policies and procedures

13. Quality information
14. Effective communication
15. Communication to outside parties

16. Performance of evaluations
17. Timely communication of deficiencies

Control Environment
Risk Assessment
Control Activities
Information & Communication
Monitoring Activities

Operations
Reporting
Compliance

Entity Level/ Division Operating Unit Function

Source: COSO 2013 Executive Summary

Virginia Commonwealth University

Financial Magnitude

AREA	FINANCIAL IMPACT (FY17)	OPERATIONAL CONSIDERATIONS/ IMPACTS
Enrollment	$ 480,575,170 Tuition and fees revenue, including portion paid by financial aid	Enrollment Management, including recruitment and retention of students
Grants and Contracts	$ 194,906,709 expenditures $ 275,420,833 total awards	Variety and complexity of compliance issues
Financial Aid	$349,594,897 (federal, state, and institutional aid)	Complexity of compliance issues
Changing Nature and Amounts of Funding Sources	$ 230,833,619 state appropriations	Sources of significant funding and the changing levels of support; impact on university initiatives and credit rating
Information Technology Infrastructure (Core Data Services)	$ 21,125,865	Administrative information technology and academic information technology
Athletics	$ 33,595,855	Compliance with NCAA regulations; potential impacts on institutional reputation
Payroll	$ 523,674,990	Largest category of annual expenses (salaries, wages, benefits)
Procurement Services	$ 324,613,791	State & university statutory & policy requirements
Facilities Management	$1,106,415,065 capital assets	Emergency preparedness, physical security, deferred maintenance, contract management, environmental health and safety issues, hazardous substances, and renovations
Treasury Services / Cash Management	$ 487,660,000	Daily cash flow demands and investment of longer term funds

Virginia Commonwealth University
Audit and Management Services
Three-Year University Plan

FUNCTIONAL AREA	FY 2019	FY 2020	FY 2021
Enrollment Services		Office of Strategic Enrollment Management (Advising, recruitment, and admission strategies)	Records and Registration
Office of Research	Office of Sponsored Programs		Education and Compliance
Human Resources	Human Resources – Terminations	Human Resources – Benefits Administration	Human Resources – Compensation and Classification
Finance/ Administration	Payroll Equity and Access Services Development and Alumni Relations Safety and Risk Management – OEHS President's Office	Technology Services/VCU Card* VP for Inclusive Excellence Budget and Resource Analysis Public Safety and Security Engineering and Utilities	Physical Plant and FMD Administration Procurement and Payment – Purchasing Grants and Contract Accounting
Auxiliary Enterprises	Residential Life and Housing	Dining Services	Parking and Transportation Services
Academic Units **Monroe Park**	School of the Arts* Global Education	School of Social Work	College of Humanities and Sciences School of Education
Health Sciences	School of Medicine – Internal Medicine (Cardiology)**	School of Medicine – Dermatology** School of Dentistry School of Pharmacy	School of Medicine – Anesthesiology** School of Nursing
Centers and Institutes	Enterprise Center and Institute Management (carryover from FY 2018)		Massey Cancer Center*

Athletics	Year 3 NCAA Compliance Review
	    Governance and Organization
	    Extra Benefits – Athletic Apparel
	    Rules Compliance
		Siegel Center Operations	Year 1 NCAA Compliance Review
			    Eligibility
			    Extra Benefits
			    Student Athlete Employment

* Integrated audit between university and IT
** Consolidated audit between university and health system

Virginia Commonwealth University
Audit and Management Services
Three-Year University Plan

FUNCTIONAL AREA	FY 2019	FY 2020	FY 2021
Enterprise Process Audits	Student Fees and Expenditures	Degree Conference and Award	Social Media
Information Technology	IT Network Management and Security IT Asset Management and Security VCU Jobs/Cornerstone Application Systems School of Art Technology* Web Services and Application Security (Special Project)	Authentication Systems VCU Card and Badge Services/Cash* Register PCI-DSS Management Office of Research and Innovation Technology Technology Services Risk Assessment (Special Project)	VCU Alert Systems Security IT Access Management and Security Integrated Systems/ERP Health Sciences/Massey Cancer Center** IT Strategic Management (MIT) (Special Project)

* Integrated audit between university and IT
** Consolidated audit between university and health system

Virginia Commonwealth University
University Audit and Management Services
Proposed Audit Plan
July 1, 2018 - June 30, 2019

RISK-BASED AUDITS:

Office of Sponsored Programs	365	
Payroll	400	
Human Resources - Terminations	275	
School of Medicine - Cardiology**	365	
Enterprise Centers and Institutes (Carryover from FY2018)	400	
Student Fees and Expenditures	365	
Equity and Access Services	400	
Development and Alumni Relations	400	
Safety and Risk Management (OEHS)	365	
Residential Life and Housing	365	
School of the Arts*	650	
Global Education	400	
Web Services and Application Security	390	
IT Network Management and Security	370	
IT VCU Jobs/Cornerstone Application Systems	370	
IT Asset Management and Security	370	
Subtotal		6,250

ANNUAL AUDITS/PROJECTS:

Athletics-Year 3-NCAA Compliance Review	250	
Follow-Ups on Audit Recommendations Outstanding	350	
President's Office Review	250	
Data Analytics/Continuous Monitoring	350	
Prior Year Audit Carryover	500	
Risk Assessment	180	
Subtotal		1,880

OTHER PROJECTS:

Investigations and Management Requests	1,100	
Other Management Services	750	
Workpaper System Administration	200	
Subtotal		2,050

TOTAL		10,180

Board of Visitors Executive Summary
May 2018

PRESENTATION TITLE: Proposed FY 2019 University Ethics and Compliance Program Initiatives	
Presenter Name and Title: Jacqueline Kniska, University Integrity and Compliance Officer	
Responsible University Division: Audit and Compliance Services **BOV Committee:** Audit, Integrity, and Compliance Committee	
Quest Theme(s) and Goal(s) to be Addressed:	
Key Presentation Messages	Each year, annual initiatives to be accomplished within the fiscal year are set in collaboration with the Executive Director and university compliance partners. The planned initiatives continue to play an integral role in the university's overall risk assessment and mitigation process. The Compliance and Ethics Program provides advisory resources to all departments and reporting mechanisms for the university community.
Governance Implications	This is informational in nature and reflects available resources, priorities, and assurances that administration is actively engaged in addressing identified ethical and compliance related needs.
Governance Discussion Questions	1. Are there any risks that the Board should be paying closer attention to relative to these initiatives? 2. Does the Board or the Audit, Integrity, and Compliance Committee need to be aware of, or provide any information to implement these initiatives? 3. Are there sufficient resources to continue this process as outlined? 4. Do you receive necessary cooperation and assistance from university administration to meet expectations?
Next Steps for Management (Responsible Division Head; Timeframe for Action)	Continued support in addressing any identified issues, specifically in creation and maintenance of universitywide policies.
Next Steps for Governance (Responsible Board Member; Timeframe for Action)	Continued support in the Ethics and Compliance Program initiatives and addressing identified issues.

FY 2019 Ethics and Compliance Program Risk Based Initiatives

Maintenance of VCU's Ethics and Compliance Program is substantively driven by the Federal Sentencing Commission's Sentencing Guidelines, Chapter 8, which provide the basic and necessary minimum elements of an effective Ethics and Compliance Program; it is also driven by our own mission and values reflected in our Code of Conduct and university policies; excellent business sense; and the needs of the organization. Continually playing an integral role in setting and upholding accountability within VCU's culture and overall risk mitigation processes, the Compliance and Ethics Program provides advisory resources to all departments; reporting mechanisms to all employees, students and visitors; and regularly solicits interactions from a cross section of stakeholders helping progression and monitoring of ethics and compliance based activities. Based on providing these services throughout FY 2018, the initiatives for FY 2019 reflect a balance of capacity, prioritization and where a devotion of additional resources is necessary to address, or continue, assurance of compliance requirements; ethical behaviors; and overall institutional integrity. Most of the topics below traverse multiple years due to the scope and size of the efforts. Year over year progress is made and any obstacles to these plans are shared with the Audit, Integrity and Compliance Committee of the Board of Visitors as the university's governing authority.

Each year, initiatives are selected, or mature, in order to reduce wrongdoing, increase the likelihood that when wrongdoing does occur it will be made known to management and increase the likelihood that VCU will responsibly handle suspected and substantiated wrongdoing, thus preserving the public's trust and the integrity and reputation of a responsible university.

Note: These activities involve a collaborative approach with appropriate Ethics and Compliance Partners and other key stakeholders.

FY 2019 Initiatives:

Continue providing the BOV and Senior Leadership (as applicable) timely reports of successes; efficiencies; challenges; obstacles; and violations of ethics and compliance matters. Consider formal resolutions for program requirements and organizational need.

Effectiveness Review of Ethics and Compliance Program
- Conduct internal assessment and prepare for formal review
- Undergo RFP or BVA process; select appropriate 3rd party vendor
  - Explore option to add a peer review to the process
- Undergo Effectiveness Review
- Report Findings to BOV, Cabinet, Compliance Advisory Committee, Enterprise Risk Management Committee, internal ACS, ICO staff and other key stakeholders

Integrity and Compliance Annual Report to BOV Audit and Compliance Committee – September Meeting

- Bolster Annual Issues and Events reporting results – to continue benchmarking internally; look to enhance with external data for appropriate comparisons

Code of Conduct Enhancements

- Complete review of document with interdisciplinary taskforce; Compliance Advisory Committee; other key stakeholders; and universitywide community – includes upgrading content delivery from text only to interactive and embedded video messaging items
- Complete governance track for *Ethical Standards* (basis of the Code of Conduct) policy draft approval

Conflicts of Interest and Commitment – Individual and Institutional: Enhancements are needed regarding proactive risk identification and management; in particular, compliance with more than 10 federal regulations, accreditation standards, and best practices in organizational governance and ethics and compliance industries. Utilization of an enhanced process of interest reporting contributes to both the Board and the departmental charter compliance by providing required assurances to the Audit, Integrity & Compliance Committee of the BOV.

- Obtain final stakeholder feedback and complete governance track for policy draft approval
- Fully implement policy and software solution for reporting and managing conflicts
    - To include set expectations; required reporting; compliance with required committee review process; and managing of identified conflicts
- Creation of formal Interest Disclosure Review Committee – to include training on expectations outlined in policy's requirements
- Continued service as liaison to Commonwealth for mandated state disclosure
- Continued support in responding to inquiries related to proactive avoidance regarding institutional conflicts and conflicts of commitment

Employee Ethics and Compliance Education

- Execution of Annual Employee Compliance Education – includes reflexive content based on initial assessment of knowledge base accompanied by role and duration of employment
- Execution of high profile events during National Ethics & Compliance Week scheduled for November 2018 offered to employees and students
- Continued participation in New Employee Orientations and New Chair Training / Development and other custom requests to individual units

Gap and Risk Assessment Activities

- Continue quarterly oversight monitoring for timely compliance reporting through responsible parties outlined in Compliance Calendar: Federal Regulatory Reporting Requirements
- Compliance and Ethics Assessment results (risk based reports) of respective Cabinet Member areas (to include federal regulatory compliance; policy compliance and accuracy; reported concerns outcomes and trends – with focus on civility and professionalism; offer of customized training to areas based on needs/desires
- Create plan and establish priorities to assess state of compliance with state code requirements

Government Relations Non-Routine Visits: Continued independent oversight and support to university community in preparation for, and in response to, regulator inquiries, reviews and investigations

Policy Program – for all universitywide policies
- Continue providing seminal policy reminders and tips for compliance to broader university community
- Continued gap assessment based on size, scope and complexity of university, and industry trends and standards
- Continue creation of universitywide term glossary for clarity and consistency
    - Continue implementing consistent term use from finalized glossary
- Continued support in policy creation, revision and formal approval processes
    - Topics identified as needing additional assistance in the coming fiscal year: Information Technology; Privacy and Data Governance; Procurement; Human Resources; and SACS based required policies for Accreditation
    - To include: annual Policy Writers' Workshop and other training sessions as needed

Continued Participation and Resource Support and Assistance to various ethics and compliance-oriented groups and committees.
- Participation and leadership provided to over 15 universitywide committees and taskforces
- Active memberships and participation with external groups – Society of Corporate Compliance and Ethics – Higher Education Section and General Section; Ethics and Compliance Initiative; Association of College and University Policy Administrators
- The commitment to internal staff development remains as well as support for maintaining current industry certifications.
- Internal Workplace Investigations
    - Oversight of Alleged Misconduct Reports / Non-compliance Issues
    - Conduct investigations when suspected patterns or practices of misconduct, non-compliance, or unduly sensitive issues arise
- State Regulatory Coordinator (liaison to Commonwealth for VCU)
- Agency Coordinator for Conflict of Interest Disclosures to the Commonwealth
- Continued tracking of Office of Inspector General's Annual Work Plan and the Summary of Audits Settlements and Investigations related to Federal Programs for topics affecting the university

As a reminder, this committee will be receiving the Integrity and Compliance Annual Report at the September 2018 Meeting.

The anticipated effect of providing the fiscal year Program Initiatives at the May Meeting, and the Annual Report at the September Meeting, is to assure existing mechanisms keep this committee abreast of efforts demonstrating effectiveness of the Ethics and Compliance Program.

This committee is the appropriate authority to oversee the Ethics and Compliance Program's effectiveness efforts. If there are suggestions or recommendations from the committee, please contact the Executive Director of Audit and Compliance Services or the University Integrity and Compliance Officer.

Board of Visitors Executive Summary
May 11, 2018

PRESENTATION TITLE: Data Governance Update	
Presenter Name and Title: Kathleen Shaw, Vice Provost for Planning and Decision Support Alex Henson, Chief Information Officer	
Responsible University Division: Technology Services **BOV Committee:** Audit, Integrity, and Compliance Committee	
Quest Theme(s) and Goal(s) to be Addressed: Stewardship of Resources	

Key Presentation Messages	1. DIMC Phase III Progress Report
	    a. DIMC 2017-2018 Work Plan Status
	        i. Standards and Policies
	        ii. Issue Resolution
	        iii. Communications
	        iv. Data Integration & Interoperability

Governance Implications	1. Report progress against DIMC FY18 work plan
Governance Discussion Questions	
Next Steps for Management (Responsible Division Head; Timeframe for Action)	
Next Steps for Governance (Responsible Board Member; Timeframe for Action)	

Data & Information Management Update

Board of Visitors – Audit, Integrity and Compliance Committee
May 11, 2018

DIMC Work Plan for 2017-2018: Status

Policy & Standards

- VCU data governance policy to Cabinet for final review and approval
- Master data dictionary – Phase I:
    - >200 common word or acronym definitions drafted for review and approval
    - Review and comment period: May-July
    - Approval by DIMC mid-August
- Annual attestation for data users under development

Issue Resolution

- Four task groups working
    - Instructor of record
    - Room assignment for course scheduling
    - Faculty credentials
    - HR definitions for data stewardship roles

DIMC Work Plan for 2017-2018: Status (cont'd.)

Communications

- Website redesigned
  - https://opds.vcu.edu/datainfo/
  - Institutional data map
  - FAQs
  - Draft data dictionary
- Training materials status
  - VCU Information Security Awareness Training modified to expand information on data integrity and data management awareness
  - Online videos describing data stewardship roles to be completed summer 2018

Data Integration & Interoperability

- Task group on hold during leadership transition

Item 10 A – Compliance Education

PLACEHOLDER

Audit and Compliance Services
Status of Fiscal Year 2017-2018 Audit Work Plan
<u>April 30, 2018</u>

Audit Area	Status	Anticipated Board Issue Date
<u>Risk Based Audits</u>		
Recreational Sports	Completed	December 2017
Vice President – Health Sciences Office	Completed	December 2017
Innovation Gateway (carry-over from FY17)	Completed	December 2017
School of Medicine – Pediatrics (consolidated with HS Audit)	Completed	December 2017
Technology Incident Response (moved from 2017)	Completed	March 2018
College of Humanities and Sciences Administrative Review (including IT)	Completed	March 2018
Graduate Admissions	Completed	March 2018
IACUC (Animal Resources)	Completed	March 2018
School of Dentistry Technology (moved from 2017)	In Progress	~~May 2018~~ September 2018
Controller's Office	In Progress	~~May 2018~~ September 2018
School of Medicine – Research Administration	In Progress	~~May 2018~~ September 2018
Facilities Management – Construction	In Progress	September 2018
HR – New Hire Processes	In Progress	September 2018
Institutional Review Board	In Progress	September 2018
Development and Alumni Relations Technology	In Progress	September 2018
School of Engineering (including IT)	In Progress	September 2018

Audit and Compliance Services
Status of Fiscal Year 2017-2018 Audit Work Plan
<u>April 30, 2018</u>

Annual Audits and Activities		
Review of Selected Accounts, July 1, 2016– June 30, 2017	Completed	December 2017
Risk Assessment	Completed	May 2018
Follow-Ups on Audit Recommendations Outstanding	In Progress	September 2018
Athletics – Year 2 NCAA Compliance Review	In Progress	September 2018

Special Project	Status
<u>Continuing Projects</u>	
State Employees Fraud, Waste, and Abuse Hotline	In Progress – 3; Closed – 2
<u>Other Projects</u>	
Qatar Campus – Financial and Administrative Review	Completed
Facilities Management – Inventory Management	Completed
VCU Police – Review of Evidence Room	Completed
IT Security Special Project – Internet of Things (IoT)	In Progress
Data Analytics / Continuous Monitoring	On going
Fiscal Oversight Analysis	On going
University Centers and Institutes	Moved to FY2019 Work Plan