VIRGINIA COMMONWEALTH
BOARD OF VISITORS
AUDIT, INTEGRITY AND COMPLIANCE COMMITTEE MEETING
MAY 9, 2024
9:00 a.m.
James Branch Cabell Library
901 Park Avenue – Room 303
Richmond, VA

AGENDA

1. **CALL TO ORDER** — **Mr. Peter Farrell,** *Chair*

2. **ACTION ITEMS:**
   10 minutes (9:00 - 9:10)
   a. Approval of Minutes March 21, 2024
   b. Proposed Audit, Integrity and Compliance Committee Charter and Meeting Planner
   c. Proposed Audit, Integrity and Compliance Department Charter
   d. Proposed FY2025 Audit Workplan
   e. Proposed FY2025 University Ethics and Compliance Program Initiatives

   — **Mr. David Litton**, *Interim Executive Director, Audit and Compliance Services*

3. **CLOSED SESSION**
   Freedom of Information Act Section 2.2-3711 (A) (19), (8), (1), (7), specifically:

   a. **University Counsel Litigation Update**
   35 minutes (9:10 – 9:45) — **Mr. Jake Belue,** *Associate University Counsel*

   b. **Audit Reports for Discussion**
   8 minutes (9:45 – 9:53) — **Mr. Blake Bialkowski,** *Deputy Director IT Audit, VCU and VCU Health*
      i. Massey Comprehensive Cancer Center IT Security

4. **RETURN TO OPEN SESSION AND CERTIFICATION** — **Mr. Peter Farrell,** *Chair*
   - Approval of Committee action on matters discussed in closed session, if necessary

FOR INFORMATION:

5. **AUDITOR OF PUBLIC ACCOUNTS (APA) FY2024 AUDIT ENTRANCE CONFERENCE** — **Ms. Melinda Crawford**, *Audit Manager, Auditor of Public Accounts*
   10 minutes (9:53- 10:03)

6. **REPORT FROM INTERIM EXECUTIVE DIRECTOR OF AUDIT AND COMPLIANCE SERVICES** — **Mr. David Litton,** *Interim Executive, Director, Audit and Compliance Services*

   15 minutes (10:03 – 10:18)

   a. Committee Dashboard Measures
   b. Internal Audit Reports
      i. Banner HR Ancillary Systems Transfers
      ii. Campus Card Services
   c. Handout: Audit Work Plan Status FY24
   d. Compliance Activities Update

7. **ENTERPRISE RISK MANAGEMENT UPDATE** — **Mr. Michael Cimis,** *Interim Assistant Vice President, Safety and Risk Management*

   10 minutes (10:18 – 10:28)

8. **ADJOURNMENT** — **Mr. Peter Farrell,** *Chair*

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. Audit and Compliance Services assists the Committee by providing the day to day audit, integrity and compliance operations of the University within the established authority under the governance of the Committee.

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 Chair should meet with the Chief Audit and Compliance 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 (with or without members of senior management present, at the Committee's discretion) with the external auditors and/or the Chief Audit and Compliance 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:

1. Review and evaluate the university's processes for assessing significant risks and exposures.
2. Make inquiries of management concerning the effectiveness of the university's system of internal controls.
3. 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.
4. Advise management that they are expected to provide a timely analysis of significant financial reporting issues and practices.

C. External Auditors/Financial Statements:

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. Advise the external auditors that they are expected to provide a timely analysis of significant financial reporting issues and practices
4. 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.
5. Meet with the external auditors at the completion of the audit and make inquiries concerning the effectiveness of the university's system of internal controls.

Consistent with state law, a portion of the meeting may be conducted in closed Session without members of university management present.

6. 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.

D. Internal Auditors:

1. Review and approve the annual audit and management services work plan and any significant changes to the plan.
2. Require Audit and Compliance Services to perform annual reviews of the President's discretionary accounts and to issue a report thereon to the Committee.
3. Review annually the qualifications of the audit and management services staff and the level of staffing.
4. 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.
5. Review completed audit reports and progress reports on executing the approved work plan and inquire of any other matters that require audit resources.
6. Review annually the status of previously issued internal audit findings.
7. Inquire of the Chief Audit and Compliance 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.
8. Review 360 ~~the performance~~ feedback and discuss the performance of the Chief Audit and Compliance Executive ~~Director~~ in consultation with the President. The AICC Chair should communicate the recommended salary compensation and bonus, if any, to the chair of the Governance and Compensation committee in advance of their September meeting. ~~and approve the Executive Director's annual salary compensation and bonus, if any.~~
9. Review and approve the appointment, replacement, reassignment, or dismissal of the Chief Audit and Compliance 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, code~~s~~ 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 Chief Audit and Compliance 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 program (dashboard)~~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. Consistent with state laws, meet in closed session with only the external auditors, ~~Executive Director~~Chief Audit and Compliance Executive ~~of Audit and Compliance Services,~~ and named individuals.		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 concerning the effectiveness of the university's system of internal controls			X				
3. 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				
4. Advise management that they are expected to provide a timely analysis of significant current financial reporting issues and practices			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
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. Advise the external auditors that they are expected to provide a timely analysis of significant financial reporting issues and practices	X						X
4. 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
5. Meet with the external auditors at the completion of the audit and make inquiries concerning the effectiveness of the university's system of internal controls.	X				X		
6. 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		
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. 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		
3. Review the qualifications of the audit and management services staff, the adequacy of the staffing level	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
4. 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		
5. 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
6. Review annually the status of previously issued internal audit findings	X			X			
7. Inquire of the ~~Executive Director~~Chief Audit and Compliance Executive 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
8. Review 360 feedback and discuss the performance of the ~~Executive Director~~Chief Audit and Compliance Executive -in consultation with the President. The AICC Chair should communicate the recommended salary compensation and bonus, if any, to the chair of the Governance and Compensation committee in advance of their September meeting~~and approve the Executive Directorannual salary compensation and bonus, if any~~.	X			X			X
9. Review and approve the appointment, replacement, reassignment, or dismissal of the ~~Executive Director~~Chief Audit and Compliance Executive 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	

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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 including process and plans in place to assess conflict of interest management (inclusive of institutional and individual conflicts)		X		X	X	X	X
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~~Chief Audit and Compliance Executive 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				X		

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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~~ of program (dashboard.)		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

VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS

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5. Review completed audit reports and progress reports on executing the approved work plan and inquire of any other matters that require audit resources.
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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).
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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 program (dashboard)~~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.

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

Institutional Research and Support has completed the initial review of a potential comprehensive data warehouse solution. The Associate Vice Provost for IRDS is updating the current data governance policy. IRDS will outline a departmental Strategic Plan by the end of May. Full data governance revival will begin after that process is completed.

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

VCU has not directly experienced any cybersecurity incident in the past quarter that led to any significant impact. We continue to actively monitor threats and vulnerabilities and assess the IT environment to minimize risk. VCU has completed the modernization of its Multi-factor authentication system by enabling phishing resistant features. We are collaborating with our MFA service provider to continually address weaknesses. VCU has completed the roll-out of its core Zero-Trust architecture using the Secure Access Service Edge (SASE) technology. As a second phase, VCU has begun the rollout of an Endpoint Detection and Response (EDR) platform to all managed workstations and laptops in the university. The Secured Research environment is still in the piloting phase, awaiting migration to the new VCU data center before it is opened to the broader population.
VCU has successfully reviewed and addressed the additional gaps between its practices and the new Gramm-Leach-Bliley Act (GLBA) safeguards rule. A penetration test was

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.

VCU recognizes that a certain level of risk-taking is inherent to achieving strategic objectives. VCU's Enterprise Risk Management Committee evaluates risks and risk mitigation strategies, targeting risks that are determined to be outside of VCU's comfort or "risk tolerance." Currently, 19 strategic risks are being tracked, the majority of which are considered to be within risk tolerance. Last year, nine risks were considered to be out-of-tolerance; two were moved back into tolerance due to work done to mitigate risk (undue foreign influence and IT reliability and security). Significant progress has also been made on the remaining seven out-of-tolerance risks, particularly in Institutional Compliance and Ethics, Emergency Preparedness and Safety and Risk Management.
Of the 19 risks being tracked, the 12 risks considered to be in tolerance are in the areas of research funding, transportation, staff recruitment and retention, strategic plan management, development and alumni support, data analytics/IT functionality/shadow systems, academic funding, student affairs, enrollment management, global programs/international issues, improper activities and relationships due to foreign influence, and IT system availability and security. Out-of-tolerance risks are in the areas of Facilities and Space, Police, Safety and Risk Management, Emergency Preparedness, Clinical Research Administration, Civil Rights and Institutional Compliance, and Ethics.

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

The audit plan is progressing and should substantially near completion at F Y end. Investigations have been increasing but currently we are managing this work effectively.

INSTITUTIONAL COMPLIANCE PROGRAM

Compliance requirements compared to known material violations

Compliance Program Oversight & Effectiveness

No known material noncompliance; or ownership and accountability for compliance risks are established and operating at explicitly or implicitly approved levels of risk tolerance or appetite

Challenges encountered that have an impact on visibility, verficiation, strategy implementation or resolution

Significant challenges to institutional compliance strategy or resolution encountered

Notes: Reason for change to yellow in compliance requirements compared to known material violations will be discussed in closed session.

VIRGINIA COMMONWEALTH UNIVERSITY

Banner HR Ancillary Systems Transfers

Final Report
April 12, 2024

Audit and Compliance Services

Overview

The system of record for the university is Banner, which includes modules for Human Resources (HR), Finance, and Students. There are several ancillary systems utilized across the university which feed data into Banner. The focus of this audit was on Human Resources systems and data going into the Banner HR module. We selected four data feeds for review:

- AiM - Is the timekeeping and leave management system used by Facilities Management, which also allows staff to link hours with specific work orders for billing purposes.
- RealTime - Is the timekeeping and leave management system utilized by all other university employees to record hours worked and/or leave taken.
- DocuSign - Is a daily feed of fields from paperwork completed by new hires and loaded into Banner.
- Cardinal - Is a data feed that occurs each pay period and includes the health benefit plan chosen by an employee, as well as their elections for a flexible spending account for healthcare and dependent care flexible spending account.

The data transfers for RealTime and AiM are similar and both require staff to run the process. A member of the VCU payroll staff ensures that RealTime data is complete and then produces a report out of that system which is saved and then loaded onto a secure file transfer server, then later uploaded to Banner. The process is similar for uploading AiM data to Banner.

The data feed for DocuSign is an automated process that runs and transfers specific fields from new hire paperwork completed via DocuSign and updates the same fields in Banner HR. There are also error routines that hold certain transactions for team member review. The Cardinal process is similar in that it is automated to run on a schedule, produces an error report and is ultimately uploaded into Banner.

Purpose

The objective of the audit was to determine whether data transfer policies and procedures for select Banner HR ancillary systems were adequate.

Scope and Audit Procedures

Our scope of Banner HR Ancillary Systems Transfers encompassed data collected for the period of July 1, 2023 – October 16, 2023, data transfers between HR ancillary systems and Banner HR, appropriate user access, and adequate disaster recovery plans.
Audit procedures included:

- Performing walk throughs of the data transfer processes for RealTime, AiM, DocuSign and Cardinal
- Interviewing key personnel in HR, Payroll and Facilities Management

- Reviewing documentation used to build the data processes
- Evaluating:
    - disaster recovery plans
    - departmental policies and procedures regarding selected data transfers
    - user access for each system under review as well as applicable shared drives and the FileZilla folders used for the Secure File Transfer Protocol (SFTP)
- Analyzing a sample from each of the systems to compare to Banner HR data

Conclusion

In our opinion, based on the results of our audit, the data transfers policies and procedures for select Banner HR ancillary systems were adequate.

Prior to releasing this report in final form, the draft report was reviewed by the following officials:

Konjit Chitty	Director of Human Resources Information Systems
Alison Miller	Interim Assistant Vice President for Human Resources
Veronica King	Executive Director for Payroll & Tax Services
Patricia Perkins	Associate Vice President for Finance
Richard Sliwoski	Associate Vice President of Facilities Management
Meredith Weiss	Interim Vice President for Finance and CFO, and Vice President for Administration

Our audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.

Interim Executive Director
Audit and Compliance Services

VIRGINIA COMMONWEALTH UNIVERSITY

Campus Card Services

Final Report
April 19, 2024

Audit and Compliance Services

Overview

Campus Card Services (Card Services) administers the campus card program used to verify the status and credentials of academic students, VCU employees, VCUHS team members, and affiliates. Card Services manages and supports the Monroe Park and MCV card offices, building access, meal plans, and RamBucks. RamBucks is a declining debit account used to make purchases on and off campus such as meals or other items from several VCU vendors. Card Services issues cards, maintains card stock, issues authorized RamBucks refunds and dispenses replacement cards for lost, damaged or stolen identification cards.

Responsibilities

Cardholders are responsible for proper card usage, reporting card loss, returning cards upon separation from the university, knowledge of policies and terms and conditions, and funding of RamBucks accounts. Three different units, including VCU Human Resources, VCU Records and Registration, and VCUHS Human Resources, provide patron data and assign roles and status information for patrons the VCU Identity Management System (IAM). Card Services assigns cardholder identification numbers prior to printing and distributing identification cards. Identification cards will be deactivated based on the imports from Identity Access Management (IAM). Cardholders are responsible for replacement fees for lost or stolen cards. Replacement cards for VCUHS employee position changes are billed to sponsoring departments.

Policies

Both university and health system policies govern the establishment, usage, and deactivation of campus cards. Campus Card Terms and Conditions define the agreement between cardholders and the university concerning procedures, card activation, usage, replacement, RamBucks accounts. They establish use and ownership accountability and penalties for improper use. They also include instructions for procedures in case of separation from the university and outline building access request protocols. Terms and Conditions also state replacement fees for all VCU and VCUHS cards are $25-$30, payable at the time of issuance in person at the VCU Card Offices.

Cardholder Data

As of the date of this audit, unaudited data from the Card Services system of records showed 66,665 active student and employee cardholders for the university and health system. In addition, there were 6,843 active affiliate cardholders, and 2,414 active contractor cardholders. For fiscal year 2023, Card Services sold 5,155 cards and replaced 2,074 cards, earning $203K in card revenue.

Purpose

The objective of the audit of was to determine whether Campus Card Services administered the card life cycle securely and in compliance with Campus Card Services policies.

Scope and Audit Procedures

Our scope of Campus Card Services encompassed fiscal year 2023 through January of fiscal year 2024. It examined processes of activating and deactivating student, employee and affiliated identification cards, and collection of fees for replacement cards.

Our audit procedures included:

- Interviewing key management personnel
- Process mapping and demonstration
- Reviewing documented policies and procedures
- Analyzing cardholder data, including replacement card revenues
- Testing dormant account information
- Verifying fraudulent activity procedures

Conclusion

In our opinion, based on the results of our audit, Campus Card Services administered the card life cycle securely and in compliance with Campus Card Services policies.

A detailed recommendation to develop and enforce policies for payment of fees for replacement cards was included in a separate report furnished to management.

Prior to releasing this report in final form, the draft report was reviewed by, and management's action plans were provided or approved by, the following officials:

Patricia Murdock	Assistant Director, Technology Support Services Manager, Campus Card Services
Sam Kennedy	Director, Technology Support Services
Alex Henson	Chief Information Officer, VCU Technology Services
Meredith Weiss	Interim Vice President for Finance and CFO, Vice President for Administration

Our audit was conducted in conformity with the *International Standards for the Professional Practice of Internal Auditing* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.

Interim Executive Director
Audit and Compliance Services

Audit and Management Services
Status of Fiscal Year 2023-2024 Audit Work Plan
April 19, 2024

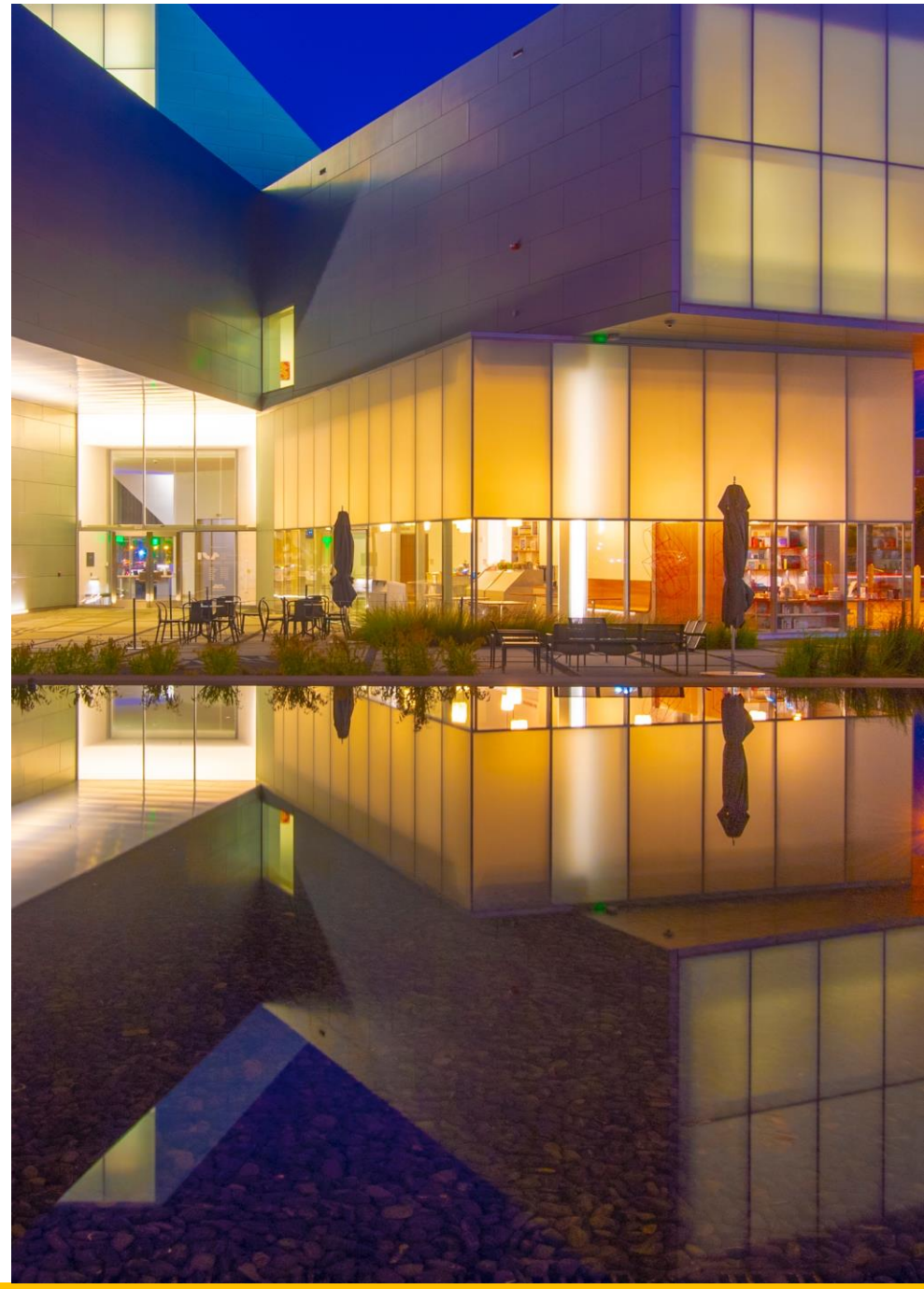
Area	Status
Current Year Risk-based Audits and Assessments	
Financial & Operational Audits:	
President's Office ICCR	Completed
SCHEV Reporting	Completed
Service Contract Management	Completed
Banner HR Ancillary Systems Transfers	Completed
Campus Card Services	Completed
Telecommunications	In Progress
College of Health Professions ICCR	In Progress
Qatar Campus ICCR	In Progress
Human Resources – Compensation & Classification	In Progress
Facilities Management – Deferred Maintenance	Not Started
IT Audits:	
Sunapsis (Visa Management) IT Control Review	Completed
Massey Cancer Center IT Review	Competed
Canvas IT Security Review	In Progress
Pyramed (Student Health) IT Control Review	In Progress
Centers and Institutes Technical Review	Not Started
Annual Engagements and Activities	
VCU Police Department – Unannounced Property Inspection – FY24 Part 1	Completed
President's FY 23 Discretionary Fund and Travel Activity Review	Completed
Audit Risk Assessment for FY 2025-2027 Three Year Plan	Completed
Annual Review of Audit Recommendations Outstanding – FY24	In Progress
VCU Police Department – Unannounced Property Inspection – FY24 Part 2	Not Started

Audit and Management Services
Status of Fiscal Year 2023-2024 Audit Work Plan
April 19, 2024

Special Project	Status
Continuing Projects	
State Employees Fraud, Waste, and Abuse Hotline	In Progress – 0 Closed – 3
Special Projects	In Progress – 2; Closed – 5
Other Projects	
Facilities Management and Accounts Payable Project	Completed

VCU Board of Visitors

Audit, Integrity and Compliance Committee
May 9, 2024



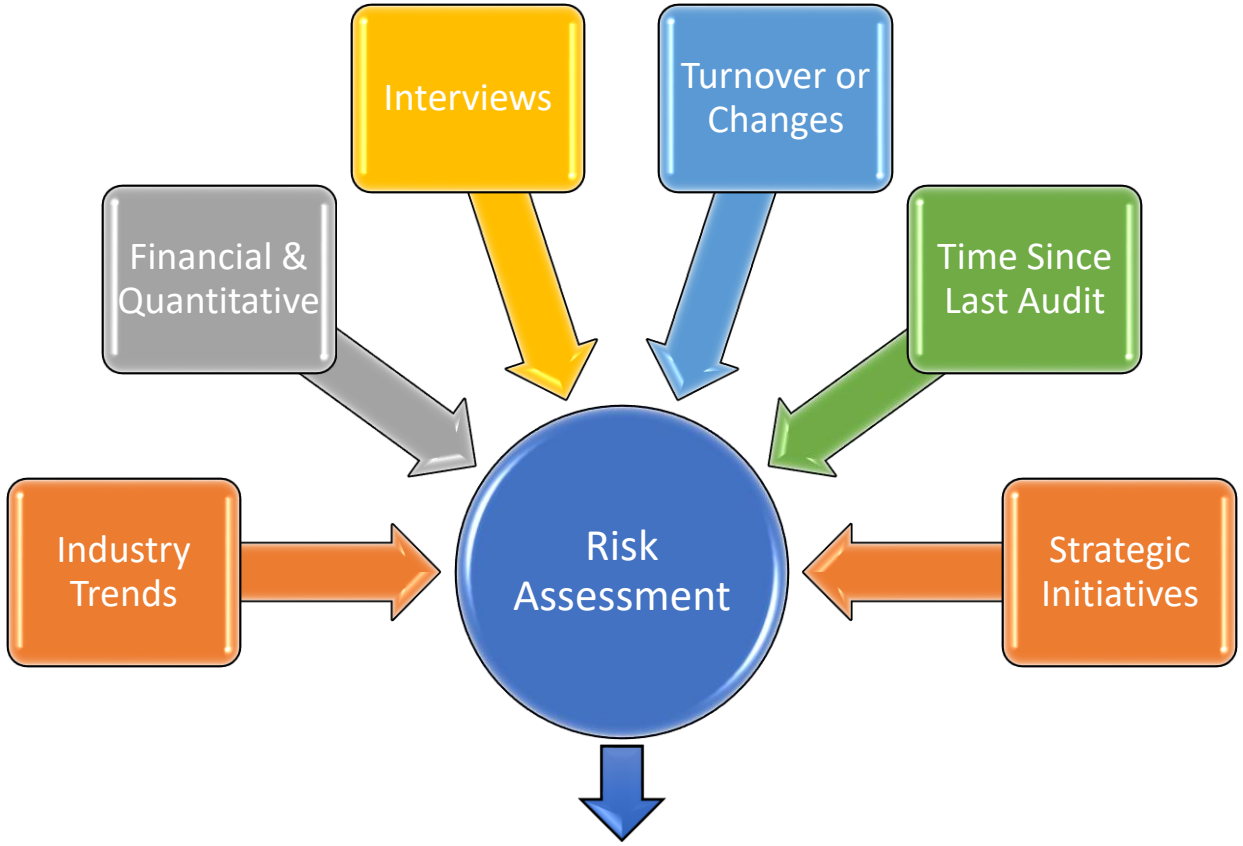
VCU

For Action: Approval of Minutes

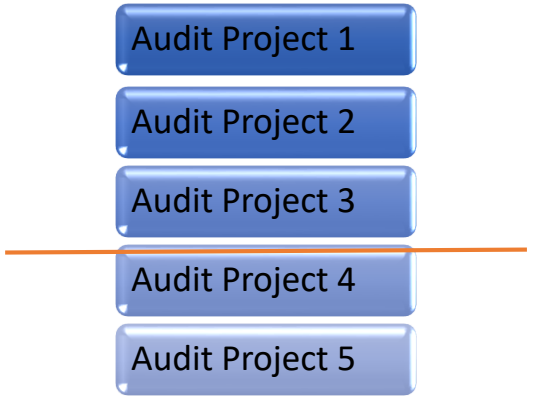
- Audit, Integrity and Compliance Committee Meeting held on March 21, 2024

For Action:

- Audit, Integrity and Compliance Committee Charter and Meeting Planner
- Audit, Integrity and Compliance Department Charter
- Proposed FY2025 Internal Audit Workplan
- Proposed FY2025 Ethics and Compliance Program Initiatives
- Motion to approve the Minutes, Charters and Meeting Planner and Proposed FY2025 Ethics and Compliance Program Initiatives



Risk-Based Ranking



Risk Assessment Process

- FY25 - FY27 Audit work plan
- Work plan reviewed and revised annually to reflect newly identified risks
- Includes consultation with ethics and compliance
- Board approves audit plan each May for next fiscal year

Proposed Three Year Audit Work Plan

FY25	FY26	FY27
Banner Student Ancillary Systems Integrity	School of Medicine (Liver Institute)	School of Dentistry
Enrollment Projection Management	Development and Alumni Relations	Massey Cancer Center
VP Research – Human Subject Research	Facilities Management - Renovations	Athletics
Treasury Services	Safety and Risk Management	College of Engineering
Student Affairs (area TBD)	Procurement - Travel	Online Learning Integrity
Business Services	Payroll	Human Resources
Data Verification – US News Reporting	College of Humanities and Sciences	Facilities Operations
Real Estate Services – ICCR*	Equity and Access Services	Controller's Office
School of Education – ICCR	Public Safety and Security - ICCR	Technology Services - ICCR
daVinci Center - ICCR	School of Population Health - ICCR	VP for Health Sciences - ICCR
Institute of Contemporary Art - ICCR	Honors College - ICCR	VP Enterprise Mktg and Comm - ICCR
Prior Year Carryover:		
Facilities Management – Deferred Maintenance	*ICCR=Internal Control Compliance Review	
Human Resources – Compensation & Classification		

VCU

Proposed Three Year Audit Work Plan

FY25	FY26	FY27
IT Audits:	**IT Audits:**	**IT Audits:**
Vulnerability Management Review	Research Applications and Data Storage	Account Provisioning & Deprovisioning
Police Department IT Security Review	Horizon VDI	Business Continuity & Disaster Recovery Planning
Decentralized Application Review	Artificial Intelligence Governance Review	Development and Alumni Relations IT Review
Modo Campus – IT Control Review	Jamf Pro – IT Control Review	Tableau – IT Control Review
Academic Advising Tools – IT Control Review	Faculty Information System (SoM) – IT Control Review	Slate CRM – IT Control Review

FY 2025 Ethics and Compliance Work Plan Highlights

Program Structure

Leverage Compliance Steering Committee to:

+complete & continually update documentation of university ethics & compliance programs

+continue to drive improvement and prevention impact of compliance training & communication, monitoring/auditing & risk assessment

+develop ethics and compliance dashboard/ scorecard of key metrics

Culture

- Launch integrity survey hosted externally
- Consult with units leaders on methods to improve scores
- Continue to work with HR to ensure accountability for integrity is included in performance evaluation

Policies

- Continue policy update drive
- Deliver new Code of Conduct and revised relevant policies by end of FY 2025
- Continue to improve & leverage Conflicts of Interest electronic disclosure system

FY 2025 Ethics and Compliance Work Plan Highlights

Investigations/Accountability

- Continue to deliver investigative training with guidelines, best practices
- Develop practical tool for root cause analysis of substantiated matters
- Continue tracking tool to prevent retaliation, leverage data collected to enhance prevention

Training and Communications

- Deliver revamped and streamlined Audit and Compliance Services website April 2024
- Continue to deliver engaging, effective training & awareness tools including microlearning, video scenarios & email blast to targets
- Continue support for compliance partners in delivering key or emerging compliance messages

Risk Assessment

- Ensure compliance partners document, mitigate and escalate ethics and compliance risks; provide summary ethics and compliance risk assessment for VCU
- Leverage EC dashboard/scorecard to inform emerging risks, mitigation
- Mitigate Clery compliance risks and ensure best practice program going forward

VCU

Auditor of Public Accounts

VCU FY2024 Audit Entrance Conference

Melinda Crawford, Audit Manager

- Timing, objectives, scope
- Responsibilities during the audit process
- Other elements of the audit process

Dashboard Measures

- Data Governance Program
- Data Security
- ERM Mitigation Plans
- Planned Audits
- Planned Special Projects
- Ethics and Compliance Program Oversight

Banner HR Ancillary Systems Transfers

Conclusion: Data transfer policies and procedures for select Banner HR Ancillary systems were adequate

No Findings

Audit Scope:

- Data collected during the period of July 1, 2023 – October 16, 2023
- Data integrity between select HR ancillary systems and Banner HR module
- Appropriate user access and adequate disaster recovery plans

Campus Card Services

Conclusion: Campus Card Services administered the card life cycle securely and in compliance with Campus Card Services policies.

No Board Level Findings

Audit Scope:

- Transactions between fiscal year 2023 through January of fiscal year 2024
- Process of activating and deactivating student, employee and affiliated identification cards
- Collection of fees for replacement cards

Culture: Integrity Survey Launched April 9, 2024

- Hosted externally by Ethics and Compliance Initiative (ECI) to ensure maximum comfort and confidentiality for responders
- 15 questions, all but two benchmarked to larger U.S. data set and/or smaller data set of other colleges and universities, designed to get at key perceptions of culture and integrity
- ICO will report this data to business units and departments, and actively partner with them to understand their results and make progress in sustaining a culture of integrity and openness.
- Participation rate = will be shared at Committee meeting

Training Update

- Ethics and Compliance training launched as part of the university-wide required spring training release (14-minute video scenario and reflective exercise).
    - Seven follow-up videos launching featuring characters to continue to drive learning
- Launched the new Audit & Compliance Services website, making it easier for employees and managers to find what they need for audit and compliance training and materials.
- Psychological Safety workshop still in demand
- Working on several eLearning modules for the fall training release, including topics driven by current trends/areas of potential risk

Enterprise Risk Management

Mike Cimis
Interim Assistant Vice President
VCU Safety and Risk Management

VCU ENTERPRISE RISK MANAGEMENT EVOLUTION

Operational governance

2024: Connect ERM to VCU's goals and decision-making

Risk survey

2022: Stakeholders surveyed to identify risks out of tolerance based on risk appetite

Risk appetite

2021: Risk appetite and survey methodology developed

Risk controls

2019: Risk controls added to departmental audits; risk mitigation plans are reviewed

Risk consolidation

2018: Workshops conducted to consolidate 122 risks to 19

Enterprise Risk Management charter

2016: VCU's ERM charter and process approved by the President's Cabinet

Risk identification

2013: VCU identified 122 risks through KPMG (consultant)

RISK OVERVIEW

Progress since last year

- Risk identification
- Implementation of mitigation plans
- Risk reduction
- Continuous ERM process improvement

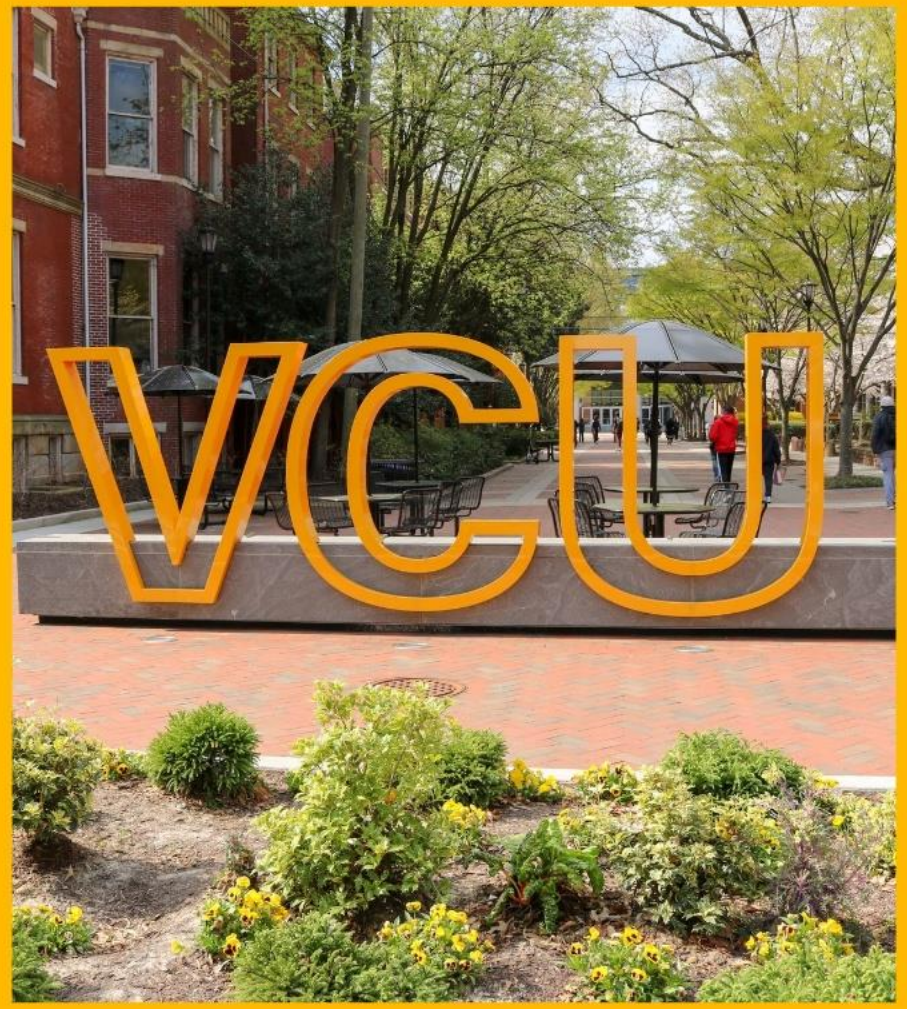
Current areas of focus

- Civil rights compliance
- Institutional compliance and ethics expertise/structure
- Police (health, safety and security)
- Clinical research administration processes
- Emergency preparedness
- Facilities and space
- Safety and risk management

ERM ALIGNMENT WITH QUEST 2028

Contributing to strategic decision making and capturing emerging risks

1. Enable VCU to achieve its strategic goals
2. Inform strategic decision making
3. Support communication and collaboration with cabinet, board, risk owners and impacted operational owners



QUESTIONS OR FEEDBACK?